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(817) 804-3800

Glenn L. Smith President & CEO

September 12, 2011

The Honorable John McCain and the Honorable Carl Levin Committee on Armed Services United States Senate Washington DC, 20510

Dear Senators McCain and Levin,

Regarding your request for information in your investigation of counterfeit electronic parts in the DOD supply chain, I provide the following additional information.

In addition to my role at Mouser Electronics, I am also a Director of the Electronic Components Industry Association (ECIA). ECIA is the organization that represents the manufacturer authorized supply chain for electronic components. ECIA members are over 100 of the leading electronic component manufacturers and their approved partners in the authorized supply chain. (Attachment A)

ECIA establishes guidelines for component purchasing, storage, handling, and traceability to provide supply chain standardization, and to prevent counterfeit and non-conforming parts from entering the supply chain. The ECIA also governs the worldwide EIA standards for the production of many of these electronic components.

The ECIA is a leading authority on counterfeit prevention. The ECIA position is that the most effective method to prevent counterfeit electronic components from entering the supply chain is to obtain those components only from the original component manufacturer (OCM) or from OCM authorized distributors. (Attachment B) The Society of Automotive Engineers International (SAE) has created Aerospace Standard AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition" which also supports this ECIA determination.

The ECIA position is that visual inspection procedures and systems cannot reliably detect counterfeit or non-conforming electronic components and that these counterfeit detection systems are not required when those components are obtained directly from the OCM or OCM approved/authorized sources. The SAE International Aerospace Standard AS5553 supports these ECIA positions.

Mouser is an original component manufacturer authorized distributor. Mouser has incorporated the requirements of SAE Aerospace Standard AS5553 for counterfeit avoidance into our quality system. (Attachment C)

Mouser is also certified by the international certification body TUV-SUD to meet or exceed the SAE Aerospace Standard AS9120 "Quality Management Systems - Aerospace Requirements for Distributors". AS9120 certification requires rigorous purchasing, handling, storage and traceability controls to prevent counterfeit and non-conforming electronic components from entering the supply chain. (Attachment D)

In the consumer electronics world, there is a 'grey-market' that may save consumers money, but can also cause customer dissatisfaction when those products are counterfeit, non-warranted, refurbished, factory rejects, or internally damaged due to improper storage or handling. These same problems exist in the grey-market procurement of electronic components. However in the supply chain, grey-market electronic components that are assembled into military, transportation, plant safety or medical equipment can cause deadly system failures. The DOD supply chain is no place for grey-market electronic components.

Unfortunately there seems to be confusion at some DOD contractors as to the distinction between OCM authorized suppliers/distributors that preserve the integrity of the DOD supply chain and unauthorized suppliers/distributors that adversely impact DOD supply chain integrity. Mouser is also a member of the SAE International committee that is developing Aerospace Standard AS6081 "Counterfeit Electronic Parts; Avoidance Protocol - Distributors". This new international Aerospace Standard will contain additional controls to mitigate the significant supply chain risks when electronic components are obtained from suppliers/distributors that were not authorized by the original component manufacturer.

Another significant supply chain problem is the shortage of a component that is required for system/sub-system production. I am chairman of the ECIA committee that created the website <u>ECIAauthorized.com</u>. This website is designed to assist contract manufacturers in locating these missing components, while still ensuring supply chain integrity. Besides providing a list of ECIA members that are engaged in OCM authorized component distribution, this website provides a real-time search of OCM authorized inventory. The <u>ECIAauthorized.com</u> website is the authorized supply chain's solution to the problem of locating hard-to-find components and is the only site that delivers a search that is exclusively from OCM authorized inventories. (Attachment E)

Based on these facts, it is therefore recommended that the following counterfeit prevention measures be required for all purchases of electronic components made by the Department of Defense and by DOD contractors and subcontractors:

- 1. Adhere to the procurement requirements of the SAE International Aerospace Standard AS5553 "Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition".
- 2. Purchase only from suppliers which are duly approved/authorized by the original manufacturer of that electronic component.
- 3. Purchase electronic components for critical systems/subsystems only from distributors that are certified to the SAE International Aerospace Standard AS9120. "Quality Management Systems Aerospace Requirements for Distributors".
- 4. Use ECIAauthorized.com as the DOD approved web tool to locate hard-to-find electronic components from only original component manufacturer authorized inventory sources.

Should you require further information on counterfeit prevention in the DOD supply chain, please do not hesitate to contact me.

Respectfully Submitted,

Glenn Smith President & CEO

Mouser Electronics, Inc.

a TTI, Inc / Berkshire Hathaway Company

Attachment A

ECIA | Electronic Components Industry Association

About Us :: Contact Us

Meetings & Conferences Membership Standards & Industry Practices Councils Reports & Publications

MEMBERSHIP

- **About Membership**
- Joining ECIA
- Benefits
- Members >>
- **Non-Member Participation** (Associate)

Files

» Membership Application

Download and complete your membership application.

click here...

ECIA MEMBERS AND ASSOCIATES

Manufacturers

3M Flectronics

Aavid Thermallov

AEM Electronics

Allegro MicroSystems, Inc.

American Conec

Amphenol Corporation

Analog Devices, Inc.

API Delevan

Astrolab, Inc.

AVX Corp

B&K Precision

Belden

Bivar, Inc.

Bourns, Inc.

Bud Industries, Inc.

CalRamic Tech

Cherry Electrical Products

Cirrus Logic

Contech Research, Inc.

Cooper Bussmann, Inc. Cornell Dubilier Electronics, Inc.

Corning, Inc.

Coto Technology

Crvdom

CTS Corp.

CUI Inc.

Dantona Industries, Inc.

Dialight Corp.

e2v Inc./QP Semiconductor

ebm-papst Inc.

Edison Opto USA

EGS Electrical Group/Sola HD

Emerson Network Power

FPCOS Inc.

ERNI Electronics, Inc.

Fair-Rite Products Corporation

Faradox Energy

FCI USA, LLC

Fischer Connectors, Inc.

Fluke Corp.

Freescale Semiconductor

General Cable Glenair Inc.

Hammond Mfg. Inc.

Harting, Inc.

Hirose Electric (U.S.A.), Inc.

Honeywell Sensing & Control

IBM Global Procurement

Illinois Capacitor, Inc.

Infineon Technologies Intel Corp.

International Rectifier

ITW Switches

Kapp Alloy and Wire, Inc. KEMET Electronics Corp.

Keystone Electronics Corp.

Knight Electronics/Orion Fans

Koa Speer Electronics, Inc.

Laird Technologies Lattice Semiconductor

L-com Global Connectivity

LEMO USA, Inc.

Littelfuse, Inc. Lumex

Marathon Special Products

Distributors

Abacus Technologies AESCO Electronics, Inc.

Allied Electronics, Inc.

All-West Components & Fasteners

Altex-Mar Electronics, Inc. dba Altex Engineered

Electronic Solutions

Area51-ESG, Inc. Armbar Industries

Arrow Electronics, Inc.

Astrex, Inc.

Avnet, Inc.

Beyond Components Inc.

BKT Supply Company, Inc.

Bluff City Electronics

Brothers Electronics, Inc.

Calgreg Electronics, Inc.

Capacitors Plus, Inc.

Carlton-Bates Company

CDM Electronics, Inc.

Channel Comp

Components Center, Inc.

Connex Electronics Corp. Cumberland Electronics

Dee Electronics, Inc.

Digi-Key Corp.

Dove Electronic Components

Electro Enterprises, Inc.

Electro Sonic, Inc.

Electronic Connector Corp.

Electronic Precepts of Florida

Falcon Electronics

Future Electronics

Garrett Electronics Corp.

Genelco Industries, Inc.

Genie Group Inc.

Gopher Electronics Company

Hammond Electronics, Inc. Hawk Electronics, Inc.

Heilind Electronics, Inc.

HMC Electronics

IBS Electronics. Inc.

Industrial Electronics Inc. JRH Electronics, Inc.

Koehlke Components

Kreger Components, Inc. Marlac Electronics, Inc.

Marsh Electronics, Inc.

Master International

Metuchen Capacitors, Inc. Midstate Electronics

Mouser Electronics

NAC

Newark

North Coast Components, Inc.

Norvell Electronics, Inc.

Octera Solutions Inc. Peerless Electronic Supplies

PEI-Genesis, Inc. Powell Electronics, Inc.

Pridmore Corp.

Progressive Image PUI

Rochester Electronics

RPA Electronic Distributors. Inc. RS Flectronics

Representatives

Alliance Electronics Marketing Group

Brainard Nielsen Marketing

CFE-DC Technology Coakley, Boyd & Abbett

Crowley Associates

ELCOM

GSA Optimum

Harper & Two

Kruvand Assoc

Luscombe Engineering

Mel Foster Company

Millennium Alliance Norris & Assoc.

O'Donnell Associates North

O'Donnell South Sumer Inc.

Vision Technical Sales West Electronic Sales

Vendor Associates

Electronics Sourcing N.A.

(MMG Publishing)

GCommerce, Inc.

Hearst Business Media

InfoNow Corp

Loftware.com

netCOMPONENTS Oracle

Attachment A

Maxim Integrated Products
Micro Commercial Components

(MCC)

Microchip Technology Molex, Inc.

Murata Electronics N.A. MW Industries National Semiconductor

NKK Switches

NMB Technologies Corp.
NTE Electronics, Inc.
NXP Semiconductors
Ohmite Manufacturing Co.

Omron Elecs. LLC/C&C Division ON Semiconductor Panasonic Electric Works Panasonic Industrial Co.

Panduit Corp. PCX, Inc.

Pentair Technical Products

Phoenix Contact PMC Sierra Precision, Inc.

Presidio Components, Inc. Projects Unlimited, Inc. Qualtek Electronics RAF Electronic Hardware RECOM Power, Inc. Renesas Electronics America

Richco, Inc.

ROHM Semiconductor USA

RTI Electronics Sanyo Denki America Schaffner EMC, Inc. Schneider Electric/Crouzet

Sharp Microelectronics of the Americas

Silicon Microstructures Souriau USA, Inc.

Spacecraft Components Corp.

Spectrum Control, Inc.

Stackpole Electronics, Inc. Switchcraft, Inc.

TDK-Lambda Americas

TE Connectivity
Texas Instruments

Times Microwave Systems

Toshiba America Electronic Comp

Triad Magnetics TRU Corporation TT Electronics Vishay Intertechnology Visual Communications Co.

Weidmuller, Inc.

Wright Capacitors, Inc.

Sager Electronics Schuster Electronics

Source Research Inc. (SRI)

Southern Electronics Supply, Inc. Spemco Switches Spirit Electronics, Inc.

Straight Road Electronics Symmetry Electronics Taitron Components Inc.

Tim-Co/CALRF Tonar Industries, Inc.

TTI, Inc.
URS Electronics

US Micro Products
USI Electronics

Waldom Electronics, Inc.

Wes-Garde Components Group, Inc.

WireXpress

Membership in ECIA is open to all facets of the electronic components industry: manufacturers, authorized distributors and manufacturer's representatives working together as a stronger voice for our entire industry. The dues structure is based on dollar sales of electronic components in North America and applies to distributor, manufacturer and representative members.

Application

Copyright 2011 Privacy Policy | ECIA

Attachment B



June 1, 2011

ECIA Statement on the Reliability Impact of Procuring Devices through Non-Authorized Sources

Over the past decade, the number of non-authorized sources for electronic components has greatly increased. These sources range from individuals selling electronic components out of their homes, to large web-based traders and independent distributors/brokers. Frequently, more than one of these traders/brokers is involved in fulfilling an order placed with a non-authorized source. There is no way to conclusively determine the storage/handling conditions and legitimacy of origin of products bought through non-authorized sources. Product supplied through non-authorized sources may appear to be legitimate, but issues with such product can include:

- Electronic components with seemingly proper markings and package labeling (including logos) are actually counterfeits. For details on one form of counterfeiting (salvaging and re-marking) common to all types of electronic components, see the BusinessWeek article and video at http://www.businessweek.com/magazine/content/08_41/b4103034193886.htm.
- Moisture-sensitive products are supplied by non-authorized sources without drypack, or these products are not properly baked prior to dry-packing.
- ESD-sensitive products are not properly handled by non-authorized sources.
- Electronic components with OEM-specific markings are re-sold to brokers that then sell them to others. Note: This re-sale is easily recognized by manufacturers and frequently voids the original warranty.

The net result of the above issues is that products that pass electrical testing after board mounting may still result in significant field reliability problems for integrated circuits (ICs) and other electronic components such as:

- Die-level corrosion during field use due to chemicals used by counterfeiters (to strip markings and/or to clean components) penetrating plastic packages over time.
- Time-/temperature-dependent lifted wire-bonds due to package delamination induced during board mounting of ICs that were not properly dry-packed.
- Die and/or package cracking due to improper component rework or storage/handling.
- Time-dependent electrical failures due to latent ESD damage from mishandling.

Customers that buy components from non-authorized sources may save money in the short-term, but they run the risk of major reliability issues that can damage their reputation and prove enormously expensive in the long-term due to warranty expenses, field replacements, and liability claims. Customers that nonetheless turn to non-authorized channels for electronic components trade risk for reliability. For these reasons, ECIA strongly encourages all customers to buy electronic components exclusively through manufacturer authorized sources.

ECIA Officers 2011 – 2012

Chairperson
John Denslinger
Murata Electronics N.A.

Chairperson-elect Michael Knight TTI, Inc.

Past Chairperson Brian McNally Arrow Electronics, Inc.

President & CEO Robin B. Gray, Jr.

Chief Technical Officer Bob Willis

Attachment C



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AUTHORIZED DISTRIBUTOR CERTIFICATE

Mouser Electronics is dedicated to providing manufacturer warranted, first quality genuine components and adhering to the highest standards in customer service.

We hereby certify that Mouser Electronics is an original component manufacturer (OCM) authorized distributor.

We herby certify that all electronic components sold by Mouser Electronics:

- Were obtained directly from the original component manufacturer or from OCM authorized channels.
- Were handled and stored in accordance with industry quality standards.

We also herby certify that Mouser Electronics is a member in-good-standing of the Electronic Component Industry Association (ECIA) and China Electronics Distributor Alliance (CEDA).

ECIA represents electronic component manufacturers and their authorized partners in the authorized supply chain. ECIA members consist of component manufacturers, authorized distributors and sales representatives. ECIA also governs the worldwide EIA standards that cover the production standards for many electronic components. ECIA is a result of the merger of the National Electronic Distributors Association (NEDA) and the Electronic Components Association (ECA). ECIA brings together all of the elements of the authorized electronic components supply chain.

The ECIA encourages all customers to establish internal controls to ensure that all parts are purchased only from the original component manufacturer or the original component manufactures authorized distributors. For more information visit: http://www.eciaonline.org/

CEDA (China Electronics Distributor Alliance) is a not-for-profit industrial organization serving the needs of authorized electronics component distributors with operations in Greater China. CEDA's mission is to represent authorized distribution services in the China market, to strengthen cooperation between distributors and suppliers, encourage technical and service innovation, and work with the Chinese government to shape policies. For more information visit: http://www.cedachina.org/

If you have any questions about this certificate please contact me.

Sincerely,

Charles H. Amsden Director of Quality Phone: 817-804-3630 Fax: 817-804-3803

email: chuck.amsden@mouser.com

website: www.mouser.com



CERTIFICATE

The Certification Body of TÜV SÜD AMERICA INC.

hereby certifies that

Mouser Electronics Incorporated 1000 N. Main St Mansfield, TX 76063 USA

has implemented a Quality Management System in accordance with:

AS9120:2009 and ISO 9001:2008

The assessment was performed in accordance with the requirements of AS9104A. TÜV SÜD America Inc. is accredited under the aerospace Registrar Management Program.

The scope of this Quality Management System includes:

Distribution of Electronic Components and Supplies, Including Optoelectronics, Embedded Solutions, Semiconductors, Circuit Protection, Passive Components, Interconnects, Wire and Cable, Electromechanical, Sensors, Enclosures, Thermal Management, Power, Test and Measurement and Tools

Certificate Expiry Date: July 26, 2014

Certificate Registration No: 951 11 5681

Effective Date: July 27, 2011





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Search ECIA Authorized Distributors

Enter a full or partial manufacturer's part number



The eciaauthorized.com site is the fastest and most complete authorized electronics inventory search available on the Internet.

Don't risk your product, your customer, or your reputation. Look for the "Authorized Source" logo to ensure you purchase from a legitimately authorized company. ECIA authorized sources are your safest source for any electronic component. Start your search on eciaauthorized.com.



Sponsoring ECIA Members













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