



## **CORRECTIONS & EDITS**

### **“Cell Phone Recycling Report Card, the Wireless Industry Fails to Make the Grade”**

9/12/2006 -- EARTHWORKS publishes reports, white papers, and fact sheets on a regular basis. Through its websites, email alerts, press releases and other sources EARTHWORKS introduces a significant amount of information and analysis into the public domain. As a policy and practice, when EARTHWORKS materials contain mistakes, factual errors or errors of omission, EARTHWORKS will publish a correction—either in updated reports or materials or in a “corrections” page on one or more of our websites.

EARTHWORKS notes that it is not unusual for disagreements to occur over the same set of facts and events—i.e. there are sometimes differences of interpretation or perspective. In such cases it is unusual for EARTHWORKS to issue a correction, as long as the underlying facts are reported accurately. However, there are instances where EARTHWORKS will choose to publish a follow-up statement or analysis, or may even seek to clarify language, in an effort to bring these issues to light and to increase public understanding and debate.

On April 5<sup>th</sup>, 2006, EARTHWORKS published a report entitled “Cell Phone Recycling Report Card, The Wireless Industry Fails to Make the Grad.” (referenced as “the report” for the remainder of this document). A number of the wireless companies and one of the cell phone recycling companies profiled in the report have contacted us since the report was published. We are encouraged by their interest in discussing issues raised in the report. In some instances companies reported errors in the report. A summary of corrections follows. In other instances, companies took exception to how we characterized their cell phone recycling programs or efforts. Where a factual mistake or correction underlies the characterization, we have issued a correction. Where the issue is in our view a difference of interpretation or perspective we added clarifying language.

### **Corrections to the report**

#### ***Cingular No Longer a ReCellular Partner***

On page 3 the report asserted that

“All four industry leaders have partnered with a recycling and refurbishing company – ReCellular ...”

On page 5 a similar assertion is made.

Both Cingular (one of the four “industry leaders”) and ReCellular informed us that this is not accurate. In fact Cingular formally partners with Hobi International not ReCellular. However, immediately prior to the release of the report, following cell phone recycling links on Cingular's website would lead a visitor to recycle their phone with ReCellular.

Edited language in the report now reads in part:

*Three of four industry leaders have partnered with .... ReCellular... Cingular, the other industry leader, does not. Cingular partners with Hobi International.*

Similar language will be inserted on Page 5.

### Change in ReCellular Operations

On page 7 the report states in regard to ReCellular,  
“as they grew, operations changed.”

This is significant because the report connects this change in operations to ReCellular’s loss of status under the “Electronics Recycler’s Pledge of True Stewardship.”

According to ReCellular, their operations did not change. The underlying issue was that “a portion of ReCellular’s export sales were inconsistent with the Pledge because some used, untested cell phones were begin sold by ReCellular to businesses in non-OECD/EU countries (members of either the European Union or the Organization for Economic Cooperation and Development).

According to ReCellular the practice of exporting untested phones had been underway for some time—i.e. the practice did not change. The new development was the realization that this practice would lead to ReCellular failing to comply with the pledge.

In a revised version of the report, the following terminology is now used:

*However, in March 2005, managers of the Pledge of True Stewardship and ReCellular identified a portion of ReCellular’s export sales that were inconsistent with the Pledge. Specifically, ReCellular sold used, untested cell phones to businesses in non-OECD/EU countries (members of either the European Union or the Organization for Economic Cooperation and Development). As a result, after negotiations with pledge administrators, ReCellular eventually opted to withdraw from the Pledge.*

### ReCellular’s Use of Recycling Processors

On page 8 the report states that ReCellular  
“...cited a non-disclosure agreement with their processor when asked to release information demonstrating that their phones are recycled responsibly.”

In communications since the report was issued, ReCellular has provided EARTHWORKS with information regarding the final disposition of phones that cannot be reused. ReCellular asserts that if time had allowed it would have been willing to provide this information for inclusion in the report. ReCellular has not provided this information. Please note that it is beyond the scope of this report to evaluate recycling processors.

The revised report now reads as follows:

*“ReCellular, the largest and most prominent cell phone recycler, initially cited a non-disclosure agreement with their processor when asked to release information regarding their recycling practices. They subsequently disclosed where phones are processed. The credibility of a program such as this depends on standards, public disclosure and transparency.*

### ReCellular’s Status with the Electronics Recycler’s Pledge of True Stewardship

On page 3 the report asserts that ReCellular was  
“removed from the Electronics Recycler’s Pledge of True Stewardship due to lack of compliance.”

On pages 5 and 7 the report states that ReCellular was  
“disqualified” as a pledge member.

ReCellular asserts that they “left” or “removed themselves” from the pledge due to non-compliance.

After reviewing additional relevant documents, EARTHWORKS believes that all of these statements are essentially accurate. However a more thorough description of this event would have included the following information:

- Both ReCellular and the Pledge sponsors became aware that ReCellular was out of compliance with the Pledge, despite the fact that it was a signatory.
- ReCellular's representative indicated their interest in bringing their operations into compliance with the Pledge, but ultimately did not do so.
- ReCellular's name was removed from the Pledge by mutual agreement after extensive discussion with the organization administering the Pledge.

The report may have been more complete if it had described the fact that discussions between the parties led to an agreement that ReCellular was out of pledge compliance and would essentially withdraw itself from the Pledge.

In an effort to clarify this, the following text will be added to page 3:

*“ReCellular's name was removed from the Pledge by mutual agreement after extensive negotiations with Pledge managers.”*

On page 5 the revised language will read

*“Yet three of the four major U.S. service providers do their business with ReCellular, which is no longer a Pledge signatory.”*

On page 7 the revised language will read:

*However, in March 2005, managers of the Pledge of True Stewardship and ReCellular identified a portion of ReCellular's export sales that were inconsistent with the Pledge. Specifically, ReCellular sold used, untested cell phones to businesses in non-OECD/EU countries (members of either the European Union or the Organization for Economic Cooperation and Development). As a result, after negotiations with pledge administrators, ReCellular eventually opted to withdraw from the Pledge.*