

*This document is subject to change by the NEPSI participants.*

**NEPSI Compromise Resolution**

**2/26/04**

Based on the information and knowledge gathered during the three years of study and deliberation of the National Electronics Product Stewardship Initiative (NEPSI), the NEPSI group at the February 10/11, 2004 meeting in Portland, Oregon, adopts the following resolution:

**Whereas**, the University of Tennessee Center for Clean Products and Clean Technologies, under a cooperative agreement with EPA, convened the NEPSI process with an unprecedented group of multi-stakeholders covering a range of interests in electronics stewardship including manufacturers, recyclers, state and local governments, environmental organizations, academia and others to provide guidance on the development of a national system for electronics management;

**Whereas**, it is the desire of the NEPSI group to establish a national system to collect, transport and process consumer electronics in a manner that is protective of human health and the environment, and one that is economically sustainable and market driven;

**Whereas**, the NEPSI group has explored a broad range of issues, options and approaches to developing such a national system through the eight formal NEPSI meetings, countless conference calls, technical working documents and other communications during the past three years;

**Whereas**, this resolution builds upon approaches outlined in the technical working documents developed during the NEPSI process, including the document currently referred to as the Memorandum of Understanding (MOU) and other technical working documents attached thereto; and

**Whereas**, the NEPSI process has concluded with agreement on many of the principles that must be incorporated into a national electronics management system. The NEPSI participants acknowledge that there are important issues, including details of the financing mechanism, which remain to be finalized.

**Therefore,**

**Be it resolved** that the NEPSI group adopts this resolution as guidance on establishing a national electronics management system, and recommends and supports the creation of such a system to ensure a level playing field and the environmentally sound management of used electronics provided that the first action to be undertaken and resolved is the following:

--industry finalizes a consensus agreement on a financing model supported by a significant portion of the market share of both the information technology (IT) and consumer electronics (CE) sectors.

--the proposed industry financing model shall cover the following scope of products as endorsed by the NEPSI stakeholders on February 10, 2004.

TV/TV Monitors (CRTs and flat panels)  
Stand alone computer CRT and flat panel monitors greater than 9 inches  
Laptop/notebook computers  
CPUs  
Small peripherals (mice, keyboards, cables, speakers) [no fee]  
Consumer desktop devices (printers and multifunction devices)

--the industry financing model is vetted through a process to be determined to decide whether and when to reconvene and complete work on the national system.

Provided further that work will commence on all remaining NEPSI technical working documents and issues once this financing model has been accepted by the NEPSI stakeholders.

**Be it further resolved** that the industry representatives will draft and circulate among the NEPSI Stakeholders another technical working document providing further specificity on the interface between the alternative system principles and the advanced recovery fee (ARF)/hybrid, which will outline specific criteria to provide an equivalent level of service to the NEPSI System consistent with the base level of service technical working document. This document will make and clearly describe the assumptions on which the financing model is based.

**Be it further resolved** that in order to fully recover the bulk of orphaned and historic NEPSI Products, the NEPSI Participants support implementation on a national basis of an ARF-driven system which is flexible enough to allow for an Alternative System that permits individual manufacturer responsibility as set forth in the draft MOU dated February 6, 2004, without undermining the financial viability of the ARF system. It is further the intent of the NEPSI System that the ARF-financed components of the system transition to a Partial Cost Internalization (PCI) System pursuant to an agreed upon time schedule and process as set forth in the draft MOU and technical working documents attached and referenced therein.

**Be it further resolved** that through the NEPSI process, participants have developed a number of technical working documents including the Alternative Stewardship Principles, a draft MOU dated February 6, 2004, and related background documents. Though these documents have not been fully vetted, and in some cases not fully completed, they embody many of the parameters of a national system.

**Be it further resolved** that upon reconvening, the NEPSI group shall finalize the following documents and take the following actions:

- Performance measures document;
- Memorandum of Understanding, including exhibits;
- National uniformity document;
- Alternative stewardship principles document; and
- Scheduling of a meeting to discuss formation of a National Coordinating Entity as articulated in the Interim Program technical working document.