

Frequently Asked Questions About the Secure E-waste Export and Recycling Act (SEERA)

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Why is SEERA needed?

According to a study by the <u>U.S. Armed Services Committee</u>, counterfeits made with e-waste exported from the U.S. threaten the reliability of military technology as well as cars, airplanes, nuclear reactors, sensitive medical equipment and more. <u>As industry experts have noted</u>, e-waste export policy is key to stopping counterfeit electronic parts coming primarily from China. Unregulated e-waste exports also create serious data security issues and devastate the environment in receiving countries. SEERA will create a more transparent export system that will make it hard for unethical exporters to hide shipments that fuel counterfeiting and data theft.

Does SEERA ban e-waste exports?

No. SEERA only limits exports of untested, non-working used electronics used by counterfeiters. SEERA includes exemptions that allow export of:

- Tested, working, used electronics exported with the intent for reuse and packaged to preserve their function;
- Low-risk counterfeit electronics that have been destroyed (shredded, demanufactured, etc.) and that are exported as a direct feedstock to a recycling facility (smelter, plastics regrind operation, etc.); or
- Recalled electronics sold in the U.S. that are exported by the manufacturer of the product to fix the defect.

Export of these materials is allowed because electronics counterfeiters cannot generate fake parts from shredded electronics and there is minimal economic incentive to harvest parts for counterfeiting from working equipment because it is too valuable. The bill allows for exports of e-waste for processing into commodity materials so long as the material has been dismantled in the U.S. to remove data security risks.

The bill also exempts electronics sold for personal use, new equipment sold for use in commerce and electronics exported by a U.S. entity to a foreign location under the same ownership. These exemptions were created after discussions with stakeholders.

Does SEERA create new bureaucracy?

No. SEERA works within existing export rules. The bill adds e-waste to Export Control Reform Act of 2018 regulations to limit national security risks related to counterfeiting. The law already contains provisions to enforce violations, which include criminal and civil penalties including fines and prison. Customs and Border Patrol will have the power to stop shipments and hold the shipper accountable.

Will passage of SEERA create a burden for U.S.-based companies?

SEERA is supported by more than 130 recyclers that are members of the <u>Coalition for American Electronics Recycling</u> (CAER), the voice of the e-waste recycling industry on Capitol Hill. Our diverse membership of small, medium and large recyclers does not see SEERA as creating significant regulatory burdens. The bill has been debated within the industry, which has helped us evolve the bill into its current streamlined, targeted form. In addition, CAER members have met with hundreds of legislative offices and incorporated learnings from these meetings.

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What will recyclers need to do to export exempt materials?

It's a well-established, straightforward process. Exporters will need to:

Register with the Secretary of Commerce and be listed on public registry: This allows
watchdogs to track the export of materials potentially used in counterfeiting and makes it
harder for unethical recyclers to hide these transactions.

- File a report in the Automated Export System when initiating a shipment overseas: The
 exporter must outline the type and quantity of material; where the material is going; and
 a declaration that the recipient has the necessary permits, resources and competence to
 process the material while keeping it out the hands of counterfeiters.
- Include documentation with the shipment: This will include proof of registration with Secretary of Commerce and a declaration that materials meet SEERA requirements.

Today, too many unethical e-waste exporters do not abide by voluntary industry standards. SEERA's requirements will close loopholes, ensure accountability and allow enforcement.

What resources are available to help e-waste recyclers with this process?

Companies such as Thomson Reuters and AES Filing can help recyclers prepare. It's important to keep in mind that these processes will be familiar for many companies that want to export. For instance, U.S. recyclers certified to R2 and e-Stewards standards already provide information on the test results of products. It will be nothing new for them.

Will recyclers have time to get ready for the new rules?

Yes. The new reporting rules will be implemented one year after passage of SEERA, which will give recyclers time to make the necessary changes.

Beyond combating counterfeits, what are the benefits of SEERA?

Additional benefits of SEERA include:

- Job Creation: Responsible domestic recycling will create over 42,000 new jobs and nearly a billion dollars in annual payroll, based on a study conducted by DSM Environmental Services.
- Business Growth: Sensible export reforms will enable American electronics recyclers to attract investment, expand capacity and create jobs.
- High-Value Exports: Trade in tested, working electronics and commodity-grade material will remain unrestricted and is expected to grow. Only exports of untested, non-working equipment need to be restricted to address counterfeit electronics.
- Data Security: Responsible recycling will close security gaps that have led to data breaches, identity theft, and cybercrime as data thieves harvest sensitive information from e-waste.

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 37 states and Puerto Rico and the District of Columbia

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