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***Testimony for the Committee on Oversight and Government Reform, Subcommittee on Government Management, Organization and Procurement***

***I. Introduction***

Thank you for the opportunity to talk about YouRenew's business model and development. Given the United States' vast electronic and IT equipment consumption, we believe that creating convenience, transparency, and incentive to reuse and recycle is important to raise our low national recycling rates. Our business model attempts to achieve those goals.

Our company uses the word "renew" to define the reuse and recycling of old electronics, because we believe it is important to encourage a full-life cycle solution to electronic devices. Encouraging a full-lifecycle requires some of the great work that EPEAT and manufacturers are doing to create more environmentally friendly electronics, but also a end-of-life solution that companies like ourselves are providing.

Incentives, convenience, and transparency are necessary to encourage an optimal reuse and recycling program. Organizations and individuals often have to pay money to recycle electronics or IT equipment responsibly, have trouble finding safe outlets for these materials, and are often inconvenienced by the time or travel required. The aim of developing YouRenew is to create a central hub for the market that will bring incentive, convenience, and transparency to what has been a murky process in the past.

We believe that the federal government can be a leader in setting up a full life cycle program that buys both environmentally friendly IT assets and has a centralized program for the reuse and recycling of its old electronic assets. With the right support and leadership, we believe that the reuse and recycling of electronics will become a booming American industry.

***II. Research***

According to the Consumer Electronics Association, the average U.S. household owns 24 electronic devices,<sup>1</sup> and wireless telecom and personal computer ownership are nearly universal in the U.S. As of June, 2009, there were 276.6 million wireless subscribers in the U.S. representing 89% of the total population.<sup>2</sup> As technology continues to advance, so does consumer taste and device acquisition. The average life of a cell phone is now below 18 months, and five-year-old devices are considered obsolete.

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<sup>1</sup> Consumer Electronics Association. *Market Research Report: Trends in CE Reuse, Recycle and Removal*. April 2008.

<sup>2</sup> "Wireless Quick Facts." CTIA. Web. <[www.ctia.com](http://www.ctia.com)>.

Unfortunately, device turnover is creating a growing problem: unused electronic devices, such as cell phones, are piling up at an alarming rate and very few are finding their way to new users or responsible recyclers. Cell phones have the lowest recycling rate of any of the major categories of electronics tracked by the EPA. Of the 140.3 million cell phones retired in 2007 (the most recent year for which data is available), only 14 million devices were recycled (a recycling rate of 10%).<sup>3</sup> Small electronics lag behind every other form of recyclable product. By comparison, the US paper recycling rate is 56%,<sup>4</sup> and even televisions and computers each reached recycling rates of 18%.<sup>5</sup> For other consumer electronics that we currently work with: mp3 players, digital cameras, graphing calculators, laptops, gaming consoles, external hard drives, DVDs, and video games, these statistics are similar, revealing a troubling issue for the environment and, ultimately, for the consumers who so eagerly and willingly discard working phones in favor of the latest technology.

We quickly realized that rapid innovation by manufacturers of new devices created high turnover rates of still-working devices. However, there were no dominant players offering customers assistance recovering value from their used devices and connecting them to responsible recyclers, even though there is a tremendous need and massive market opportunity.

We decided to focus our company as a link between people and traditional electronics recycling, because we believe that reuse is the highest form of recycling. Thus, we coined the term “renew” to describe a reuse or recycling policy based on the device’s condition and type. Reusing and recycling electronics offers a great option to help people participate in creating a more sustainable planet, because it reuses natural resources, saves energy, and lowers greenhouse gas emissions. The EPA noted in 2008 that “[I]f American’s recycled 100 million phones, we could save enough upstream energy to power more than 194,000 U.S. households for a year. If consumers were able to reuse those 100 million cell phones, the environmental savings would be even greater, saving enough energy to power more than 370,000 U.S. homes each year.”<sup>6</sup>

### **III. Market Need**

While investigating solutions for managing and properly disposing of used electronics, we quickly discovered a lack of awareness regarding the proper avenues to do so. Electronic devices continue to turn over at an increasingly rapid rate and there is still a major informational gap because most consumers have no knowledge of how best to do so. As aforementioned, we believe these problems are a result of a lack of (1) incentive, (2) transparency, and (3) convenience.

- (1) Incentive – Traditionally, organizations and people need to pay to have their electronics recycled responsibly. At YouRenew, we are trying to offset the cost of electronics recycling by paying organizations and people for their old devices that we will put back into use.
- (2) Transparency – There is concern over where the electronics go if they are being recycled. Data security is also a concern. We are a young company, but our goal is to continue to be the most

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<sup>3</sup> Environmental Protection Agency. Statistics on the Management of Used and End-of-Life Electronics. Raw data. [Http://www.epa.gov/epawaste/conserva/materials/recycling/manage.htm](http://www.epa.gov/epawaste/conserva/materials/recycling/manage.htm).

<sup>4</sup> Bratkovich, Steve. *Paper Recycling in the United States and Beyond: An Update*. Rep. Dovetail Partners, Inc., 2008.

<sup>5</sup> Environmental Protection Agency. Statistics on the Management of Used and End-of-Life Electronics. Raw data. [Http://www.epa.gov/epawaste/conserva/materials/recycling/manage.htm](http://www.epa.gov/epawaste/conserva/materials/recycling/manage.htm).

<sup>6</sup> Smith, Roxanne. “Cell Phone Recycling is an Easy Call” The Environmental Protection Agency Press Release, 8 January, 2008. <<http://yosemite.epa.gov/opa/admpress.nsf/1ef7cd36224b565785257359003f533f/489508efdf85e4f5852573ca0058bb98!OpenDocument>>

transparent company on the market and only work with electronics recyclers with the highest environmental standing and credibility and offer the best data clearing process.

- (3) Convenience - recycling programs and remarketing programs compete against the trash can or closet. For our model to work, we work tirelessly on improving the ease for an organization or consumer to work with us. Electronics recycling solutions are often difficult to find and not easy to use. Unlike plastic, glass, and paper, electronics recycling options are not well known or often inaccessible. This is often a result of the fact that people have to pay for recycling or can only do so on a few inconvenient days during the year.

As a result, old phones, MP3 players, computers, and other electronics end up gathering dust in closets or worse, are sent to a landfill. It is important to note that this issue confronts not only individuals, but also corporations, hospitals, municipalities, and even the federal government. We are attempting to offer a solution that can get those old items out of the closet and into the hands of someone or some organization who can give them a second life. We allow people to take action in reusing or recycling responsibly and even get paid in the process.

#### ***IV. Our Service***

The genesis of YouRenew came from my co-founder and my desire to build a dynamic business with a strong social conscience. After investigating numerous potential sectors we came to believe there was a viable opportunity in the reuse and recycling of electronics devices. Our research led us to the Green Electronics Council (GEC), the leading authority in the area of green electronics. We were captured by the GEC's Mission Statement which is:

“We inspire and support the effective design, manufacture, use and recovery of electronic products to contribute to a healthy, fair and prosperous world.”

We believe that YouRenew plays a vital role in helping the GEC carry out its mission; that is, we fulfill the need to recover used devices effectively in the most environment friendly fashion. And, we pay our customers for it.

For too many years, used electronic devices, like many other products, have found their way into landfills. While this still happens today, given the growing public awareness of green initiatives, most of these devices do not end up in landfills, but they end up in our closets, our attics, our garages, or any other out-of-the-way place we can find. Businesses, governments and other large organizations have a similar problem. Most organizations we visit have their used electronics sitting in box in an office or a warehouse, just taking up space and people who go through the website denote a similar problem. Individuals know they cannot merely dispose of the devices, but, candidly, do not quite know what to do with them. If they do anything, they pay someone to haul it off, frequently unaware as to how the devices will be disposed. Even if a device is recycled properly, a large percentage of used devices are still fully functional and should be appropriated for reuse rather than broken down for raw materials.

This is where YouRenew provides a very valuable role in helping create a full life cycle for electronics. Our contribution lies in our intervening to determine the optimal means of disposal. Devices that are in good working condition are sold back into the market, where a strong demand exists for people or organizations that might not be able to afford brand new devices. We currently sell our products through third party marketplaces like EBay and Amazon, but our long-term goal will be to have a sufficient volume of devices flow through our operation to merit our own online store. Devices that are operable but not in the requisite condition for resale are sold to our wholesale partners who either

refurbish the devices for resale or break down the devices, keep and reuse the working parts and recycle the non-working components. If nothing is salvageable, we forward the device on to one of our recycling partners, who have the highest levels of certification and are members of the E-Stewards initiative. As such, our process ensures that working devices and working parts are re-used, thereby increasing their useful life.

We have customers across the entire electronic user spectrum, from individuals, to businesses, to non-profit organizations, to government entities. We market to them via online and offline channels. Irrespective of the channel, our goal is to first, educate our customer as to the need to recycle and second, make it as easy as possible to complete a transaction with us. Our services include an immediate pricing proposal delivered over the web and an email transmission of a prepaid shipping label. Once devices are received in our facility, we conduct specific diagnostic procedures that dictate the avenue of disposition. We either confirm or adjust the pricing where appropriate and make payment to the customer. Last, in preparing a device for resale, we have data-clearing process to ensure the confidentiality of our customers.

We are deeply committed to improving and building our business in all facets. In the six months since the launch of our platform, we have processed tens of thousands of devices and created fourteen jobs in New Haven, CT. We are excited to work in a budding industry with strong potential. All profits that we generate will be reinvested back into our platform to allow us to make more people and organizations aware of the need to recycle and to make the process of recycling easy and painless. Again, we pay our customers a fair and competitive price to be green.

#### ***IV. Conclusion***

We've seen incredible growth in the last seven months since launching YouRenew.com out of our dorm room at Yale College. The company was two full-time individuals in the beginning of June and we now have close to twenty and are hiring more.

In the next year, we at YouRenew are aiming to work with manufacturers, electronics recyclers, individuals, organizations, and the U.S. government to set up a more efficient and transparent framework for the second-life of electronics. We want these partners to help us create the best (1) incentive, (2) transparency, and (3) convenience. We think we have made positive steps so far and have a great service. It will take time to find the perfect solution for everyone, but we are excited and optimistic that it can be done.