



World Reuse, Repair and Recycling Association Inc. www.wr3a.org

December 16, 2004

Dear Electronics Recycler,

Thank you for your interest in participating in WR3A, our new association dedicated to promoting Reuse, Repair and Recycling trade overseas WITHOUT sending "Toxics Along for the Ride".

As we announced in our kickoff in October, the goals of our association are to meet world demand for legitimate, reusable and recyclable commodities without creating a "loophole" for illegal dumping of toxic materials. The WR3A serves as a mechanism of "cooperative marketing" for used monitors and TVs, but we also hope to address other scrap and reuse exports in the future.

WR3A was created in response to legitimate concerns, raised by Basel Action Network (BAN) (www.ban.org), Silicon Valley Toxics Coalition (SVTC), Greenpeace and others, that disreputable recycling companies have shipped unrepairable junk to countries which have poor environmental controls. As states like Massachusetts and California ban disposal of CRTs, the temptation to send junk TVs, monochrome monitors, imploded, scratched, burned and unrepairable screens is undeniable. How can a legitimate American recycler compete when the price of processing junk CRTs is over 30 cents per pound?

At the same time, WR3A recognizes that export for reuse and repair is not only legal (Annex 9 of the Basel Convention explicitly allows export for reuse and repair), it is a "win-win" for legitimate recyclers and those trying to close the "Digital Divide" overseas. Reselling a working or repairable computer monitor or TV for \$10 not only makes recycling the BAD CRTs more affordable, it makes internet access and computer skills more affordable in countries which are striving to enter the digital world.

The United States is the best in the world at throwing things away; we are not the best at reuse and repair. If we don't participate in the world reuse economy, the result will be wasted natural resources, and an unsustainable cycle of mining, refining and disposal. It is up to us to rescue this legitimate reuse market by raising our standards, eliminating the free riders, and creating a reputable, reportable, auditable trail of reuse, refurbishment, and appropriate domestic recycling of America's high-tech materials.

Your response to WR3A is the most encouraging news we have to report. Over a dozen USA recyclers immediately asked to join or to get more information. Four overseas companies have asked to join the effort, and have offered to pay a premium to organizations supplying material through the WR3A. In the words of one refurbisher, "We have to import 30% more monitors than we have demand for, because of the amount of junk we get with some shipments. That's a savings we can pass on to legitimate recyclers through the WR3A."

Since October, we have received Purchase Orders for **over 130,000 monitors per month**. One of the largest refurbishers in Asia has offered an agreement through WR3A exclusively if we can meet their demand and deliver on our promised quality.

Our association is taking its first steps. In our first year, we will stress standardization, documentation and accountability, but not necessarily "certify" end markets or exporters. We will establish a dispute resolution process, and will mail out news for recyclers to help you keep updated on legitimate markets, or to steer clear of areas where we think an "advisory" is in order. As we continue to learn and improve, we aspire to increase accountability, such as certifying end markets and even "cutting off" markets which are buying from companies unwilling to abide by WR3A standards.

We encourage you to join us in this important and responsible effort. Additional information and an application are available at www.wr3a.org. If you have any questions, please feel free to contact us at wr3a@good-point.net

Sincerely,

A handwritten signature in blue ink, appearing to read "Robin Ingenthron".

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Robin Ingenthron, President
Lin King, Vice President
Aaron Murray-Nellis, Treasurer
Michael Rohrbach, Secretary

1) Applicant Contact Information

Signature:	Name:
Organization:	Phone:
Address:	State:
Web address:	Email:

2) Which type of membership are you applying for?

- USA RECYCLERS: We intend to export directly overseas (qualified, quality product only)
 - *Voluntary membership fee: \$75*
- OVERSEAS REFURBISHER: We intend to import USA material for refurbishment
 - *Voluntary membership fee: \$1 per item imported through WR3A*
- SUSTAINING MEMBER: We are generators and wish to participate in WR3A
 - *Voluntary membership fee: \$35*

3) Which types of product do you handle?

- We purchase or supply surplus/IT equipment from corporate takeouts or retail over-inventory (high reuse value)
- We manage residential, unrepairable material of unknown condition for a recycling fee (some reuse value, but lots of materials needs to be processed)
- Other (describe)

4) Where does your downstream junk go? (WR3A may call to verify volumes)

CRT Glass destination: _____

Gold scrap destination: _____

Wholesale (mixed or unprocessed) outsourcing: _____

- 5) Do you test monitors for screen burn, tube damage, age, radius (flat to R4), SVGA, etc.? _____
- 6) Do you maintain inventory and tracking of each type? _____
- 7) Are you willing to have loads pre-inspected if requested by the importer? _____
- 8) Are you willing to allow loads to be inspected after delivery to your export market? _____
- 9) Are you willing to allow for 3rd Party dispute resolution if there are questions regarding any load? _____

Membership fees are voluntary through the end of 2004. Afterwards, members will vote whether the sustain WR3A through membership fees, brokerage fees, or other support. However, we are already undertaking several operational expenses, and the Executive Board has asked for a membership fee, based on the type of membership.

WARNING: Do not make false statements on this application. Do not apply if your website makes false claims (EG "We are certified by the EPA") Do not provide false information about CRT glass processing, acceptance of unrepairable scrap, etc. False statements made in this application or published on your website will be grounds for immediate termination of membership, and you will be solely responsible for any bad publicity that entails.

Q and A: What is planned for the WR3A?

Is membership free?

WR3A's Executive Board has debated the issue of fees. We would like WR3A to be sustainable and to provide the best possible value to our members. However, we would like members to vote on fees rather than set them arbitrarily. When you join the WR3A, one way to "vote" for sustainability is to pay the suggested annual membership fee on the attached application.

Is WR3A a cooperative marketing association?

For legal reasons we have incorporated as a trade association at this time. Whether WR3A brokers material directly or facilitates brokerage will depend on legal restrictions vis-à-vis our non-profit status. We are NOT a 501-c(3) charity, and don't plan to be; the primary beneficiaries will be our members (and the environment).

Does the WR3A guarantee that members are not exporting toxic junk?

No. We are a new organization without full time staff and we cannot guarantee that members are behaving according to our standards. However, we will kick out members we catch violating those standards. We are not trying to get rich on membership fees. It would be foolish to join WR3A without accepting our goals.

Does the WR3A guarantee that members are not accepting or importing toxic junk?

Not at this time. However, as the number of members providing items for resale through the WR3A increases, we will use the cooperative volume of product to enforce best practices among our buyers. We may make cleanup of an old site a condition of new quality product sales, or may drop a buyer if we find they are buying large quantities from USA exporters who are not meeting WR3A standards.

Does the WR3A determine which exports are legal under international, USA, or foreign laws?

No. Our Executive Board speaks several languages, includes international relations degree holders, former regulatory officials, etc. We are more qualified than most as to what those laws are, and hope to provide resources assisting members and non-members in complying with those laws.

However, there is wide disagreement about the interpretation of laws even in the USA (e.g. see court cases concerning commodity vs. waste), and we have seen foreign rules against "dumping" in a "below cost" sense mis-translated as dumping in a waste disposal sense. Laws will be subject to the courts.

Does the WR3A support black market refurbishment?

The accepted term of "gray market" shows that it is very difficult to tell when patents trump resale of personal property. Some ink cartridges, for example, are refilled and relabeled with a new name. Others are relabeled with the original name left on. Others are repackaged fraudulently as counterfeit ink cartridges without the manufacturers consent.

We have seen both legitimate refurbishers and black market counterfeiters arrested under the same laws in some countries.

While it would be simpler for manufacturers to stop counterfeiting if all reuse was banned, WR3A believes that would be bad for consumers, bad for the environment, and basically throwing the baby out with the bath water.

What are anticipated benefits to WR3A members in coming years?

WR3A hopes to provide standards, load inspections, overseas site inspections, dispute resolution, networking, and news releases concerning reuse, repair and recycling worldwide.

WR3A plans to work with the USA's network of TV and monitor repair people to provide pre-inspections of loads for export. We plan to provide cooperative purchase order fulfillment (allowing overseas refurbishers to fill their entire demand via a patchwork of WR3A members) and cooperatively-financed site due diligence inspections. We have already been offered a price premium by several overseas refurbishers if we are successful in reducing the number of "bad" loads they are importing.

WR3A will provide a standard where USA recyclers can keep their prices down, rather than feel forced to "destroy" working monitors out of fear of being labeled "an exporter". WR3A will allow digital divide and refurbishing organizations with a process to guarantee loads without personally inspecting every sale (a "fly and buy" method which has become de rigeur for large buyers who have been "burned" on bad loads).

WR3A will also assist generators, government agencies, and other organizations seeking advice and technical assistance on what the "reality" of electronics recycling and exports.

Learn more at our website www.wr3a.org

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