

Comments at the Great Lakes E-Waste Policy Initiative Meeting
Chicago, IL
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Thank you for providing us the opportunity to comment on your efforts to draft legislation for a regional solution to the electronics disposal challenge. In one way or another, the electronics recyclers here today have been active participants in the discussion of legislative involvement in this issue through state and national forums. We are encouraged by your efforts today and want to remain an active participant in future policy development.

In regard to the current proposal for regional legislation, we would like to offer several comments.

Let me begin by first commenting on the purpose of the Act. The discussion document starts out with, “The purpose of the Act is to establish a comprehensive recycling system . . .” We want to make it clear that it is **electronics recyclers** whose reason for existence it is to establish recycling systems, not the government. We appreciate the government’s assistance in facilitating the development of an electronics recycling infrastructure by removing burdensome and unnecessary regulations, promoting innovative and responsible processing, and coordinating educational programs, but hope it does not burden itself with designing and instituting a new collection and processing system. Electronics recyclers want to have a role in creating

the most efficient and responsible electronics collection and recovery program possible, and that will happen if you let us develop the capacity and programs.

It is in our collective firms' interest to continue to invest in and develop the capacity to respond to increased demands for responsible recycling. If states implement clear legislation indicating a specified date for banning landfill disposal of certain electronics or implementing a new financing scheme, our companies can prepare for the onslaught. Case in point is California, where 40 recycling facilities were able to become certified under the new Electronic Waste Recycling Act in just the first year of the program. We don't believe you need to worry about whether or not we have the capacity to keep up with increased demands for recycling e-scrap brought on by legislation. Instead, we believe the act should be modified so that it is designed to better facilitate the environmentally sound management of e-scrap through an efficient collection and processing infrastructure.

First, we recommend the act include the following four measures to better ensure environmentally sound management practices are attained.

One: Require all "covered electronic recyclers" to be certified by the appropriate State Agency and make the certification process clear and verifiable. The goal of certification is to prevent bad actors from using the program to promote unsafe activities. Certification must require the recycler to develop and maintain an Environmental Management System that meets specific standards created by the Act and to report the

final disposition of all covered electronic devices to the point where they become raw materials or are disposed. The agencies must verify these programs and funding needs to be allocated for this purpose. If a recycler does not meet the certification criteria and they cannot successfully appeal a determination made to that effect, they should not be allowed to participate in the program and be compensated by the Corporation.

While the *EPA Guidelines for Material Management* offers a good basis for establishing environmentally sound management practices for recyclers, other models should be considered including the State of Minnesota's requirement for its contractors to establish and maintain a well-defined *Electronic, Component and Process Residual Management Plan*. This plan limits the export of hazardous wastes and unprocessed equipment outside of North America.

TWO: Make the Advanced Recovery Fee visible to consumers. The proposed plan does not benefit from the best opportunity we have to educate the consumer about recycling. The Swiss program and California initiative both make the fee visible to consumers, though it is collected from manufacturers and retailers through different points of the sale process. Both jurisdictions report increased awareness of the program due in large part to the fact that consumers see the fee on their receipts.

THREE: Collect a fee on every type of covered electronic product. If consumers are required to recycle more items than just CRT devices, we need to compensate collection agents, haulers and recyclers for processing these items as well. We cannot

recycle computers, VCRs, and printers free of charge. Without compensation, we would likely need to charge generators of these materials for recycling the equipment, or they would not be recycled. By collecting a fee on these items, consumers also become aware that these are covered electronic products that need to be recycled. (Rox note: we understand that the fee for CRT's is meant to provide enough income to compensate for all collected electronics, we are just concerned that the uncovered product that will no doubt be dropped off with monitors is in fact compensated and that the consumers do not elect to throw them in the landfill).

FOUR: Increase spending on education. Most businesses spend approximately 5% of revenues on marketing expenses. With the need to perform significant outreach to inform people about this new program, and the reality of many state budgets being cut in the area of education, it is important to not under fund the education portion of this program at its onset.

At the very least, we hope by adapting these four recommendations, the region can better achieve increased participation in a recycling program and to ensure the recycling infrastructure meets minimum standards for environmentally sound processing.

The second major set of comments we want to offer relate to how this legislation can better facilitate the development of an efficient collection and recycling infrastructure. In general, we support market forces to spur the rapid expansion of recycling opportunities throughout the region at the lowest cost possible. After ten years,

this approach has worked in Switzerland and we are already beginning to see costs to consumers go down in California. In the SWICO program in Switzerland, the compensation amount paid to transporters and recyclers is re-evaluated each year and adjusted to cover current market conditions. In California, where recyclers are compensated at a rate of \$0.28/pound for processing CRT devices, some companies find they can process equipment at a lower rate and have shared their cost savings with their customers. We expect costs to consumers will go down as the volume of equipment collected increases. Just as our processing fees are discounted as a mechanism to grow more business for ourselves, you will find companies competing for business by offering more value added services or by rebating compensation payments from the Corporation back to their customers. Competitive market forces will keep costs to consumers down. When the Corporation has a chance of re-evaluating the compensation amount, it can look to market data from private industry to normalize the ARF to the prevailing cost level.

One challenge in any recycling system is servicing high cost areas, such as small communities generating few items and located far from processing centers. We believe market forces will eventually lead to the development of an infrastructure in even these areas. Smaller, niche firms with low overhead will respond to their service needs as long as the compensation level provides them with some assurance of a profit margin. Therefore, to ensure all communities will participate in an electronics recycling program, the compensation level must be set at a level that enables the profitable recycling from all

communities in the region. Areas that are able to be serviced at lower rates will get more services or rebate payments from recycling companies to reflect these lower costs.

Finally, we strongly encourage you to include more than one for-profit recycler in the Board of Directors for the Corporation. Our industry group is an essential component of the success of this program and deserves a greater voice in its implementation and management. In addition, having at least two for-profit recyclers on the Board will provide a better balance of input from our group, and helps to prevent one recycler from influencing policy in its sole interest.

In closing, we support efforts to facilitate the expansion of responsible electronics recycling in our region. We hope this group can build on the successes from other ARF programs around the world and enlist the help of recyclers like us in creating the mechanisms for financing the system and validating compliance with environmentally sound management practices. Thank you for your time and I look forward to working with all stakeholders more in the future.