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Statement from the Electronics TakeBack Coalition and the Basel Action Network on the new ITC report on exports of electronic waste

The International Trade Commission (ITC) has released a new report, "[Used Electronic Products: An Examination of U.S. Exports.](#)" It attempts to quantify the exports of used electronics from the U.S. to other countries, both developed countries (members of the OECD) and developing nations (non-OECD). While it fails to do this adequately for reasons discussed below, the report does contain important acknowledgments supporting the need for federal legislation, like the Responsible Electronics Recycling Act introduced in the 112th Congress. These are:

- 1. Report says RERA would increase exports of commodity grade materials and result in an increase of U.S. based recycling and refurbishment activity.** Any increase in U.S. based recycling or refurbishment work would certainly increase U.S. jobs.

"However, (if RERA were enacted into law) the product mix (of exports) would likely change to reflect more tested and refurbished products and fewer end-of-life products (exported). Conversely, exports of commodity-grade material would likely increase, as more recycling activity would take place in the United States and UEP-derived commodities would be exported to manufacturing centers in non-OECD countries." Page 6-8

"UEP" refers to used electronic products and "commodity-grade material" is the separated material from electronics (metals, plastics, glass, etc.) that recyclers sell to the manufacturing supply chain.

- 2. Report confirms that many recyclers don't know what's ultimately exported.** The report appears to acknowledge the need for RERA by noting that as much as **41%** of the respondents were "reasonably certain some portion of their UEP [used electronic products] output was later exported by another organization." (Page xiii)

Both the fact that recyclers and other e-waste handlers are uncertain of the exact figure of exports and the exact destination of their exports confirms what proponents of RERA claim, that there is a strong likelihood that a significant portion of recycling in the US results in the export of unprocessed (and likely toxic) e-waste that is dumped abroad.

- 3. More than half the export volumes reported goes to end uses that are often problematic.**

The ITC figures on page 5-2 show that more than half of the 1.5 billion pounds of

exported e-waste goes to the kinds of end uses that can be quite problematic in developing nations. This includes exports of untested or nonworking products, products for disposal, recycling and disassembly, and an incredible 18% of the volume going to unknown purposes.) See our analysis of this information at the end of this document.

Why survey methodology doesn't, and can't answer key questions

Unfortunately, the report doesn't provide the kind of clear data that we need about e-waste exports. It completely fails to answer these key questions:

- How much of our total e-waste gets exported to developing countries?
- Does this report support or discredit the notion that much of the used electronics that get to recyclers actually gets exported to developing countries?

Here's why:

1. **Most data are presented as dollar value of used products sold, not numbers of units or weight of products.**

Presenting data in terms of dollar values sold doesn't really shed much light on issues of actual volumes sold, and what types of equipment is sold, or its toxicity and subsequent environmental harm. For example, circuit boards (whole and shredded) represent 38% of the exports by value, but only 17% of the volume (by weight, which is how most reporting on e-waste collection is done). The reporting on sales volumes simple does not help answer any of the key questions. While the report does give the weight of the equipment exported, it doesn't report the weight of the total amount of e-waste generated.

2. **The report's data shows double and triple counting of the same equipment.** (Page 2-3)

This survey asks companies to report on sales of used electronics. The respondents include U.S. companies from all parts of the supply chain – collectors, disassemblers, processors, reuse firms, brokers, asset recovery firms, etc. So the report is capturing sales by the collectors as well as sales by their downstream vendors, even though some of these sales were for the same volumes. The report's construction makes it impossible to tell which specific volumes referred to in the report, were reported multiple times. Clearly, some were.

For example, a collector sells a specific quantity of laptops, say a truckload, to a reuse firm. The reuse company then resells the same laptops to a broker. The broker then sells the same laptops (in a consolidated shipment along with other laptops) to a purchaser in another country. Clearly, the sales numbers in the report may represent that same truckload of laptops at least three times. This double counting results in a very serious skewing of results.

The report even acknowledges this double counting on page 2-3, using the seemingly innocuous term "cumulative sales:"

“...The sales value presented here is likely greater than the value of UEP material collected within the United States, since it reflects the cumulative sales for organizations throughout the UEP supply chain.”

3. Overstated domestic sales, understated export sales.

Because of the double (triple) counting problem stated above, the total figures on domestic sales (as opposed to exported sales) will be overstated. The report respondents acknowledge this, explaining that **as many as 41% of the respondents saying that they were “reasonably certain some portion of their UEP output was later exported** by another organization.” (Page xiii) But that’s not even mentioned in the “Key Findings” section, which shows that domestic sales represent 93% of sales (by dollar value) and exports only 7%. This could lead a casual reader to conclude that only 7% of used electronics are exported, which is not at all what the report actually says.

4. Survey format unlikely to get honest answers on illegal exports.

The ITC survey results underreport the volumes of e-waste exports to developing nations. This would be true of any report based on a survey of exporters. Why is this so? Exporting e-waste from the U.S. to non-OECD countries is illegal under international law. This practice is considered to be trafficking in hazardous waste, and has become such a big global problem that INTERPOL, the international policing agency, has launched a considerable effort to crack down on these exports. Thus, given that the practice is treated as a criminal enterprise, it is highly unlikely that a survey will ever yield accurate honest data about those exports. Clearly, there is a strong disincentive for an exporter to admit to exporting untested, or non-working e-waste to developing nations, when this is considered international trafficking in hazardous waste. Why would a company admit this illegal activity, especially to an agency of the federal government?

The report offers hints at some of the serious shortcomings of the survey methodology:

- a) The ITC report admits that “The survey could not determine whether U.S. exports of UEPs bound for recycling or disposal in 2011 were sent to [informal processing] facilities”, those “with little regard to health, safety, and the environment.” (page xviii)
- b) The ITC report admits that the limitations of the survey methodology could not “capture ad hoc shipments of undeclared UEPs mixed in with exports of other items.” (page xviii)
- c) Respondents to the ITC survey offered the view that they “did not know the intended final use of nearly 18 percent...of US exports of UEPs.” (Page xviii)

NGOs such as the Basel Action Network have tipped off news outlets and enforcement agencies around the world about illegal exports from the U.S. In December of last year, EPA enforcement and Homeland Security achieved a criminal conviction of a Denver area exporter who will likely face jail time.

In light of the obvious deficiency of the survey method, one has to ask, “Why do a survey?” The ITC is a well-respected, capable research institute. However, the ITC was compelled to primarily use a survey for this research, since the request from the U.S.

Trade Representative asking for research on e-waste exports specifically requested a survey. Thus, the deficiencies of the report were already baked in by the USTR's mandate that the ITC use the flawed methodology of a survey.

5. Small companies not part of the survey.

The survey did not include small companies of 10 employees or less. But many of the "collect and export" type companies are quite small. Their whole business model is built around collecting products, loading containers, and exporting them to developing countries, which requires very little staff. Similarly, some brokers are also quite small. This survey didn't include these either. We are not suggesting that small companies in general are more likely to be exporters, but these are two types of small companies which are quite numerous, and are known to be common exporters of untested, nonworking equipment to developing countries. Omitting them from the survey means underreporting of their problematic activities.

Our analysis of data on weight of used electronics exported

This is our analysis of the data discussed above under 3, "More than half the export volumes reported goes to end uses that are often problematic."

The table on page 5-2 shows "End uses of exported UEPs (Used Electronic Products). Perhaps this is the most concrete information presented, although it assumes that the exporter actually knows the actual end use at final destination, which the report authors admit that they don't really always know. As noted earlier, the report explicitly states that Respondents to the ITC survey offered the view that they "did not know the intended final use of nearly 18 percent...of US exports of UEPs." (Page xviii)

The table does not separate end uses in OECD vs Non OECD countries. But it does show that exports of tested working equipment, and materials for smelting is less than half of what gets exported.

It shows that the total reported exports are 757,721 tons of used products, or just over 1.5 billion pounds. If we assume that the Materials Processing category is going to OECD smelters, which discussion later in the report suggests) and that the resale of working equipment isn't overstated, then that **still leaves more than half of the volume, or 7.73 million pounds**, destined for potentially problematic export uses.

End Uses of Exported UEPs 2011	TONS	Pounds	
Materials Processing (smelting, refining, sorting)	323,772	647,544,000	While "sorting" could mean anything, let's assume this category goes to OECD smelting
Resale of whole equipment without further processing (tested/working)	47,071	94,142,000	Likely overreported in a survey, but let's assume this is OK
Subtotal	370,843	741,686,000	Total we assume is OK
Recycling or disassembly	84,941	169,882,000	
Resale of whole equipment or parts needing further processing	58,021	116,042,000	Non working or untested

End Uses of Exported UEPs 2011	TONS	Pounds	
Final disposal	5,768	11,536,000	Elsewhere in the report (p 3-9, table 3.3) it says exports for disposal total 241,279 tons, not 5768. No explanation is given for this mismatch.
Charitable donation	27	54,000	
Other	102,295	204,590,000	
Unknown	135,826	271,652,000	Almost 18% goes for UNKNOWN purposes
Subtotal	386,878	773,756,000	Subtotal that is of concern for problematic processing
TOTAL	757,721	1,515,442,000	