

December 9, 2008

RadioShack Corporation
Charles Hodges, Director Corporate/Media Relations
300 RadioShack Circle
MS CF7-130-03
Fort Worth, TX 76102-1964

Dear Mr. Hodges;

The purpose of this letter is to summarize our telephone conversation regarding RadioShack's participation in a pilot project in the Sacramento area for voluntary take-back of alkaline batteries. The proposed project was intended to be a pilot program under Del Norte County's 16th cycle Household Hazardous Waste grant award. I spoke with you in early August and want to verify your company's position for the purpose of documentation for the progress report that will be submitted to the California Integrated Waste Management Board.

The California Product Stewardship Council, CPSC, worked with the City of Sacramento's Solid Waste Division to identify potential retail participants in a pilot take-back program for batteries. Local RadioShack affiliate, Jeff Muraski, indicated interest in this project for the Sacramento-based RadioShack stores. We worked with Marty Strauss (City of Sacramento) and Mr. Muraski to identify potential costs of collection and disposal, necessary collection materials, and the logistics of a take-back program. It was also our intent to study subsidiary benefits of the take-back program (i.e., increased store traffic, additional sales, etc.) to document and share with future interested partners.

Although there is interest at the local level, the proposed program can not be supported at this time, per our subsequent conversations, during which you stated the following:

"RadioShack would be unable to ask its battery providers to underwrite and absorb the cost of an alkaline battery collection program in California. RadioShack is only one of many retailers that sell batteries within the state. The company believes that asking one retailer or manufacturer to foot the bill for a pilot program would run the risk of putting those companies at a competitive disadvantage in what is a very price-sensitive product category. The company suggests approaching a consumer electronics industry association with members within the State and inquiring whether the group would consider underwriting the cost of an alkaline battery collection program rather than asking just one company to do so."

You further recommended that CPSC work with national retail associations to start a dialog that would reach all consumer electronic and retail segments. You provided contact information for the following national retail organizations:

- Consumer Electronics Retailers Association
- Consumer Electronics Association
- National Retail Federation

Unfortunately, working at the national level is beyond the scope of this grant. The grant is funded by the California Integrated Waste Management Board and the focus area is California; therefore we are unable to pursue a national dialog at this time. We do understand RadioShack's position and are willing to provide that information to the California Integrated Waste Management Board, but want to ensure that we are accurately representing your corporation's position.

Please respond in writing as to whether this letter accurately reflects our conversations so that we may move forward. We thank you for discussing this pilot program with us as your input is very valuable. We continue to look forward to addressing the interests and concerns of retailers and other stakeholders as the process of Extended Producer Responsibility moves forward in California.

If you have any questions or wish to discuss this further, please contact me at (916) 485-7753.

Sincerely,



Heidi Sanborn
Executive Director

cc: Jeff Muraski, RadioShack
Marty Strauss, City of Sacramento