

SONY

Sony Electronics Inc.

16530 Via Esprillo, San Diego, California 92127-1804

December 7, 2007

Senator Bernard F. Kenny Jr., Chair
Budget and Appropriations Committee
New Jersey Senate
State House
P.O. Box 099
Trenton, NJ 08625-0099

Dear Senator Kenny

This letter provides you with Sony Electronics Inc position of recycling of waste electronics for your consideration in the drafting of legislation on that issue.

It is Sony Electronics Inc. policy to take full manufacturer responsibility for all of the products that we have placed our brand name on. If the Sony name is on the product then we will recycle it at no cost to the consumer. We made the product, so we take responsibility for what's in it and will ensure it is properly managed at the end of its life. We have teamed up with Waste Management Inc. to establish a nationwide take back and recycling program with at least 150 locations with one in every state within the next nine months. Our goal is to as soon as possible but less than five years to have a collection location within 20 miles of 95% of the population in which consumer, retailers and municipalities can have any product from any manufacture recycled and be assured that that product is recycled using the highest environmental standards. We seek to make the recycling of our products as easy for our consumers as the purchase was for those same products.

We urge you to adopt legislation that supports our efforts and extends this responsibility to include all electronics manufactures and retailers. We request that the bill be modified as to reflect the following:

- 1) **Producer Responsibility** - It is the individual manufacturer's responsibility to assure that the products that they put their name on are properly recycled using the highest standards possible at the end of the product's life.
- 2) **Market Share**- It is necessary that any manufacturer obligation be based upon present market share and not on historical activities or waste collected. Systems based upon amount of waste collected will give a cost advantage to those companies that are new to the market. Such companies can avoid any recycling cost by simply staying in business for short time or even changing their brand or company name every year. Many of these "no name" brands are made of lower quality materials, which can contain higher levels of toxic chemicals and be more difficult to recycle. Any regulation not based upon today's market share will give those companies a "free ride" on recycling which will help lower their costs when compared to responsible companies like Sony. This will put us and our

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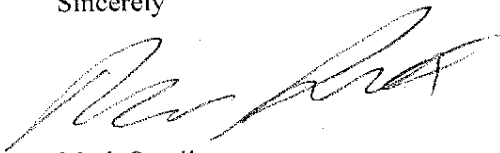
more environmental advanced products at a competitive cost disadvantage. We would like to urge you to create a fair playing field by assessing the obligation based on the current market share.

- 3) Products Covered – Our recycling programs covers all of our branded products from the movies we make (DVD), to the professional equipment that is used to show it in movie theaters to the laptops or television you can use to watch them at home. We urge you to support our efforts by adopting one program with one set of requirements that requires producer responsibility for all products manufactured by each company.
- 4) Cost – Sony internalizes the cost of recycling and request that any regulations require the same. Currently, it costs us money to recycle our old products. While there are several financing mechanisms possible to recover that cost, with all of them, it's the consumer who eventually pays. We believe our approach of internalizing the cost is the fairest and most effective way to cover that cost. It is our ultimate goal through design improvements, the growth of the recycling industry, and efficiency of scale to drive these recycling costs down towards zero making recycling cost effective. Until that time at Sony we consider the cost of recycling as a cost of doing business.

In 2004, North America made up about one-third of Sony's worldwide operations, and Sony Electronics Inc. in North America represents the largest single geographical operation of the corporation with nearly \$46 billion in sales. Sony Electronics employs approximately 16,000 people in North America. Operations include manufacturing and engineering, design, sales, marketing, distribution, systems integration and customer service of electronics and recording media products for the consumer, IT, broadcast, commercial and institutional market segments.

Please feel free to contact me if I can provide any additional information

Sincerely



Mark Small
Vice President
Corporate Environment Safety and Health
Sony Electronics Inc.

Cc: Barbara Kyle, Electronics TakeBack Coalition.