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# This Week: Constructive Momentum with Rising Standards

**Momentum Rating: 7/10**

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## Momentum Raising: 7/10. Constructive Momentum with Rising Standards

We evaluated the industry on a scale from 1 to 10. A rating of 1 describes an industry facing significant economic headwinds and systemic disruption. At the other extreme, a 10 depicts a sector at peak performance, characterized by substantial and sustainable expansion.

We rate this week's developments a solid 7 out of 10. The score reflects a decidedly positive week driven by tangible progress on multiple fronts, from policy and secondary markets, to infrastructure, that strengthens the industry's foundation. However, this momentum is tempered by emerging competitive pressures and inherent risks that accompany this market maturation, preventing a higher score. The climate is one of constructive, incremental strengthening, and savvy ITAD companies should work to strengthen their position.

Here are some of the topline details worth mentioning:

### Positive Drivers (The Core Momentum)

- **We See the Mainstreaming of the Secondary Market:** This is the most significant positive trend. The legitimization of refurbished goods is accelerating through OEM validation (Samsung adding premium foldables to its certified line), marketplace alignment (eBay prioritizing certified listings), and cultural acceptance (mainstream media promoting refurb for back-to-school). If you are an ITAD executive looking for guidance, this validates resale channels and creates the potential for higher, more stable resale values.
- **There are Favorable Regulatory Tailwinds:** Concrete policy changes are creating durable growth opportunities. In Europe, the UK's WEEE reform levels the playing field, while key U.S. state laws in Texas and Oregon streamline repair operations, and bills in Illinois and New York expand the pool of mandated e-waste feedstock. The \$500M in federal DOE funding for battery recycling further signals government support for the circular economy.
- **Grounded Strategic Growth:** The industry is showing signs of smart investment. We are reporting about Pulse Supply Chain's Dallas hub is an example of a calculated regional expansion designed to capture enterprise clients by offering proximity and agility. This, combined with positive commodity upticks (gold, copper) and strong leading indicators like data center buildouts, points to a healthy operating environment.

### Tempering Factors & Emerging Risks (Why we rate this week a 7, not an 8 or 9)

- **The Double-Edged Sword of Refurbishment's Rise:** The same trend legitimizing the secondary market is also raising the quality bar. As OEMs like Samsung and marketplaces like eBay push for certified, warranted products, they create a higher standard of quality. ITAD providers who cannot meet these OEM-grade certification levels could be marginalized, even as the total market expands.
- **Calculated, Not Guaranteed, Expansion:** While Pulse's expansion, like many other similar moves, is a positive signal, its success is not guaranteed. The analysis correctly flags that without securing

consistent, high-value enterprise feedstock, the economics of such a regional hub could be stretched thin, highlighting the inherent risks of capacity investment.

- **Fragmented and Incremental Progress:** Initiatives like Synetic's "ITAD-as-a-Service" are recognized as marketing innovations rather than structural economic shifts. Likewise, community events like Cascade's are valuable for branding but have a marginal impact on volume. On the policy front, while state-level action is positive, the continued absence of a federal e-waste or right-to-repair law in the U.S. means compliance remains a fragmented and complex challenge.

## 2. Our Take

Mid-August is a quiet period in the ITAD sector, but we are tracking concrete regulatory changes, targeted infrastructure growth, and some interesting shifts in the secondary market. Outside of the US, the UK's WEEE reform became law on August 12, imposing direct compliance duties on online marketplaces. In the U.S., several states are driving the policy agenda with new right-to-repair and e-waste bills, while the Department of Energy announced \$500 million in battery recycling funding.

On the commercial front, Pulse Supply Chain's new Dallas facility highlights regional infrastructure expansion. Synetic Technologies introduced an "ITAD-as-a-Service" model, but closer inspection suggests it is more packaging than transformation. Meanwhile, refurbished electronics are entering the mainstream. Samsung added foldables to its certified refurbished line, eBay revised its taxonomy to elevate verified refurb listings, and back-to-school coverage put refurbished laptops and phones in front of mainstream consumers.

## 3. ITAD Industry Insider Take

In tracking vendor activity this week, we note the following:

### Pulse Supply Chain Expands in Dallas

Pulse Supply Chain announced the opening of a 15,000 ft<sup>2</sup> electronics reuse and repair hub in Dallas, marking a notable capacity investment by a mid-tier ITAD provider. The choice of Dallas is likely due to the fact that Texas is both a fast-growing enterprise IT market and a state where policy is shifting rapidly, with new right-to-repair legislation and broader electronics recycling mandates. Vendors selecting Dallas are most likely interested in being close to a mix of large corporate headquarters, public-sector agencies, and data center clusters that all represent high-value streams of decommissioned hardware.

This expansion is also a trend we are seeing building among mid-tier ITADS, that seek regionalizing capacity rather than trying to compete head-on with bigger firms and national players like Iron Mountain or ERI. The strategy appears to be based on the need to embed facilities in key metros, to reduce logistics costs, shorten pickup-to-processing timelines, and make compliance reporting more responsive. These are

important moves, often used as selling points for enterprise procurement teams under cost and audit pressure.

From a competitive standpoint, while the Dallas hub move makes sense, it comes at a potential big risk. Dallas signals that mid-tier providers are leaning into agility in an effort to convince enterprises to use them as an alternative to competitors, by selling speed, local presence, and personalized service. The risk, though, is that unless Pulse can consistently secure feedstock from enterprise clients, the economics of a dedicated Dallas hub could be stretched thin. This is even more the case where smelters like Aurubis are already flagging feedstock tightness.

From our perspective, Pulse's Dallas move is less about raw processing volume but more about proximity and positioning. It provides additional indications that mid-tier ITADs are trying to carve out sustainable space in an industry dominated by a handful of large players. If successful, this regional capacity strategy could become a template for similar firms looking to grow without national scale.

### Synetic Launches ITAD-as-a-Service

Another ITAD company, Synetic Technologies, announced an "ITAD-as-a-Service" (ITADaaS) program this month, pitched as a subscription-style offering bundling logistics, secure destruction, remarketing, and compliance reporting. The framing borrows from SaaS and DaaS models that IT buyers are already familiar with: a continuous, recurring service contract rather than an episodic ITAD engagement.

At face value, the model simplifies procurement for small-to-mid-sized businesses (SMBs) and decentralized organizations. Many of these buyers lack in-house asset management capacity, and a predictable subscription for "everything ITAD" may lower their administrative burden. It also allows Synetic to position itself as "always on", not just called when assets are piling up.

But the model faces structural limits. ITAD profitability overwhelmingly comes from enterprise-scale contracts in the Fortune 1000 sector. These deals generate volume activity and high-value feedstock, resale revenue participation, and recurring volumes under carefully negotiated MSAs (master service agreements). Subscription pricing, by contrast, caps upside and pushes risk back onto the provider, particularly in SMB markets where asset quality and volumes are inconsistent.

This raises two risks:

1. **Margin compression:** Without enterprise-scale resale values, per-device or flat-fee subscriptions are unlikely to cover handling, compliance, and downstream costs at profitable levels.
2. **Misaligned risk allocation:** Large enterprises outsource ITAD to reduce liability and ensure compliance — things that can't be commoditized into a subscription. Fortune 1000 buyers expect custom indemnification, reporting, and revenue-sharing, not pre-packaged bundles.

From our perspective, ITADaaS is best positioned as a sales packaging tactic for the mid-market. It may help Synetic acquire new SMB clients, but it does not change the industry's structural reality: long-term profits are driven by enterprise contracts, not subscriptions.

While we recognize that Synetic's move is innovative in marketing terms, it is unlikely to impact ITAD economics. Other providers may experiment with similar models, but until subscription frameworks can capture resale upside and compliance indemnification, Fortune 1000 contracts will remain the only reliable profit engine in ITAD.

### Cascade Asset Management's Local Outreach

Cascade has scheduled an Aug 22 e-cycling event in Madison, WI, continuing its tradition of public-facing collection programs. While modest in scale compared to corporate ITAD flows, these events are strategically important. They serve several functions simultaneously: they reinforce the company's efforts at boosting community credibility, generate CSR-friendly media coverage, and create low-volume but brand-building feedstock.

Again while limited in scope, CS believes such events matter in building positive perception. That's because firms that visibly engage their local communities can position themselves as more trustworthy custodians of sensitive assets. Cascade's outreach also signals that some ITAD providers see value also in grassroots visibility, particularly in states like Wisconsin where public-sector and educational institutions are significant e-waste generators.

## 4. Brief Market Signals

### Commodities

- Gold rose into Aug 16 on softer U.S. yields, boosting recovery margins.
- Copper reached a one-month high on Aug 15, lifting PCB and wiring values.
- Aluminum remained stable.

### Data Centers

- Digital Realty (Aug 13): Commissioned ATH3, the largest data center in Greece.
- Equinix (Aug 12 earnings call): Reported strong bookings but also highlighted challenges securing power for new builds.

## 5. Policy & Regulation

### UK WEEE Reform (Effective Aug 12)

- Marketplaces now bear registration, reporting, and cost responsibilities.

The United Kingdom has enacted significant reforms to its Waste Electrical and Electronic Equipment (WEEE) regulations, introducing pivotal changes that directly impact online marketplaces and the IT Asset Disposition (ITAD) industry.

A major shift in the new regulations places direct WEEE obligations on online marketplaces that facilitate the sale of electrical and electronic equipment (EEE) from overseas sellers to UK customers. Previously, the responsibility fell on the overseas sellers, creating a significant compliance gap.

Under the new rules, marketplaces are now considered the "producer" for these sales. This means they are responsible for:

- **Registration:** Registering with the appropriate environmental agency.
- **Reporting:** Accurately reporting the tonnage of EEE sold on their platform by non-UK sellers.
- **Financial Costs:** Financing the collection, treatment, and recycling of a corresponding amount of WEEE, typically by purchasing evidence notes from Producer Compliance Schemes (PCS).

This change aims to level the playing field between UK-based businesses and overseas sellers and is expected to capture a substantial amount of previously unreported EEE entering the UK market.

## U.S. State Activity

### Texas HB 2963: Right-to-repair law passed.

Texas has enacted a significant "right-to-repair" law, HB 2963, which, effective September 1, 2026, will compel manufacturers of digital consumer electronics to provide owners and independent repair shops with fair and reasonable access to parts, tools, and diagnostic documentation. While this law aims to extend the life of devices like smartphones and laptops, it notably excludes key enterprise assets such as motor vehicles, heavy equipment, and medical devices. Manufacturers will be required to make repair resources available on terms comparable to those offered to their authorized partners, with enforcement handled exclusively by the state's Attorney General.

For the IT Asset Disposition (ITAD) industry, the Texas law presents a dual-sided opportunity. On one hand, it should be easier to access genuine OEM parts and diagnostic tools, hence significantly streamlining and lowering the cost of refurbishment and repair operations. This can increase the yield of devices that can be successfully repaired and resold, boosting remarketing revenue and supporting circular economy goals. On the other hand, the law could increase competition in the repair market and potentially devalue the component harvesting operations of ITAD firms, as new OEM parts become more readily available. ITAD companies that can effectively integrate these new resources into their repair workflows and technician training will be best positioned to capitalize on the opportunity to extend asset life cycles and enhance their value recovery services for clients.



**Oregon: Anti-parts pairing ban now enforceable on devices.**

Oregon's right-to-repair law, particularly its ban on parts pairing, is expected to have a notable impact on the IT Asset Disposition (ITAD) industry. By making it easier for third-party repair shops and individuals to fix devices, the law is likely to increase the availability of functional used parts and extend the lifespan of electronic devices. This could create new opportunities for ITAD companies to acquire, test, and sell these parts for reuse. Conversely, some in the ITAD industry have expressed concern that the law could make it harder to refurbish certain products if devices are repaired using non-standard or incompatible parts. However, the general consensus is that the legislation, by promoting a circular economy and reducing e-waste, aligns with the core goals of many ITAD providers.

**Illinois HB 3098: Expands e-waste program to schools, nonprofits, and businesses (awaiting signature).**

Illinois has passed HB 3098, a bill that expands the state's existing e-waste program to include schools, nonprofits, and businesses, in addition to residents. The bill has been sent to the Governor's office for signature, which would make it law. This legislation amends the Consumer Electronics Recycling Act to broaden the scope of covered entities and devices, with the goal of increasing the volume of electronics collected for recycling and diverting more e-waste from landfills. It also updates reporting requirements and other aspects of the program.

For ITAD companies, the passage of Illinois HB 3098 presents significant opportunities. The bill's expansion of the e-waste program to include schools, nonprofits, and businesses means a larger and more consistent supply of retired IT equipment will be entering the recycling and refurbishment pipeline. This could lead to new business relationships and contracts for ITAD providers, who are well-positioned to handle the secure and responsible disposition of these devices. The law's emphasis on increasing collection and recycling rates aligns with the core services of ITAD companies, who can serve as key partners for these newly included entities. While the increased volume may require adjustments to logistics and processing, it ultimately stands to benefit the ITAD industry by creating a more robust and formalized system for the management of electronic assets.

**New York SB 6393: Would add duties on education and collection access.**

New York's SB 6393 is a proposed bill that would expand the public education and outreach duties of electronics manufacturers regarding e-waste collection and recycling. The bill aims to ensure more convenient collection options for consumers by requiring manufacturers to use geographic modeling to ensure that at least 90% of New York residents have an e-waste collection site within 15 miles of their home. Additionally, it would mandate the creation of more robust public awareness programs, including websites, toll-free numbers, and post-purchase notifications, to inform consumers about how to properly recycle their electronic devices.

If passed, SB 6393 in New York would likely increase the volume and accessibility of electronic waste for ITAD companies. By mandating more convenient collection sites and better public education, the bill would create a more consistent and predictable flow of material. This could reduce the logistical challenges of sourcing e-waste for ITAD providers and create new partnerships with manufacturers, who are tasked with



meeting the new collection and outreach requirements. The bill's emphasis on ensuring manufacturers cover the full costs of collection and recycling also aligns with the business model of many ITAD companies, who provide these services. Overall, this legislation would support the growth of the ITAD industry by formalizing and expanding the e-waste collection infrastructure in New York.

Of note, in Massachusetts, Maryland, Minnesota, bills were introduced but failed, signaling continued momentum, while packaging EPR laws are now active in CA, CO, OR, ME, MD, MN.

#### Federal

- DOE (Aug 15): Announced nearly \$1B in funding, with \$500M dedicated to battery recycling capacity.
- FTC: Ongoing monitoring of warranty tying and repair restrictions.
- No federal e-waste or repair law in place.

## 6. Secondary Market Pulse

### Samsung Expands Certified Refurbished

Samsung's addition of the Galaxy Z Fold 5 and Flip 5 to its Certified Re-Newed program marks the first OEM-backed refurb push into foldables. The devices include brand-new batteries and full warranties, which is critical: battery health has historically been a weak point in consumer trust around refurbished devices.

This move signals two important things:

1. Samsung is acknowledging that the refurbished channel is mainstream enough to carry its most premium devices.
2. OEMs see resale as not just a revenue capture play but also a brand-control measure, preventing gray market resellers from defining consumer perceptions of quality.

For ITAD providers, the development is double-edged. On one hand, OEM certification legitimizes the refurbished channel, raising consumer comfort and resale values. On the other, it raises the quality bar, since buyers will increasingly expect OEM-grade refurbishment and warranties even from third-party resellers. ITAD firms with resale operations will need to match OEM-level quality assurance if they want to remain competitive in high-value device categories.

### eBay Refurbished Changes (Aug 5)

eBay's decision to retire "Seller Refurbished" and instead introduce a prominent "Refurbished" call-to-action across listings is a direct response to buyer confusion. For years, consumers struggled to distinguish

between “refurbished by anyone” and certified refurb backed by warranty. By giving Certified Refurbished listings prime visibility, eBay is actively steering buyers toward trusted refurb sources.

This change reduces the visibility of generic “used” or self-refurbished inventory, a potential challenge for ITAD operators who rely on eBay for resale without certification partnerships. At the same time, it represents a step toward higher buyer trust, which could expand total demand for refurb overall.

**Implication:** Marketplaces are aligning with OEM-style quality tiers. ITAD resellers who cannot meet certification standards may find themselves pushed to the margins, but those who do align will benefit from a more trusted and liquid resale market.

### Back-to-School Coverage Highlights Refurb

In August, mainstream media outlets including *CNET*, *ZDNet*, *TechRadar*, and *USA Today's Reviewed* spotlighted certified refurbished laptops and phones in their back-to-school shopping guides. Recommendations included Apple Certified Refurbished MacBooks, Dell Outlet Chromebooks, and refurbished iPhones as budget-friendly student tech. eBay reinforced this by running banner promotions in its Certified Refurbished program for laptops.

CS believes many of these outlets run affiliate-driven commerce content. Their inclusion of refurbished products is still significant, it shows refurb is considered mainstream enough to market alongside new SKUs, but readers should interpret these signals as commercially influenced visibility rather than neutral consumer survey data.

Beyond the commercial interests of the media pushing for these products, the significance here is cultural as much as economic. Refurbished products are now actively being presented alongside new products in trusted buying guides, especially during one of the biggest annual refresh cycles (after the holidays and during back-to-school). For ITAD, this means resale channels are legitimizing in the eyes of everyday buyers, potentially pushing secondary values upward and broadening exit options for recovered devices.

We believe that going forward, refurb is going to be embedded in the seasonal retail calendar. ITAD providers with strong resale channels should expect higher buyer demand, but also higher expectations for warranty support and condition grading.

What some media are promoting:

- *CNET* and *ZDNet*: Recommend certified refurb MacBooks and Chromebooks in student laptop guides.
- *TechRadar*: Tells buyers “refurb laptops from Dell Outlet and Apple Certified are a smart way to stretch budgets this fall.”
- *USA Today's Reviewed*: Promotes refurbished iPhones and iPads as budget-friendly student tech.
- **eBay**: Running banner campaigns promoting refurb laptops for students.

### Temu Expands Refurb in Europe

Chinese online retail giant Temy has Increased refurbished electronics listings across European markets, introducing a new competitor in the resale channel. Refurbished products are now normalized in consumer buying guides and OEM programs, raising both opportunities and quality expectations for ITAD resale streams.

### 7. AI & ITAD Sector Watch- Briefs

- **FT (Aug 12):** Reported a projected **\$3 trillion AI data center buildout** through 2026.
- **Investment Recovery Association:** Flagged **robotic disassembly, AI triage, and digital twins** as near-term tools.
- **Academic research:** Demonstrated AI+IoT e-waste sorting systems and AI-assisted asset lifecycle planning.