

THE WALL STREET JOURNAL.

© 2004 Dow Jones & Company. All Rights Reserved

THURSDAY, AUGUST 5, 2004 - VOL. CCXLIV NO. 25 - ★★ ★★ \$1.00

Digits / *Gambits & Gadgets in the World of Technology*

Cellphone Boneyard

Cellphones have proliferated so much in the U.S. that as many as 100 million old ones already have been discarded by their users. What to do with all these obsolete phones?

Some are going to a recently formed company called **GRC Wireless Recycling**, which has made a business out of recycling obsolete cellphones. The Miramar, Fla., company, founded in 2001, has bought about 400,000 old cellphones at a cost of \$1.2 million. It then recycles them, either by selling as inexpensive alternatives for users mainly in developing countries or by melting them down for their precious metals. Cellphones contain metals such as gold, silver and palladium; their value as scrap fluctuates depending on metals markets.

GRC's business model, its executives say, allows the company to both make money while helping to solve a vexing environmental problem: What to do with all the discarded phones, which contain electronic circuitry that can leak harmful materials into the ground if disposed of in a municipal landfill? "Cellular phones are becoming more pervasive," says Henry Garcia, a former cellular-industry executive who cofounded GRC with

another former industry executive, Marc Leff. "We offer a socially responsible solution to the growing burdens of recycling."

A handful of other companies have popped up to address the growing problem, including **ReCellular Inc.** of Dexter, Mich., and Atlanta-based **CollectiveGood Inc.**

GRC's approach is to buy most of its phones from women's shelters, which usually have a surplus of old phones donated to assist victims of domestic violence. Like its competitors, GRC refurbishes many of the phones for sale in developing regions including Latin America and Russia. There, phones that GRC paid the women's shelters an average of \$3 or \$4 can fetch \$10 or more.

Digits was compiled by Ann Grimes with contributions from Marlon A. Walker, William M. Bulkeley, Vauhini Vara and Jim Carlton.



WSJ.com subscribers can see additional information on top stories, 24-hour updated news, stock quotes, company background information and more, in *The Online Journal* at **WSJ.com/technology**.