

# **Ten Compelling Reasons Manufacturers Should Provide Recycling for Their Electronic Products**

*(And why Producer Responsibility is better than an ARF approach)*

*Producer Responsibility means that manufacturers are responsible for financing and arranging the collection and recycling of their products at end-of-life. The cost of the collection and recycling programs would be included in the price of new products rather than funded through taxes, solid waste fees or additional fees at the time products are discarded.*

- 1. Only manufacturers have the ability to design less toxic products.** Governments and consumers can't control product design. That is industry's job. Electronic products currently contain lead, mercury, brominated flame retardants, and other hazardous substances. When these products are landfilled, incinerated or shipped to developing nations, they pose a very real threat to human health and the environment. A producer-paid recycling program gives manufacturers a financial incentive to decrease their recycling and disposal costs by designing "greener" products. When manufacturers pay to handle toxics from their products at end-of-life, they will design products with fewer toxics. When manufacturers pay to recycle the products they sell, they'll design products that are easier to dismantle.
- 2. Producer Responsibility removes the financial burden from local governments.** In the past, local governments have been responsible for providing end-of-life management and disposal for all kinds of products. These costs are high due to poor product design - use of toxic substances, complex products that are hard-to-disassemble, etc. The potential value of manufacturer responsibility to local governments across the U.S. is \$67 million per year – and that's just for covering collection costs. Governments simply should not be asked to raise and expend funds to solve a private sector problem.
- 3. It's a non-tax solution.** Citizens often perceive Advanced Recycling Fees –visible fees collected by government at the point of purchase - as a government tax. With manufacturer responsibility, collection and recycling costs are "internalized" - included in the price of new products - rather than funded through taxes, solid waste fees or additional fees at the time products are discarded.
- 4. Recycling becomes a cost of doing business.** When manufacturers pay to recycle their products, recycling becomes a cost of doing business (just like supplies or salaries or health benefits). The recycling costs will likely be included in the price of the product, and the price will be closer to telling the truth about the environmental cost of the product.
- 5. Manufacturers will use their business know how and create innovative solutions that work for them.** Producer Responsibility harnesses private market forces and private sector ingenuity to develop smart, efficient and effective recycling programs. Manufacturers plan and finance the programs, but are not expected to process the equipment or provide the collection services themselves. Instead, they enter into business-to-business arrangements with businesses and programs, such as private recyclers, charities, haulers, retailers, and government facilities. Producer Responsibility allows flexibility for manufacturers to decide how best to implement the recycling program given their individual business models. It also creates a level playing field, making it easier for manufacturers to do the right thing.

6. ***Producer Responsibility avoids a big government bureaucracy.*** By establishing a recycling system entirely planned and paid for by manufacturers, there is no need for state or local governments to set up an expensive bureaucracy for collecting fees or to run and manage programs. State government is responsible for doing what it does best - oversight and enforcement. 2 - 4 state employees will oversee Washington's new manufacturer responsibility law. On the other hand, California's Advanced Recycling Fee law creates a big government bureaucracy needing over 60 staff to implement.
7. ***The private sector will provide more convenient drop-off options.*** Collection sites that are limited to government transfer stations or hazardous waste facilities are not adequately convenient (and many of those facilities do not have enough space to store computers and TVs). Alternately, manufacturer responsibility systems like the one in Washington will encourage (but not mandate) a diversity of collectors such as large and small retailers, recyclers, and charities as well as government sites. Drop-off will be free and convenient to residents, schools and small businesses, and this will mean larger amounts of equipment collected and recycled.
8. ***Consumers will pay – but costs will be lower.*** When manufacturers fund collection and recycling programs, the costs will likely get passed on to the consumer as a small increase in the product's price. However, market forces and efficiencies in the Producer Responsibility system will drive costs down. The same market forces that result in improved products at lower prices will be applied to the recycling of those products. Customers will pay less than they do now to recycle a TV or computer.
9. ***Manufacturers already provide green design and recycling in Europe.*** Manufacturer responsibility for electronics has already taken hold in Europe and Japan, and manufacturers are voluntarily developing a system in Canada. The same electronics manufacturers are also selling products to U.S. citizens. We should receive the same level and quality of service as provided elsewhere.
10. ***Producer Responsibility is better than Advanced Recycling Fees (ARF).***
  - With Advanced Recycling Fees (ARFs), manufacturers have no financial responsibility for the recycling programs. Instead, consumers pay a fee to the retailer when they buy a product. The retailers then pass the money along to the state government, which uses it to pay for the recycling programs. The manufacturers are off the hook.
  - The ARF system does not provide an incentive for greener product design. Unlike Producer Responsibility, manufacturers do not have any connection to the end of life of their products. They don't save money as they reduce their use of toxic materials.
  - ARFs place the entire burden of implementing the program on the state and retailers. Because a fee is charged at retail, the system encourages out-of-state purchases and increases paperwork, hurting local retailers.
  - ARFs create a large government bureaucracy and complicated fee collection system. California, the only state with an ARF system, hired 60 staff to administer the program.
  - Fees are set by legislation. If the amount collected is not enough to cover the costs of recycling all products returned, local or state government would likely pay the difference.
  - Government funds created by ARFs can be easily raided.
  - Citizens often perceive Advanced Recycling Fees as a government tax.