



## PSI FACT-SHEET: PRODUCT STEWARDSHIP FINANCING MODELS WASHINGTON STATE ELECTRONICS RECYCLING LAW

<b>Scope:</b>	Computers, computer monitors, laptop computers, and televisions in the State of Washington, USA
<b>Status:</b>	Enabling legislation passed on March 6, 2006. Recycling program to be operational as of January 1, 2009.
<b>Type of Program:</b>	Extended Producer Responsibility – cost internalization

### Overview

The 2006 Washington State Electronics Recycling Bill was passed into law (Chapter 70.95N RCW) and will be fully implemented as of January 1, 2009. The law requires manufacturers of covered electronic products (CEPs) offered for sale in Washington to create and finance a system for the collection, transportation, and processing of CEPs. CEPs include computers, computer monitors, laptop computers and televisions (both cathode ray tubes and flat screens).<sup>1</sup> "Manufacturers" include original equipment manufacturers and resellers of CEPs, including importers if the manufacturer does not have a US presence and retailers selling their own brands. Manufacturers, collectors, and transporters of CEPs must register with the WA Department of Ecology (Ecology). Manufacturer registration fees and plan review fees are used to cover Ecology's costs associated with implementation. Manufacturers must join the standard recycling plan established by the legislation or, in certain situations, may be authorized to operate their own independent plan individually or collectively with other manufacturers. (In at least the first year of full implementation, 2009, there will only be one plan – the Standard Plan – since no independent plans have yet been proposed.) Each plan can decide how it will allocate costs among members. Recycling services through such programs must be available to all households, charities, small businesses, small governments, and schools at no charge to the product owner with at least one collection point for every city with a population of 10,000 or more, and in each county. Beginning in 2007, qualifying manufacturers must have registered with Ecology in order to sell their products in or into the state. Also beginning in 2007, all electronic products (excluding existing retail stock) sold in Washington must have been labeled with permanently affixed and readily visible labels showing the brand of a registered manufacturer.

Programs are encouraged to work with existing service providers such as private recyclers, charities, haulers, repair shops, and government facilities. Companies using reuse charities for collection get a 5% credit towards their annual cost share. Prison labor cannot be used to process collected products. A third party organization, called the Materials Management and Financing Authority (the Authority), is established by the legislation and controlled by a board of directors appointed by Ecology. Eleven board members are selected from participating manufacturers, with at least one being a retailer, along with three ex officio members from the state agencies of Ecology, the State Treasurer and Community, Trade & Economic Development.

To date, over 220 manufacturers of computers, computer monitors, laptop computers and televisions are registered with Washington's Electronic Products Recycling Program. This includes some manufacturers that only sell into the state via the internet or catalog sales. In 2009, all manufacturers will be participating in the Standard Plan for recycling used electronics. The Standard Plan has received conditional approval from Ecology and will be available to viewed on Ecology's web site when approved. It is anticipated that when collections begin in January 2009 there will be over 200 collection sites throughout the state of Washington.

<sup>1</sup> Screen sizes four inches and larger included; equipment embedded in medical devices, appliances, and motor vehicles is excluded.

### Product Stewardship

Product stewardship efforts aim to encourage manufacturers and retailers to take increasing responsibility to reduce the life-cycle impacts of a product and its packaging – energy and materials consumption, air and water emissions, the amount of toxics in the product, worker safety, and waste disposal – in product design and in the end-of-life management of the products they produce.

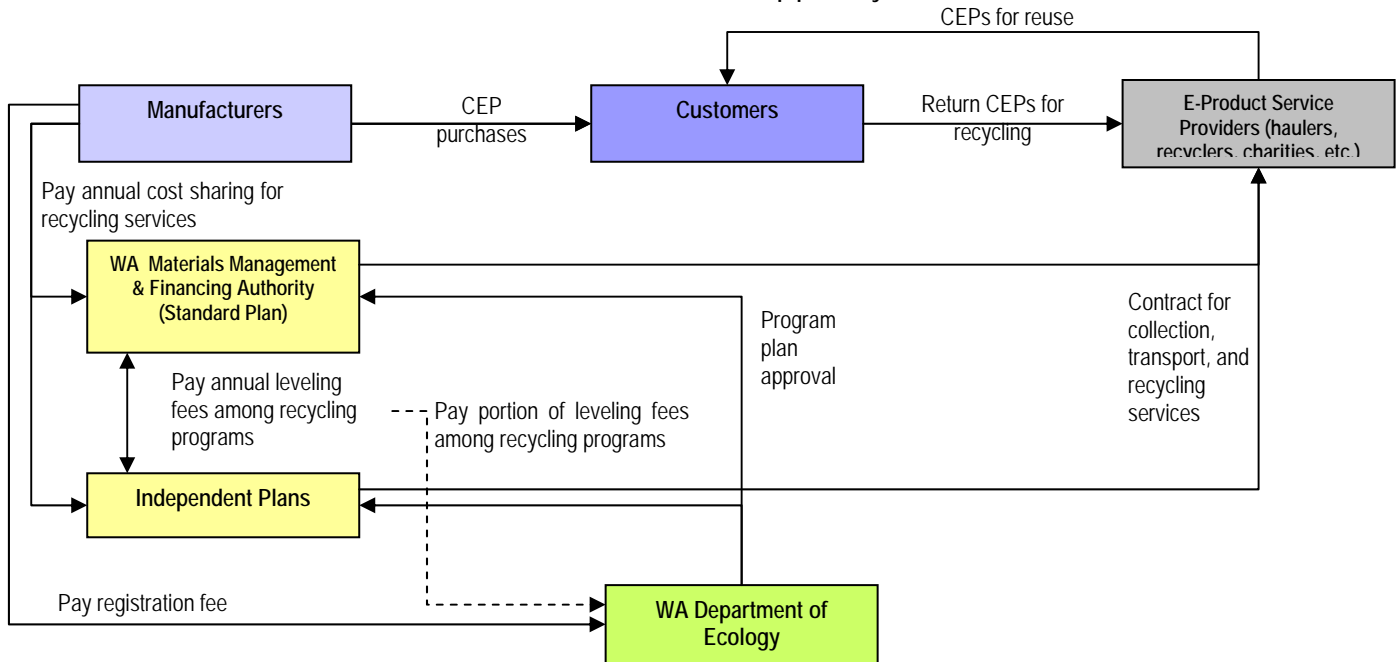
### PSI

The Product Stewardship Institute (PSI) is a national non-profit membership-based organization that works with state and local government agencies, manufacturers, retailers, environmental groups, federal agencies, and other key stakeholders to reduce the health and environmental impacts of consumer products. PSI takes a unique product stewardship approach to solving waste management problems by encouraging product design changes and mediating stakeholder dialogues.

## How It Works

Entity	Product Stewardship	Financing/ Payment
Consumer	Returns CEPs through collection programs financed by manufacturers.	None. This program is provided free-of-charge to households, charities, small businesses, small governments, and schools.
Manufacturer	Collects and recycles CEPs through the standard program administered by the Authority or through its own, independent program. Must register with Ecology and label all products sold in the state. Participates in providing educational materials to consumers describing where and how to recycle CEPs.	<ol style="list-style-type: none"> <li>1. Pays registration fees to Ecology to administer the program.</li> <li>2. Plan pays plan review fee to Ecology.</li> <li>3. Pays for plan administration and operations. Plan members determine basis for payment.</li> </ol>
WA State Department of Ecology	Registers manufacturers, reviews recycling plans, and can set annual fee levels. Also sets guidelines for environmentally responsible processing including the export of products. Regulates all aspects of the program. Helps provide educational materials to consumers describing where and how to recycle CEPs. Sets return share obligations for each manufacturer based on return sampling.	Collects registration fees from manufacturers and plan review fee. If and when there is more than one recycling plan, Ecology will collect a \$0.50/lb leveling fees from under performing plans. \$0.45/lb is paid to the high performing plans. Ecology retains \$0.05/lb to offset administrative costs.
Materials Management & Financing Authority	Plans and implements the standard take-back and recycling program for CEPs. Contracts with service providers for collection, transport, and recycling of CEPs.	Pays service providers through cost sharing among member manufacturers.
Retailer	Cannot sell products from non-participating manufacturers. Participates in providing educational materials to consumers describing where and how to recycle CEPs.	May be a manufacturer by definition, in which case would be financially responsible for paying for program costs.

How it works: Product stewardship pathways



## Impacts

- Any CEP owned by a covered entity can be recycled free of charge when the owner chooses to do so.
- The Authority and independent manufacturers must implement their programs by January 1, 2009.
- Cost internalization neutralizes the effect of internet and out of state sales
- Based on competitive market drivers, the law creates incentives for manufacturers to implement efficient and effective programs to contain costs and encourage design for recycling.
- Minimizes government involvement, limiting government role to oversight, information sharing, and enforcement, thereby reducing overall program costs.
- All manufacturers must participate through a limited number of programs, making the planning and implementation manageable.
- New entrants to the electronics market must participate in the standard plan and may pay a portion of the program costs regardless of whether their products are represented in the return share or not.
- Fines can be levied on manufacturers and retailers that sell electronic products in, or into, the state that are not from a registered manufacturer, or are from a manufacturer not participating in an approved plan.

## Challenges

- The Electronic Product Recycling Program does not have an accompanying disposal ban to require recycling. However 43% of the population resides where local disposal bans are already in effect.
- There are no specific performance goals (e.g., weight, percentages) that manufacturers are held to for product recovery. However, equivalent share is set annually, creating performance targets.
- Timelines are tight.

## Next Steps

- Only the Standard Plan was submitted for review by the February 1, 2008, due date. Ecology will determine if the Standard Plan sufficiently provides for the collection and processing of CEPs, and will work with the Authority to see that an approved plan that meets all requirements is in place by the January 1, 2009 start date. An independent plan may be submitted to Ecology for review by August 1, 2009, but will not be implemented prior to January 1, 2010.
- Ecology, the Authority, local governments and retailers are collaborating on a public outreach campaign to provide information about the program in the months before and after the January 2009 start date.

## Resources

WA State Department of Ecology Electronic Product Recycling

<http://www.ecy.wa.gov/programs/swfa/eproductrecycle/index.html>

Washington Materials Management & Financing Authority:

<http://www.wmmfa.net/>

## Similar Initiatives

- [California Electronic Waste Recycling Act](#)
- [Maine Electronic Waste Recycling Act](#)

### Contact Information

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