

NATIONAL ELECTRONICS PRODUCT STEWARDSHIP INITIATIVE

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NATIONAL ELECTRONICS PRODUCT STEWARDSHIP DIALOGUE ACHIEVES MILESTONE: STAKEHOLDERS AGREE ON FINANCING APPROACH FOR MANAGEMENT OF USED ELECTRONICS

WASHINGTON, D.C. – Representatives from electronics manufacturers, government agencies, environmental groups, and others have achieved a major milestone in the development of a joint nationwide plan for managing used electronics. In their fourth meeting on March 11-12 in Washington, D.C., all stakeholders in the National Electronics Product Stewardship Initiative (NEPSI) agreed to work toward the establishment of a financing system that will include the costs of managing used electronic products in the overall purchase price of new electronic products. [Text of Agreement attached].

The agreement commits the stakeholders to work on the development of a “front-end financed system” during the remaining work of the NEPSI Dialogue and to develop an agreed action plan for establishing this system that includes federal legislation needed to facilitate the implementation of the system. The action plan will also include steps that can be taken during the period before the “front-end” system is in place nationally that will improve existing systems for managing used electronics and prepare for the new financing system.

The NEPSI participants identified several challenging issues remaining to be resolved, including the timeframe for implementing the front-end financed system, how to make the system convenient for consumers, whether it can provide incentives for product design, and how the costs and responsibilities for collection, reuse, and recycling will be shared among producers, retailers, consumers, and governments. The group also discussed the serious issue of the export of used electronics from the U.S. for dangerous backyard recycling by workers in Asia that was highlighted by a recent report and documentary video entitled “Exporting Harm.” They agreed that the NEPSI Dialogue will make recommendations on how to address this problem in the development of the new nationwide system for used electronics management.

The National Electronics Product Stewardship Initiative, organized in April of last year, consists of 45 participants, split evenly among industry, government, and a third group that includes environmental groups, recyclers, and retailers. The NEPSI group's main goal for the dialogue is "the development of a system, which includes a viable financing mechanism, to maximize the collection, reuse, and recycling of used electronics, while considering appropriate incentives to design products that facilitate source reduction, reuse and recycling; reduce toxicity; and increase recycled content." This "product stewardship" initiative involves a sharing of responsibility for the reuse and recycling of electronics by those who produce, sell, and use these products.

Gary Davis, coordinator of the NEPSI process, said, "All the stakeholders have worked incredibly hard to get to this point. Achieving an agreement on the financing system reestablished their commitment to the process."

Heather Bowman, Director of Environmental Affairs for the Electronic Industries Alliance, commented that, "We are extremely encouraged by the progress we have made in the NEPSI dialogue. By committing to a shared-responsibility model and now exploring front-end financing possibilities, the NEPSI dialogue has really made great strides in working together to develop the most cost-effective, efficient, and convenient national recycling program. We look forward to continuing the progress we have made over the last several months."

Ted Smith of the Silicon Valley Toxics Coalition added, "After a year of discussions, this is a good first step forward. It is important that industry has now agreed that we need to develop a 'front-end' financing solution to the e-waste crisis and that it will take legislation to accomplish this. But there are many difficult issues that remain and now we need to buckle down to address them if we are to meet our goal of developing a truly effective system for life cycle responsibility for electronic products."

Scott Cassel, of the Product Stewardship Institute, who is coordinating state and local government input in NEPSI, stated, "This agreement represents a major step toward providing relief from the financial burden imposed on state and local governments that must now manage used electronic products."

The NEPSI group has agreed to meet three more times over the next six months, while rotating meetings around the country to acknowledge the unique regional circumstances faced by state and local agencies. Participants hope that this dialogue will result in a voluntary national

agreement by September. The next formal meeting is scheduled for June in St. Paul, Minnesota.

For additional information contact any of the following NEPSI Core Group members:

INDUSTRY

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GOVERNMENT

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ENVIRONMENTAL ORGANIZATIONS

Ted Smith, Silicon Valley Toxics Coalition (408) 287-6707

Text of Agreement Attached.

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**NATIONAL ELECTRONICS PRODUCT STEWARDSHIP INITIATIVE
AGREEMENT FOR FUTURE WORK ON NEPSI FINANCE SYSTEM
3/12/02**

Goal:

The goal of the NEPSI Dialogue is the development of a system, which includes a viable financing mechanism, to maximize the collection, reuse, and recycling of used electronics, while considering appropriate incentives to design products that facilitate source reduction, reuse and recycling, reduce toxicity, and increase recycled content.

In order to achieve this goal:

Agreement:

1. We agree to work toward the development of a front-end financed system that will strive to meet the goal of the NEPSI process. This system may be managed by a third-party organization. Although other systems may be favored by some stakeholders, we will focus our efforts in the remainder of the NEPSI process to work out the issues associated with this type of system.
2. We agree to work together as part of the NEPSI process to develop draft federal legislation or a consensus about the elements thereof by the end of the September NEPSI meeting that will facilitate the operation of a national front-end financed system.

Interim Steps:

3. We will establish through NEPSI an action plan to build infrastructure and support for the future front-end financed system during the interim period before the front-end financed system is fully functional. We also agree that the action plan should include actions to make existing systems more effective during this interim period.
4. We agree that we will need to develop an action plan (in addition to the consensus draft legislation) that captures and memorializes in some way the points we have agreed upon in NEPSI by the end of the September NEPSI meeting. This action plan should outline the steps that we agree to take after the NEPSI process to prepare for and implement the front-end financed system and gain passage of the consensus legislation.
5. We agree that a front-end financed system cannot be implemented immediately on a nationwide basis. In the interim existing systems will need to be optimized and used to fund the collection, reuse, and recycling of electronic products. We will identify a time frame by which we anticipate a front-end system will be functional.