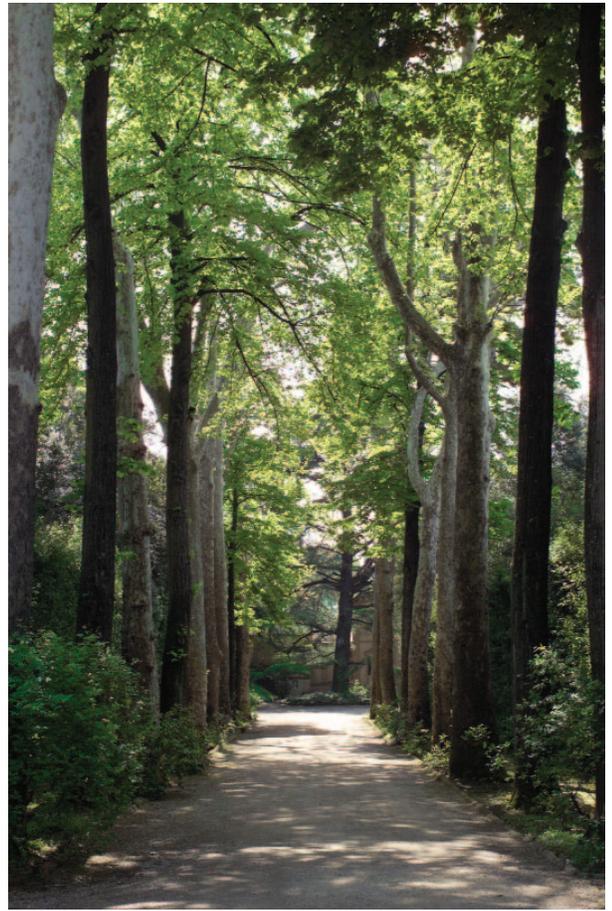


# IT Product Recycling: A Product Stewardship Solution

Presented by Hewlett-Packard Company



## Goals of a Product Stewardship Solution

**Create a fair and efficient recycling framework that involves all stakeholders -** IT product manufacturers, government, retailers, recyclers, and consumers - in the collection and recycling processes.

**Leverage the expertise and innovation of the private sector** to achieve environmental quality goals at the lowest possible cost.

**Do not create a large government or quasi-government complex structure.**

**Require IT product manufacturers to take responsibility for recycling tasks** after receipt of their own branded products from households. Require performance of these tasks in an environmentally sound manner, but allow manufacturers flexibility in how to meet this requirement.

**Involve retailers to leverage their unique role in the marketplace,** but do not place excessive demands on them.

**Create a recycling framework that can be implemented at the state level and transition easily to a national system.**





# Achieving The Goals: Key Elements of a Product Stewardship Solution

## **Manufacturer responsibility -**

IT Manufacturers will be responsible for recycling, refurbishing, and/or reusing their return share of IT products from households.

## **Flexibility in collection and recycling programs -**

IT Manufacturers will file a registration with the relevant government authority specifying the method(s) for the receipt of IT products from households. They could implement programs individually or in partnership with retailers, charities, the waste collection and recycling industries, local governments, or others of their choosing. This flexibility will enable private sector expertise and competition to be incorporated into the system.

## **Limited governmental role -**

The principal government role will be to enact legislation requiring manufacturer recycling programs; to approve manufacturer programs; to enforce the law to ensure a level playing field; and to participate in and lend expertise to the collection process.

## **Limited burden on retailers -**

Retailers cannot sell IT products from manufacturers who have not filed a recycling registration under the law.

## **Alternative collection and recycling opportunities -**

Local governments, charities, and retailers will offer a variety of collection and recycling opportunities, including partnerships with manufacturers. Innovation in developing collection and recycling opportunities will be encouraged.

## **Consumer choice -**

Consumers will have many and varied opportunities to return their IT products for recycling. Information on how to return IT products will be provided by IT manufacturers via a website and/or a toll-free number.

## **Competition among recyclers -**

Recyclers will compete with one another to develop recycling technologies and provide recycling services to manufacturers at the lowest possible cost.

## **Incentive to design for the environment -**

Manufacturers will internalize recycling costs like other costs of doing business. They will have incentives to reduce the environmental impact of their products by making them more recyclable, integrating recycled content in new products, and reducing materials of concern.

## **Ease in transitioning to a national system -**

Minimal government bureaucracy allows state programs to evolve easily into a single national system. Manufacturers will be able to use labeling conventions and recycling approaches in a national system that they developed to comply with state laws.

## **Focus on household IT products only -**

The framework would address household IT products only. Recycling opportunities are readily available to businesses, governments, and other large entities, and managing the disposition of older equipment is an ordinary and appropriate cost of doing business. Moreover, IT manufacturers often compete with other manufacturers and third-party recyclers to provide these services. IT product recycling systems should not disrupt the competitive marketplace that has emerged.

# Problems with an Advance Recycling Fee (ARF) System

A Coalition of primarily TV manufacturers has endorsed an "ARF Based Electronic Product Reuse & Recycling System." This system imposes a sales fee on computers, monitors, desktop printers and multi-function devices, and TVs sold to both consumers and businesses. The fee would be collected by the retailer at the time of sale. The fees would be used to fund and manage end-of-life infrastructure -- from local collectors and reuse enterprises through national recycling markets -- for electronic products.

This system should NOT be imposed on IT manufacturers -- for many reasons:

**Unlimited fees** - Fees mandated at the point of sale are unnecessary new taxes imposed on consumers. Consumers do not want them. Moreover, under an ARF system, there are no controls or requirements to limit how high these fees may need to go to fund the collection and recycling system.

**Large government programs; high administrative costs** - Fees add to the cost of electronics products, potentially divert funds to other government programs, and create government programs that have high administrative costs. For example, in California about 100 employees are expected to be devoted to the program, and total administrative costs to get a program up and running are anticipated to be in the tens of millions of dollars.

**Burdens on retailers** - Costs for retailers may exceed the amount of the fee they are allowed to retain. In addition, retailers will be required to administer new, complex systems for collecting and accounting for fees.

**Unfair advantage for distance retailers** - States are unlikely to be able to collect fees from all of the out-of-state retailers (internet, catalog, and phone) that sell products in the state. The result is an uneven playing field, with out-of-state retailers gaining an advantage.

**No manufacturer responsibility;**

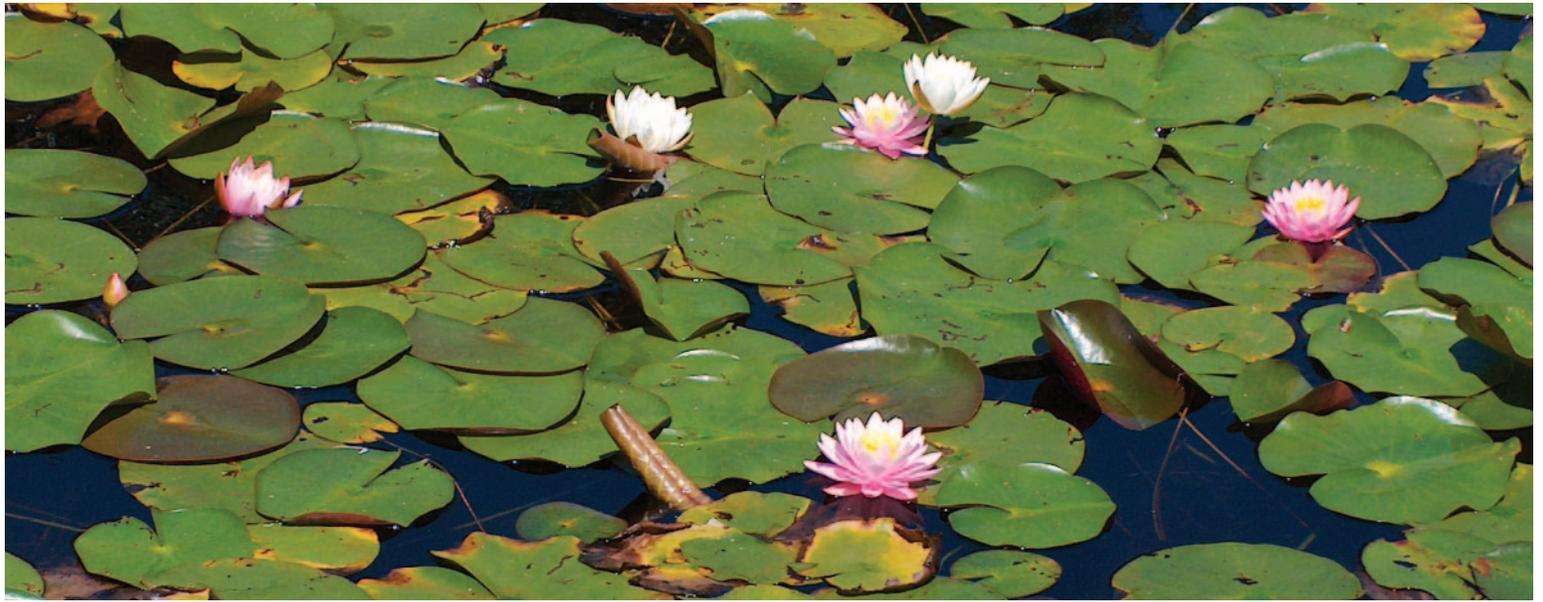
**inequities for manufacturers** - The ARF system does not assure that a manufacturer is responsible for its own products. Instead, by distributing financial responsibility among brands based on fees imposed on current sales, prior produced products are funded out of current sales.

**Relieves businesses of waste-management legal obligations** - Because the ARF proposal covers products from both consumers and businesses, it would relieve businesses of the costs of their existing legal obligation to manage their wastes responsibly.

**Lack of incentives for improvement** - Fees do not provide an incentive for lowering recycling costs over time, for developing innovations in recycling technologies, or for improving product designs.

**Difficulty transitioning to national system** - Proposals for an ARF system do not explain why a state would give up a huge source of revenue and the government bureaucracy it has created to transition to a national system.





## Our Position

The lack of agreement between the TV manufacturers and the IT manufacturers on an approach to electronics recycling has delayed progress for too long. There is no need to combine the approaches for recycling TVs and IT products. TV manufacturers can decide what approach works best for TVs, but should not be allowed to hold a product stewardship solution hostage to an ARF or other TV-manufacturer preferred system.

A product stewardship solution for the recycling of household IT products will leverage the expertise and innovation of the private sector to achieve environmentally sound management of discarded IT products at the lowest possible cost.

For more information on the HP Planet Partners return and recycling program, please visit [www.hp.com/recycle](http://www.hp.com/recycle).

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