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Electronics Recycling Leaders Praise Introduction of Secure E-Waste Export and Recycling Act (SEERA)

*Legislation Will Control E-Waste Exports to Combat Electronics Counterfeiting in China that
Undermines National Security, Public Safety*

Washington, DC –The [Coalition for American Electronics Recycling](#) (CAER), the voice of the emerging e-waste recycling industry on Capitol Hill, today praised Rep. Paul Cook (R-CA) and Rep. Gene Green (D-TX) for introducing the Secure E-waste Export and Recycling Act (SEERA, HR 5579). The legislation will restrict exports of untested, non-working electronic scrap used as raw materials by counterfeiters based primarily in China.

“Counterfeit electronic components are pervasive in military and civilian supply chains and threaten the reliability of a wide range of technology,” said Rep. Cook. “SEERA will ensure we are not exporting electronic scrap materials that come back to us as counterfeit parts and undermine the reliability of technology essential to our national security.”

“E-waste is the fast growing segment of our domestic waste stream. This problem will continue to grow unless Congress acts to ensure that electronic waste is recycled responsibly in the United States and out of the hands of counterfeiters overseas,” said Rep. Green. “I have worked for nearly a decade to ensure that e-waste does not become source of counterfeit goods that may reenter military and civilian electronics in the US. I look forward to Congress holding hearings on this bipartisan legislation and seeing it come before the full House for a vote.”

Rep. Cook is a member of the House Foreign Affairs Subcommittee on Terrorism, Nonproliferation and Trade, which has oversight of exports in consideration of potential national security threats. To build awareness of the issue, Rep. Ted Poe (R-TX), Subcommittee Chair, hosted a May 25 Congressional staff briefing that included presentations by experts in combating counterfeit electronics as well as electronics recycling industry.

The Threat of Counterfeit Electronic Components

SEERA addresses an issue first identified in a [Senate Armed Services Committee study](#) that found 1,800 cases of counterfeit parts in military technology, including helicopters, cargo planes, submarines, thermal weapons site, 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.”

Defense experts have also raised concerns that malware can be placed on counterfeits to help hackers and cyber-terrorists launch attacks. 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. E-waste exports have also been linked to data security breaches and cyber crime.

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“Counterfeit parts can be extremely difficult to detect once they enter the supply chain,” said Tom Sharpe, Vice President of SMT Corporation, an electronics distributor and test services provider to the defense and aerospace industries. “Despite admirable efforts by defense agencies and industry partners, the counterfeiters have enhanced their sophistication and the problem has continued to grow.”

“Today we are actually helping the counterfeiters by providing a cheap, plentiful supply of raw materials,” said Sharpe. “Restricting U.S. e-waste exports through SEERA would play a vital role in greatly diminishing chip-on-board component feedstocks and create a comprehensive approach to fighting back against counterfeiters.”

The E-Waste – Counterfeiting Connection

“While CAER members are committed to responsible recycling policies, a significant portion of U.S. e-waste ends up with sham recyclers and exporters willing to ship unprocessed and untested used electronics overseas,” said Neil Peters-Michaud, CEO of Cascade Asset Management and CAER Executive Committee Member. “SEERA will help address this issue and promote responsible domestic recycling practices protecting both national security and growing tens of thousands jobs in the United States.”

Counterfeiters produce fake electronic components by pulling used parts from discarded technology, said Sharpe, who has witnessed the Chinese counterfeiting operations. The microchips and other parts are then subjected to harsh re-processing techniques to produce a counterfeit that looks factory fresh – but may not be the same brand or designed for the same use as its markings indicate. The counterfeits are then sold into supply chains as brand new.

The practices of counterfeiters are a stark contrast to the clean-room conditions required to make reliable electronic components, Sharpe noted. 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.

Protecting the National Interests

To end the export-counterfeit connection, SEERA would include e-waste under the Export Administration Act of 1979 (EAA) that regulates exports for national security and foreign policy reasons. Untested, non-working used electronics could not be exported.

The legislation includes several key exemptions for low-risk electronics offering minimal economic incentives for use as feedstock for counterfeiters:

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

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. A [summary of the bill](#) is available on the CAER website.

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.