

Consumer Electronics Retailers Coalition



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Garth Hickle
Product Stewardship Team Leader
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155-4194

Submitted via electronic mail to: garth.hickle@pca.state.mn.us

Dear Garth,

On behalf of the Consumer Electronics Retailers Coalition (CERC), I am writing to comment on the Midwest Recycling Initiative's discussion draft of its regional approach to developing model electronic waste recycling legislation. CERC is a national organization of major consumer electronics retailers and general retailers who sell consumer electronics – many of whom have numerous stores located in the region. Additionally, CERC's membership includes the leading retail industry trade associations that are aligned with us on this and other critical issues of concern, including the National Retail Federation, the North American Retail Dealers Association and the Retail Industry Leaders Association.

At the outset, we want to express our appreciation to you and your colleagues throughout EPA Region V for taking our comments into account as you move forward in this effort to craft an innovative and effective electronics recycling management system based on the foundation of product stewardship and shared responsibility.

As you may recall, everyone on the retailer panel who testified before you in November believes a nationwide/harmonized approach to the management of unwanted electronics must be viewed as the ultimate solution. Our concern is a state legislative "50x50" approach that would have an enormously negative economic impact, as well as being administratively cumbersome for all the stakeholders. It is for this reason that we commend you for taking a broader regional approach to this important issue. We are encouraged that your latest draft incorporates a more manageable and reasonable producer responsibility model for handling electronics at their end-of-life. CERC members collectively believe that a producer responsibility system will continue to encourage innovation and the design of products that are environmentally friendly, easier to recycle, and provide consumers with a variety of choices.

We believe that you are proposing a balanced approach that provides for a shared responsibility among all stakeholders. The primary responsibility of financing end-of-life management should be placed on those who design and manufacture the covered products. The creation of a new and expensive bureaucratic structure that forces constituents to pay a new tax in the form of a point-of-sale advanced recovery fee (ARF), as was suggested as an

alternative approach during the fall meeting in Chicago, will not promote a competitive environment and design-for-environment incentives among manufacturers.

Retailers understand that they will have a responsibility to help educate customers on the value of reuse, refurbishment and recycling of unwanted electronic products. We support the Section 7 provisions that will lead to a central location – website and toll-free phone number – that will keep our customers informed of collection opportunities in the region. We also fully accept the draft’s provisions where retailers would be considered the ‘manufacturer’ when a covered electronic device is a private label or when a retailer is the importer of record and the true producer has no presence in the U.S. market. CERC members also accept the responsibility of including information on receipts for new purchases of covered electronics that “a unit recycling fee has been applied” and will work with you in crafting appropriate and informative language. We also appreciate the inclusion of a sunset clause in Section 18 when a national solution is implemented.

CERC also believes, however, that your proposal must allow manufacturers the flexibility to implement electronics recycling programs that make sense to and can be easily understood and implemented by consumers, government, retailers and manufacturers. We urge you to work with the appropriate parties to amend Sections 5 and 6 of your draft to permit such programs and ask the drafters to include language that would allow manufacturers to submit their own approved electronics collection and recycling plan as an alternative to paying into a new registration system. We believe this approach will help drive down the cost of recycling, encourage consumers to participate in the process at greater degree, and serve to further incentivize producers to design for recycling. Certain manufacturers have already devised innovative plans to handle their products at their end-of-life, and your model approach should encourage, rather than discourage these programs.

Thank you for the opportunity to share CERC’s positions concerning electronic product management legislative efforts in EPA Region V. We hope to work closely with you in developing a fair and equitable electronics recycling management plan that will be good for the region, its businesses, and most of all, your constituents – our customers. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,



Marc A. Pearl, Executive Director
Consumer Electronics Retailers Coalition

About CERC: The Consumer Electronics Retailers Coalition is a public policy issue organization consisting of the major specialty retailers of consumer electronics products and retail associations. CERC members include Amazon.com, Best Buy, Circuit City, RadioShack, Target, Wal-Mart, and the leading retail industry trade associations – NARDA, NRF and RILA. More information on the organization and its positions is available at www.ceretailers.org.