

From trash to cash

This SSG group works to generate the most value for unwanted items

By Jeff Wood

Every day, trucks and trailers pull up to the loading docks at Boeing Reclamation sites in Southern California and Washington state's Puget Sound region, laden with the byproducts of manufacturing and various items that Boeing no longer requires. A jumble of aluminum alloy shavings from milling machines, scrap cut from titanium plates, discarded iron and steel, lengths of tubing, copper wire, rejected parts, broken or obsolete electronics, building materials and even airplane seats and office furniture emerge from the parade of vehicles.

Yet a date with the dump is not a foregone conclusion. Shared Services' Site Services Reclamation group, along with Surplus Sales, is part of the Investment Recovery and Distribution organization. This team's work ensures that discarded products and materials are disposed of properly—and that Boeing captures the optimum value from assets it no longer needs. In addition, ensuring the materials are reused or recycled supports the company's commitment to environmental stewardship and helps meet its goal to increase recycling rates at major manufacturing facilities 25 percent by 2012. Each Boeing site also has a process to follow for handling unwanted items safely and efficiently.

"We ensure that discarded Boeing aircraft components and government property are completely destroyed so that they can never find their way into the market or be installed on an aircraft," said Investment Recovery and Distribution manager Ken Botham.

But even completely destroyed components and other seemingly worthless discards retain some value, according to Bernard Hulscher, asset administrator of Puget Sound Investment Recovery and Distribution in Auburn, Wash. During a typical month in 2008, the Puget Sound Reclamation group processed about 4.5 million pounds (2.04 million kilograms) of material to recover between \$4 million and \$6 million, Hulscher noted. "That money flows back to the programs, helping cover the cost of doing business."

Materials that are separated and sorted into uniform commodities, such as aircraft aluminum, high-temperature alloys and light or heavy iron, bring the highest prices when they're put out for bids, according to Hulscher. But separating and sorting takes time and space. The group worked closely with the SSG Lean Office and the Site Services team to optimize processes, speed



up cycle times and reduce storage requirements in conjunction with Reclamation's recent relocation to Auburn from more spacious leased facilities in Kent, Wash. "We now handle the same volume of material in about half the footprint of our original operation," Hulscher said.

The Southwest region Investment Recovery and Distribution group, based in Long Beach, Calif., handles surplus sales and reclamation. According to regional manager Stephen Hayashida, these sites don't get as much scrap metal. "Our revenues are primarily from the sale of a wide variety of surplus machinery and equipment, which can be worth many thousands of dollars—sometimes upward of \$1 million," he said. Surplus Sales in Southern California processes eight to 10 bids per month. These bids earn \$6 million to \$10 million annually, according to Hayashida.

The centerpieces of the reclamation effort are the aluminum compactors at Boeing Fabrication's Auburn and Frederickson, Wash., facilities. Metal chips are collected from machining and milling operations and shredded to a uniform size. Then the chips are compressed into cylindrical "briquettes," each weighing about 5 pounds (2.25 kilograms). According to Hulscher, these briquettes bring top bids because they are ready to be melted down into ingots that are sold directly to manufacturers.

Discards such as worn office furniture and construction materials that cannot be sold through the Surplus Web site are broken down into commodities and sold as scrap metal. Materials such as wood products, plastic and fabric are disposed through recycling and solid waste procedures.

With a focus on finding value and improving environmental performance, reclamation continues to provide Boeing programs with opportunities to reuse or recycle materials—and to recover costs. As the saying goes, "one man's trash is another man's treasure." ■

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PHOTO: In Frederickson, Wash., Lloyd Wray (left), with Shared Services' Investment Recovery and Distribution group, and Lee Kuhre, a senior environmental manager, show a briquette fabricated from metal chip waste. These briquettes are sold to metal recyclers. MARIAN LOCKHART/BOEING