

Good morning, Chairman Carper, Ranking Member Capito and the other members of the Committee.

I would like to thank you for the opportunity to speak to you today representing my company HOB International, Inc. and the thousands of other American companies that make up the electronics recycling industry. I also speak for the electronics recyclers and ITAD companies that are members of the Institute of Scrap Recycling Industries or ISRI.

My company, HOB International, has been in the electronics recycling industry for more than 30 years. During those years, we have seen tremendous changes in the computing landscape, moving from mainframes to desktop computers to the booming and continually changing mobile device market. The evolution and constantly shifting information technology market has been truly breathtaking during the past few years.

I'm glad to say that one constant during these changing times has been the vital role that electronics recycling companies play in the information technology economy. Each business day, thousands of computing and storage devices are collected, erased, tested, redeployed, reused, and recycled. Each business day the EPA estimates that more than 600,000 people are employed in the U.S. by companies participating in the electronics recycling space and the worldwide marketplace for these services has grown to more than \$40 billion.

With that perspective in mind, I'd like to tell you more specifically about what we do, why this matters, and what some of the challenges are we are facing in our industry.

Electronics recycling companies help make the electronics manufacturing supply chain more sustainable. This includes testing and refurbishing products for redeployment and recovering the critical materials used to manufacture new products including everything from cellphones to servers. It also includes helping corporations throughout the economy enhance their ESG performance by meeting environmental goals by reusing and recycling their end of use electronics products and helping expand their social programs through initiatives such as equipment donation programs.

Electronics recycling companies also ensure that the personal data of millions of Americans stays protected each and every year. The industry has made tremendous investments in data cleansing technologies, as well as certifications such as the R2 certification, to create transparency for consumers and corporations to validate the companies they select to recycle their products have state-of-the-art tools and processes.

The industry is also critical in bridging the digital divide domestically and internationally. It is estimated that over 460 million cellphones alone in a single year could be collected and redeployed worldwide. These reused devices represent a more affordable alternative means for people in need or individuals in underdeveloped countries to join the global digital marketplace.

The industry is facing significant and growing challenges here in the United States. These challenges could see even more dramatic shifts in the industry in the upcoming years and impede the ability of the industry to grow to meet the ever-increasing demand.

First, the expansion of the use of embedded Lithium Ion and Lithium primary batteries in everything from AirPods to automobiles represents a significant challenge for the industry. Gone are the days when true end-of-life products could just be dropped in a shredder for automated material recovery. Now equipment processors must carefully and primarily manually remove these batteries as a first step in the material recovery process. This has markedly increased the labor cost of recycling devices and has resulted in the industry taking costly and extensive steps to make sure batteries can be removed and recycled safely.

Second, it is vital that manufacturers increase their focus on sustainability of their products by incorporating Design for Recycling<sup>®</sup> concepts at the earliest part of research and development to ensure these innovative products that improve our lives are easily disassembled, reused, and ultimately recycled. Designing these products for sustainability and recycling is both good for the bottom-line and for the environment and is essential in realizing the tremendous benefit that recovered products represent in the critical mineral supply chain.

Finally, changes in international trade law, specifically in the Basel Convention could upend the economics of the electronics recycling industry in the United

States starting on January 1, 2025. The Basel Convention recently incorporated new language that will take large portions of the products that were traditionally traded internationally as non-hazardous and now classify them as hazardous. As a result, parties of the convention that want to trade these products will have to follow new procedures to document the movement of electronics destined for recycling and reuse. More importantly, parties of the convention, which represent almost every country in the world, will not be able to trade with countries that are non-parties. This will become a de facto ban on trade electronics recycling companies based in the United States. The electronics refurbishment and recycling market is a global market, and isolation from this market will significantly economically disadvantage U.S.-based companies that recycle these products.

In summary, the electronics recycling industry is an essential part of the global efforts toward sustainability in the technology and communications sector. This is an exciting time for technological innovation, but it is not without its challenges. It is essential as policies are discussed to address these increasing challenges that the recycling community be an active participant in these discussions. Thank you for the opportunity to tell you my story.

I look forward to taking your questions.