

EPA Regulations Are Essential to My Business

Testimony

of

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My Name is Wendy K. Neu and I am an owner and Executive Vice President of Hugo Neu Corporation. Hugo Neu is a diversified company based in the United States, founded in 1945, that has owned and managed industrial and commercial business assets in excess of \$500 million. Hugo Neu is focused on building, managing, and investing in recycling facilities, water technologies, and clean-tech businesses and commercial real estate. Depending on the assets we own and manage at any given time, we have employed between 250 and 1,100 workers and had export sales in excess of 2 billion dollars in a single year.

From my perspective as a mid-size business executive, with hundreds of jobs and literally hundreds of millions of dollars of investment at stake, I can state unequivocally that regulations promulgated, overseen, and enforced by the U.S. Environmental Protection Agency (EPA) have been and remain essential to the growth, diversification and sustainability of our recycling and clean tech operations.

Let me provide you with one specific example of how strong EPA regulations would allow Hugo Neu to more successfully compete globally. One of the industrial operations we own focuses on recycling of used and obsolete post-consumer and commercial electronic equipment which is commonly referred to as E-waste. Our company's name is "WeRecycle!" and is based in Mt. Vernon, New York. Like communities throughout our nation, Mt. Vernon, with a population of approximately 38,000 people, is desperate for livable wage jobs. The unemployment rate remains above 9% and the Median Household Income is about \$33,000. Almost one-fifth of Mt.

Vernon's individuals live below the poverty line (18%), while fully 15% of all families in the town live below the official poverty line as well.

Hugo Neu and other investors in WeRecycle! LLC have invested nearly \$20 million into the development of WeRecycle! in Mt. Vernon and Meridan, CT, and we currently employ approximately 85 people. We pay a starting salary of \$13.25 per hour and provide full medical health coverage, a pension plan, and incentive compensation. Jobs range from highly skilled management positions to less skilled work.

The employees who work at WeRecycle! are focused on repairing or otherwise recycling E-waste. The technology we have developed allows us to recover high value clean streams of commodities. These commodities are then sold to the highest and best industrial consumers either domestically or exported to industrial consumers around the world. Unfortunately, inadequate regulation by EPA is limiting the growth of our environmentally responsible business. What I am saying is we need more EPA regulation to make our business grow. These needed regulations will protect the jobs, health, and safety not only of Americans, but the health of some of the world's most desperately poor people who are now "recycling" electronic wastes under what amounts to medieval conditions.

Right now, jobs that could be developed at e-waste recycling businesses are being exported to China, Southeast Asia and countries in Africa because the EPA does not effectively limit the export of hazardous electronic wastes by unscrupulous collectors in the United States. Perhaps as

much as 80% of all E-wastes collected for recycling in the United States winds up being exported to the developing world. Every single country in the OECD other than the United States limits the export of E-wastes, wisely preserving jobs in their countries and limiting the spread of toxic waste. Our EPA needs to be encouraged to do so as well and it needs the additional funds and support from this Committee and Congress more generally to do its job. Cutting funds for the EPA to do this work will stymie jobs production in our industry. To produce more jobs, we need tougher regulations from EPA limiting the export of E-waste. As a lifelong member of the business community I can state unequivocally that cutting EPA funding to do its work will hurt our businesses and our economy more generally. In fact, it is the existence of current EPA regulatory guidance that now discourages the dumping of E-waste in landfills and combustors that has helped out business to prosper. But much more can and should be done.

According to the Government Accounting Office, EPA's current efforts to facilitate the environmentally sound management of used and obsolete electronics are very limited.

This limited and inadequate approach by EPA needs to be replaced with regulations that will level the playing field for responsible recyclers like my company. EPA must more effectively regulate the export of hazardous E-waste.

Our increased reliance on personal technology -- laptops, cell phones, PDAs, computer monitors, printers -- has resulted in vast quantities of toxic garbage in landfills that could have been reused or recycled. Nearly 2.6 million tons of E-waste ended up in landfills in 2007, and only about 408,000 tons were recycled. If Americans recycled the more than 100 million cell phones that

are no longer used, the amount of energy saved would be enough to power approximately 24,000 U.S. households for one year.¹ And an untold number of new jobs would be created; many of them at the company that I help manage.

Some of the materials in personal electronics, such as lead, mercury and cadmium, are hazardous and can release dangerous toxins into our air and water when burned or deposited in landfills improperly. And throwing away metal components, like the copper, gold, silver, palladium and rare earths in cell phones and other electronics, leads to needless mining for new metals.

To quote from the Government Accounting Office:

“Low recycling rates for used televisions, computers, and other electronics result in the loss of valuable resources, and electronic waste exports risk harming human health and the environment in countries that lack safe recycling and disposal capacity.”²

I know from firsthand experience and many discussions with colleagues that there is growing recognition in the business community about the urgency of the many economic challenges facing the U.S. These include increasing proliferation of dangerous wastes, and the destruction of ecologically essential landscapes. And on the economic front, they include volatile energy and commodity prices as well as continued high unemployment. These challenges are multifaceted and require new approaches that would transform existing practices from those that are resource intensive, polluting, and produce few jobs to those that minimize pollution and its liabilities, and creating significant job opportunities.

¹ <http://www.epa.gov/epawaste/conserva/materials/ecycling/faq.htm#benefits>

² “Electronic Waste: Considerations for Promoting Environmentally Sound Reuse and Recycling,” GAO-10-626, at P. 2

The current solid waste management system in the U.S. presents an excellent opportunity to encourage such a shift and the US EPA is in a perfect position to help us do so. In so doing, the Agency also holds the potential for creating large numbers of new jobs throughout the U.S.