

# En Pointe Asset Liquidations and Environmental Policy

## Objective

To minimize the processing costs and maximize the return on the value of used equipment in an environmentally friendly way. We utilize an "as is where is" bid scenario to accomplish this.

## Back Ground

State legislatures and Departments of Environmental Protection (DEP) have taken the lead on the issue of disposal of electronic equipment. There are currently 26 States that have either adopted or are in the process of adopting regulations governing the disposal of consumer electronics. Landfill bans on CRTs are one of the most common regulations with MA, ME, MI, WI, and CA as the original states having adopted this regulation. Another method of regulation is advanced recovery fees or "ARF". ARF is a fee that is charged at the time of the new electronic equipment purchase and is typically \$5-\$10 per device. This fee is collected by the State and distributed to collection and processing facilities. California is the leader in this approach.

The Federal EPA is currently evaluating a change in CRT disposal regulations. The EPA is evaluating the removal of CRTs from the solid waste category, thus, in theory, easing the ability to recycle the product. This relaxing of EPA control over the disposal process is being criticized by environmental groups as a step backwards. Several states have submitted comments recommending that CRTs be classified as a universal waste. The Federal EPA currently classifies cathode ray tubes (CRTs) found in computer monitors and televisions as a hazardous waste. This classification is based upon the high concentration of lead found in all cathode ray tubes. The Federal EPA's position on the disposal of CRTs found in both computer monitors and televisions are as follows:

- Households: Used computer monitors or televisions generated by households are not considered hazardous waste and are not regulated under federal regulations.
- Donations or Resale: Monitors or televisions sent for continued use (i.e., resold or donated) are not considered hazardous waste.
- Small Quantities Exempt: Businesses or other organizations are not regulated under most federal requirements if the facility discards less than 100 kilograms (about 220 lbs or 8 monitors) of hazardous waste per month. (This waste must still go to facilities authorized to receive solid waste.)
- Large Quantities: Facilities that generate more than 100 kilos per month of hazardous waste are regulated under federal law. CRTs sent for disposal must be manifested as hazardous waste and sent to a permitted hazardous waste facility. The facility must maintain records onsite for three years documenting type of materials disposed of, with whom and when. CRTs sent for recycling are also subject to these same regulations but the Federal EPA is in the process of reclassifying CRTs as universal waste which will streamline the reporting and record keeping requirements.

Interstate commerce regulations require that you must be in compliance with the solid waste regulations of the State in which the waste is eventually disposed in, not the state that you shipped the waste from. Once your obsolete electronics are removed from your facility, you have no control over where they will eventually wind up. A significant majority of obsolete corporate electronics are reused not recycled. In other words, the eventual disposal will occur well after you retire the items and it will probably occur in another State or country.

In addition to State and Federal required universal waste compliance documentation, we comply with the newest EPA Rules and Regulations concerning the recycling of CRTs:

(<http://www.epa.gov/epaoswer/hazwaste/recycle/electron/crt-final.pdf>)

## En Pointe Requirements

En Pointe is not a recycler and does not directly dispose of equipment. We manage the process on behalf of our customers. Equipment has various destinations depending on type and condition. Tested, working equipment is sold with the business assumption that this equipment will be put to use. Our vendors can track inventory by customer and report detailed information related to quantity, manufacturer, description, etc of all equipment. Scrap commodities are destroyed or recycled and EPA certifications are issued as required. All of our downstream vendors must comply with governmental regulations related to the disposal of materials.

In addition to regulating disposition of equipment, En Pointe is involved in other areas of environmental protection. We actively recycle day to day materials in our facilities such as paper, cans, plastics and the like. We promote ride sharing and allow many of our employees to telecommute. We put an emphasize "Energy Star" compliant products that our OEM business partners produce and actively try to upgrade older, energy wasting technology with newer, low energy products.

Protecting the environment is everyone's responsibility and En Pointe strives to do its part. Our vendors must agree to the "En Pointe Vendor Requirements for Hardware Disposition Standard".