Models of Collection, Transport, Recycling and Financing: Pros/Cons Identified at the June 21-22 NEPSI Meeting

Note: These four models were prioritized for discussion from the original list of 12 models. They were selected based on a straw vote, with each stakeholder being asked to vote for the two that were most intriguing (please see the list of meeting participants to gauge who was voting for the various models). Options 4 and 9 by far received the most votes, followed by Options 2 & 10. For purposes of our continuing discussions, no models have been taken off the table to date, and there was a recognition that additional models or hybrids may yet be presented.

Option 4: Governments collect, retailers collect; ADF for collection & transport; producers recycle

PROS	CONS
Doesn't require consumer drop-off fee or EOL fee	Doesn't harness market forces
Could be a visible fee *or* an invisible fee	A government-mandated ADF might be co-opted for other uses
Creates a shift from taxpayer to consumers/producers	May require legislation
Might drive DfE	Does not emphasize SWM hierarchy
Comes closer to incorporating management costs in product costs	Doesn't deal with historical/orphan wastes
Convenient to consumers	May create producer income (could be a +)
Could send positive economic signals	No incentive to maximize recycling infrastructure efficiencies
ADF could be fairly modest	May be too complex for producers to pay various recyclers; too many participants on transportation/recycling

Option 9: Deposit/Refund System pays for collection & transportation; producers pay for recycling

PROS	CONS
Refund may provide a return incentive	Seems bureaucratic and inefficient
Could separate deposit from refund	Requires multiple levels of administration
May be familiar system to consumers	May be unnecessarily complex compared to an ADF
Tracking could be simplified (as opposed to a bottle deposit)	Deposit/refund may need to be too high to change behavior
The float on the fund would generate substantial interest	Litter deterrent does not apply
Might reduce illegal dumping and drive collection	Could bankrupt the fund with historic waste; is it sustainable?
Could create an equipment purchase credit rather that a refund?	Time-lag issue
Fund float creates flexibility	May not be as flexible a system as others
Easier to administer than bottle bill	How to apply to internet sales?
	Conflict between different entities in selecting leases expensive recyclers, etc.
	Requires legislation both for fee setup and internet sales
	Not simple to administer or enforce; will be hard to sell as an efficient system
	Reduces incentive for DfE
	May mainly subsidize collection

Option 10: Producer pays all

PROS	CONS
Does not incorporate a role for an informed consumer	Industry is unlikely to voluntarily impose fees on itself
May drive consumer education through cost and DfE mechanisms from producers	Not shared responsibility
Uses price mechanisms as consumer signal	Would need a government mandate
May bring in new expertise (consultants, etc.)	Does not incorporate a role for an informed consumer
Creates unique pushes and pulls	Producers would not have to control the majority of the system costs
	Does not bolster the economic base for recycling in the US
	Less of a role for government to develop consumer education campaign
	May keep consumers from purchasing an environmentally-improved product
	Does not harness expertise and needs of all stakeholders
	Too much regulatory structure needed
	Doesn't use funds to help industry make changes—good for consultants
	Could draw funds from other Federal programs

Option 2: Governments collect & transport; producers recycle

PROs	CONS
Some potential infrastructure to build upon	From a state perspective, increases the tax burden and is politically unfeasible
Differentiates between historic and new products	Unfunded mandate
Easy; is the status quo in some places	Existing infrastructure is a poor fit to this material stream
Familiar	No incentive to make the whole system economically/environmentally efficient
Positive shift to producers handling recycling	No internalization of "real" costs
	As with other "taxes," this is not a good short- v. long-term solution
	EOL fees may encourage illegal disposal/dumping
	May have a consumer education challenge