



Consumer Electronics Retailers Coalition (CERC) Position on the Need for a National Electronics Management System

- Consumer electronics (CE) retailers strongly believe that developing a national electronics management system that effectively encourages the collection and recycling of electronic waste is far more preferable if handled as a “federal solution” rather than by individual states.
- CE retailers realize that they have an important role in working with and being active participants with other interested stakeholders in developing a successful federal model that will have to be implemented at the local level.
- CE retailers believe a successful national system for electronics recycling can be established without imposing fees at the point-of-sale; without having to create a new complex administrative structure; and without mandates that discourage innovation.
- CE retailers believe that a no-fee system will not only continue to encourage innovation, but will also provide consumers with a variety of choices and manufacturers with flexibility to implement electronics recycling programs that make sense – to consumers, government, retailers and manufacturers.
- CE retailers also believe that the U.S. can learn from and build on the lessons of other countries that have implemented recycling programs. Our nation has a unique opportunity to create a progressive producer responsibility system that encourages the market to drive an effective, efficient and environmentally sound solution.

Federal Legislation – A comprehensive nationwide approach to the financing, collection, transportation and recycling of electronic devices that preempts individual state action is ultimately the best solution for all parties – manufacturers, distributors, retailers, collection agencies, recyclers, governments at all levels and consumers.

- Consumer electronic retailers view the implementation of the ***Producer Responsibility*** model as the most efficient and comprehensive electronics waste management plan. Such an approach will encourage effective recycling while, at the same time, be the least burdensome to the consumer. In order to be successful, however, the ***Producer Responsibility*** approach must include –
 - A **limited number of types and clear definition** of covered devices.
 - That any **retailer ‘take-back’ programs** – if mentioned at all – must remain **voluntary**.
 - A **‘safe harbor’** for a consumer electronics retailer that sells a product not covered under an approved management plan absent actual knowledge.
 - Programs that help **educate** and are easily understood by **consumers**.
 - A **flexible system** that allows manufacturers the ability to provide services to consumers and encourages the market to drive efficiencies and choices.
 - Encouraging **voluntary collection initiatives** by manufacturers to partner with retailers, charities and/or local governments.
 - Establishing manufacturers’ **financial responsibility based on the products that consumers return to the system** – not fees at the point-of-sale or other financial models that do not reflect the true costs and realities of the return system.
 - The ability of **manufacturers to work independently or collaborate with others** to meet the established responsibility goals.

State Action – Though a successful electronic waste management solution must be nationwide in scope, CE retailers, in coalition with other interested stakeholders, will actively work with states that remain desirous of moving their own legislative solution as a transitional step to the implementation of a nationwide system – focusing their attention on the **Producer Responsibility model**. If a state does move such legislation, it should recognize the need to include certain key principles –

- A **sunset provision** that allows for federal preemption in the event that Congress passes a national electronic device recycling law.
- Provisions that **include all means by which a covered device is sold for retail** in the state – whether sold in-store, by telephone or over the Internet.

For practical and administrative reasons, a **nationwide *PRODUCER RESPONSIBILITY* approach is the most efficient and optimal answer** because it will –

- Place responsibility for the effective recycling of electronic devices where it belongs – on those stakeholders, including producers, distributors, retailers and consumers, who benefit from the sale of electronic products.
- Encourage producers to design products for ease of recycling, and could encourage manufacturers to design products with less materials of concern, if laws are designed to exempt those products that are safe for landfills.
- Establish a system that – unlike the point-of-sale advance recovery fee approach instituted in California – is easy to administer, is not complicated, is inexpensive for consumers, retailers and governments, and does not unfairly burden the residents of one state.
- Provide a level playing field that applies to all types of sale at the state level – whether the covered consumer electronic product is sold via the Internet, catalogue, over the telephone, or in a traditional brick-and-mortar/in-store operation.

THE POINT-OF-SALE|ADVANCE RECOVERY FEE APPROACH WILL NOT WORK

Consumer electronic retailers oppose any “point-of-sale|advance recovery fee” (POS|ARF) approach because such an approach has been shown to not accomplish its goals; is administratively burdensome for all parties; and will only guarantee a new revenue source for government without guaranteeing that an effective recycling system will be put into place.

The recent institution of such a fee/tax program in California has already been shown to be:

- Too complicated for all parties – government, businesses and consumers – to understand and administer;
- Incredibly costly for both the governmental agencies and retailers to implement;
- Impracticable to bring sufficient dollars down to the local level to implement enough local collection and disposal facilities;
- Impossible to impose on out-of-state online/mail order retailers;
- Impractical, by asking the government to set up a new administrative structure to collect the fees, manage the program and disperse the revenue for effective recycling; and
- Impossible to know how high the taxes/fees charged to consumers needs to be in order to adequately fund a successfully electronics device recycling program.

In short, a POS|ARF approach – particularly given significant budget cutting at all levels of government – will not adequately fund an effective recycling program, and will only serve to confuse and burden the consumer with the imposition of new fees and perceived new taxes without any direct benefits.