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WASTE & RECYCLING
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Scrap Report

Retroworks starts TV takeback

By Joe Truini

A Vermont electronics recycler is hoping refurbished U.S. televisions are a big hit south of the border as America converts to digital TV.

American Retroworks Inc. has started a program to take back old televisions at its Retroworks de Mexico unit, which is run by a Mexican women's cooperative. Residents can exchange their old TVs for a \$10 coupon toward buying a working unit recovered from the United States.

Selling working televisions collected in the United States makes recycling nonworking units collected in Mexico less expensive, said Robin Ingenthron, president of American Retroworks. A used 1999 analog television can be sold in Latin America for \$40, enough to pay for recycling two scrap televisions, he said.

Several Latin American countries, including Mexico, Peru, Venezuela and the Dominican Republic use the same analog television signal the United States is phasing out to convert to digital, Ingenthron said.

The program will help, not solve, the dilemma of exporting working electronics to developing countries, he said. When those units ultimately fail, they also must be recycled, which means sending working units can

merely displace the problem.

Leaving poorer nations disconnected is not the solution, Ingenthron said. The Retroworks de Mexico trade-in program will take in at least one junk television for each refurbished one it sells, which helps create jobs, promote reuse and protect the environment in places that

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TV TAKEBACK: A Vermont electronics recycler is hoping refurbished U.S. televisions are a big hit south of the border. American Retroworks Inc. has started a program to take back old TVs at its Retroworks de Mexico unit, which is run by a Mexican women's cooperative. Residents can exchange their old TVs for a \$10 coupon toward buying a working unit recovered from the United States.

Recyclers' HDPE pie is shrinking

By Mike Verespej

A significant increase in the amount of high density polyethylene bottles collected in the U.S. but exported to other countries is putting pressure on U.S. reclaimers to find sources of sup-

ply elsewhere.

Compounding that problem, the HDPE bottle recycling rate dropped to 26% in 2007, from 27.1% in 2005 and 26.4% in 2006.

"We're constantly purchasing a substantial volume of material

from Central and South America and from Canada," said KW Plastics General Manager Scott Saunders. The Troy, Ala., firm is the largest HDPE recycler in the U.S. "We also have to fight with other reclaimers over a smaller pie," Saunders said in a March 2

phone interview.

More than 23% of the HDPE bottles collected in the U.S. in 2007 were exported, taking 214 million pounds of supply out of domestic recyclers' hands — 50%

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WRN Scrap Report now online

Waste & Recycling News has launched an electronic newsletter targeted at the scrap and recycling market.

Scrap Report Online is an e-mail publication with the latest news and information on scrap and recycling. It is sent to subscribers every two weeks. The first issue debuted March 9.

The format is similar to Waste & Recycling News' Daily E-mail. Scrap Report Online delivers the latest scrap and recycling news like the WRN print version supplement, Scrap Report. It also includes the latest commodity pricing information.

"We're excited to provide the scrap and recycling audience the best news and infor-

ScrapReportOnline

mation they can get in a convenient and immediate electronic format," said Publisher Robert Simmons.

"This gives readers another way to get the news they need, just as Scrap Report does in print," added Editor Allan Gerlat.

To subscribe to Scrap Report Online, go to www.wasterecyclingnews.com/news-mail/scrcsignup.html. For any questions, contact Associate Editor Megan Greenwalt at 330-865-6173 or by e-mail at mgreenwalt@crain.com. ■

Infrastructure
tops agenda

By Mike Verespej

The autumn 2008 market crash that left a lot of recycled plastics sitting in warehouses, waiting for better prices, has eased in the past month with a slight uptick in value.

But the anxiety about recycled-resin prices among reclaimers at the Plastics Recycling Conference, held Feb. 24-25 in Orlando, Fla., was matched — if not surpassed — by the anxiety of plastic product manufacturers, industry associations and coalitions

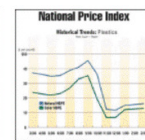
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Falling scrap prices leave plastic reclaimers, product manufacturers, associations and coalitions feeling anxious.

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For commodity pricing by region and a comparative national price index for HDPE plastics, turn to Page S-3.

ScrapReport

E-Waste expands despite falling prices

By Chuck Soder

E-Waste LLC is rising even as the scrap prices it used to rely on are falling.

The electronics recycling company is in the process of expanding largely because it began reselling much of the used computer equipment it used to scrap just as metal prices plunged, said E-Waste president Jim Cleveland.

"If we wouldn't have done it, we wouldn't be here," he said.

The company on Feb. 1 moved

into a 22,000-square-foot building at 1261 Hudson Gate in Hudson, Ohio, which is a step up from its previous 16,000-square-foot building in nearby Boston Heights. The old location also had lower ceilings, which meant less room for storage.

Besides expanding physically, E-Waste is adding staff. The 15-person company plans to hire 10 employees over the next six months on top of the three hired since September, when it switched its focus to reselling electronic equipment, mostly computers, through its Repeat-

PC division, Cleveland said.

Cleveland and Paolo Giorgi, founder of Hudson-based Magnum Steel and Trading LLC, an E-Waste customer, bought 49% of the company for an undisclosed amount last Sept. 1, providing a cash infusion for E-Waste.

The company soon thereafter decided to create the RepeatPC division as a way to insulate itself from falling scrap prices, which have hurt other electronics recyclers.

Now E-Waste makes 60% of its

revenue by reselling computer equipment. Scrap used to be its main source of revenue, but it now accounts for about 10% of the company's sales. The other 30% comes from fees for auditing reports that helps customers record what happened to their equipment.

The company cleans and resells electronic equipment that works and scraps the rest, while also clearing data from the computers. Companies with unneeded equipment either can sell it to E-Waste or sign up to receive a pre-negotiated percentage of the revenue

from the equipment's sale.

None of the material ends up in landfills, said Ted Georger, who founded E-Waste in 2005 and retains an ownership stake in the company.

Revenue from the RepeatPC division has steadily increased even though the recession has hurt prices for used computer equipment, said Georger, who declined to give E-Waste's revenue or profit figures. ■

Soder is a reporter for Crain's Cleveland Business.

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trying to get their hands around the interconnected issues of sustainability and recycling.

"Seventy percent of the 100 billion plastic products produced annually end up in landfills in less than six months," said Bill Carteaux, president and chief executive officer of the Washington-based Society of the Plastics Industry Inc. "We have to figure out how we fix that Achilles heel. We need to design for the next life, not end-of-life."

"If we can't solve this issue — the low recycling rate of plastics — we can talk all we want about all the other benefits of plastics in areas such as medical [devices], but the industry, as a whole, isn't going to grow and the United States isn't going to continue to be the largest plastic market anymore," Carteaux said.

Anne Johnson, director of the Sustainable Packaging Coalition in Charlottesville, Va., said industry issues of recycling and sustainability require the collaboration of the entire supply chain, including retailers.

"Sustainability has moved from being an environmental issue to an issue of fundamental business strategy. We need investments in things that change the equation, and recycling is one of those things," she said.

"We have to look at how we can improve recovery of packaging overall in the U.S., not just the recovery of individual products or resins, and how we can help support further implementation of a better recycling infrastructure and technology," Johnson added.

The considerable attention on sustainability is triggering a number of initiatives that were discussed at the conference:

- The Association of Postconsumer Plastic Recyclers in Washington has formed a rigid plastics group to work on developing ways to recycle resins other than PET and high-density polyethylene.

- The Sustainable Packaging Coalition in late March will study challenges and opportunities for improving packaging recovery in the United States.

- Waste Management Recycle America, a unit of Waste Management Inc. of Houston, wants to find partners in improving recovery rates of recycled material.

- SPI has given ASTM in West Conshohocken, Pa., the job of making SPI's resin identification code, often mistaken for a recycling code, more understandable.

Steve Sikra, global package development leader at Procter & Gamble Co. and chairman of APR's rigids working group, agreed. "We need to create business awareness and a new metric to look at your package across a variety of important measures," he said.

The U.S. plastics industry needs to expand its recycling infrastructure beyond PET and HDPE bottles, Sikra said. "We need to change societal behavior and make recycling part of our everyday life. The responsibility starts with [manufacturers]. We need to do it and live it," he said.

Sikra said 17 packaging firms, manufacturers, associations, recyclers, collectors and other invested parties have joined the working rigids group and intend to define its projects for 2009 and 2010 by May, with polypropylene recycling as a possible priority.

"We want to collect and sell resins now being landfilled. We want to increase the collection stream and reduce the contamination in the existing PET/HDPE stream," Sikra said.

Johnson said her packaging coalition hopes to develop design guidelines, technical briefs on materials, metrics and an assessment tool for evaluating different materials for life-cycle impact. The coalition also plans to propose a labeling system to end the confusion among companies at different levels of the supply chain that use different terms.

"We need a labeling system nationally that is applicable to all types of packaging, from plastics to metals to paper," she said. "The resin identification code has become an educational code for consumers and is confusing to them. Recycling has to be something we do simply and easily. A simpler recycling label is probably needed."

Johnson also talked about the need for financial resources to achieve goals. "There is an opportunity to look at public-private



ANXIOUS RECYCLERS: The anxiety about recycled-resin prices among reclaimers at the Plastics Recycling Conference, held Feb. 24-25 in Orlando, was matched by the anxiety of plastic product manufacturers, industry associations and coalitions trying to get their hands around the interconnected issues of sustainability and recycling.

partnerships to get grant money to support infrastructure developments such as optical sorting for recyclers," she said.

Dennis Sabourin, executive director of the National Association for PET Container Resources in Sonoma, Calif., agreed: "We need to reach out across the aisle to other stakeholders to develop the things we have to do to make this more sustainable."

But that isn't easy, said WMRA Vice President Karl Mockros: "It is a challenge, and there are not always solutions to doing things."

But, Mockros added, success will come only by figuring out ways to work with everyone in the supply chain. "The more we work together, the more sustainable we will become," he said.

Johnson suggested the recy-

cling industry could benefit from clear priorities or policies from the U.S. government. Recycling in this country suffers from a lack of leadership at the federal level," she said. "When you look at the more efficient system in other countries or in states like California, there is some type of government guideline or policies."

Carteaux disagreed with the need for government-issued mandates, but said that government funding should be used to develop a recycling infrastructure. He said SPI hopes to show how to conduct effective recycling at NPE2009, which runs June 22-26 in Chicago. ■

Verespej is a reporter for Crain Communications' Plastics News.

TV

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can't always afford it, he said.

Retroworks de Mexico also is targeting another challenging electronic waste stream at its Sonora, Mexico, electronics recycling facility — old printers. Cartridge design turnover and availability limits repair and reuse of printers, Ingenthron said.

"They are not particularly heavy. They are not particularly valuable. They don't shred very nicely. And they are slow to demanufacture," he said.

American Retroworks, based in Middlebury, Vt., will accept printers at its Douglas, Ariz., facility at 5 cents per pound. It will prepare the machines to be sent to the Sonoma location. Workers there will hand-disassemble and salvage parts from what can be a difficult electronic scrap source. The facility also will refurbish and reuse machines when it can. ■

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Pie

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more than the 145 million pounds that were exported in 2004, according to a recently released report on HDPE recycling.

That marks the second straight year that the amount of HDPE exported has increased by nearly 15%. The trend has some HDPE recyclers claiming foul.

"We can't pay the prices [that recyclers outside the U.S.] pay for recycled HDPE because we don't have the subsidies they have and there is not an economic advantage to our customers to use recycled content," said Tamsin Etefagh, vice president of Envision Plastics in Reidsville, N.C., the nation's second-largest HDPE reclaimer. "We are hurting domestically, because we are not subsidized and don't have

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