



Metal Extraction From E-Waste Recycling To Grow: Electronic Recyclers Int'l CEO

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Chicago -- (Kitco News) Electronic waste from discarded computers, cell phones and other gadgets is becoming one of the biggest sources of garbage as technology becomes a greater part of our lives, but recycling of resources used in these devices is also rising.

Proper recycling of e-waste allows reuse of the metals, plastic and glass in electronic goods, cuts down on mining and energy costs and keeps these components out of landfills, said John Shegerian, chairman and chief executive officer of Electronic Recyclers International.

ERI was founded in 2002 and when Shegerian, took over five years ago, he said they recycled about 10,000 pounds a month of e-waste. This year it handled roughly 18 million pounds a month, plus or minus 5%, a figure which will only grow, he said. "We have landed so much business in the first six months of this year that we will double volume in the next 24 months," he said in an exclusive interview with Kitco News.

Of that figure, he said, about 12 million to 13 million pounds is broken down into commodities, with about 4 million to 5 million pounds refurbished for resale.

The firm is the largest e-waste recycler in the U.S. and has contracts with firms like Panasonic, Toshiba, Best Buy and the city of Los Angeles to properly dispose of e-waste. The commodities extracted, like steel, copper, aluminum and some precious metals, are then sold to smelters around the world, Shegerian said. South Korean-based smelter LS-Nikko owns a minority share in ERI.

Without getting into specifics, Shegerian said the downturn in commodity prices during the financial crisis of the past few years bit into profits. People consumed less, so there was less recycling, and big companies sustainability programs took a hit as firms enacted austerity programs. This year, though, he said volume for the first six months of the year is up 15% from last year for several reasons.

"The economy is coming back to life and people are buying new items and recycling the old ones. Laws (encouraging or mandating e-waste recycling) are being pursued and there's greater transparency and more enforcement of proper recycling," he said.

Commodity prices, including base metals, have risen this year.

By weight 40% of what ERI recycles is glass; the next largest in volume is copper, steel and aluminum, he said.

In the U.S., 19 states plus New York City have passed laws mandating statewide e-waste recycling and several more are considering it, according to data on ERI's website.

By breaking down old computers, TVs, cell phones and the like, ERI extracts the scrap material and sells the cleaned goods to smelters. The benefits of recycling material versus using virgin material are most visible in energy savings, he said. The savings can be anywhere to 50% to as much as 95% for an energy-intensive metal like aluminum. Recycling also stretches finite resources, he added.

Of the metals they recycle, base metals volume is greater than precious. But he said the trend is for more use of precious metals in smaller devices. Without naming specific companies, he believes that all the major cell phone carriers and manufacturers are "going to take a leadership role in the recycling revolution."

Although ERI is a commodity-intense company they don't yet hedge production. "Not to date," he said. "It's something we wish to do as we get more sophisticated."

While recycling is one of the buzzwords of the green movement, Shegerian points out that 85% of all recycling in the U.S. is not what he calls "good recycling" that is done domestically.

Much of it is "stack and pack" and exported to places where environmental laws are lax and is illegally dumped. This is particularly hazardous when toxic substances like lead and cadmium leech into soils and water tables. A 1989 convention in Basel, Switzerland to control shipping and disposal of hazardous waste came into force in 1992. So far the U.S. has only signed the treaty, not ratified it, according to the Basel Action Network website, a third-party organization formed after the convention to track dumping.

Shegerian said proper recycling also destroys data, of particular importance in e-waste. "If we don't do it here, it can become a massive issue, especially in cases of national security," he said.

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Editor's Note: Meet the Kitco News Team at the upcoming Kitco Metals eConference September 12-13, 2010. A not-to-be missed event featuring Ron Paul, Marc Faber and other industry heavyweights. The eConference is free with Pre- Registration www.kitcoconf.com.
