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Representing the Equipment Leasing and Finance Industry

**Midwest Regional Electronic Waste Recycling Policy Initiative
Comments from
Equipment Leasing Association
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The Equipment Leasing Association (ELA) appreciates the opportunity to file comments on model electronic waste legislation being drafted by the Midwest Regional Electronic Waste Recycling Policy Initiative. This constructive engagement by equipment lessors provides a needed perspective from the commercial sector.

Different states and regions have introduced varied systems and proposals. Producing Midwest regional legislation that builds on the model drafted by Northeast states moves us toward a national solution that is the ultimate goal of equipment lessors. The marketplace is being given an opportunity to expose weaknesses of some proposals and promise of others. States are learning in the process that equipment lessors are unique in the electronic equipment market and that this distinction must be recognized when electronic waste recycling legislation is considered.

Commercial equipment lessors do not have warehouses, product distribution centers or retail establishments. Lessors never have physical possession of equipment prior to lease, nor assist in selection, maintenance or support of the equipment following the lease transaction. The Council of State Governments – Eastern Region recognized these unique issues by exempting leasing. Your draft wisely follows that example.

Financing Option B is illustrative of a retail concept based on movement of tangible products that has no distinguishable application within the business-to-business financial services performed by equipment lessors. Option B proposes a ‘first sale’ financing mechanism that promises to be a costly burden facing challenges of interpretation in the retail sector and is not a viable system that can be applied to financing of leases. It is another reason ELA applauds your concurrence with the judgment by Northeast states.

Equipment lessors believe electronic recycling legislation should provide uniformity of equipment covered from state to state, easily identified exemptions standardized across state lines, and collection responsibilities clearly defined. It is noteworthy and appreciated to have been afforded this occasion for comment on the model electronic waste recycling bill. ELA wishes to be a resource as you move ahead.

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