



California Product Stewardship Council

P.O. Box 2321, Mill Valley CA 94942

January 24, 2006

Mr. H. Lee Scott, Jr.
President and Chief Executive Officer
Wal-Mart Stores, Inc.
Bentonville, AR 72716-8611

Dear Mr. Scott,

By way of introduction, the California Product Stewardship Council is a newly formed organization representing local governments throughout California. We applaud Wal-Mart's impressive goal to sell 100 million energy efficient compact fluorescent lights (CFLs) in 2007 as an important way to reduce climate disrupting greenhouse gases.

However, while increasing the use of CFLs helps with one environmental problem, selling mercury-containing lights without ensuring environmentally responsible end of life disposal will lead to new environmental problems. Only 2% of CFLs used by households and small businesses are currently being recycled which means that reaching your 100 million lamp goal also guarantees significant releases of mercury to our air, water and soil when these same bulbs are disposed of improperly.

When disposed of improperly, fluorescent lights and other mercury-containing products contaminate ground and surface waters and the fish that inhabit those waters, and therefore, the humans who consume those fish. Mercury is a potent neurotoxin, so the release of mercury into the environment is a critical public health threat. To prevent this outcome, it is imperative that those who profit from selling CFLs ensure the safe disposal of such lights. The CPSC urges you to lead the way by working with the bulb manufacturers to establish easy and accessible fluorescent light recycling opportunities at your 6500 stores in the United States.

If Wal-Mart is indeed committed to sustainability and waste reduction as outlined in your environmental goals, then it only makes sense for your company to share responsibility for the safe disposal of the products you offer for sale to the public and profit from financially.

The stream of products requiring special end-of-life management is growing every year. Many products sold by Wal-Mart, including fluorescent lights, household batteries and the enormous variety of electronic equipment, are now banned from landfill disposal in California due to their toxicity and potential to contaminate the environment. This ban places an extraordinary burden on local governments who are left to create expensive collection and disposal infrastructure. As municipal budgets continue to tighten, we simply cannot continue

Mission To transform California's product waste management system from one focused on government-funded and ratepayer-financed waste diversion to one that relies on producer responsibility in order to reduce public costs, drive improvements in product design and increase recycling rates.

to collect and manage the vast array of consumer waste products, including CFLs, by ourselves.

Like our local government colleagues in the Northwest and British Columbia Product Stewardship Councils, we believe that the private sector, particularly a retail giant such as Wal-Mart, in partnership with lighting manufacturers, has far greater capacity to design a convenient, efficient, and cost-effective fluorescent light collection program than do local or state government. We believe that the most successful programs are those driven by product manufacturers, where recycling costs are internalized in the product price, similar to the mandates of the European Union's WEEE Directive. However, we also believe that retailers have a critical role in creating convenience for the consumer, as there is no better option to ensure high recycling rates than take-back programs at the point of sale.

Offering product take-back programs can also be a win-win situation. In addition to offering an environmentally responsible service to your customers, take-back programs have been shown to lead to increased foot traffic and potential sales. Interviews with stores participating in a variety of local government sponsored take-back programs in California have shown these results. More empirically, a 2006 report published by the California EPA Integrated Waste Management Board showed that residents who brought their used motor oil to a retail take-back site, such as Kragen Auto Parts, spent an average of \$50-60 at the store while recycling their oil.

The CPSC welcomes the opportunity to work with Wal-Mart to develop a model retail take-back program for fluorescent lights. We pledge to promote your efforts in this area and stand ready to support legislation to level the playing field so that other retail establishments follow your lead. We are also coordinating efforts with other States to bring widespread attention to the lack of public education and recycling infrastructure for mercury-containing lights. However, we will wait to embark on our media and public outreach campaign until we have had a chance to discuss the issues raised in this letter further with you. We request that you contact us by mid-February to establish a meeting date and time.

Sincerely,



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