





Update on E-Product Negotiations, WA Legislation, and NW Pilots

Sego Jackson
Snohomish County
NWHHW Conference
April 13, 2004



National Electronics Product Stewardship Initiative (NEPSI)

- Began June 2001
- Multi-stakeholder dialogue
 - 15 manufacturers
 - 15 local, state and other governments
 - 18 “others” – recyclers, NGOs, academics, retailers, etc.



NEPSI Status

- Final meeting - February 2004, Portland
- Manufacturers split on front-end financing method
- Manufacturer 11th hour “breakthrough”
 - Agreed to work together to “try” to develop viable solution and work out differences
 - Meeting in late April
- Passed Resolution



NEPSI Status

- If successful, NEPSI work will continue and should conclude quickly
- If not, NEPSI documents released “as is” without agreement
- Documents being posted at www.nepsi.org



NEPSI Agreement

- Will require Federal Legislation
- Establishes visible front end fee at point of retail
- Funds go into Public Trust Fund
- Private Third Party Organization manages system
- Funds pay for cost of “base level of service” collection, transportation, processing
- System presumed to transition to partial cost internalization in seven years



NEPSI Agreement (cont.)

MOU and NEPSI documents cover:

- Advance Recovery Fee
- Base Level of Service
- Collection Incentive Payments
- Third Party Organization
- Alternative System
- Performance Measures
- Environmentally Sound Management
- Market Development
- Federal Pre-emption
- Interim Period



Base Level of Service (collection)

- Critical to understand
- ARF covers collection, transport, processing
- Collection Incentive Payment is price per pound paid to reimburse for just collection portion
- Money flows through contracted processors
- Blind to collector type
- Avoids MANY problems, like stockpiling



Alternative System “the battle”

- Dell, HP, others want to internalize (some) costs
 - No ARF on their products
 - Individual producer responsibility approach
 - Didn’t want to provide equivalent service though
- TV manufacturers, IBM opposed
- Impact to fiscal stability of national system is concern
- Logistics, share of orphan material costs, etc. remain unaddressed



Meanwhile: State Legislation

2003

- 53 measures in 29 states
- CRT bans: ME, MN, VI
- Advisory bodies/studies: NM, IL (vetoed), OR SB 867
- 1st electronics ARF system: CA SB 20



Meanwhile: State Legislation

2004

- Manufacturers take differences into state by state legislative battles
- Industry coalition formed to promote state ARFs
 - Watch for ARF legislation
- WA producer responsibility bill morphs into hybrid then morphs into study bill. ESHB 2488 passes both houses unanimously.
- Keep eye on MN, ME's progressive bills



Status: WA ESHB 2488

- Passed 2004
 - Unanimous, both houses
 - Study bill
- Ecology responsible for report and recommendations
 - In consultation with SWAC, stakeholders
- Recommendations due to Legislature
December 2004 and 2005



Status: WA ESHB 2488

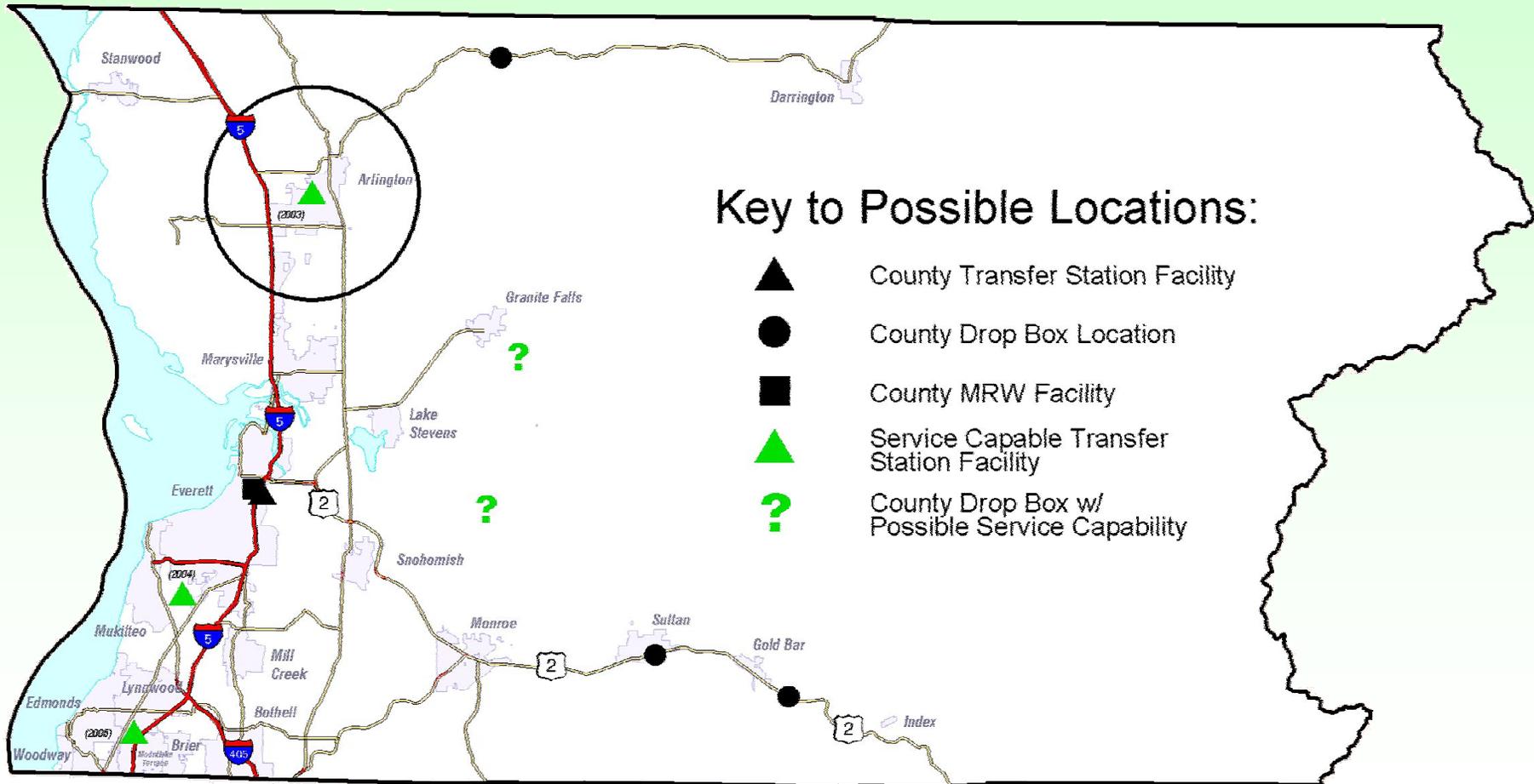
- Examine existing programs and encourage new pilots, if needed
- Examine existing infrastructure, costs
- Economic development opportunities
- Assess ways to finance state-wide system
- Also financing options for charities, schools, agencies and small businesses



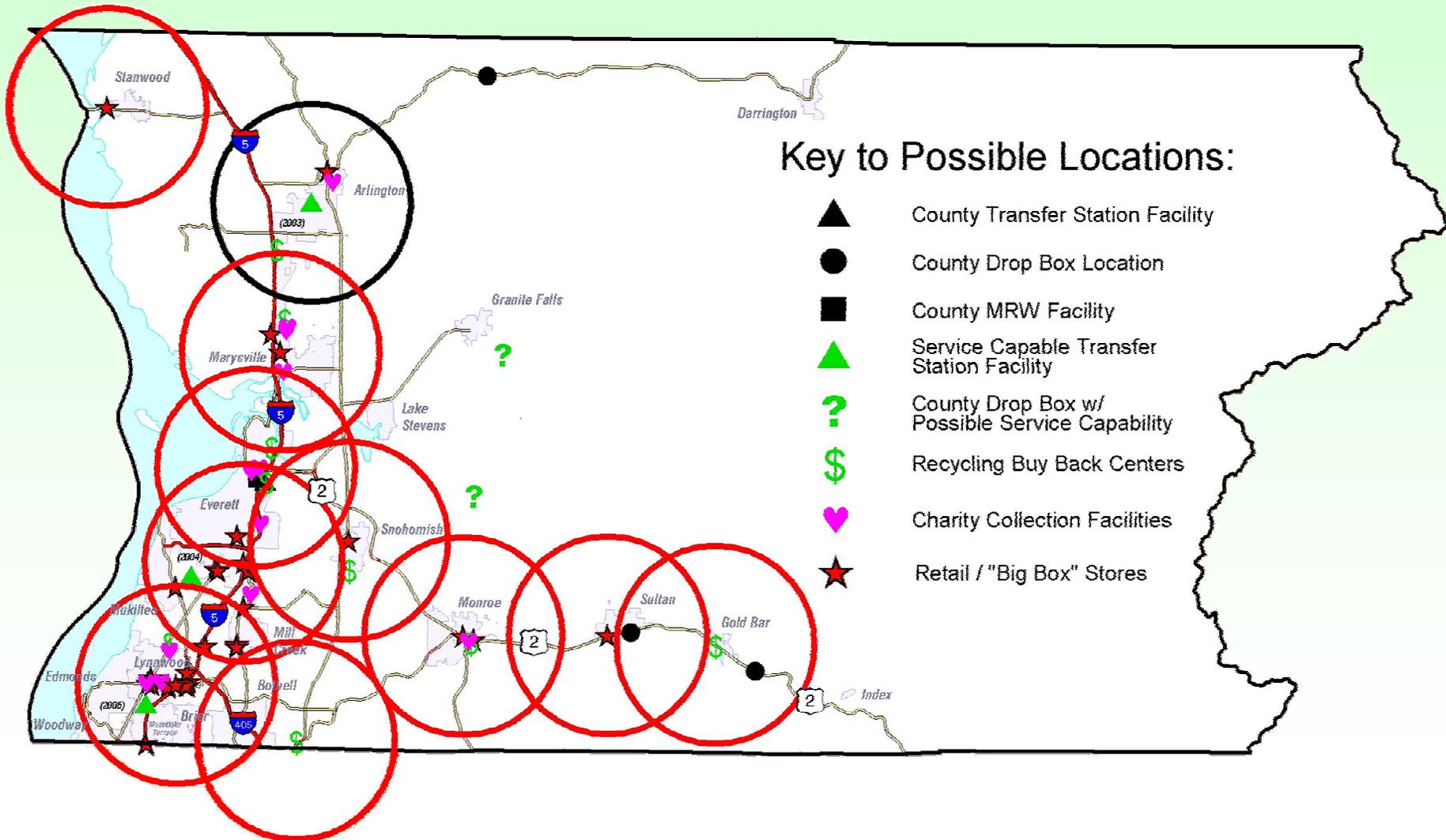
Take it Back Network

- Private retailers, repair shops, recyclers provide collection service
- 14 locations in Snohomish
- 130 tons in 2003
 - 5 miles travel for computer, 10 miles for TV
- 22 in King/Seattle
- Under consideration for Metro area
- Other jurisdictions?

Snohomish County Facilities with Service Capability:



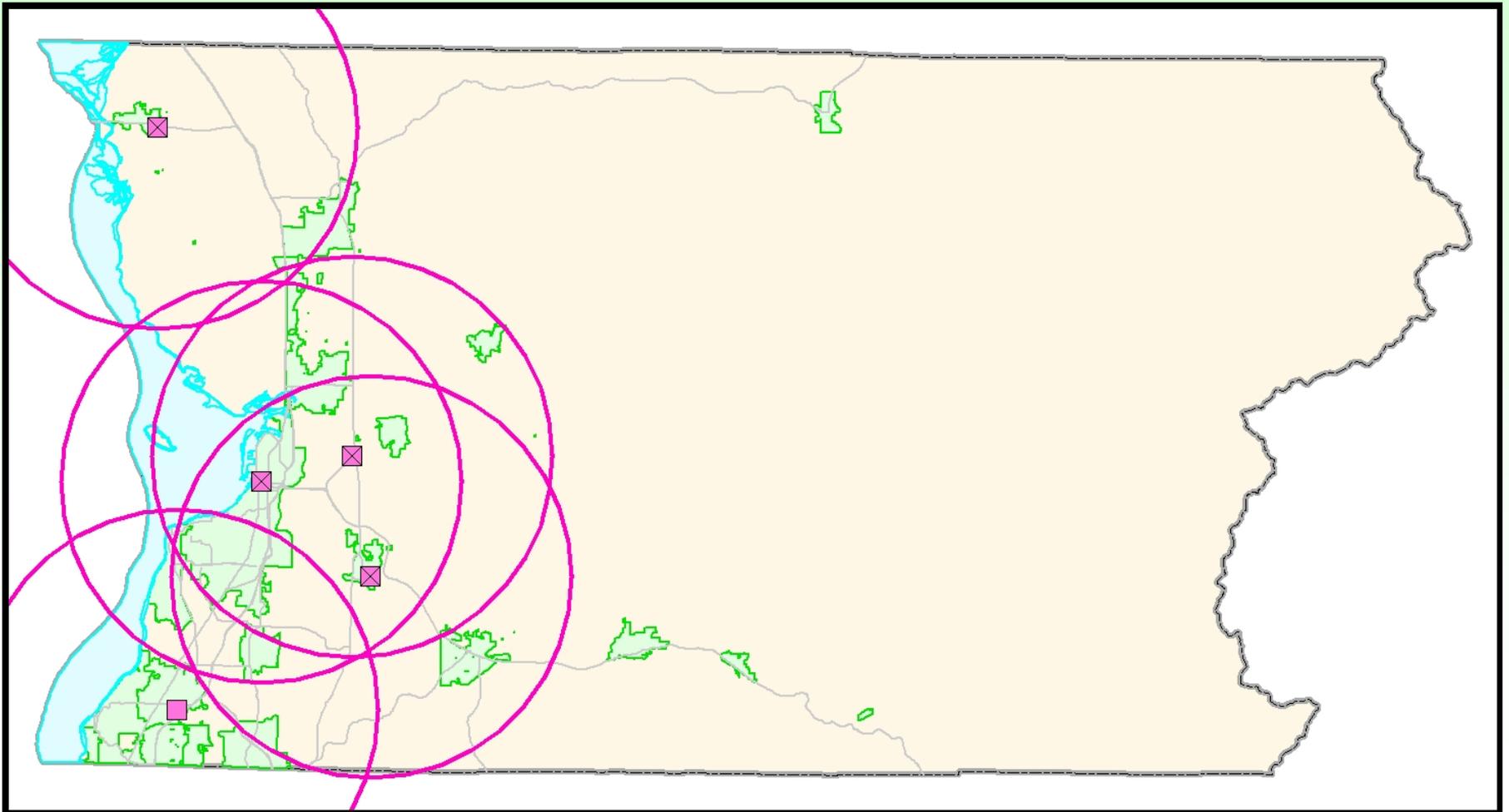
Potential Collection Coverage for Snohomish County:



Key to Possible Locations:

- ▲ County Transfer Station Facility
- County Drop Box Location
- County MRW Facility
- ▲ Service Capable Transfer Station Facility
- ? County Drop Box w/ Possible Service Capability
- \$ Recycling Buy Back Centers
- ♥ Charity Collection Facilities
- ★ Retail / "Big Box" Stores

Private TV/computer Collection Facilities



All E-waste Collection Facilities



2003 Collection Results

Product (in units)	Snohomish County – Private Sector	Snohomish County – Transfer Station	King County – Private Sector <small>(~ 3 quarters of data)</small>
TVs	798	3,528	3,302
Monitors	2,603	2,195	28,049
Computers	2,030	1,299	16,409



Upcoming Pilots: Staples

- April 21 – May 8
- 21 stores in W. WA (+ Wenatchee)
- 10 stores in W. Oregon
- On-going collection
- \$10 per computer system
- Funds donated to local school districts

- Repeat in autumn?
- Will consider E. WA stores in autumn



Upcoming Pilots: Good Guys

- Tentative, undergoing discussion
- Came to us, due to local government technical assistance offer
- Wants to explore possible national program
- On-going collection for one month
- Four stores in Pierce, King, Snohomish
- EOL fees, televisions, manufacturer \$



Upcoming Pilots: Office Depot

- Tentative, awaiting agreement signatures
- On-going collection, 6 months
- EOL fee, IT equipment
- Manufacturers pay for own-brand processing cost
- About 28 stores in Portland and Puget Sound area



Possible Regional Pilot: Manufacturer Processing of Own Brand in WA and OR

- Seeking additional funding to launch
- Participating manufacturers pay for processing cost of own brand
- Material must be delivered to contracted, qualified recycler
- Hope to model/establish private Third Party Organization



Manufacturer Potential Partners

Manufacturers interested in one or more pilots:

- Apple
- Canon
- Epson
- Hewlett Packard
- Intel
- JVC
- Lexmark
- Panasonic
- Philips
- Samsung
- Sanyo
- Sharp
- Sony
- Thomson
- Toshiba



Key Issue One

Pressure to Set Up Government Services

- Internal and external pressure
- Much care needed
 - Don't undermine private sector solutions
 - Develop within context of supplementing private sector services
 - End of life fees needed
 - “Interim” to state or national program

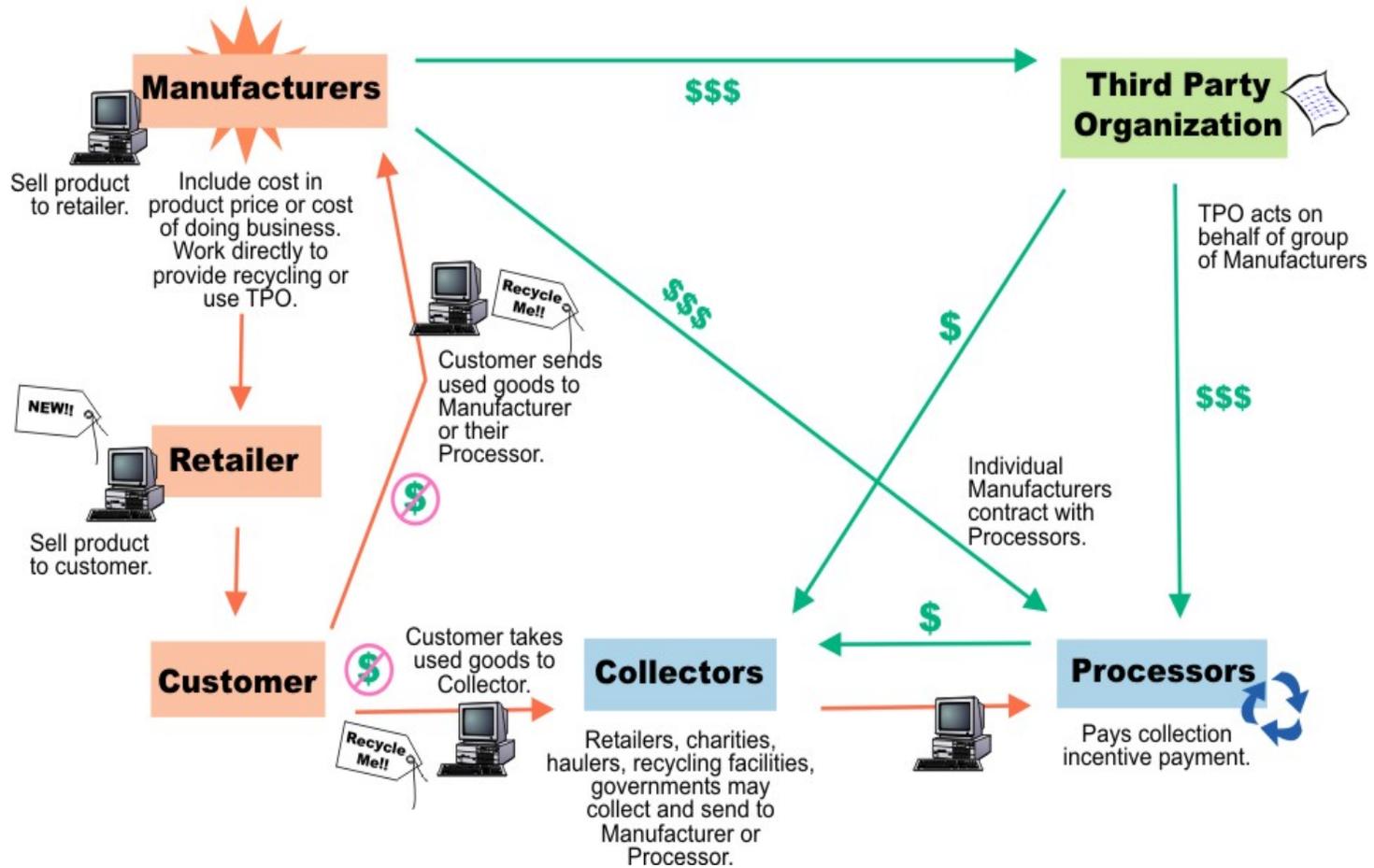


Key Issue Two

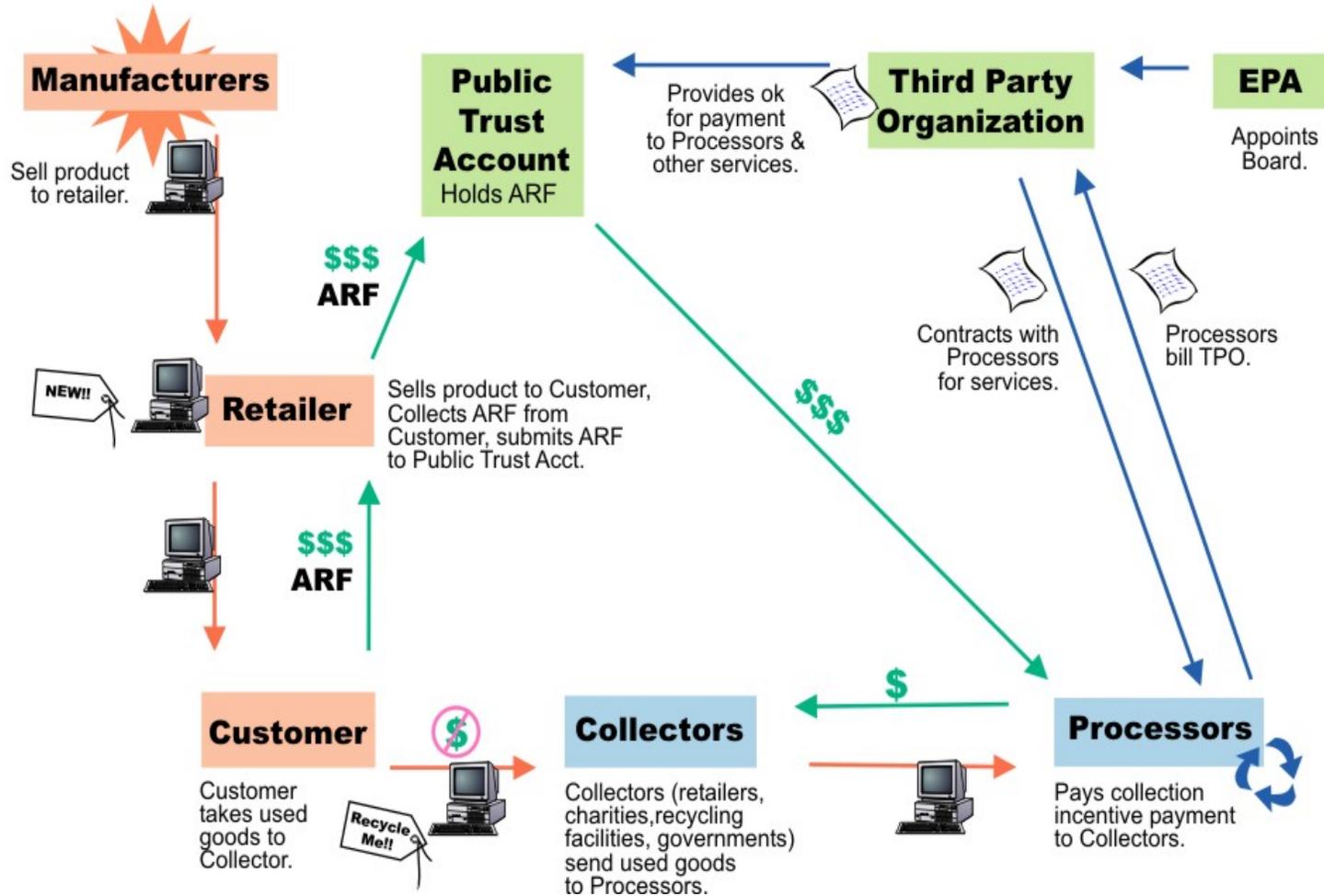
Type of Financing System

- ARF or Cost Internalization?
- Understand difference and implications
- Keep your eye on reimbursement for collection costs – base level of service, etc.
- Expect manufacturer struggle on this

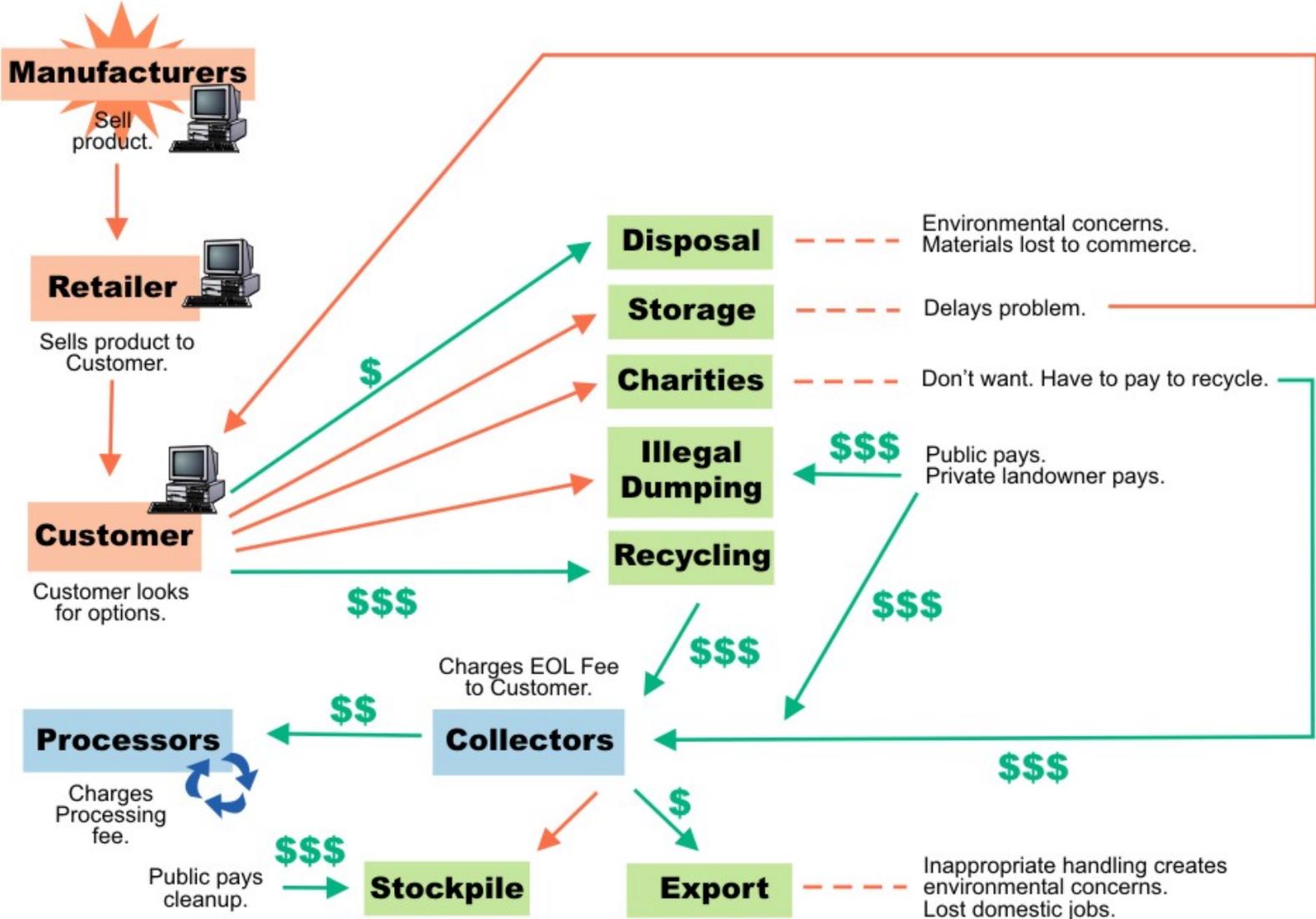
Extended Producer Responsibility System (EPR) for Electronic Products



Advanced Recovery Fee System (ARF) for Electronic Products



Use of End of Life Fees





Key Issue Three

Management of Fund and System

- State managed or private Third Party Organization?
- Can TPOs serve states or regions?
- Can a regional TPO morph into the national TPO?
- Can state managed funds truly be protected from raiding?



Tools

- Northwest Product Stewardship Council:
www.productstewardship.net
- Product Stewardship Institute:
www.productstewardshipinstitute.org
- NEPSI: www.nepsi.org

