

Response of the Institute of Scrap Recycling Industries, Inc. on the U.S. International Trade Commission's Report on Used Electronic Products

Used Electronic Products: An Examination of U.S. Exports

After years of conjecture about the recycling and export of Used Electronic Products (“UEPs”), the United States International Trade Commission (“US ITC”) has released the most comprehensive factual report to date, titled **Used Electronic Products: An Examination of US Exports** (the “Report”), confirming that there is a very vibrant and effective recycling infrastructure in the U.S. Further, the report details that exports of refurbished UEPs for reuse as well as for commodity materials (such as metal, plastic, and glass) from recycling play a very positive role both for the U.S. and the importing countries.¹ The Report accurately sizes the UEP market and the destinations of exported UEPs, which have ranged widely in size and scope and were often based on anecdotal information. In addition, the Report clearly delineates between recycling and waste management, confirming that UEPs are **not** waste and recycling is **not** disposal.²

What is the biggest takeaway from the US ITC Report?

Simply stated, the report negates the unsubstantiated claims over the past 10-15 years that 80% of UEPs collected in the U.S. were being dumped on developing nations and causing toxic waste pits. Indeed, the Report notes that, 80+³ of the UEPs collected in the U.S. were recycled, reused, or refurbished domestically while only 17.2%⁴ of UEPs were being sent for export.⁵ ITC goes on to further report that there have been significant positive changes in both U.S. and foreign practices involving electronics recycling and exports – including new recycling technologies, improved recovery efforts, adoption of 3rd party certification/audit systems, increased foreign smelting capacity, new regulations, and greater enforcement - since the initial NGO reports on the informal sector were released more than 10 years ago and thus they need no longer be relied upon.⁶ Electronic products are becoming more ubiquitous everyday requiring a global approach towards safe and efficient recycling.

“By value, most exports were products that were refurbished and resold as working computers, cell phones, and other used products. Measured by weight, most exports were scrap materials, which come from UEPs that are disassembled or recycled in the United States. Commodity metals, plastics, and glass are exported to be used in manufacturing processes overseas; circuit boards are exported to smelting facilities to recover gold and other precious metals. Only a small share of U.S. exports of UEPs was sent overseas for disposal.”

US ITC Report, pp. xi.

¹ In 2011, \$20.6 billion worth of UEPs were collected in the U.S. Of that total \$19.2 billion worth of UEPs were processed in the United States while \$1.45 billion worth of UEPs and commodity grade materials were exported. On a tonnage basis, the Report states that 4.4 million tons of UEPs were collected in the U.S. in 2011, of which only 0.76 million tons were exported. Thus, 3.6 million tons of UEPs were processed in the U.S.

² Page 1-3 of the Report.

³ By weight.

⁴ *Id.*

⁵ Comparing domestic versus export on a dollar value basis results in an even more dramatic result of only 7% going for export and 93% recycled, reused, or refurbished domestically.

⁶ *Id.* pp. 1-3, 1-11 (footnote 36), and 5-12-5-13.

Source of UEPs in Developing Countries

Myth: UEPs collected in the US for recycling are the primary source of materials being disposed of in the informal sector within developing countries.

Facts: ITC found that, in reality, the export of UEPs from the U.S. to developing countries has declined, while “an increasing share of material flowing into the informal sector in developing countries appears to be locally or regionally sourced.”: (p.5-12)

- ITC further found that less than 1% of total U.S. exports were even shipped to Africa, and that those UEPs entering Africa from the U.S. are primarily intended for reuse, supporting “significant employment.” In fact, the ITC found that most of the UEPs entering Africa came from Europe. (p. 5-3)
- ITC concluded that UEPs entering the informal processing stream in China were increasingly coming from within China itself, as well as other Asian countries and UEPs from the U.S. are declining. (p. 5-12)

Proven methodology presents credible data.

USITC used a proven methodology to compile its data for the Report. A nationwide survey was distributed to 5,200 entities engaged in the collection, refurbishing, recycling, and sales of UEPs who were each compelled by Federal law to complete and return the survey (the individual completing the survey was required to attest, under penalty of perjury, to the fact that the responses were true and accurate). “This quantitative analysis is augmented by confidential, firm-level export data provided by Census and by qualitative information developed through a public hearing, written submissions, literature review, industry interviews, and site visits to U.S. processors and handlers of UEPs.”⁷ Coincidentally, the data reported in a smaller scale study performed in 2011 by International Data Corp (“IDC”), a leader in compiling statistics on the electronics industry, correlated very well with the data in the Report.

Ensuring the safe and secure refurbishing/recycling of all UEPs is paramount. The Report helps us do this by quantifying the “sliver” that is currently at risk for improper recycling and disposal.

There is general agreement that the problem is not UEPs handled domestically, the commodity grade materials resulting from the recycling of UEPs, nor the tested and working UEPs sent for reuse.⁸ The problem is what ISRI calls the “sliver,” composed of the following categories of exports from the U.S. as outlined in the ITC in its Report, based upon end use:

- “Recycling or Disassembly” (non-working & untested UEPs);
- “Final Disposal;” and
- “Unknown.”

The sliver defined in this manner represents a sum total of 5.1% of the total amount of UEPs collected annually in the

U.S.⁹ Note that “other” should not be defined as part of the sliver because it is defined by ITC to be UEPs exported through specific channels such as OEM warranty programs and tracked distribution networks and thus are properly managed. However, even if one were to add the “Other” category in to the sliver, the total would come up to only 7.5% of all the UEP collected in the U.S.

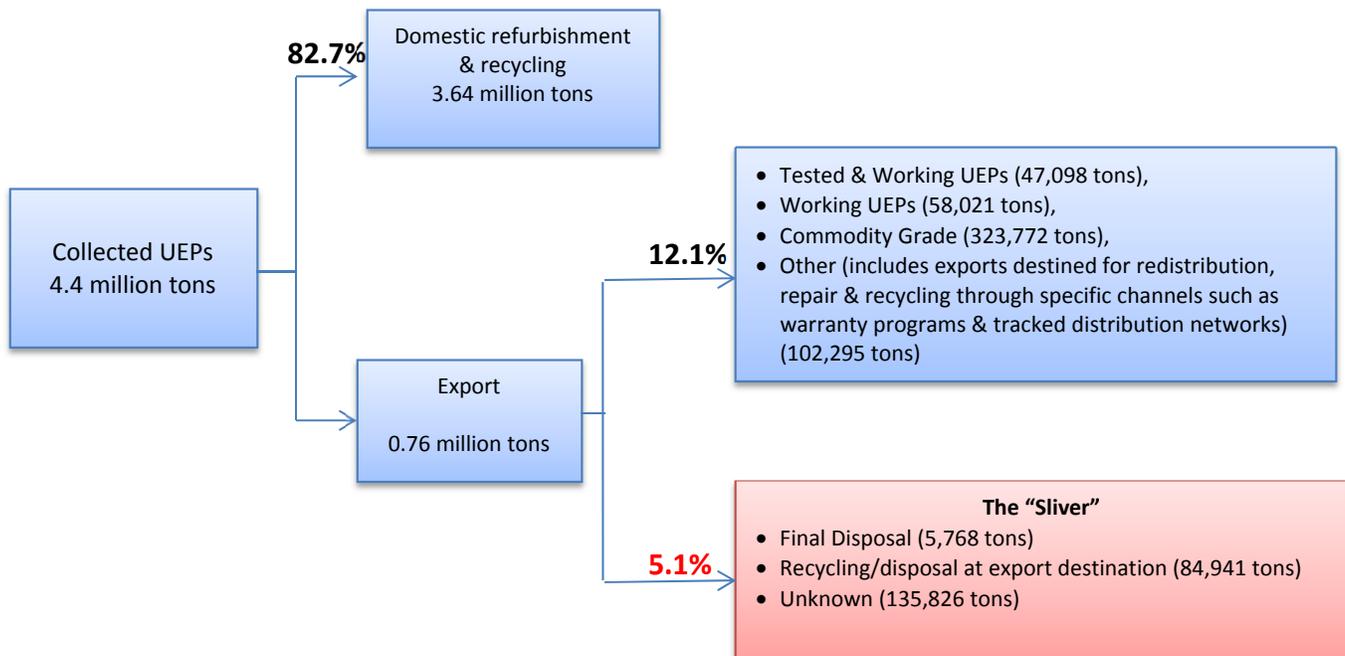
⁷ Page 1-7 of the Report.

⁸ Recent statements made in public for and to the press, in writing or otherwise, seem to indicate alignment, if not consensus, among the industry and NGO stakeholders that the problem is not the UEPs that are handled domestically, the commodity grade materials resulting from the recycling of UEPs, nor the tested and working UEPs sent for reuse.

⁹ Table ES.4, Executive Summary, *Used Electronic Products: An Examination of U.S. Exports*, February 2013, p. xvii.

Although these amounts are now proven to be nominal, there are valid concerns about the ultimate destination for these materials, which the Report cites is slightly more likely to be to an OECD nation versus a non-OECD nation.¹⁰

Efforts Needed to Focus on the Sliver (% of total UEPs collected)



ISRI strongly believes that recycling, no matter where it is carried out, must be done at a facility that is capable of performing such activities in a manner that is protective of both human health and the environment. Whether or not recycling activities are conducted in OECD, or non-OECD, countries is wholly irrelevant.

Tangential opportunities are identified within the Report: Consumer UEP Collection.

The Report cites Environmental Protection Agency (“EPA”) estimates that only 25% of household UEPs available for recycling in the U.S. are actually collected for such purpose, with most remaining in homes or sent to landfills. ISRI sees this as an untapped opportunity to increase the supply of UEPs into the recycling stream in an environmentally responsible manner.

The Report’s results are very enlightening; what will happen with this information now?

Legislation calling for export bans of UEPs has been introduced in the past few Congresses. With the release of this Report and the data it conveys, the scope of the problem can now be put into proper perspective and the appropriate focus and efforts be addressed to the “sliver.”

¹⁰ The US ITC determined that the split of exports between shipments to OECD countries and non-OECD countries was 53%-47%, Table ES.2, *Id* at xiv.