COALITION FOR AMERICAN
Electronics**Recycling**

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CAPITOL HILL BRIEFING HIGHLIGHTS LINK BETWEEN
E-WASTE EXPORTS AND THREATS TO SECURITY, PUBLIC SAFETY

*U.S. E-Waste Provides Raw Materials For Counterfeit Electronic Parts From China That
Undermine Reliability of Military Hardware, Critical Infrastructure and Consumer Products*

Washington, DC – A Congressional briefing hosted by Rep. Ted Poe (R-TX) today highlighted the
need for trade policies addressing export of electronic waste (e-waste) that provides feedstock for
electronic component counterfeiters based primarily in China.

"Counterfeit microchips and other components are pervasive in military and civilian supply chains and
are undermining the performance of technologies we rely upon every day to keep Americans safe," said
Tom Sharpe, Vice President at SMT Corporation, an electronics distributor to the defense and
aerospace industries. "These counterfeiters, use e-waste exported from our own shores as a primary
source of cheap raw materials."

A Senate Armed Services Committee study found 1,800 cases of counterfeit parts in military
technology, including helicopters, cargo planes, submarines, thermal weapons site, and missile control
systems, Sharpe noted. The study traced most counterfeits to a city in southern China. Reflecting a
threat to public safety, counterfeits have been found in intravenous drip machines, automated external
defibrillators used to save heart attack victims, airport runway lighting systems, and braking systems for
high-speed trains, according to the Semiconductor Industry Association.

The practices of counterfeiters are a stark contrast to the clean-room conditions required to make
reliable electronic components, Sharpe noted. "These parts are going to fail with potentially disastrous
consequences," he said. "Because counterfeits are so difficult to detect, we need action that reduces
the volume of fake components flooding our supply chains."

The Coalition for American Electronics Recycling (CAER) is proposing legislation to stop exports of
untested, nonworking e-waste that provide an abundant supply of feedstock for counterfeiters. The
Secure E-Waste Export and Recycling Act (SEERA), now in draft form, would include e-waste under
the Export Administration Act of 1979 (EAA) that regulates exports for national security and foreign
policy reasons.

 "CAER includes more than 130 companies operating in the U.S. that are committed to secure,
responsible e-waste recycling," said Paul Healey, manager of recycling at Glencore and a member of
the CAER steering committee. "Unfortunately, a significant portion of U.S. e-waste ends up with sham
recyclers and exporters willing to ship used electronics overseas where it is used by counterfeiters."

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SEERA will enhance traceability of electronic products to discourage counterfeiting, Healey noted. Customs and Border Protection would be authorized to inspect shipments of electronic products intended for export and to stop the shipment and hold the shipper accountable.

The House Foreign Affairs Committee has oversight of the EAA. Rep. Poe hosted the briefing as Chairman of the Foreign Affairs Subcommittee on Terrorism, Nonproliferation and Trade.

"By keeping these materials in the United States, we will keep them out the hands of counterfeiters and data thieves," Healey said. "Under SEERA, export of tested, working equipment will continue and is expected to grow, creating up to 42,000 good-paying jobs for Americans."

About the [Coalition for American Electronics Recycling](#)
The Coalition for American Electronics Recycling is the voice of the emerging e-waste recycling industry on Capitol Hill. Our industry will play an integral role in the fight against counterfeits by providing secure, domestic e-recycling services for government and businesses. CAER includes more than 130 companies and supporting members operating more than 300 facilities in 35 states and Puerto Rico and the District of Columbia.

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