

FOR IMMEDIATE RELEASE February 8, 2017

CONTACT: Paul Vetter (614) 406-4968

Secure E-Waste Export and Recycling Act (SEERA) Introduced With Bipartisan Support

E-Recycling Industry Supports Export Limits to Protect National Security, Public Safety

Washington, DC – Rep. Paul Cook (R-CA) and Rep. Gene Green (D-TX) today introduced the Secure E-Waste Export and Recycling Act (SEERA, HR 917), a key step in countering threats to national security and public safety caused by counterfeit electronic components. The legislation, introduced with strong support from the <u>Coalition for American Electronics Recycling</u> (CAER), will restrict exports of untested, non-working electronic scrap that provides essential feedstock for counterfeiters.

"China regularly counterfeits electronics and puts these dangerous products, including critical military equipment, back into the market," Cook said. "These electronic components threaten the reliability and safety of a wide range of technology. SEERA will ensure we're not exporting electronic scrap materials that come back to us as counterfeit parts and undermine the reliability of technology essential to our national security."

"Electronic waste is the fastest growing segment of our domestic waste stream," said Rep. Green. "This problem will continue to grow unless Congress acts to ensure that e-waste is recycled responsibly in the United States and out of the hands of overseas counterfeiters. The Secure E-waste Export and Recycling Act (SEERA) will help ensure our servicemen and women have reliable systems to protect us while creating thousands of jobs in Texas and around the country. I have worked on e-waste for a decade and look forward to Congress holding hearings on this bipartisan legislation and seeing it come before the House for a vote."

Rep. Cook was recently named Vice Chairman of the House Foreign Affairs Committee, which enhances his influence on the committee that oversees trade issues addressed by SEERA. In addition, key Foreign Affairs members have toured CAER member companies to learn about the issue, including Chairman Ed Royce (R-CA), Rep. Dane Rohrabacher (R-CA) and Rep. Ted Poe (R-TX). To build awareness of the issue, Rep. Poe last year hosted a Congressional staff briefing that included presentations by experts in counterfeit electronics and electronics recycling.

Countering a Growing Threat

SEERA addresses an issue first identified in a <u>Senate Armed Services Committee study</u> that found 1,800 cases of counterfeit parts in military technology, including helicopters, cargo planes, submarines, thermal weapons sights, and missile control systems. The report states "much of the material used to make counterfeit electronic parts is electronic waste, or e-waste, shipped from the United States and the rest of the world to China."

To produce fake chips, counterfeiters start by pulling used parts from discarded technology. The practices of counterfeiters are a stark contrast to the clean-room conditions required to make reliable electronic components. As a result, counterfeits are prone to failure and threaten the reliability of technologies ranging from defense and healthcare to transportation and other critical infrastructure – essentially anything powered by a microchip. The finished products look factory fresh and are nearly impossible to detect. Experts say the problem has continued to grow as counterfeiters become increasingly sophisticated.

To respond to this threat, SEERA would choke off the flow of untested, non-working e-waste exports used by counterfeiters. SEERA would add this type of e-waste to a list of materials restricted from export under the Export Administration Act of 1979 due national security concerns. The legislation includes exemptions for materials considered low risk because they are unlikely to be used by counterfeiters, including:

- Tested, working used electronics
- E-scrap that has been shredded or demanufactured, which may be exported for use as feedstock for smelters and other recycling processes
- Recalled electronics, which may be exported for repairs

For more details, read a summary of the bill on the CAER website.

CAER Continues To Grow

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. Reflecting growing support for SEERA, CAER continued to grow in 2016 and today includes more than 140 companies and supporting members operating more than 300 facilities in 37 states as well as Puerto Rico and the District of Columbia.