

COMPUTER TAKE ← BACK CAMPAIGN

Take it back

Make it clean

Recycle responsibly

January 5, 2007

Mr. Michael Ahn
President & CEO
LG Electronics, Inc.
Zenith Electronics Corporation
1000 Sylvan Avenue
Englewood Cliffs, NJ 07632

Dear Mr. Ahn:

The Computer TakeBack Campaign (CTBC) is a network of environmental and social justice activists working throughout North America to protect the health and well being of electronics users, workers, and the communities where electronics are produced and discarded. We are united in support of extended producer responsibility (EPR), or producer takeback, as the policy tool to promote sustainable production and consumption of consumer electronics (all products with a circuit board).

We wish more had changed globally in the almost five years since the release of "Exporting Harm: The High Tech Trashing of Asia." However, the crude recycling operations in Asia and other parts of the world continue to endanger people's health and the environment. In 2005, a follow-up expose, "The Digital Dump: Exporting High Tech Re-use and Abuse to Africa," was released by a CTBC partner group, Basel Action Network. The film documented electronic waste dumping in Nigeria where electronics are burned in unlicensed dumps in Lagos neighborhoods. The burned carcass of a Sony television was a dramatic image in the film.

LGE's Inconsistent Policy Stands on Producer Responsibility for Electronic Waste

We recognize that LGE is making some strides with regards to its chemicals policy and setting deadlines for the phase-out of some toxic materials. However, CTBC is very concerned that LGE has inconsistent policies with regards to EPR. LGE's website states support for individual producer responsibility. But in the US, LGE is a member of the Electronics Manufacturers Coalition for Responsible Recycling that supports an Advance Recycling Fee approach and not a market-driven approach. Using LGE's name and logo on its materials, this coalition actively lobbies against Extended Producer Responsibility legislation in the states and federally.

As you may be aware, this inconsistency was also highlighted by Greenpeace International in the Second Edition of their Guide to Greener Electronics. Because LGE fails to support producer takeback recycling on a global basis, LGE lost points in the Greenpeace rating and fell behind relative to other companies.

The support for producer takeback recycling in the United States is growing quickly. In 2006, the State of Washington joined Maine in passing state-level producer takeback recycling legislation. In addition, two regional state government policy-making collaborations in the Northeast and Midwest agreed upon model bills that embody a producer takeback approach. We expect twenty states and New York City to consider producer takeback legislation in 2007.

As long as LGE sides with Panasonic, Philips and Sharp (the leaders of the Advanced Recycling Fee coalition), LGE is losing an opportunity to play an important role in shaping the market-driven laws

that are being considered. HP has received very positive publicity for its constructive role in the process as Washington State adopted its law in 2006. (See attached story in Business Week.) Dell has also recently agreed to be more active promoting producer takeback legislation.

Dell Offers the Most Comprehensive Program After Pressure from CTBC

Furthermore, Dell is the first electronics company to offer its customers free recycling worldwide for any Dell products regardless of whether the customer buys a new product. Free recycling of equipment of other brands is available in the U.S. for customers who purchase a new Dell.

As you may know, Dell did not begin as a corporate leader in its handling of electronic waste or chemical policy. Dell's increased attention to these issues occurred after CTBC pressured the company from 2002 to 2004. An array of tactics was used to highlight problems in their environmental practices that resulted in international publicity regarding the company's shortcomings. Since 2004, Dell has made significant progress, which is reflected in our publications, its second-place Greenpeace ranking and a variety of awards and positive press attention. In 2005 and 2006, CTBC targeted Apple to improve its recycling program. That company has improved its North American recycling programs somewhat in the last year. Greenpeace is now also focusing some of their efforts on Apple as well.

LGE is Not Taking Responsibility for Electronic Waste Dumped Illegally in the US

The Computer TakeBack Campaign is very concerned about an important case involving LGE's electronic waste that was dumped in a municipal solid waste landfill in Central Texas. More than nine years ago, (when LGE owned a 20% stake in Zenith) a Penske rental truck was hauling Zenith/LGE TV tubes from the US to maquiladoras in Mexico to be assembled into television sets. The truck was involved in an accident and the load of TV tubes containing lead were scattered on the highway just south of Austin. Lead-laden broken TV tubes were taken to a Municipal Solid Waste landfill operated by Texas Disposal Systems. To this day, LGE has failed to take responsibility for the mismanagement of this toxic waste, which has resulted in a serious hazardous waste problem. We are bringing this to your attention with the expectation that you will be able to help rectify the problem.

Although the signed contracts between Penske and Zenith/LGE noted that broken CRTs had to be treated as hazardous waste, the Penske drivers and dispatchers seem to have never been informed of this. TDS was told the accident waste was non-hazardous, even though Zenith personnel were aware of the accident waste about a half hour after the accident. Three hours into the incident Penske staff finally informed their Penske driver, TDS and the emergency responders that it was hazardous waste. TDS stopped the loads from continuing to be dumped at its landfill, however, many CRTs had been already put into the TDS landfill and buried along with waste from other TDS customers.

A hazardous waste remediation firm was employed by Penske to take the un-deposited electronic waste to a hazardous waste facility with the proper manifest for transport and treatment of hazardous waste. However, approximately 6,000 to 10,000 lbs. of your leaded CRT glass which was excavated from the landfill in recent years is stored at TDS awaiting Zenith/LGE and Penske to remove, treat and disposed as hazardous waste in an authorized facility. We are very concerned that this problem still has not been taken care of!

Organizations active in the Computer TakeBack Campaign, namely Texas Campaign for the Environment, Silicon Valley Toxics Coalition and Clean Water Action have joined TDS in their effort to ensure that this electronic waste is treated and properly disposed as hazardous waste. This case could set a terrible precedent that regulated quantities of toxic waste (from electronics or other

sources) will end up in non-hazardous waste landfills.

It is important to note the following facts that we have learned:

1. Zenith/LGE disposed of more than four million pounds of damaged CRTs in hazardous waste landfills in 1997, the same year as the Central Texas incident in which the waste has so far been abandoned by your company. When Zenith/LGE tubes were broken in two previous truck accidents, Zenith/LGE properly treated that CRT waste as hazardous waste.

2. Since Zenith/LGE is the owner of the CRT waste improperly deposited at the TDS landfill, it shares liability with the hazardous waste and the other waste it was mixed with at the landfill, which is now stored at TDS.

3. According to a Zenith/LGE source, Zenith/LGE loaded the trailer that overturned with approximately 40,000 lbs. of CRTs. The leachable lead content in these CRTs was approximately 25 times greater than the threshold for designation as "hazardous waste". Zenith/LGE personnel reported the accident as a spill of hazardous material (lead) to the National Response Center and identified Penske as the responsible party.

4. Penske hazardous waste remediation consultants went through all CRT waste accident debris that was not buried (stored) in the TDS landfill and determined that at least 223 tubes (or 6,000 to 10,000 pounds of hazardous waste) were still mixed in with the commingled solid waste and clay cover soils that currently remain stored at the TDS landfill. Penske and Zenith/LGE cannot claim that no CRT waste remains commingled with the waste in the 99 containers stored at the TDS landfill.

Unfortunately, Penske and Zenith/LGE have refused to properly manifest and manage the remaining CRT hazardous waste commingled with MSW and clay that has been abandoned at the TDS site since October 1997. From our point of view, Penske and Zenith/LGE should take responsibility for this e-waste. The companies can either separate all the CRT waste from the non-hazardous waste prior to proper treatment and disposal of the hazardous waste, or they can dispose of all the commingled waste as hazardous. It is your choice. But, in either event, the hazardous waste must be manifested and properly treated prior to disposal in a hazardous waste landfill.

The Larger Implications of The Dumping Case in Texas

The controversy over the handling of this waste has unnecessarily resulted in numerous hearings at the Texas environmental agency, legislative hearings in the Texas State Legislature, numerous lawsuits and legal issues with regards to the federal hazardous waste handling rules. Environmental groups are extremely concerned that the EPA, with the encouragement of Penske and LGE, is undermining the hazardous waste rules of the country in its handling of this case and have joined TDS in suing the federal government. We have officially requested the EPA to withdraw its May 16, 2006 Determination, which sets such a bad precedent.

Regrettably, in the United States, there is no national ban on households putting electronic waste in landfills and incinerators. However, there is a national ban on companies such as Zenith/LGE from placing large quantities of hazardous waste, including toxic electronic waste, in landfills and incinerators. However, if the Central Texas situation establishes a precedent, this national ban on large quantities of all hazardous waste from being landfilled or incinerated will be severely undermined. Our organizations are working to prevent that dangerous precedent from being set.

Now that LGE owns Zenith, it is time for the LGE to correct the mistake of Zenith and stop dodging

its responsibility for the proper disposal of its electronic waste that was unlawfully abandoned in Central Texas. This is a critical opportunity to demonstrate whether LGE is truly environmentally responsible with regards to electronic waste. We urge you to accept the responsibility the mismanagement of this waste and to join us in our efforts to have EPA and the Texas Commission on Environmental Quality withdraw their bad policy determinations.

Conclusion

LGE is a relatively new brand in the U.S. You have an opportunity to improve your environmental standing by addressing the double standard with regards to policy on electronic waste and secondly with your exercise of responsibility for illegally abandonment of hazardous electronic waste in the U.S. We would like an opportunity to discuss these matters by January 31, 2007. You can reach us at tsmith@svtc.org or (408) 287-6707 x 302 or robin@texasenvironment.org or (512) 326-5655. We look forward to a response from you or your senior designee soon.

Sincerely,



Ted Smith
Chair, Computer TakeBack Campaign



Robin Schneider
Vice-Chair, Computer TakeBack Campaign

cc Yu-Mi Mun, LGE Europe
Kwang-Lim Choi, LGE Seoul
Ms. Iza Kruszewska, Greenpeace International