

This is a working document produced by the NEPSI Infrastructure Subgroup and has not been reviewed and agreed upon by the full NEPSI Stakeholder membership.

WORKING DOCUMENT
GUIDELINES FOR BASE SERVICE STANDARDS
Including Collection, Transportation, Reuse and Recycling

The purpose of this document by the NEPSI Infrastructure subgroup is to define a base level of service to be implemented nationwide. The standards will be necessary to determine the costs of this base level of service. They define a base level of service that would be compensated by the NEPSI financing system – the "base compensation".

Note: The Infrastructure subgroup has not addressed, and this document is not intended to imply, that the base service will be paid for in-full by any specific source of funds such as a front-end fee.

The actual base level of service may need to be adjusted based on the performance of the system over time, and on any built-in incentives or disincentives that would be created as a result of the financing system.

This document provides flexible guidelines for national and local implementers of collection, transportation, reuse and recycling services. The guidelines are based on a shared responsibility framework, the NEPSI Desired Attributes, and the goal of providing a level of public convenience that will result in effective product recovery.

Assessment of Base Service Level

The level of public convenience included in these guidelines – e.g. types of collection services and frequency of collection sites/events – must be assessed in relation to how effective the services are in meeting NEPSI goals, and how costly and cost-effective the services are. An initial assessment should be performed before establishment of the system through economic analysis and system modeling, and following implementation through system performance monitoring and reporting.

Overall Goals

- Establish a nation-wide, effective and cost-efficient baseline collection, reuse and recycling system that meets the agreed upon performance metrics.
- Establish a simple reimbursement mechanism.
- Allow for and encourage a diversity of types of private and public collection, reuse and recycling.
- Incorporate existing firms and organizations into that system where practical.
- Be accessible to and reasonable for all communities, urban and rural.
- Establish incentives for shared responsibility.
- Allow for continual increase in efficiencies and cost adjustments.
- Allow for expanded (superior) services, but not pay for them.

COMPENSATION FOR BASE LEVEL OF SERVICE

The national system shall have flexibility in establishing business arrangements for compensation of base services. A recommended approach is that compensation is paid for collection services on a unit of product basis – e.g. Z cents per pound (or per unit) of product moved – to cover costs of the base level of service. The national system would determine that amount based on calculated costs for a basic set of collection activities consistent with this standard.

To determine compensation for collection, the rate will be calculated using the following scenario: Drop-off collection service in conjunction with an existing facility or business, such as a recycling or solid waste facility. (Please note, actual locations of collection may be retailers, charities, hazardous waste facilities and stand-alone services. Also other forms of collection may be provided. This scenario's only purpose is to establish an averaged base compensation level at which all collection services, regardless of type or location, would be compensated.)

The other service elements listed below would be reimbursed at their appropriate rate based on competitive contracting. So that if a firm or agency did just collection, they would be compensated at the collection rate. For example, if they performed both collection and recycling, they would be compensated for both services. Any community or entity can exceed this level of service, but they would only receive the base compensation.

BASE LEVEL OF SERVICE

Collection

These standards are not intended to prescribe which specific collection services shall be implemented in each community. Rather, they define a level or degree of service that will be, at a minimum, provided and compensated by a NEPSI financing mechanism. In implementing the collection and recycling system the national financing source, service providers and communities, will have flexibility in meeting local conditions and needs.

Base Collection Service

- *Convenient, permanent drop-off sites* – Permanent drop-off sites are strategically located, fixed facilities, balancing convenience with efficiency and cost-effectiveness.
 - Drop-off sites may be provided by:
 - Electronics recyclers, non-profit and for-profit
 - Recyclers of other commodities, non-profit and for-profit
 - Reuse organizations, non-profit and for-profit
 - Municipalities through operating sites such as recycling centers and transfer stations.
 - Retailers
 - Or others
 - Role of Retailers – In order to ensure that sufficient and convenient collection opportunities exist, retail stores that sell NEPSI products will be needed to participate in the collection system. Due to their unique characteristics and direct contact with consumers, retailers may participate through a variety of means: ^{*}
 - Offer old-for-new (one-for-one) take back.
 - Collection events taking all qualifying product.
 - A fair share contribution of resources to the local collection system. Contributions could include for example: collective collection events, co-sponsoring a drop off location, providing take-back with delivery service, significant promotional efforts, etc.

^{*} Retailer stakeholders must review this “Role for retailers” section before it is adopted.

- Drop-off sites collect all qualifying** electronic products and ensure that all products are handled so as not to degrade them for reuse or recycling and transported to an appropriate facility.
- Convenience affects system performance and includes the following: travel distance to the nearest drop-off site, hours/days of operation of the facility which will be determined locally, and level of consumer service which relates to the ability of the drop-off facility to handle the flow of products and traffic in an efficient and timely fashion.

Urban Collection Standard

Urban service areas will be defined as A. Each unit of X population will have the Base Collection Services available.

Rural Collection Standard

Rural areas are defined as B.

- The Urban Service Standard will apply in central service towns that can serve a surrounding population greater than X
- Very rural areas will provide collection service as feasible, but shall receive a higher compensation than the base compensation due to greater costs from lower economies of scale.

National Collection Standard

To address rural residents and others with limited access to other options, services such as a national mail-back service will be provided whereby the consumer (last user) pays for some portion, but not all, of the shipping (mailing) costs***.

- A national mail-back service should be established as a base-level of service:
 - If a vendor/retailer delivers NEPSI products by mail, a no-charge recycling service by-mail will be provided to mail-order customers.
 - Mail-back centers (possibly regional) will receive base compensation, but the collection portion will be reimbursed at a lesser rate than a collection center providing direct public access.
 - Mail-back service applies to those NEPSI products that meet shipping size restrictions and not to large items, such as large screen TVs. Generally if a product is commonly sold via mail delivery, it should be returnable via mail-back.

Transportation

The following transportation services are to included in the base service

- Transportation from collection to regional accumulation centers or to processing facilities
- Transportation from regional accumulation centers to processing facilities

** “qualifying” means those products targeted within the NEPSI process including types of product and generator type.

*** A subsidy of shipping costs by the national financing system shall be intended to make mail-back service an equivalent cost to the consumer. Since the collection portion of costs is not compensated for mail-back service, these funds can partially compensate mailing expenses. Further cost analysis is needed to determine if a charge is needed at all, or what portion would be paid by the last user vs. the national financing system.

Processing/Reuse/Recycling Service

The following accumulation, processing, reuse or recycling services are included in the base service

- Regional centers may accumulate product if beneficial for transportation efficiency
- Product will be sorted for reuse, remanufacturing and recycling
- Recycling services may be compensated for product that is recycled at rates appropriate to the net costs and to achieve system goals.
- Reuse should be an integral and practical part of the NEPSI infrastructure. The national system should endeavor to support reuse through methods such as:
 - Financial support such as grants, base compensation or other means
 - Providing first access for reuse organizations to sort-off reusable products
 - Identify barriers to reuse and, if appropriate, help reduce them
 - Reducing the costs of recycling residuals (non-reusable product) through use of NEPSI-compensated recycler
 - Including promotion of reuse and donations in the national educational campaign.
- Reuse activities supported by the national system should be expected to meet certain standards set by the national system, such as:
 - Protection of brand owners from liability to the degree possible
 - Meeting minimum qualifying criteria
 - ESM standards as developed.