

**Draft Summary of the NEPSI Infrastructure Subgroup Conference Call
February 19, 2002
2:00 – 3:00 PM EST**

Members in Attendance:

Reggie Caudill, NJIT	Tony Hainault, MN OEA
Frank Coolick, NJ DEP	Diana Bendz, IBM
David White, Nokia	Lynn Rubinstein, NERC
David Stitzhal, WEPSI	Chris Beling, EPA Reg. 1
Heather Bowman, EIA	Julie Rosenbach, EPA OSW
Ed Nevins, JVC	Wayne Rifer, WEPSI (facilitator)
	Ben Carlisle, ERG (note-taker)

The participants of the NEPSI Infrastructure Subgroup met via conference call on February 19, 2002, from 2:00 to 3:00 PM EST. This document briefly summarizes the major topics covered during the subgroup’s discussions, and highlights agreements that were reached.

Process for Developing the Base Service Standards Document

The subgroup’s goal for this call was to begin the work of developing a base service standards document for presentation to the larger NEPSI Stakeholder Group at the March meetings in Washington. Wayne Rifer said that the document would define the minimum level of service that will be paid for under a NEPSI system (with the understanding that communities can provide a higher level of service on their own dime). Once approved by the Stakeholder Group, the base service standards will be used to set a dollar amount for per-pound payments.

The subgroup discussed what process should be used for developing the document. It was agreed that consensus-based decision-making would be used, rather than a majority vote. Acknowledging that it might be hard to reach consensus on some individual points, the participants discussed who would be responsible for reaching consensus—the facilitator or the whole group?

David Stitzhal said that the larger Stakeholder Group (and not this subgroup) was ultimately responsible for reaching consensus on base service standards. He suggested that the Infrastructure Subgroup could produce a narrative document that includes points of contention and alternative viewpoints, and he said that consensus within the subgroup shouldn’t be required in order to send a document on to the Stakeholder Group.

The subgroup agreed with this suggestion. There was also agreement that all participants would take personal responsibility for trying to find a middle ground during the discussions of base service standards.

Discussion of Concerns about the Draft Base Service Standards Document

The subgroup spent the rest of the call discussing specific concerns they had with the first few sections of the concept proposal for base service standards. The proposal was developed by Sejo Jackson of Snohomish County, Washington, and was subsequently revised based on comments made by the subgroup.

The following concerns were raised:

Financial incentives. Heather Bowman asked for clarification of the fifth bullet point under “Overall Goals.” That bullet point reads: “Establish financial incentive for providing service.” Wayne said that the bullet point could simply mean that parties should be adequately reimbursed for the services they provide, so that there’s some incentive for providing service.

Heather questioned whether the base service standards document needs to address the topic of financial incentives. Wayne said that, in general, he thinks the topic of actual costs is beyond the scope of the Infrastructure Subgroup, and possibly beyond the scope of the NEPSI process. He said that there would need to be a rigorous examination of costs at the point when a nationwide electronics stewardship system is implemented.

Another participant said he thought that the bullet point in question implies the need for incentives beyond simple reimbursement. Frank Coolick said he thought the intent was that there be incentives for all parties to be involved in the system. He suggested an alternate wording: “Establish incentives for shared responsibility.” The subgroup approved this alternate wording.

System metrics. Heather also asked for clarification of the second bullet point under “Key Principles.” That bullet point reads: “System metrics may be set regarding collection, reuse, and recycling and shall be considered in determining base compensation for each.”

Wayne said that the idea behind that bullet point is that there should be agreed-upon metrics for determining if the system is effective. The Stakeholder Group has been referring to these metrics as “metrics for success.” Wayne said that the bullet point also implies that base compensation levels could be increased or decreased based upon achievement of the metrics.

Reggie Caudill added that metrics for success could also be established for processing by recyclers, and that recyclers’ compensation levels could be tied to the degree to which they apply a hierarchy in terms of reuse, remanufacturing, and recycling. Another participant said that any connection between “rates and dates” and compensation levels would likely be spelled out in the contracts signed by recyclers.

The subgroup discussed the general question of whether they are comfortable tying compensation levels to rates and dates. Some supported this idea. But others felt that the Infrastructure Subgroup had not been charged with addressing this issue. As Lynn Rubinstein pointed out, the subgroup’s charge is to propose sweeping minimum service standards, with any questions of cost structure being hashed out later by the Financing or Cost Subgroups.

The subgroup considered the idea of cutting the bullet in question from the base service standards document. In the end, the participants decided to preserve this idea of tying compensation to system metrics, but to include it in the document as an “idea for implementation,” rather than as a “key principle.” Wayne said that he would try to format the document so that it can include some commentary and/or ideas for implementation.

Concerns about the proposals for base collection service. The subgroup identified the following concerns about the section of the base service standards document that describes base collection service:

- Some participants felt that the collection standards are too prescriptive and need to provide more flexibility in terms of allowing individual communities to decide how best to achieve target collection rates.
- There were objections to the statement that urban drop-off centers should take all qualifying electronic products “at no charge.” The consensus among the participants was that the Finance Subgroup had not yet settled the question of fees, so the phrase “at no charge” should be cut.
- Some participants felt that the proposed base standards for retailer collection might be unrealistic. For example, was it realistic to expect retailers to provide continuous old-for-new takeback? At the very least, the participants felt that retailers should provide some input on what would be reasonable. Wayne said that he would talk to Gary Davis about getting more retailers involved in the NEPSI process.
- The subgroup agreed that it was too prescriptive to specify that retailers should hold “at least quarterly” collection events. The participants also agreed to cut the reference to retailers taking back all qualified products “at least at no charge” (for the same reason described above).
- There was general objection to the requirement that “continuous” permanent drop-off sites be operated in urban areas. The subgroup’s concern was that the term “continuous” is vague and too prescriptive. The participants agreed to replace “continuous” with the term “convenient.” They also agreed that a detailed definition of “convenient” was needed. The subgroup briefly discussed the possibility of defining “convenient” in terms of distance or population served. Finally, Reggie volunteered to draft a definition for discussion during the next conference call.
- Heather questioned the reasonableness of including a national mailback system among the base service standards. Would this cover all equipment, including large products such as big-screen televisions? Wayne suggested that a reasonable limitation might be that if you can buy the product through the mail, you should be able to return it at end of life through the mail. Ed Nevins also pointed out that there are industry-wide shipping criteria based on weight; any product that exceeds the maximum weight carried by UPS

becomes too expensive to ship directly to the consumer (and too expensive to mail back). Heather said that the mailback section of the base service standards document needs some clarification.

Next Conference Call

The next conference call for the Infrastructure Subgroup is scheduled for February 26th, between 3:00 and 4:00 PM EST. The call-in number is 202-260-7280. The access code number is 7784#.

Assignments

- Wayne will revise the draft Base Service Standards document and circulate it within the Infrastructure Subgroup.
- Each small team will send their correlation values to Reggie by February 22nd.
- Reggie will draft a definition of “convenient” for discussion during the next conference call.
- Wayne will talk to Gary Davis about recruiting retailer representatives to participate in future subgroup discussions.