

STATEMENT OF CHIEF SUSTAINABILITY OFFICER THOMAS G. DAY BEFORE THE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

FEBRUARY 27, 2014

Good morning, Chairman Carper and members of the Committee. Thank you, Mr. Chairman, for calling this important hearing on recycling electronics. My name is Thomas G. Day, and I am the Chief Sustainability Officer of the United States Postal Service, a position I have held since June 2011. Working closely with departments throughout the Postal Service, our vendors, and the mailing industry, my team sets policies and assists in the areas of environmental compliance, sustainability, and energy initiatives.

I am pleased to be here today to provide an overview of the USPS BlueEarth[™] Federal Recycling Program (BlueEarth Recycling Program). This new program offers participating federal agencies and their employees a free and easy solution to securely and efficiently recycle unwanted lightweight electronic devices in an environmentally friendly way. Improper disposal of electronic waste is an acknowledged worldwide environmental problem, and this program aims to increase the percentage of used electronics that are recycled. Recycling used electronics also helps preserve and reuse strategic minerals that are in short supply.

PROGRAM OVERVIEW

Federal agencies can enroll in the BlueEarth Recycling Program to recycle unwanted small electronics and printer cartridges, free of charge, through the mail. Some examples of electronic items eligible for recycling include cell phones and accessories, laptops, tablets, and cameras. This program is designed to supplement an agency's existing recycling programs. Currently, there are 11 participating federal agencies. There are no costs to agencies to implement this program, and there is a very simple process for them to launch it on a national level. The program has two components. Agencies

can recycle government-owned small electronics and printer cartridges at the agency location, and employees of participating agencies can dispose of their own personal small electronics and printer cartridges from home.

The BlueEarth Recycling Program is web-based. An employee from a participating agency selects his or her agency name and the device information on the website. The individual then packages the device and prints a shipping label, free of charge, from the website. The shipping includes free package tracking. In the course of normal delivery, a postal letter carrier picks up the package while completing his or her route. A certified recycler receives the item, wipes the data as appropriate, and ensures it is either securely recycled or remanufactured for resale opportunities. The recycler receives the residual value of the recycled products, which funds the transportation costs via U.S. Mail to the recycler's destination.

The recycler is responsible for removing data associated with the electronic devices, wiping the data in accordance with the data sanitization standards of the National Association for Information Destruction (NAID) and the Department of Defense (Standard 5220.22-M). A certificate is issued confirming such action.

Through the BlueEarth Recycling Program, federal agencies receive recycling activity reports with data to assist them in meeting the documentation requirements of Executive Order 13514. Under this executive order, U.S. agencies must employ environmentally sound practices for the disposition of all agency excess or surplus electronic products.

USPS BlueEarth[™] is a branded suite of customer services and product initiatives from the Postal Service designed to provide sustainability solutions and innovations to our customers. The Postal Service is perfectly positioned for this program because we are using our existing delivery network—making it a financially and environmentally-efficient way to recycle. Recycling programs help prevent e-waste from ending up in landfills, which can be dangerous to the environment and to human health.

Besides providing the ability to simply, securely and cost-effectively recycle e-waste, the BlueEarth Recycling Program also increases mail volume and postage revenue. A short, informative video of the program can be found on YouTube (<u>http://bit.ly/1h6mVSy</u>).

PROGRAM SUCCESSES AND CHALLENGES

The BlueEarth Recycling Program was launched in April 2013. Eleven agencies are currently enrolled, including the Postal Service. While we are encouraged by the number of agency agreements signed thus far, usage of the program has been low. Rather than continuing to pursue additional participating agencies, our current focus is on developing promotional and educational materials to expand the use of the program at these existing agencies. We plan to roll out this new promotional campaign this spring.

So far in Fiscal Year 2014, the BlueEarth Recycling Program collected and recycled approximately 15,000 items. The most popular items being recycled have been printer cartridges and toner, smartphones, laptops, and cell phones. The most active agencies have been the Postal Service, followed by the Department of Energy and the Department of the Interior.

In addition to the postage revenue the Postal Service receives for transporting recycled items, there is a profit sharing component of the program. The Postal Service and its recycler have an agreement to split any profits generated from the disposition of the recycled items. This profit is calculated after all costs associated with recycling have been accounted for. So far, no profits have been distributed, but we expect to turn a profit for the month of February, as the startup costs of the program were completely paid off in January.

IMPACT OF PENDING LEGISLATION

A study commissioned by the Postal Service showed a large potential market for electronics recycling by mail in both federal and consumer markets. There are some hurdles that stand in the way of full potential. Section 411 of Title 39 (US Code) restricts the work the Postal Service can do with commercial entities and state and local governments. Pending Senate postal reform legislation would allow potential expansion of the program to the state, local, and tribal government level.

CONCLUSION

Mr. Chairman, we look forward to working with you and the rest of the Committee to expand the recycling of e-waste throughout the nation, and especially to take advantage of the Postal Service's natural fit in its receipt, transportation, and delivery. This concludes my remarks. I would be pleased to answer any questions you may have.