



## Final Notes

### NYPSC/PSI Summit on Implementation of the NYS Electronic Equipment Recycling & Reuse Act March 14, 2014

#### Attendees

The meeting was held on **January 23, 2014**, and was attended by more than 70 local and state officials, electronics manufacturers, recyclers, and other stakeholders (see attendance list).

#### Meeting Materials

All meeting materials, including agenda, attendance list, and presentations are posted on the NY Product Stewardship Institute (NYPSC) website [here](#). The PowerPoint presentation should be consulted for details when reviewing this summary.

#### Meeting Overview

**Andrew Radin, NYPSC Chair, Onondaga County**, welcomed attendees and thanked Summit sponsors. Andrew also outlined NYPSC's mission and described the Council's multi-stakeholder approach to developing product stewardship programs. Andrew noted that the NYS Electronic Equipment Recycling & Reuse Act has many successes, but also faces challenges, emphasizing that the goal of the Summit was to begin the conversation to move toward a dependable, financially sustainable solution.

**Eugene Leff, Deputy Commissioner – NY Department of Environmental Conservation (DEC)**, welcomed attendees and stated DEC's strong support for EPR legislation, which is articulated in the state's *Beyond Waste* Materials Management Plan. New York has passed three EPR product laws (electronics, rechargeable batteries, and mercury thermostats) that create green jobs and reduce municipal waste management costs. DEC will support the group in addressing the challenges ahead.

**Scott Cassel, Chief Executive Officer, Product Stewardship Institute (Summit Facilitator)** provided an overview of PSI and a roadmap of the summit, and offered the following meeting expectations: understand and acknowledge key issues; explore possible solutions to each issue; and gain an ongoing commitment to discuss key issues and possible solutions. He encouraged participants to be frank in stating their viewpoints, be respectful of others' opinions, be concise, and be positive.

#### Overview of Electronics Recycling in New York – Mark Moroukian, NYDEC

Mark provided an overview of electronics recycling in New York, including provisions of the law, and cited many program successes while also recognizing challenges. The mechanism for calculating

manufacturers' collection goals transitions in 2014 from a goal set using a per capita rate to a formula, which projects that the 2014 goal will be lower than that for 2013. The formula is dependent on the collection/recycling data provided by all participating stakeholders. Mark mentioned that the DEC will be taking stronger enforcement action this year against all entities that fail to submit timely annual reports by the March 1 annual deadline. Over the first two program years, there were significant delays in reporting from all stakeholder groups, which resulted in a DEC delay in reporting manufacturers' responsibility share. Mark also stated that mail-back programs, while meeting the convenience requirement of the law, result in a very low rate of collection. In addition, manufacturers' programs need to operate continuously all year long, not just until their goals are met. Data collection and verification for 1,300 manufacturers, collective organizations, and collection/consolidation/recycling facilities remains DEC's biggest program challenge, although a new electronic reporting system will help alleviate this problem. DEC will be submitting a program report to the legislature in April 2014.

### **Electronics Recycling in New York City – David Hirschler, NYC Department of Sanitation; Katie Reilly, Electronics Recyclers International**

New York City, in partnership with ERI, is focused on increasing resident convenience through innovative electronics recycling programs in buildings of 10 or more units (up to 36,000 eligible). The City enrolls buildings (using existing staff resources) and ERI implements the program. With the 2015 state disposal ban on electronics, resident awareness is growing. Buildings are provided three options: placement of a locked storage bin on-site (buildings with 50 or more units); cleanout of a room (buildings with 10 or more units); or special collection events (buildings with 250 or more units). ERI collects electronics from buildings, consolidates the material at its Saddlebrook, New Jersey facility, and transports it to its Holliston, Massachusetts processing facility. Currently, 134 buildings are registered in the program. NYC and ERI executed a 10-year contract with extension options. Manufacturers that fund the program include MRM, Samsung, and LG Electronics, to name a few. Although the program is just getting underway, it is proving to be an important component of the City's integrated scrap electronics collection system, as well as an important component of the City's recycling outreach.

### **Stakeholder Presentations**

Six speakers, representing different viewpoints, were asked to address three questions: (1) What's working well with the electronics recycling law? (2) What challenges has the law created for your agency or company? (3) What solutions would you like to see explored/implemented?

### ***Stakeholder Perspectives: Recyclers and Manufacturers***

**Larry Schillinger, Institute of Scrap Recycling Industries; Adam Shine, Sunnking**

### **What's working well with the e-waste law?**

There has been increased consumer awareness of the problem and an interest to recycle, along with a change in the manufacturing culture to promote better product design. There is also a greater emphasis on environmentally sound management of collected material. The law has stimulated economic activity and job growth for recyclers. It defines "consumer" and "CEE" broadly to include most generator classes and electronics; provides a level playing field in an extremely competitive business; and represents a coordinated statewide approach.

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### **What challenges has the law created?**

**CRT Costs:** Recyclers feel strongly that there is too much unfunded material being collected under the law, including too much CRT glass (up to 80% of volume). It is a major challenge for many recyclers to service their existing collection partners under the state law with regard to CRT's (televisions and monitors). By the time recyclers provide transportation, handling, and proper disposal of these units, they are losing money on every pound of this type of material that they collect. Recyclers do not know the amount of demand by manufacturers to purchase material they collect because NY DEC's performance targets are set after recyclers have to establish agreements to collect material from municipalities and other collectors. They are also not allowed by law to pass the cost to consumers. These conditions have turned the electronics recycling industry into a high risk business endeavor since recyclers bid for consumer electronics without knowing the demand for the collected material from manufacturers.

### **What solutions would you like to see explored/implemented?**

Several solutions were suggested that addressed the need for payment to recyclers for the amount of material collected, including carrying forward credit to sell to manufacturers the following year and funding for all material collected. Recyclers suggested an earlier NYDEC date for establishing manufacturers' performance targets, wanting the 2014 goal to increase (not decrease as projected), and asked for transparency in how the goals are calculated. They also suggested that program year collection goals be based on the previous year's collection totals. They also suggested using the Environmental Protection Fund (EPF) as a short-term patch to fund CRT collection and processing until the amount of CRT material is reduced to manageable levels.

### **Participant Comments**

Recyclers supported the need to increase revenue from electronics collection and processing to cover their costs. This imbalance now has contributed to concerns about potential CRT stockpiling. Some suggested the need to increase the regulatory timeframe allowed for CRT storage. Others stated that CRTs would not be a problem if there was funding for managing them, even though the price has increased owing to fewer markets. The focus should be on residential material. Ironically, an environmental law has created an environmental problem, and we need to fix that.

### **Walter Alcorn, Consumer Electronics Association**

The law has created a level playing field for manufacturers, treats all materials the same regardless of value, and provides a statewide framework instead of multiple local requirements. However, it is also one of the most difficult and expensive state programs in the U.S. for manufacturers. The law requires burdensome data reporting, and is set up so that it is difficult to manage compliance, particularly regarding the convenience standard. Manufacturers concur that the major concern is with CRTs and that the timing of NYDEC publishing goals impacts manufacturers as well as recyclers, but believe that they are already paying a reasonable price for recycling. Perhaps there are too many recyclers in the marketplace, and some consolidation needs to take place. They would like independent reporting to NYDEC of all covered pounds managed by collectors and recyclers; third party certification required for recyclers; transparency in how pounds are assigned to manufacturers; and greater flexibility in meeting the convenience requirement (e.g., by having one coordinated manufacturer program). They would

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also like a national electronics recycling program, or one that is more harmonized nationally, instead of the state patchwork that currently exists. Manufacturers often work with larger national recyclers to obtain greater efficiencies across the many state programs.

***Stakeholder Perspectives: Municipalities and Other Collectors – Dawn Timm, Niagara County; Frank Visser, Oswego County; Gino Altamirano, Goodwill Industries, and Christine Datz-Romero, Lower East Side Ecology Center***

The state law has enhanced collection convenience, reduced local government costs, increased the volume of material collected, helped educate consumers about the problem, and created good recycling jobs. However, many municipalities and non-profits that included revenue from electronics management in their budgets are now faced with charging residents, absorbing costs, or discontinuing programs. All of these programs cannot easily discontinue service for their residents or customers because they are counted on for consumer convenience. In addition, non-profit collectors emphasized their urgent need to receive financial incentive payments to continue to provide collection service to the community. They would like manufacturers to collect material year-round or meet higher targets, even if payment from recyclers was eliminated and the program was cost neutral. They did question, however, how manufacturer goals would change as lighter material is collected over time. Other solutions suggested included requiring retailers to take back products they sell and setting a minimum reimbursement standard paid to collectors by manufacturers. They would also like more items added to the covered electronics list, and incentives provided for consumers to recycle. In addition, it was suggested to give greater tonnage credit for product reuse and refurbishing since that generates greater social and economic benefits than recycling.

***Issues and Potential Solutions: Facilitated Discussion – Scott Cassel, Product Stewardship Institute***

The group discussed the following five issues, along with potential solutions. (See PowerPoint slides that consolidated the issues and potential solutions from all speakers).

- **Issue 1:** Insufficient financial support for year-round collection
- **Issue 2:** System does not foster sustainable residential collection
- **Issue 3:** Costs and challenges related to the volume of CRTs in the residential stream
- **Issue 4:** Reporting requirements and other administrative complexity
- **Issue 5:** Insufficient and inconsistent outreach and education

***Stakeholder Comments***

The stakeholder group discussed solutions that fit various timeframes – immediate, mid-term, and long-term – and expressed an interest in complementary solutions that spanned the spectrum.

- To develop a real solution, we need to better understand the gap on costs paid – What is the quantity and funds paid by manufacturers on material collected as compared to the volume and cost of material collected that was not funded?
- There was general agreement that collection of covered electronics should take place year-round, and there is a direct connection between consumer convenience and meeting performance goals.

- Manufacturers suggested that they be able to “share collection sites” and count toward the consumer convenience in a given geographic area.
- Mail-back was perceived as good for smaller devices and providing a greater level of convenience, but not a solution for meeting the laws’ consumer convenience standard.
- There were different opinions about whether a statutory change to an advanced recycling fee or eco fee was desirable, although this was considered a long-term solution.
- EPF funding could help alleviate the CRT issue, although it was perceived by some as a short-term fix at best, and politically difficult to obtain. Participants discussed the possibility of advocating for the manufacturer registration fees and penalty payments (for those falling short of meeting their tonnage goals) to be dedicated to addressing the CRT issue.
- There was wide interest in getting retailers more involved in being part of the solution.
- The 2015 disposal ban is looming, creating an incentive for the group to develop a solution.
- There was interest by some in NYDEC regulating the rate that recyclers are paid for materials, although this would require a legislative change since DEC currently does not have that authority.
- Many comments pertained to the need to make the program administratively less complex and for reporting of manufacturers’ goals to be more timely. Can this be done administratively, or will it require a statutory change?
- Several stakeholders raised concerns that scrap electronics handled by out-of-state recyclers is not reported adequately. Although NYDEC staff noted that those volumes should be reported by manufacturers and/or collectives, stakeholders suggested that the database would be stronger if out-of-state recyclers reported directly to the state.
- There needs to be better consumer education; consumers are unaware of retail drop-off locations in particular.
- Reuse requires less reimbursement and creates socially beneficial jobs; reuse should be part of the plan going forward.

The comments were consolidated further into several issues for further exploration:

- Performance goals and consumer convenience
- Funding for CRTs
- Environmental Protection Fund
- Reporting
- Planning for the disposal ban
- Education

### **Next Steps**

There was widespread participant commitment to continue the discussion in a NYPSC committee, which set its first call (following the meeting) for February 12. Items above will be discussed on the February 12 call or on subsequent calls.