

PROPOSALS FOR END-OF-LIFE ELECTRONICS MANAGEMENT:

A PRIMER

Industry Perspective

**Prepared and Compiled by
The Northeast Recycling Council (NERC) and the Council of State Governments/Eastern Regional Conference (CSG/ERC)**

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An Advanced Recycling Fee (ARF) System for Electronic Product Reuse & Recycling

The Electronic Manufacturers Coalition for Responsible Recycling

The following is an outline for a comprehensive financing system for the management of end-of-life electronics using an Advanced Recycling Fee (ARF). The model is based on the national solution developed by the National Electronic Product Stewardship Initiative (NEPSI).

Key Features of the ARF Proposal

- Provides funds for the entire system including local collection, utilizing existing businesses and organizations, and offering diverse and convenient service.
- Covers personal and portable computers, monitors, desktop printers and multi-function devices, and TVs from both consumers and businesses.
- Fund management and recycling services will be performed and coordinated by a private, non-profit, third party organization (TPO), with a central role played by manufacturers and participation of government representatives and other stakeholders.
- Recycling logistics and processing will be procured through competitive contracting, based on audited environmental standards, to assure the lowest cost while providing a high level of service.
- Flexible enough to allow product reuse by local enterprises, e.g. charities, non-profits and businesses.
- Ensures that everyone selling in the market today shares the cost of recycling the end-of-life products generated today. Neutralizes the system impact of changes in market players.
- Includes funding for education programs for consumers, recyclers and other system participants

Manufacturers' Responsibilities under the ARF

- Participate directly in managing the system through the TPO.
- Collect the fee on direct sales and notify retailers of the fee for in-store sales.
- Provide information to customers on proper end-of-life management, through product literature or web sites.
- With the inclusion of citizen suit provision, manufacturers (and retailers) can act to ensure that a level playing field is maintained.
- Improve product design by reporting to the State on progress in environmental design and incorporating new worldwide standards into the legislation to eliminate toxics.
- Implement an environmental purchasing tool for government and institutions.
- Assist recyclers with information on product features that affect end-of-life management.

The ARF Provides the Greatest Benefits

- The 'soup to nuts' funding of an ARF will build a sound infrastructure, provide quality service for the public, manage the backlog of old products, while placing the least financial burden on local communities.
- It assures a fair distribution of financial responsibility amongst product brands. It is a "whole solution" that avoids creating expensive, manufacturer-by-manufacturer systems, resulting in reduced administrative and enforcement problems.
- No better public educational tool can be found than the ARF itself.

This Model is Built upon Three Core Principles

Principle #1 A shared responsibility system should involve the active participation of stakeholders in ways that they can best help deliver the needed services.

Principle #2 A sustainable solution must be a national system. States can contribute to a national solution by adopting consistent approaches, founded on principles of fairness and efficiency, that transition to a national system when one is implemented.

Principle #3 A comprehensive solution should assure that the end-of-life infrastructure – from local collectors and reuse enterprises through national recycling markets – is adequately funded and efficiently managed to deliver environmentally responsible, high reliability service at the lowest practical cost.

Product Stewardship for Recycling IT Product:



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A product stewardship solution for the recycling of household IT products will leverage the expertise and innovation of the private sector to achieve environmentally sound management of discarded IT products at the lowest possible cost, while minimizing the role and burden on government. The goals of a product stewardship approach include the following:

- Create an efficient recycling framework that involves all stakeholders;
- Leverage the expertise and innovation of the private sector to achieve environmental goals at the lowest possible cost;
- Provide opportunities for environmental and cost improvements over time;
- Avoid new government or quasi-government bureaucracies and new taxes or fees;
- Apply fairly at the state or national level;
- Provide the flexibility needed to accommodate different business models.

Under this approach, manufacturers would have the responsibility to provide consumers with convenient, environmentally sound opportunities for recycling their products. By giving product manufacturers the responsibility to manage used products – and by providing them with the flexibility to implement this responsibility – companies can achieve environmental goals in the most cost effective manner. Manufacturers could implement programs individually or in partnership with retailers, charities, the waste collection and recycling industries, local governments, or others of their choosing. This flexibility will enable private sector expertise and competition to be incorporated into the system. Other countries around the world have adopted variations of this approach.

The role of government under this approach is minimal. Upon enactment of implementing legislation, government's role would largely be to enforce the law to assure a level playing field. Governments could avoid the need to create new, complex, and inefficient bureaucracies, and no new taxes or fees would need to be imposed on consumers.

This system is superior to alternative proposals based on a point-of-sale fee. Fee-based recycling programs implemented by government or quasi-government entities may, at first glance, appear attractive, but have several shortcomings:

- New taxes on consumers that unnecessarily raise products prices;
- Creation of new government programs with high administrative costs;
- Little or no incentives or controls for reducing costs over time;
- Unfairness due to the inability of fees at the state level to reach remote sales – a major and growing portion of the IT market;
- Potential for recycling fees to be diverted for other government functions.
- Little or no opportunity for companies seeking to achieve superior performance to gain the benefits of their investments in this area;

HP looks forward to working with the states to adopt and implement environmentally sound, cost effective recycling programs for IT products.