

E-waste: Recyclers, scrap haulers vie to keep U.S. computer trash home

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How the federal government dumps half a million worn-out computers and countless other electronic devices every year may help expand the \$5 billion electronics recycling industry.

The Environmental Protection Agency and General Services Administration are considering new rules of engagement for contract recyclers as they start requiring agencies to dispose of old computers, monitors and other electronic waste.

The agencies said they will decide next year on which third-party certification to apply to electronics recyclers under the National Strategy for Electronics Stewardship, which was unveiled this summer.

Green recyclers and traditional scrap haulers are at odds over the certification standards, one of which would ban exporting computer trash, along with other restrictions. Both sides agree that the U.S. agency mandate could transform the industry.

“By some estimates, the federal government goes through 10,000 computers a week,” GSA Administrator Martha Johnson said in an Aug. 9 statement. “Requiring that each of those machines end their useful lives at a certified recycler could mean big business.”

\$5 billion industry

The U.S. electronics recycling industry employs 30,000 people and accounts for \$5 billion in annual revenue, said David Daoud, personal computing analyst for International Data Corp. in Framingham, Mass. That amount could double if consumers follow the lead of federal agencies and companies, he said.

Jeremy Farber, founder of Chantilly-based PC Recycler, agreed. “When the federal government starts requiring something,” he said, “it trickles down.”

Kenny Gravitt, chief executive at Global Environmental Services, a recycler in Georgetown, Ky., that reclaims copper and aluminum from circuit boards and other components, said the entire U.S. economy would benefit from the export ban.

“I would like to see an edict come out that there will be no more exporting of electronic waste,” he said. “When that happens and the GSA opens up the playing field to qualified and serious recyclers, it’ll create jobs.”

Gravitt’s three-year-old company has added 100 employees to process electronics for companies including Japan’s Canon and Konica Minolta Holdings, attracting the GSA’s Johnson for a visit last month, he said. The company plans to pursue a GSA multiple-award schedule contract for environmental services.

The E-Stewards program, developed by environmentalists at the nonprofit Basel Action Network, bans exports of electronics waste to developing countries and focuses on getting end users to recycle, Daoud said.

A less restricting standard, called Responsible Recycling, or R2, is promoted by the Institute of Scrap Recycling Industries, a trade association. Industry considers R2 more business-friendly because it factors in business operations, revenue and profits, in addition to a company’s environmental record, for certification.

“Both certifications are essentially driven by competing interests, competing philosophies,” Daoud said. “The two are bound to clash, and that’s creating confusion among consumers.”

GSA, EPA weigh options

The GSA will propose changes to procurement regulations in February, while the EPA will lead the evaluation of the two certification standards.

EPA Administrator Lisa P. Jackson has not taken a position but also says the government recycling mandate will have an industrywide impact. “A robust electronics recycling industry in America would create new opportunities to efficiently and profitably address a growing pollution threat,” she said in a Sept. 2 e-mail.

The plan from the EPA and GSA as presented does not outright ban exports of electronics waste, which troubles some environmentalists.

“A lot of used electronics are managed very badly, and they get exported to developing nations,” said Barbara Kyle, national coordinator for the San Francisco-based Electronics TakeBack Coalition, of which the Basel Action Network is a member.

Complicating the federal drive to regulate e-waste are state laws, including in Maine, California and Connecticut, that each use varying approaches to requiring electronics makers to collect e-waste from consumers and businesses.

“Some of these states have had these programs three or four years now and are running them somewhat successfully,” PC Recycler’s Farber said. “For some states that have nothing, they’re not going to want to do it either, because they’re doing nothing for a reason.”

To date, major original equipment manufacturers have self-regulated e-waste processing because “manufacturers don’t want to hire a bad recycler,” said Walter Alcorn, vice president of environmental affairs for the Consumer Electronics Association, an industry group in Arlington County. “There is PR risk and environmental risk.”

Dell, the largest supplier of personal computers to the federal government, has had e-waste disposal programs since 2004 and takes back old units from federal customers in exchange for credit toward future buys, said Mike Watson, director of compliance for the Round Rock, Tex.-based company.

The company has banned exports by its third-party recyclers. Watson, though, played down any conflict between the two certifications, saying they are more similar than different.

“This is just a beauty contest, and we choose not to get engaged in beauty contests,” Watson said.

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