

**TESTIMONY OF GERARDO CASTRO**  
**DIRECTOR OF ENVIRONMENTAL SERVICES AND CONTRACTS**  
**GOODWILL INDUSTRIES OF SOUTHERN CALIFORNIA**  
**BEFORE THE HOUSE SCIENCE COMMITTEE**  
**HEARING ON ELECTRONIC WASTE**  
**April 30, 2008**

Mr. Chairman and members of the committee, my name is Gerardo Castro and I am the Director of Environmental Services and Contracts for Goodwill Industries of Southern California. I am pleased to testify before the committee today on how we can best manage electronic waste.

We have 184 local, autonomous Goodwill agencies in the U.S. and 16 countries, and we fund our mission through revenues collected from donated goods, government contracts, and workforce development funding. Goodwill Industries of Southern California serves more than 31,000 people per year with disabilities or vocational disadvantages through education, job training, and placement programs. We also operate 54 retail stores, 40 attended donation centers, three campuses and 21 workforce/training centers in San Bernardino, Riverside, and Los Angeles counties.

In a survey conducted in 2005, we found that nearly all of our members receive electronics through their donation streams and our members handled nearly 23 million pounds of electronics in 2004.

. During the past decade, however, we have seen a growing number of computers and other electronic devices donated to Goodwill agencies, and many of these items are just dropped off at our stores or donation centers. The problem is a growing one for us, but it also presents opportunities. With the transition to digital television, we expect to see an influx of television sets as well.

In a poll conducted by Goodwill Industries International, Inc., we found that 91 percent of our local agencies accept donated televisions, and local Goodwill agencies receive on average 118 televisions per month or 1,400 per year. The total for all Goodwill agencies is more than 163,000 per year. Fifty percent of our agencies re-sell the televisions in stores and 30 percent recycle the sets.

My views today represent those of my agency – Goodwill Industries of Southern California. Because of the environmental concerns specific to computers and other electronic devices, many of our local agencies are exploring various business-to-business solutions in the effective disposal of electronic waste and ways to recycle the waste. Other agencies are exploring methods of handling e-waste and still others are working to understand and comply with new state laws on recycling e-waste.

My particular agency received a total of 4.6 million pounds of e-waste products ranging from computers, monitors, printers, and other peripherals. A substantial number of these items are unusable and the cost of safely and responsibly recycling or disposing of these products can directly impact the job training and career services offered by our agencies.

More and more states have passed landfill bans, and for those Goodwill agencies that do dispose of electronic waste in landfills the fees to do so can be exorbitant. In

addition, some agencies are working within various state laws on the effective disposal and recycling of e-waste.

In 2003, California became the first state to enact a law that implements stricter standards on e-waste disposal; SB20/SB50, the California Electronic Waste Recycling Act, provides reimbursement to authorized collectors and recyclers from a state e-waste fund. Today, 10 states have passed laws that create statewide e-waste recycling programs. Others have passed laws that prohibit e-waste from being disposed of in landfills or incinerated. In 2008, 18 states are considering e-waste legislation.

California is the only state that uses the Advanced Recovery Fee (ARF) model to pay for the costs associated with collecting, demanufacturing, and recycling of covered electronic products, which is similar to the recycling payment system for beverage containers or used tires. Retailers are required to collect a \$6-\$10 fee on cathode ray tube (CRT), liquid crystal display (LCD), and plasma devices. The fees collected go into a fund to manage the recycling program.

Goodwill Industries of Southern California, along with nine other Goodwills located in the state, is a state-authorized e-waste collector. There are 600 authorized collectors in the state. The fund receives revenues from the point of sale fee on items with a screen purchased in California. The state of California has just completed its third year of the program. The program has been very successful when measured by the pounds of CRTs diverted from landfills.. The program has built in review and adjustment

points to maintain a self-funding level. The program is revenue neutral to the state of California as it involves zero tax dollars. It is authorized to adjust at least every two years on both the ARF and the fees paid to authorized collectors and authorized recyclers. We are expecting the state to increase the ARFs and reduce the fees to collectors by about three cents a pound.

As an authorized e-waste recycler, we process over 10,000 CRT units per month and pick up large corporate donations; in addition, individual donations are accepted at our donation centers. We accept computers, monitors, TV sets, digital cameras, printers, modems, and other electronic equipment. We collect CRTs and ship non-working ones directly to a cancellation facility that will break them down into their basic commodity. All other obsolete or non-working electronics are de-manufactured by our workforce who are people with disabilities. We then sell the plastic, metal, circuit boards, and other components for their salvage value.

We follow a system and certain procedures in recycling e-waste. First, we recycle old computers by wiping the hard drives to the Department of Defense standard. We then refurbish and resell about 10 percent, and then dismantle and sell the plastic and metal parts for salvage; this amounts to about 70 percent. About 20 percent is sent to other authorized recyclers.

Other local Goodwill agencies are developing innovative business solutions to address the growing surplus of computer donations. I want to note that our local

Goodwill agencies have the capacity and the infrastructure to provide nationwide collection, since we already have locations throughout the country in both urban and rural areas. Some agencies are refurbishing and de-manufacturing the equipment; reselling systems and components; expanding client training and career services; and avoiding high disposal costs.

Local Goodwill agencies handle e-waste in different ways depending on their size, community, and external partners. For example, some are involved with producer take back programs, while our agency, because we have SB 20/SB 50, is not. An internal Goodwill Industries International, Inc. taskforce identified four innovative e-recycling models that have so far been successful in meeting Goodwill Industries' revenue goals, concern for the environment, and most importantly, our charitable mission.

Specifically, the various models are as follows:

- (1) Retail – a model focusing on the collecting, de-manufacturing, refurbishing and reselling computer systems and components in a dedicated retail store.
- (2) Client – a model integrating client technology training and workforce development programs into computer collection, recycling, and reuse.
- (3) Corporate – a model integrating corporate services into computer collection, recycling, and reuse.
- (4) Collaborative – a model utilizing partnerships and collaboration to address computer collection and recycling.

Local Goodwill agencies are in a unique position to support producer take back programs, because we already have a strong existing infrastructure, and if any e-waste legislation is introduced in Congress, we support pre-emption language that would allow states, such as California, with the ARF model, and those with producer responsibility take back programs to continue running them. We have over 2,100 retail stores and 4,100 attended donation centers. Goodwill Industries is a self-sustaining enterprise and recycling helps us to be good stewards of the environment and also to help employ people with disabilities and disadvantages.

In the future, we do believe advanced product designs such as those already undertaken in Europe would help with the challenge of e-waste. We support incentives to manufacturers for the design of such products. Product design changes could facilitate the re-use, disassembly, and recycling of products. Standardized chargers for cell phones are an example of design changes that would add minimal costs to the product while achieving substantial impact in the reuse area. The federal government can play a vital role in assisting the development and sustainability of a recycling/reuse infrastructure while creating green collar jobs and stimulating research and development in a growth industry.

The federal government, by utilizing incentives, could aid and encourage necessary private sector investment in the used electronic recycling/reuse markets. This can be done through tax credits for manufacturers who partner with social agencies,

recycling grants, and other initiatives that could spur innovative solutions and help stakeholders handle this problem. A partnership consisting of government incentives, private industry and social agencies can protect the environment, create jobs and spur innovation in the environmental field.

Additionally, increased federal support for pilot projects and other sustainable initiatives would be helpful in promoting the development of a recycling/reuse infrastructure. The federal government also can play a key role in educating consumers. We are currently working with a broad-based coalition to help inform consumers about the transition to digital television and the availability of coupons for a digital converter.

Goodwill Industries looks forward to working with the committee on exploring the best ways to handle electronic waste. Thank you.