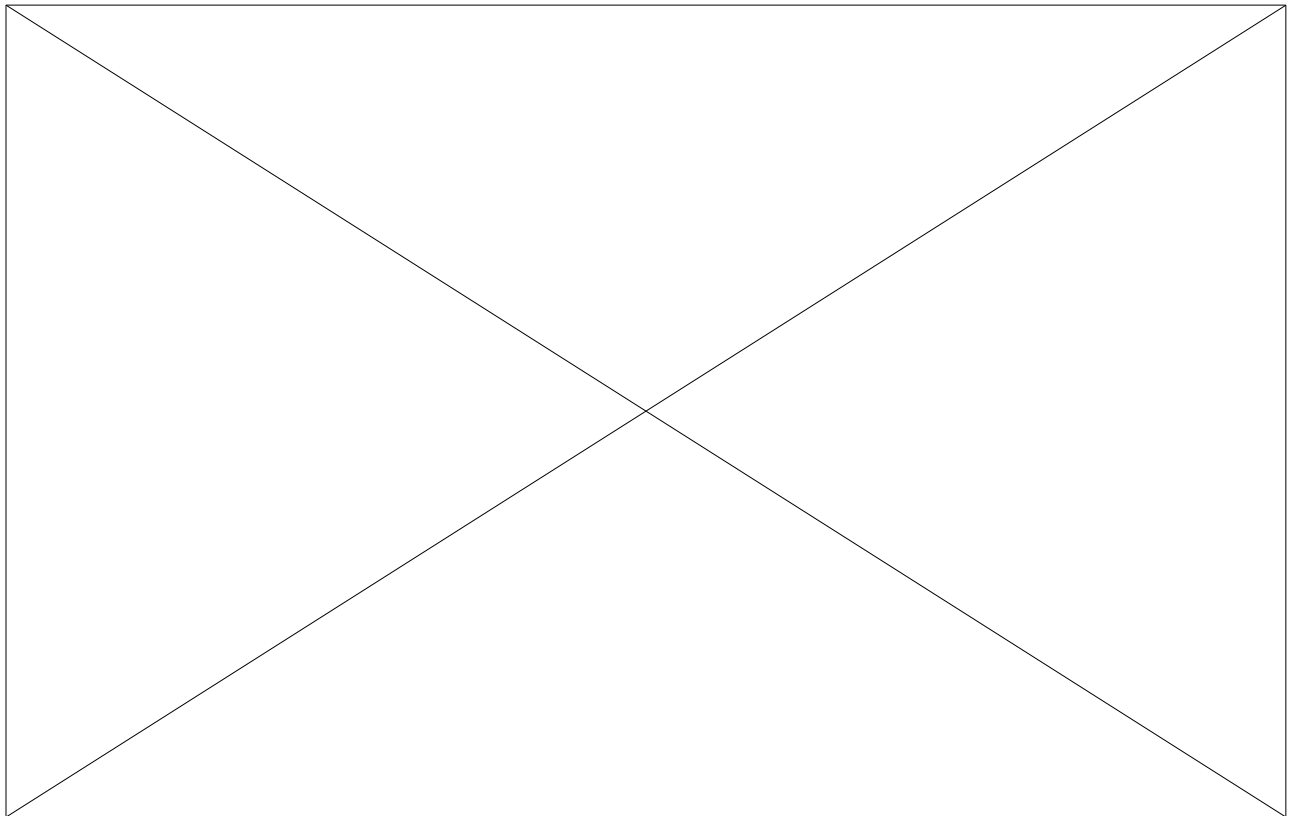


<http://startingpoint.blogs.cnn.com/2012/05/22/sen-carl-levin-counterfeit-military-parts-pose-significant-safety-risk/?iref=allsearch>

Sen. Carl Levin: Counterfeit military parts pose 'significant safety risk'

CNN News - May 22, 2012 - "...Because of a recent surge of counterfeit military parts– such as pieces of equipment used in aircrafts– the Senate Armed Services Committee has adopted new legislation to change the procedural laws for buying new or refurbished parts. Senator Carl Levin joins Starting Point this morning to explain the details of the new law, which he has been working on alongside Sen. John McCain.

U.S. Senator Levin explains that the news laws say that parts can only be bought from contracted, authorized distributors or certified suppliers and dictates that suppliers will be responsible for their own repairs. Regarding the threat posed by the counterfeit parts, Levin explains that the problem occurs almost exclusively with equipment produced in China, and poses a "significant" safety threat to the nation...."



May 22nd, 2012

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[Probe finds 'flood' of fake military parts from China in U.S. equipment](#)

By Larry Shaughnessy

The results of a more-than-year-long Senate investigation into counterfeit parts being used in U.S. military equipment were released Monday and - as they had from the start - investigators are putting most of the blame on China.

"Our report outlines how this flood of counterfeit parts, overwhelmingly from China, threatens national security, the safety of our troops and American jobs," said Sen. Carl Levin, D-Michigan, chairman of the Senate Armed Services Committee, which launched the investigation. The probe began in March of 2011. But it was not easy for the committee staffers to conduct because the Chinese government refused to grant visas to committee staff to travel to mainland China as part of the investigation.

Last year, as the committee was still pushing for the visas, Sen. John McCain, R-Arizona, the committee's rankling Republican, said, "It should be in Chinese interest not to have counterfeiting of these electronic parts going on because it would harm legitimate Chinese companies as well."

The committee reviewed in detail approximately 1,800 cases of suspect counterfeit parts. All told, the 1,800 cases involved more than 1 million counterfeit parts.

The investigators dug through the supply chain for three types of suspected counterfeit parts on U.S. military aircraft:

- **The SH-60B is a Navy helicopter that hunts for enemy submarines and assists with surface warfare. The investigation found that a part that compromised the copter's night-vision system contained counterfeit parts that investigators traced back to China.**
- **The probe found counterfeit parts in the systems that tell pilots of the C-130 and C-27 cargo planes about the aircraft's performances. The part could have caused those systems to go blank. Again the part in question was traced back to China.**
- **The P8-A is a Navy version of the Boeing 737 used for anti-submarine warfare and other duties. The Navy is testing the aircraft now and intends to buy more than 100 of them. But the test planes contained a reworked part that never should have been on the airplane. The part was used but made to look new. The part, investigators found, originally came from China.**

But the committee didn't reserve all its blame for China; some of it was directed right at the Pentagon itself.

The report said in each of the three cases that the committee investigated in depth, the Department of Defense was unaware that counterfeit electronic parts had been installed on certain defense systems until the committee's investigation.

Even though the report just came out, the committee has already taken action to deal with the problem. Levin and McCain offered an amendment to the 2012 National Defense Authorization Act to address weaknesses in the defense supply chain and to promote the adoption of aggressive counterfeit avoidance practices by DOD and the defense industry. The amendment was adopted in the final bill signed by President Barack Obama on December 31, 2011.

Part of that law will mean that when a contractor finds bad parts on a weapons system, the contractor or the parts supplier will pay to fix the problem. In the past, those costs were often borne by the DOD. Pentagon spokeswoman Col. Melinda Morgan gave CNN this response to the report: "We are aware (the Senate Armed Services Committee) has issued their report on counterfeit parts and look forward to reviewing it. The Department takes very seriously the issue about counterfeit parts. We are working aggressively to address this issue to include implementing section 8.18 of the FY12 NDAA."

Levin and McCain hope this aggressive push against fake electronic parts will help beyond the American military. According to the committee, the Semiconductor Industry Association (SIA) says, "counterfeits cost U.S. semiconductor companies more than \$7.5 billion annually in lost revenue, a figure SIA says results in the loss of nearly 11,000 American jobs."

CNN reached out to the Chinese embassy in Washington for reaction but did not immediately receive a response. End