

REPRINTED WITH PERMISSION FROM ELECTRICITY TODAY

Electricity Today – September 2009 Issue

North American Power and Technologies
ELECTRICITY
Transmission & Distribution
Today

THE ELECTRICITY FORUM
Est. 1988

September 2009
Volume 21, No. 7

Untangling a pole climbing problem
page 8

Front page photo: Workmen install an 800 Kv high voltage breaker. Finepoint's 16th Annual Circuit Breaker Test & Maintenance Training Conference will include just such applications. For more, turn to pages 24, 25

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PUBLICATION MAIL AGREEMENT # 40051146

STANDARDS



Electrical products represent 8 per cent of all counterfeit products seized by U.S. customs.

COUNTERFEIT PRODUCTS CREATE HAZARDS FOR THE INDUSTRY AND THE PUBLIC

By Tom Grace, Manager, Anti-Counterfeiting Initiatives, Eaton Corporation

For more than a decade, counterfeiting in the electrical products industry has been a growing problem.

Last year, U.S. Customs and Border Protection reported that seizures of counterfeit electrical products increased 43 percent over 2007 levels. In 2008, electrical products represented 8 percent of all counterfeit products seized – the fifth-highest total of any category.

More than 80 percent of these substandard, unsafe products originated in China and have started finding their way to the United States, Canada and Western Europe while continuing to have a strong

presence in Africa, Asia, Latin America and the Middle East.

Counterfeiting costs the electrical products industry \$600 billion a year worldwide. In the United States, that annual figure is \$200-\$250 billion. Additionally, because of the revenue siphoned from lawful companies, counterfeiting reduces U.S. employment by 750,000 jobs each year. While any form of counterfeiting is unacceptable, fraudulent electrical products pose a serious risk to property and public safety.

With a worldwide customer base that depends on us to control, distribute

and manage electrical power safely, reliably and efficiently, our company has developed anti-counterfeiting programs that combine executive, legal, technical, marketing and sales resources.

Eaton's commitment to eliminating counterfeit products is also exemplified by our involvement at the highest levels of the National Electrical Manufacturers Association (NEMA). A recently published white paper titled, "Authentication Technologies for Brand Protection," is an example of how NEMA facilitates anti-

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Counterfeit Products
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counterfeiting activities for electrical manufacturers.

NEMA also works closely with U.S. government officials to develop policies that remove counterfeit products from the marketplace and aggressively enforce laws against counterfeiting, penalizing individuals and companies trafficking in counterfeit products.

As a platinum sponsor of the National Association of Electrical Distributors (NAED), Eaton is also at the forefront of networking, education and research efforts to help ensure that all companies in the supply chain are aware of the counterfeiting problem and are able to take actions that reduce the potentially devastating effects of unauthorized electrical products in the marketplace.

In addition to the safety hazards associated with using counterfeit products, NAED has identified distributors and installers as being at risk for significant financial harm. The financial risk related to losses or damage caused by

counterfeit products, in most cases, far exceeds liability insurance coverage limits.

Eaton is also active in the British Electrotechnical and Allied Manufacturers' Association, and in the Canadian and International Anti-Counterfeiting Coalitions. Our anti-counterfeiting strategy includes vigilant awareness and detection, trademark enforcement, marketing communications, brand management and engineering.

The result of this multi-faceted program over the past decade is the seizure of hundreds of thousands of counterfeit products through public awareness campaigns and anti-counterfeiting measures, including manufacturing marks on products for authentication verification.



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Underwriters Laboratories (UL), one of the world's premier product testing and certification organizations, complements our efforts. Specifically, UL has developed a comprehensive program to prevent products bearing counterfeit UL marks from entering the stream of commerce.

UL is also a leader in authentication programs, such as holographic labels containing UL logos wrapped around power cords. Since 1996, the organization has redesigned its labels continually and added security features, making it increasingly difficult for counterfeiters to reproduce.

Working closely with government and law enforcement agencies on counterfeit detection is a key initiative for Eaton. We are working with law enforcement, Customs and Border Patrol (CBP), and Immigration and Customs Enforcement (ICE) to prevent these dangerous products from ever entering the channels of commerce. The tireless service that these organizations provide and the commitment to ensuring public safety, is highly commendable. The dramatic increase in seizures is also evidence of their commitment.

Tom Grace is manager of Anti-Counterfeiting Initiatives at Eaton Corporation, a global leader in power distribution, power quality, control and industrial automation products and services.

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