

# NEPSI FINANCING SUBGROUP MEETING NOTES

## NEPSI BOSTON MEETING BREAKOUTS

### NOVEMBER 8 AND 9

The Financing Subgroup meet on Thursday afternoon, November 8 from 3-5pm and on Friday morning, November 9 from 8:30-10am with Raoul Clarke as the Subgroup leader. A list of the 24 people attending the meeting is attached.

The purpose of the subgroups and the charge given to them were reviewed. A "Preliminary Scope and Discussion Questions" document was circulated to Subgroup members, a copy of which is attached. The Subgroup agreed that the Preliminary Scope was acceptable for the present with some minor changes. Three items were added to the list of questions: (1) Are there antitrust issues created by the financing system?; (2) How can OEMs handle financial obligations for future recycling costs in their accounting systems?; and (3) What research needs to be done in support of the Subgroup?

It was emphasized by Raoul that the subgroups are not decision-making bodies; rather a smaller working group to discuss in detail and narrow down various models and systems through a consensus-building process and report back to the full Stakeholder group. Hopefully the subgroups can present their recommendations with enough background information to explain the decision-making process and defend the recommended model(s)/system(s) in the whole Stakeholder Group.

An expectation of the subgroups is to work between full NEPSI meetings, through conference calls and email and present a draft written report to the Stakeholders at the January NEPSI meeting. An oral report to the Stakeholders will also be given.

The schedule of the Financing Subgroup's conference call is:

November 29 (Thursday) from 1:00-2:30pm (EST)

December 10 (Monday) from 1:00-2:30pm (EST)

January 7 (Monday) from 1:00-2:30pm (EST)

January 17 (Thursday) from 1:00-2:30pm (EST)

The Financing Subgroup agreed to concentrate on three models: the Advanced Recycling Fee; Product Licensing and End-of-Life Fee. It was also agreed to try and put these three models into a matrix of models and questions about the models. The matrix with the three models as they were discussed in the Subgroup is attached.

It was clear that a set of definition would need to be worked out for the three models and other important terms. Holly Evans with EIA volunteered to begin this task.

Research issues also became apparent when the models were discussed. Some examples include: details of other relevant existing programs; whether there are fee-based incentives for Design for the Environment (DfE); whether there are examples of third-

party industry organizations that include entities other than producers (e.g., governments); and anti-trust concerns for third-party organizations.

It was agreed that the most useful short-term task would be to look at real world in-place systems and use these systems to answer the questions posed by the matrix that was used for the three models. Looking at real world models may help in seeing what is working and why, or why not. Several members of the subgroup volunteered to look at the various models.

Dutch model—Scott Cassel and Patricia Franco

Japanese model—David Thompson

SWICO model--J. Ray Kirby and Buddy Graham

Norway and Taiwan models—Gary Davis

Australian cell phone system—Maureen Hickman

B C Paint take-back program—Clare Lindsay

Mass. Bottle Bill and used oil program—Scott Cassel

Tire programs—Ted Campbell

An oral report to the full Stakeholder group was given on Friday morning.