



Hazardous Waste: Getting Rid of Old Computer Hardware

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Imagine sitting in your office absorbed in the logistics of your ERP implementation when the telephone jars you out of your reverie. Your CEO is on the line, your general counsel is sitting by his side, and they demand to see you right away. The U.S. Environmental Protection Agency (EPA) has classified a local landfill as a contaminated site and has just fingered your company as a potentially responsible party in a massive \$20 million cleanup.

So what's this got to do with you? Well, hazardous materials found at the site include the stuff you'd typically find in computer hardware, and your CEO wants you to account for every piece of discarded equipment you've shipped to the dump. Talk about a headache. You not only have to take time to deal with this situation, but you may have caused your company hundreds of thousands of dollars in liability—not to mention the bad publicity it'll receive when it's deemed to be a polluter.

Not many CIOs wear hard hats. But every CIO is responsible for the wastes his company generates, and there are real environmental dangers associated with discarded electrical and electronic equipment. (See "IT's Dirty Secret," CIO, Aug. 1, 2000.) Obsolete PCs, monitors, keyboards and mice may seem harmless, but they contain such hazardous substances as lead, cadmium, mercury, asbestos and beryllium. In fact, the Minnesota Office of Environmental Assistance (www.moea.state.mn.us) reports that cathode ray tubes—commonly found in computer monitors—have become the second-largest source of lead in the state's waste stream, after auto batteries. And as early as 1986, the EPA estimated that almost a quarter of lead in municipal waste streams came from consumer electronics—a percentage that's increasing as the electronic age expands. Meanwhile, the life span of a typical PC is shrinking to the point that by 2005, we'll need approximately 170 million cubic feet of space—or roughly one acre piled 4,000 feet high—to accommodate obsolete hardware, according to a recent Carnegie Mellon University study.

This means that while you're managing the abundance of high-speed information going out your company's front door, you'd better be managing the hardware going out the back. You don't want to find yourself getting grilled in a deposition on what you did or didn't do to properly dispose of your electronic waste stream. So you need to develop a waste-disposal plan today that can protect your company from liability tomorrow.

Legal Pitfalls

Your major source of potential waste-disposal liability is 1980's Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), otherwise known as the Superfund law. Under CERCLA, the EPA identifies contaminated sites, arranges for cleanup, identifies responsible parties and seeks compensation for the cleanup costs. Many of these sites are landfills where you'd typically send your trash, including obsolete computer equipment. Once you've been targeted, you can always choose

to fight the EPA in federal court instead of paying what it has assessed. But more likely than not, you'll find yourself embroiled in costly, expert-intensive litigation over your company's environmental impact on soil, drinking water, surface and groundwater, and the toxicity of its waste. And unless you can prove you never deposited so much as a printer cartridge or a half-empty bottle of nail polish at that site, you'll be on the hook.

Worse yet, the Superfund law states that all contributors to a contaminated site are jointly and severally liable for the entire cost of the cleanup. This means that you may only be responsible for part of the contamination, but if your company is the only deep pocket that can afford to pay, it can be stuck with the entire tab.

Of course Superfund isn't where it ends. You also need to stay on top of state laws and regulations that affect what you can do with old hardware. For example, as of April 1, 2000, you're no longer permitted to send computer monitors, TV sets or other cathode ray tubes to landfills or incinerators in Massachusetts. In addition, South Carolina is considering the establishment of a likely mandatory statewide electronic-equipment recycling program. And several other states are actively discussing disposal limitations and take-back requirements on certain equipment.

But just because you shouldn't simply dump your stuff in the local landfill without a second thought doesn't mean you should hang onto it forever, either. If you do that, your equipment will become more obsolete than it already is. Then you'll lose any value the equipment may have still had. You won't get tax deductions for donating it to charity, and it'll be useless for training future workers. Strangely enough, however, this is the choice most companies are making. Nearly 80 percent of the 15 million computers retired last year are in storage, according to a 1999 report from the National Safety Council. And with the high cost of office space these days, that is simply a bad investment.

What You Can Do

So what does this mean for CIOs? It means you should implement a well-thought-out disposal plan now. You should first look to an attorney or an environmental consultant to help you develop a deeper understanding of the legal pitfalls and business opportunities. They can help you track regulatory changes; develop methods for achieving your business goals in an environmentally and legally sound manner; determine the point at which your waste volume puts you in a more restrictive category of regulation; evaluate tax liabilities and incentives; and preserve the confidentiality of legal and business-critical information.

The right professional can also help you find alternative options for reusing and recycling your equipment. Maybe your city, state or county has a program in place like the one in King County, Washington (the county where Seattle is located). King County recently established a network of local computer repair and resale shops, nonprofit groups, computer retailers and government agencies where businesses and residents can donate, upgrade or recycle used computer equipment. Finally, such a professional can develop supplier and disposal agreements that shift the burden and financial risk up or down the supply chain to others who may be better situated to manage the issue. For example, maybe you should be leasing computer equipment instead of buying it. Then at the end of the day, it's in the manufacturer's hands to dispose of the equipment. And remember: Your ultimate goal is to develop a plan that looks forward in time but drives action now. With a small time investment today, your rubbish can end up smelling like a rose tomorrow.

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