

Washington State Department of Ecology
SWAC E-Waste Subcommittee
Issues for Discussion
October 2005

1. Fees – advanced recovery fee, first possession fee or producer responsibility.

The current draft provides two approaches for manufacturers:

- a. Participate in a standard program operated by a third party, quasi-governmental organization (TPO).
- b. Write an independent plan, individually or collaboratively with other manufacturers

The initial funding for the standard program states that participating manufacturers provide through a fee, \$10 per unit sold into the state of Washington. After a few years, the TPO sets the rate of payment annually based on actual program costs. Overpayments are credited to the next years costs, under payments are billed. Member manufacturers of the TPO can negotiate among themselves the basis for distributing payments among one another, create the amount based on program costs and control costs by finding efficiencies in the system in cooperation with the TPO management.

Independent planners internalize the cost of the program and pay for it through any means they deem appropriate within their own ability.

A point of sale advance recovery fee is not considered feasible in the state at this point in time.

2. Performance Standards – setting a target recovery rate, a goal or required participation by consumers

The current proposal established the intent of the legislature, which is to capture all unwanted electronic products available within the programs set up by manufacturers. An incentive to consumers to participate in the recycling program is provided by means of a \$25 surcharge placed on each electronic product disposed. The surcharge is in addition to the cost of collection and disposal.

This approach assumes that consumers, given the choice between a free recycling program or costly disposal, will opt for the free, no-cost option.

Alternatively, we have discussed establishing a target recovery rate that each manufacturer would have to meet. Penalties would be assessed based on the level of failure to meet the target rate. If the failure was significant, the manufacturer would lose the privilege to sell their product into the state.

Goals are generally perceived as a desired but probably unattainable outcome with no associated incentive to meet the goal. Therefore, they have not been considered in discussions.

3. Design for the environment Incentives – restriction on hazardous substance use

The intent of the current proposal is to adopt language similar to the European Union directive on restriction of hazardous substance use in electronic products (RoHS). The rationale relates to the fact that the manufacturers will be complying with this directive and the desire to minimize sales of product that may contain these materials into Washington state when RoHS takes effect.

4. Service level

The current proposal is set at one location to drop off electronic products per 11,400 population. The location can be at an existing facility such as a solid waste transfer station or a retail store. Equivalency opportunities are provided.

5. Facility standards

There has been much discussion about establishing facility operating standards for collection, transporting and processing of electronic products. There is sentiment that the existing regulatory framework provide adequate protection of human health and the environment. Also, that contracts between service providers and manufacturers will provide a non-governmental form of enforcement through enforcement of contract provisions.

The existing proposal attempts to address the use of prison labor and export issues within the state's authority.

6. Establishing level of responsibility among manufacturers – what is the basis?

The arguments offered on this issue revolve around how to determine the amount of electronic products that should be recovered by each manufacturers program.

One option that has some support is to base the level of responsibility on the current market share of electronic products being sold into the state. This approach assures that financing is available to cover the cost of the program from manufacturers that are in business today. Many manufacturers no longer hold a market share or are completely out of business. By assessing those that are in business today based on current market share, the issue of who pays for orphan and historic products becomes a moot point.

The other option is to base the level of responsibility on return share; that amount of product returned for recycling that is branded by each manufacturer would be their level of responsibility. Orphan and historic products with no current manufacturer would be distributed among the active manufacturers based on their percentage of identifiable return share. This approach requires those manufacturers that held strong market share in the past, but have a lower portion now, to take responsibility for their old products. When products currently sold are recycled in the future, the responsibility would be more reflective of the sales of the past.

There are strong arguments for both approaches. In the big picture, we need to consider that some of these products may not be manufactured in the future, replaced by new technology that might be manufactured by a yet to be created company. What are the consequences of using either of these approaches in the future? There is a high likelihood that the electronic product marketplace will change and shift. Technology in this area changes everyday. How can we set up a system that can prepare for this inevitably dynamic future?