

Toxic loophole

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Environmental regulators are intensifying their oversight of companies that export old television and computer monitors amid criticism that some of them are dumping toxic debris in developing countries.

The Environmental Protection Agency has filed complaints and fined some companies, including one in Ocean County. In some cases, it has forced shipments to be returned.

But even with the increased enforcement, electronics recyclers and watchdog groups say it is easy to circumvent the EPA's regulation of the export of TVs and computer monitors, which contain hazardous materials.

"The CRT [cathode ray tube] law is fraught with loopholes. It's all too easy to get around it," said Jim Puckett, executive director of Basel Action Network, a Seattle-based watchdog group. "There are literally hundreds of companies doing this, because being an exporter of e-waste is a very lucrative way to make money. They find places where labor is cheap and there's very little government infrastructure to manage the environmental harm."

Color computer monitors and televisions have cathode ray tubes with glass that contains an average of 4 pounds of lead, as well as mercury, cadmium and arsenic — all toxic. If disposed of improperly, the substances can contaminate soil, groundwater and air.

The EPA crackdown centers on companies that collect old CRTs and send them abroad, where they are dismantled at a fraction of the cost by people working under crude conditions. Investigations into the escalating shipments of electronic waste to Asia and Africa over the past decade have documented the effects of the dangerous substances on workers and how the debris is often dumped and burned near residential neighborhoods.

Millions of old televisions and computer monitors are thrown away in the United States each year. New Jersey estimates there are roughly 600,000 old TVs and up to 2 million old computers in the state. Nationwide, the EPA estimates there are more than 99 million old, unused TV sets collecting dust. The recent switch from analog to digital television broadcasting is expected to increase those numbers.

Fueling the flow of e-waste to developing countries, a growing number of states are banning electronics from landfills. New Jersey's TV recycling law, which takes effect in 2011, requires TV manufacturers to collect old sets by establishing drop-off points or contracting with retailers or local governments to do it.

Flawed records

Since 2007, the EPA has required companies to notify the agency whenever they plan to send a shipment of unusable old televisions and computer monitors with cathode ray tubes abroad for recycling — and the EPA then notifies the receiving country of the shipment. The companies must keep records of what they sent and to whom and provide that information to the EPA.

But companies that want to export used, functioning CRTs for reuse in foreign countries only need to notify the EPA once of their intention. They are not required to let the EPA or the receiving country know of each shipment. This, critics say, has created a loophole that is being exploited on a grand scale: Companies that claim to be shipping "usable" electronics are actually exporting them for scrap.

"The reuse loophole is being used to export whole products and then disassembling them in very basic conditions without hardly any concern for the environment and without effort to protect the employees," said David Thompson, director of the corporate environmental department at Secaucus-based Panasonic of North America. Panasonic collects used televisions from consumers and works to recycle them domestically.

Growing problem

In developing countries, the CRTs are valued merely for a yoke of copper wire often wrapped around the neck of each tube. Once the copper is removed, the leaded glass is dumped, Thompson said.

In an investigation of the e-waste industry in Asia, the Basel Action Network said it uncovered an operation north of Hong Kong where 100,000 poor immigrant workers used 19th century methods to break apart obsolete computers exported primarily from North America.

The men, women and children toiled "under primitive conditions, often unaware of the health and environmental hazards involved in operations which include open burning of plastics and wires, riverbank acid works to extract gold, melting and burning of toxic soldered circuit boards and the cracking and dumping of toxic lead-laden cathode ray tubes," BAN reported. "The investigation team witnessed many tons of the e-waste simply being dumped along rivers, in open fields and irrigation canals in the rice growing area."

In 2008, the Government Accountability Office, Congress' investigative arm, issued a scathing report of its own. It showed how easily e-waste companies circumvent the law — and how little the EPA did to stop them.

GAO investigators posed as fictitious foreign buyers looking for non-working CRT monitors. Of the 43 U.S. companies that wanted to do business, only one had submitted the proper paperwork to the EPA to export CRTs. The GAO said it found a large electronics recycler in New Jersey seeking a buyer for 60 40-foot containers of used televisions, the equivalent of about 48,000 TVs. The company, which was not named in the GAO report, had advertised on a Chinese Web site that it had "a continuous supply of used monitors" and more than 200,000 non-working CRT monitors for sale.

"The problem is that if you don't live by the regulations, the likelihood of getting caught is next to nothing because the EPA and state Department of Environmental Protection have so few inspectors," said Dan Bayha, vice president of Back Thru the Future, a Sussex County e-waste firm.

EPA investigations

Since the GAO report, the EPA says it has initiated more than 30 investigations. It has issued enforcement complaints against four companies — and in some cases forced shipments to be returned.

Supreme Asset Management and Recovery in Lakewood was fined \$199,900 in August after the EPA said it engaged in the "illegal export" of non-working computer monitors to Hong Kong in 2007 and 2008. Supreme is paid by companies to haul away old electronics and also holds public contracts, like one in Morris County, where it is paid \$25,000 to cart away electronics left at a waste drop-off site and to staff special e-waste collection days.

In June, the EPA filed a complaint against EarthCycle, an Oklahoma company that conducted free electronic waste collection events in Pennsylvania on behalf of the local Humane Society and other groups. The EPA said the company exported several containers of the equipment to Hong Kong and South Africa, but had not notified the EPA or the receiving countries. Environmental and customs officials in both locations intercepted the containers.

"EarthCycle was in fact in violation of the CRT import regulations as it pertains to Hong Kong," Jeffrey L. Nixon, the company's president said in an e-mail.

Currently, only 20 companies — none in New Jersey — are approved by the EPA to export CRTs for recycling. Meanwhile, 79 companies, including six in New Jersey, have notified the EPA that they export CRTs for reuse.

At one end of the spectrum is Back Thru the Future, a 19-year-old company with a 40,000-square-foot warehouse in Sussex County. At the other is Xena Trading LLC, which lists as its address a private home in Woodland Park. The home is owned by Sami Nasra, who said he is the company's president. He hopes to export used computer monitors to Egypt, though he has no clients yet.

"Used monitors are a lot cheaper than LCD displays, which cost \$150, about a month's salary for some people in Egypt," Nasra said. "Instead they can get a used CRT for \$20 to \$30."

A company such as Back Thru the Future charges its customers — large financial firms, for instance — to take away old computers and recycle them domestically in a responsible way or find buyers for devices that still function.

Vendors checked

Because Back Thru the Future is licensed by the DEP as an electronic processing facility, the DEP inspects it monthly, Bayha said. The state requires the company to maintain records of incoming materials, identifying the source and weight, and keep records of outgoing shipments.

Bayha is frustrated by the companies offering to haul equipment away for free because they know they can make a profit illegally selling it for scrap overseas.

"We pay over \$20,000 a year for our licenses from the state and have watched people not licensed taking business away," he said.

At Back Thru the Future, computer monitors less than five years old are tested to see if they

can be reused. If they can, the company sells the items to other vendors for resale. They used to export to a reseller in Egypt, but stopped because of new Egyptian import restrictions.

Equipment that can't be reused is put on pallets, shrink-wrapped, weighed and logged before it is sent to a domestic recycler. The CRT is sawed in half, separating the non-lead glass from the leaded glass. The glass is then cleaned, pulverized and sent to Asia to be melted down and reused to make new CRTs and other items, Bayha said.

The company can't be sure the vendors it uses to distribute reusable CRTs don't turn around and illegally ship them abroad to be scrapped. "We look at a vendor's history, whether they have a good reputation, whether they have copies of the proper insurance, but we can only go so far. We're not undercover detectives," Bayha said.

As a global company, Panasonic has more resources to track the subcontractors it uses to recycle televisions from the collection events it holds in Secaucus and elsewhere. But it's still not easy: One recycler in the western United States said he was sending glass from the CRTs to a manufacturer in Brazil. When Panasonic had someone in Brazil check, it discovered the company had closed two years earlier, Thompson said.

"We're very pleased to see what the EPA is doing to prosecute companies," Thompson said.

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