

Priority»

A New Industry Dials Up Growth

NICHES» The cell phone industry exploded in the past 10 years, and now it appears that recycling cell phones could be the next big score—driven by pollution fears. The concern is that if too many phones end up in landfills, they could introduce toxins such as lead and beryllium into the soil and watershed. To prevent this, Gov. Arnold Schwarzenegger recently signed a bill into law that requires cell phone makers and retailers in California to collect used phones at no cost and to arrange for their disposal.

For entrepreneurs, the market opportunity could prove to be enormous. Of 128 million cell phones discarded in the U.S. each year, fewer than 5% of them are recycled, according to Inform Inc., a research firm in New York City.

The National Recycling Coalition's website (nrc-recycle.org) maintains a list of companies that recycle phones. One such firm is GRC Wireless, in Miramar, Fla. It collects batches of 200 phones, for which it pays \$1 per pound. GRC then refurbishes the phones, or extracts precious metals from them. The company's revenue jumped from \$2 million in 2003 to more than \$4 million last year. —Lora Kolodny

