

Draft Summary of the NEPSI Infrastructure Subgroup Conference Call
April 4, 2002
3:00-4:00 PM EST

Members in Attendance:

Reggie Caudill, NJIT	Garth Hinkle, Minnesota OEA
Scott Klag, Metro	Butch Teglas, Philips
Dana Silverberg, NJ DEP	David White, Nokia
Ed Nevins, JVC	Mark Kennedy, CIWMB
Sego Jackson, Snohomish County	Julie Rhodes, ReDO
Scott Klag, Metro	Lynn Rubenstein, NERC
Chris Beling, EPA Reg. 1	Gordon Hui, EPA OSW
David Stizhal, WEPSI	Wayne Rifer, WEPSI (facilitator)
	Colleen Campbell, ERG (notetaker)

The participants of the NEPSI Infrastructure Subgroup met via conference call on April 4, 2002, from 3:00 to 4:00 PM EST. This document briefly summarizes the major topics covered during the subgroups' discussions, and highlights the agreements that were reached

Future Work

The conference call began with a discussion of the future work schedule, including a review of the upcoming conference calls. In reference to the upcoming conference call on April 18, 2002, there was some discussion of what evaluation models were still needed. It was determined that the SWICO model still needs to be completed and sent to Reggie. It was also decided that future conference calls should be an hour and a half long if we can get the conference call lines extended.

Purpose of the Call

The purpose of this call was to complete the Base Service document. Retailer collection and national collection were highlighted as issues that needed to be discussed.

Retailer Collection

Butch Teglas pointed out that retailers, especially smaller retailers, may not have adequate space for collection and suggested leaving out retailer collection at this time. He also pointed out that retailers may end up charging industry a fee for collection, as was done in the Best Buy model. Sego Jackson indicated that Scott Klag had previously written up some language including an opt-out clause that may be useful. The sales qualifiers were discussed as a possible means of eliminating small retailers, and the possibility of including square footage of stores versus sales percentages was also discussed. It was noted that small stores such as Radio Shacks have centralized service locations that could act as collection sites and provide collection on a quarterly basis.

The subgroup then discussed the importance of having a statement of retailer responsibility. The subgroup members agreed that they need to provide flexibility to allow for creativity on the part of the retailers. A work group (including Butch Teglas, Sego Jackson, Scot Klag and Ed Nevins) was formed to discuss the best means of including language to address this issue.

The difficulty of identifying small businesses versus private consumers was briefly discussed, and it was decided that if small business equipment is sold and returned in the manner of a private consumer there would not be a problem.

Mail-Back Options

The subgroup then turned to the issue of mail-back collection. The discussion centered on three main topics: the difficulties surrounding the mailing back of large equipment, the issue of charging customers for postage, and the costs surrounding mail-back returns versus drop-off returns. Another issue discussed was how to ensure that the mail-back option would only be used under necessary conditions, and not as a matter of convenience.

It was pointed out that large equipment would be difficult to return by mail, and that shipping companies such as UPS might not accept packages over a certain size. The shipping costs of this equipment would also be problematically high. One participant pointed out that equipment that is generally available by mail order should qualify to be returned by mail, and that anything provided by mail order should be accepted by mail for return.

The discussion of shipping costs centered around whether or not it is fair to charge customers for shipping if they are paying a fee up-front as well. Some subgroup members expressed concern that these customers may essentially be paying the fee twice and that it would be unfair to rural customers. The cost of shipping versus the convenience of not having to travel to a drop-off site was considered as a possibly equitable trade-off. The possibility of providing reduced shipping costs to these customers by bidding for reduced postage due to bulk returns was also discussed as a possibility.

One subgroup member suggested that the additional costs of shipping to the consumer might mediate the higher costs envisioned for receiving returns by mail. Because the real costs of the system are not yet known, there is the possibility that costs could be much higher for the mail-back system. On the other hand, there is a possibility it could be a more efficient system if the products were mailed directly to a regional processing center.

The point was made that there was a possibility for abuse of the mail-back option by customers living within range of drop-off sites. The difficulty of monitoring how far customers are from sites was discussed, and one subgroup member pointed out that the additional shipping costs could act as a possible deterrent.

It was agreed that the four mail-back options should be reduced to the first option with option three as a bullet, and that the option should include language that would leave flexibility for the cost of shipping (i.e., "Some portion of shipping costs").

Other Issues Discussed

- After a brief discussion, the subgroup agreed that nothing being considered by the Financing Group would have any effect on the Infrastructure Group.
- Wayne Rifer mentioned he had made a note regarding the possibility of having local governments handle the contracting money. It was decided that this had been discussed and was not a possibility.

- Mention was made of a Wall Street Journal article about the Japanese recycling program and the problems they have had with high costs. The article was to be sent out to subgroup members via email.
- It was noted that the TPO structure could be a hard sell to politicians if it looked like a tax on the front end and was under private management; therefore, the language should be very clear. It was noted that it will be a much easier sell if industry, government, and non-profit all go in hand-in-hand.

Assignments

- Butch Teglas, Sejo Jackson, Scot Klag and Ed Nevins will develop language for the retailer standard.
- Wayne Rifer will revise the language in the mail-back section to reflect the discussion.
- Julie Rhodes will develop language for a social attribute.

Next Conference Call.

There will be a conference call for the TPO sub-sub-group scheduled for April 11, 2002 at 3:00PM EDT 617/918-2040.

The next conference call is scheduled for April 18, 2002 at 3:00PM EDT, 202/260-1015 code 2831# to review the Base Service language, discuss Reggie's model, and discuss language on a social attribute.