

Recycle or pay up: the WEEE directive

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Whenever the obscure acronyms WEEE and ROHS are mentioned in a room, eyes either roll skywards or look completely blank. These are the abbreviated terms for two of the latest European Union Directives to kick up a stir on British shores, the Waste Electrical and Electronic Equipment directive, and the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment directive.

While manufactures will be legally responsible to see that all kit sold after 13 August 2005 is properly dealt with, using accredited recycling agents and other schemes to aid the channel and customers, any kit that has been sold before then falls under a frailer umbrella of responsibility. In this case, the manufacturer is only obliged to help recycle this kit. This means that the company that may find itself lumbered with the responsibility of properly disposing of three tons of ancient telephony system, is the one that pulled it out of the customer's site; the reseller.

Rob Govier, proprietor of channel recycling business, Eagle Associates, (that Govier describes as 'Steptoe Telecom',) states: "After August 2005, manufacturers have to make stuff they can take back and easily recycle. But where will all the stuff sold five, 10 or 15 years ago end up? The resellers will take it off the end users, the vendors won't want it, so where will it go?"

The WEEE directive is going to lay a financial burden on resellers, Govier continues: "There's no joined up thinking in the channel. What's going to happen to your average Siemens reseller who's got half a ton of old BT Monarch kit sitting in his van, having dragged it out of a customer's site with a lot of struggle? While the manufacturer is obliged to help, most of the responsibility will fall on the person that pulls the kit out. It looks like there will be a heavy financial cost to this, particularly with the legacy equipment, and resellers are going to be lumbered with it. There will be a cost for the channel."

Terry Hughes, product marketing manager, Mitel says Mitel has no plans push channel prices up as yet. "We have no plans to put our prices up. We've found in many cases with a lot of the equipment we've been taking back when going into customer sites, it's a service that's been paying for itself. If we take out an old GPT telephony system with a number of line cards and handsets, we can sell those onto other customers, offsetting the cost of taking it out. It's important

to us to give good value for money, and the cost of recycling must still mean the customer gets good value.”

However, as someone involved heavily in the recycling field, Govier disagrees that there is money to be made in the recycling of old kit trade. He explains: “The second user market has gone down the drain over the last couple of years. Manufacturers have made it very difficult to put second user equipment into their new kit, such as BT and Siemens. Plus the market is flooded with second user equipment since new generation IP systems have started to go into sites. This means you can’t sell second user equipment.”

There is a plan B for old kit, Govier says, and that is throwing it illegally into a skip. “But that’s all coming to an end now. The driver for WEEE is reducing land fill. Around 6.5 thousand tons of printed circuit boards are put into the ground every year in the UK. My suspicion though is that the same will happen with telephony kit as the fridge mountains of a few years ago, with kit dumped all over the place.”

The problem is, no one really knows what will happen until the government tells industry what it intends to make law. Alex Lister, operations director at Rocom, says: “Only a few of our suppliers seem to be au fait with it; perhaps they’re working behind the scenes. It’s a little quiet from some manufacturers. I feel they’ll communicate when they’re ready. Everyone is feeling their way through this. Some of our resellers are being reasonably proactive with it, others are less. But until we know [what manufacturers are doing], it’s hard to tell what our options are [as the distributor].”

Steve Harrison, facilities director and head of the WEEE project at Rocom, agrees that the WEEE directive is still too vague for Rocom or the manufacturers it deals with to put solid plans into place. It has set up a small working group within the company to look into the directives coming through so that once government policy becomes firmer, the company can put its own policy in place and communicate that to the channel.

Rocom already works in partnership with a recycling firm as part of its general strategy. Harrison states that this partnership gives Rocom an extra revenue stream that it would not otherwise have if it simply submitted old kit to a government WEEE recycling firm. “The firm we use can dispose of kit, recycle it or resell it, and there’s a revenue share there for us which may help us offset other costs.”

Mitel’s Hughes claims the company is set to give its distributors an update on the WEEE and ROHS directives towards the end of 2004. This will focus on what the government issues in the next draft of the

directives, and then will filter through the distributors, out to the channel. "We're looking very closely at this legislation," Hughes comments, "And we're participating in all the industry forums to find out how it impacts us. The reason we're doing a lot of work here and taking our time is we're formulating a policy document. This will lay out how each country will interpret the legislation.

"For Mitel, this means we might have different policy documents in different countries," Hughes continues. "We're trying to develop a process that will make it simple for customers and the channels involved to comply."

Alcatel has designed a number of information packs for its business partners that will provide details on how to handle the directives. The company has also set up E-Waste, a division of Alcatel staffed by administrators and engineers. This team is specifically focused on looking at the componentry of products that need to be made 'greener', in line with the ROHS directive. Also, product end of life strategy, tying ROHS to WEEE, which will see that those members of the Alcatel customer base that will be in possession of products requiring proper recycling are given access to accredited recycling agents. Neal Tilley, solutions marketing manager for Northern Europe at Alcatel, states: "We're working on the disposal chain, the looking at how we can improve the recycling of our products, which will both result in reducing the end of life costs for Alcatel equipment overall."

We will just have to wait and see whether telephony kit mountains will happen; either way, the channel had better start preparing.