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Vermont Natural Resources Committee

Dear Committee Members,

Thank you for your invitation to testify on behalf of Good Point Recycling of Middlebury, Vermont, and for seeking our expertise as you consider Bill S.236, "An Act Relating to the Collection and Recycling of Electronic Waste."

Good Point Recycling just celebrated our 20th year in business. That is no small feat. We've brought over \$30 million dollars of revenue into Addison County since 2001, from smelters, manufacturers, and reuse companies out of state. Most of our revenues go to payroll (\$1M). We made 40 green jobs. **For ten of those 20 years, our business was recycling contractor for either the E-Cycles Standard Plan or OEM Opt Out Plans.** We have also operated in New York, Rhode Island and New Jersey's EPR programs. Last summer, we were appointed statewide contractor for Massachusetts until 2025.

After 40 years in the recycling business, I can say this... Electronic surplus, scrap, and e-waste recycling have one important thing in common with all other types of recycling. That is this: **the people who get a check for talking about recycling make a better living than the men and women who do it.**

What is unique to electronics recycling is the **hours of labor per ton necessary to do it right.** Imagine if a recycling facility / MRF received the items in your home bin - newspapers, mail, jars, cans, and bottles - all attached to each other by 20 different types of screw heads and glue. Imagine the MRF was responsible to erase or destroy all of the words and data on the papers. Imagine the soup cans had lithium batteries glued inside, which burst into hot flames if they come into contact with one another. And imagine if the very best and brightest people the MRF traded with were depicted as primitive children who must be arrested or boycotted.

Those costs add up. I share many of the frustrations of the manufacturers, and of the residents in states without EPR laws, who must pay as they throw. But under the EPR law, unlike state governments and manufacturers, Good Point Recycling cannot easily pass our costs on. It's a monopoly. If we bid too high and lose the contract, we lose 90% of our customers. We must close the company. If we bid too low, I cannot afford to keep valuable staff who are increasingly aware of a hot, hot, hot construction labor market. We are nearly at the goal of \$15 starting wages in every position that we set 10 years ago. The home construction company that shares

our building starts people at \$22 per hour. I've lost 10% of the staff in the past 12 months. I cannot cut costs further at my end.

But if legislators, DEC, and OEMs work together with us, we can.

Here are two main points I'd like the Committee to consider.

- 1) **There are certainly enormous inefficiencies in the very high administration costs of the E-Cycles contract.** ANR admin costs alone are a quarter million dollars. That does not include the administrator NCER costs. And of course both impact my company's administrative overhead as they generate more administration for Good Point. I believe California is the only state with more expensive administration costs per ton/mile. I can give multiple examples.¹
- 2) **As it is running, there are also very positive operational efficiencies Vermonters are proud of.** Because we are able to network multiple Vermont locations on the same trucking "milk run", the minimum amount of electronics sites are required to store is less than 10% the minimum in Illinois, Washington, or Oregon.

While the Vermont administrative costs are out of control, states with OEM-run plans have a worse environmental record. I have watched as OEM run programs in other states attempted to lower the labor costs with tragic results (Attachment A). The track record for industry-led CRT recycling for the past decade is horrendous. Good Point Recycling was the whistleblower in 3 CRT processing facility cases out of a dozen bankruptcies and abandoned or landfilled piles. OEMs in those states created a system where a third party at "arms-length" directed tens of thousands of tons of CRTs into shredders which produced cullet that had to be landfilled. What is the point of diverting electronics from landfills into warehouses that are emptied into landfills?

Yes, labor costs are high. But you know we are doing it right. We proudly employ women truck drivers, legal immigrants, elderly, Vermont college graduates, and ADA staff. We are one of the few USA electronics scrap recyclers to remain in the municipal business - or to remain in business at all for 20 years. We aim to reinvest in the community - and to surpass \$15 starting wages for all full time staff this year.

For many years, Vermont has had the highest per capita electronics recycling diversion rates - that was true before and after the legislation was passed. We are nationally recognized. I've been invited to testify in Europe, China, and before EPA and several state legislatures seeking to learn from our success. We were the lab for six major universities administering a half million dollars in research into used electronics exports, and as a result helped disprove bigoted narratives about the Tech Reuse Sector overseas.

¹ New R2 and ISO certification requirements cost us \$20,000 per year -four times the cost ten years ago - and have created requirements having nothing to do with environmental management, which far exceed the EPA requirements intended as a ceiling in the enabling legislation.

Let's start a dialogue today that involves the people who DO the recycling.

In defense of my employees' jobs, in defense of their reputations, I have to put aside the modesty my mother and father tried stubbornly to instill upon me. Ask Mr. Alcorn, ask Mr. Fisher, ask Basel Convention Secretary Katharina Kummer, ask EPA RCRA department staff in Washington DC if our company is not among the foremost experts in the world on electronics scrap management.

Our company, Good Point Recycling, is the founder and backbone of the system. Our staff keep it running. We make affordable devices available to consumers who cannot lease or buy new products. There is waste in the administration. It's not our fault, and the only mistake the committee might make is to let either the State Standard Plan or OEM Standard Plan try to cut costs, or add costs, which negatively impact our company's essential employees.

Sincerely,



Robin Ingenthron

Attachment 1: Environmental Negligence in OEM led Standard Plans in USA

Several years ago, Industry representatives claimed there was a way to lower electronic recycling costs by automating, and replacing the labor with shredding machines. A number of companies have tried that, and most EPR states rewarded those companies with high volumes. Vermont has not. There are several problems with the shredding solution.

1. The CRT glass those companies shredded could not be recycled. More than 80% of the shredded CRT glass processed by shredding companies winds up back in a landfill. Sometimes openly, sometimes quietly after accumulating for years in a warehouse, sometimes with a spectacular Superfund outcome².
2. Partly as a consequence of #1, more than 50% of those shredding companies went out of business in the past decade. Others paid millions in fines.
3. Consequently, those of us remaining in the business see our insurance and certification costs go through the ceiling. In the past year, Good Point's cost of ISO and R2 certification cost more than 4 times what we paid in 2011.
4. Another cost of shredding is that machines don't pick out parts for reuse. At Good Point, one percent of the components we identify for online resale produce more income than the other 99%. We train our staff to identify chips, magnets, replacement parts, wipe hard drives individually.
5. Reuse, the highest and best environmental outcome, creates the best jobs. Over 40 years ago, my grandfather (who is quoted in the chapter title of a NYT bestseller, *Secondhand*) noted a war on reuse and repair. The bar against consumer's rights to repair, remarket, and trade in surplus property is constantly and purposefully raised.³ OEMs have right not to pay twice to recycle the same item, but threaten to abuse that control if recyclers are kept from subtracting out the reuse weight from the invoice, and told to practice "planned obsolescence in hindsight".

² The year Good Point Recycling was replaced as VT Standard Plan contractor, 100% of the CRTs sent to contractors out of Vermont wound up either in a landfill or a Superfund lawsuit. One of those companies recently settled a six million dollar Superfund related lawsuit. Good Point was barely exposed. We settled for \$60k and were retained as a consultant for the prosecution after we showed I was the whistleblower, proved by an article in VT Digger four years before the plant closing.

³ I was invited to testify on this "Right to Repair" law to the FTC, and at Massachusetts Legislature last year.

Spoken introduction

I should note that I have known many of you for many years. Chairman Chris Bray has toured our facility in Middlebury. Teri Kuczynski, from my home town of Middlebury, has worked with us since before the original bill was passed. I forget how many decades ago I met Walter Alcorn - who's from the same Missouri Ozarks as my family and Teri's. It was in the 1990s, when I was planning the first e-scrap law in the country at Massachusetts DEP, where I was program director. That's also where I worked with Scott Casell on recycling legislation, and had several lunches with Matt Fisher over the years. I opened a second facility in Brockton, MA, with a landlord who was Matt's babysitter.

My company, Good Point Recycling, was established 20 years ago, March of 2000, after my wife began teaching at Middlebury College, and I was consulting for DEP, EPA, Dell and others. I bought a recycling truck that year to commute for the consulting gigs, and started collections of used electronics to deliver to a company I was hired to consult for. Some of you remember we were profiled by NPR, Marketplace, and PBS, and even by a European documentary. I could go on - here our company is featured on the cover of Recycling Today in 2020, and here's an autographed NYT best seller by Adam Minter, who travelled with me across our clients in Vermont, across the Atlantic to visit our fair trade recycling partners in West Africa, where I'd been a Peace Corps volunteer. We are featured in the concluding two chapters.

Our company was recipient of an Award under the Americans With Disabilities Act, and interviewed by Library of Congress about our use of differently abled Vermonters. For 4 years, I've been the Business Ambassador and voting member of the Vermont State Rehabilitation Council, where I am very proud to be considered an expert in employing people with disabilities. Those jobs mean we are not just recycling stuff - we are recycling people.

We have been the primary subcontractor for two administrators of the Vermont E-Cycles program, and also operated the only Manufacturer Independent Program in 2014

Alas, the fact remains, I am a flatlander from the Ozarks.

[Prepared Text]