



San Gabriel Valley
Council
of Governments



CPSC
California Product
Stewardship CouncilSM

January 10, 2011

Company Name
Attn: Name, Title
Street Address
City, CA ZIP

SUBJECT: Battery Collection Pilot Stewardship Project

Dear **Name/title**:

First, let us start by saying thank you for agreeing to be a battery collection location for our pilot project. The partnership of the San Gabriel Valley businesses on this project is the only way it can be successful and we are very grateful for your support. The purpose of this letter is to provide you with the background and information you need to make this partnership successful and to maximize the benefits to your business.

Background

In 2006, the State of California banned the disposal of all household batteries and fluorescent lamps in the trash. This situation left local governments struggling to figure out how to design and pay for a recycling program that would meet these requirements. Costs to manage batteries and fluorescent lights are expensive: In Los Angeles County, batteries cost \$1,000 per ton and fluorescent lights cost \$7,200 per ton to recycle as compared to trash rates at \$35 per ton. Local governments have not been able to identify a sustainably funded recycling system for batteries and fluorescent lamps without incurring huge increases in taxes or garbage rates. Hence, that is the problem.

Recognizing the need for an alternative to increasing garbage rates and taxes to pay for the recycling program, the San Gabriel Valley Council of Governments (SGVCOG) and the California Product Stewardship Council (CPSC) developed a project proposal and won a grant of \$400,000 from the Department of Resources, Recycling and Recovery (CalRecycle) to: (1) assess public attitude, consumer motivation, knowledge level and understanding of the disposal ban in the San Gabriel Valley in order to (2) develop an appropriate, viable collection system that would:

- ✓ Increase convenience to consumers,
- ✓ Shift some of the collection and recycling costs away from taxpayers and ratepayers and put them on the producers, distributors, and others in the product chain; and,
- ✓ Promote businesses that become a project partner.

The phone surveys and focus groups conducted as part of the assessment provided the framework needed to design a recycling program that would work. The findings from this first phase are summarized in the three fact sheets attached (Attachments A-1 thru A-3). Two of the major roadblocks for consumers is a lack of awareness regarding the need to properly dispose of these hazardous products, as well as a lack of convenient locations to recycle. Additionally, thus far we have found that retailers are unwilling to pay out of pocket to share in the disposal costs. Therefore, the project team is very grateful to the Rechargeable Battery Recycling Corporation (RBRC), a non-profit organization funded by battery

producers, which has agreed to provide free battery recycling boxes for all batteries to 30 businesses in the SGVCOG area that agree to participate in this pilot program.

Pilot Project Overview

The pilot project will commence February 1, 2011 and continue until January 31, 2012. In addition to supplying each retail partner with the battery collection boxes from RBRC, we will provide a window cling that identifies the business as a household battery collection point. Additionally, we will launch an advertizing and press campaign to promote participating businesses.

As a retail partner you are not required to sign a written agreement to participate, however, we request that you commit to the following:

- Continuing collections for the full year (2/1/11 – 1/31/12) by displaying the battery collection box in a prominent, convenient location in your store;
- Maintaining the window cling in the front store window identifying the business as a battery collection site;
- Ensuring staff are aware of the program and help guide people to the box location;
- Ship the boxes promptly when full; and
- Respond to short survey every three months regarding program functioning.

CPSC will conduct quarterly surveys to determine how the program is working so you can expect a short phone call or visit every three months to get your feedback on the program. However, if you have any questions about the program during the interim, please contact Heidi or Julia at (916) 480-9010 or Heidi@CalPSC.org or Julia@CalPSC.org.

In summary, we are extremely grateful to RBRC for providing the free battery collection boxes with prepaid shipping, and to you, our business partners in hosting collection boxes at your store location. Your help with this pilot program and your input is very valuable and can help the entire State in developing a statewide stewardship program. We 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 about the project or wish to discuss this further, please contact me at (916) 485-7753.

Sincerely,



Heidi Sanborn, CPSC
Executive Director

Attachments:

- A) Fact Sheets:
 1. Extended Producer Responsibility: Awareness and Disposal
 2. Benefits to Businesses
 3. Who Should Pay?
- B) RBRC Safe Handling/Shipping Instructions



Product Stewardship – Awareness vs. Disposal

The San Gabriel Valley Council of Governments (SGVCOG) received a grant from CalRecycle to establish convenient retail and business take-back locations for household batteries and mercury-containing lamps. As part of this effort, a telephone survey and focus group research was conducted with consumers and retailers in the San Gabriel Valley to collect baseline information on their knowledge and attitudes product stewardship.

Background

Product stewardship means being responsible for all phases of a product’s lifecycle – from design to end-of-life (EOL) – and places the primary responsibility for product EOL management with the producer. This is a significant paradigm shift from current practices, which place the primary burden (and cost) on local governments and taxpayers.

Awareness

One of the primary issues associated with managing disposal of these products is that consumers are often unaware that they contain hazardous materials, and even if they are, they do not know how or where to properly dispose of them or it is too inconvenient. SGVCOG’s telephone survey of San Gabriel Valley residents found that 59% are aware of the toxicity in batteries while 42% are aware of the hazards of lamps.

Furthermore, 56% of those surveyed still disposed of batteries in the trash and 45% dispose of toxic lamps in the trash (see Figure 1). This finding means that many consumers do not know about the toxicity of the batteries and lamps, and even when consumers do know batteries and lamps are toxic these products will still end up in the trash.

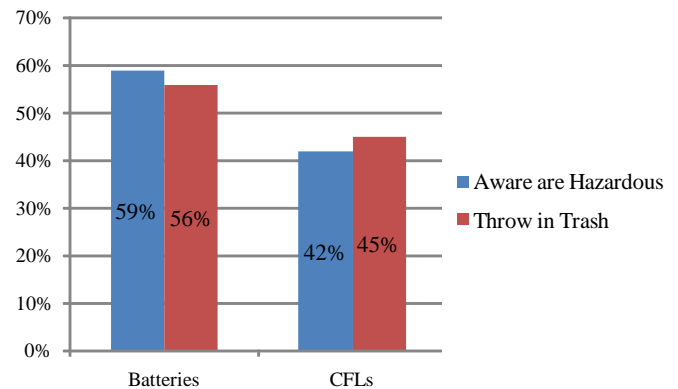


Figure 1. Awareness vs. Disposal

Need for Convenient Alternatives

Any effort to change consumers’ behavior is further challenged by the need develop an alternative that is as convenient as their current habits, which are typically to throw these items in the trash. Consumers participating in focus group research indicated that people dispose of hazardous items illegally for a variety of reasons, including not knowing items were hazardous, being unaware of where to properly dispose of lamps and batteries, and the convenience of just throwing in the trash. Many of the consumers said they would dispose of batteries and lamps at hazardous waste collection points if they knew these materials were toxic, where to take them, and if it was convenient.

When asked if they would take lamps and batteries to a business that offers a take-back program, 85% of those surveyed stated that they are likely to use such a program. The majority said a grocery store would be the most convenient location. In addition, 69% of the respondents said they are more likely to recycle if they are offered an incentive, such as a coupon toward the purchase of an item in the store.

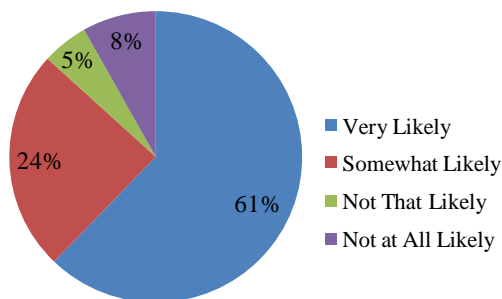


Figure 2. Would Use Take Back Program

“I never thought twice about it because I didn’t know. If you tell them, people would recycle. I try to recycle everything, but I didn’t know about this.” —Consumer Focus Group Participant

“Make it so that discarding them would be part of people’s regular process, for example, the place to get rid of it could be at the supermarkets you go to get them to begin with.” —Consumer Focus Group Participant





Product Stewardship – Benefits For Businesses

The San Gabriel Valley Council of Governments (SGVCOG) received a grant from CalRecycle to establish convenient retail and business take-back locations for household batteries and mercury-containing lamps. As part of this effort, a telephone survey and focus group research was conducted with consumers and retailers in the San Gabriel Valley to collect baseline information on their knowledge and attitudes product stewardship.

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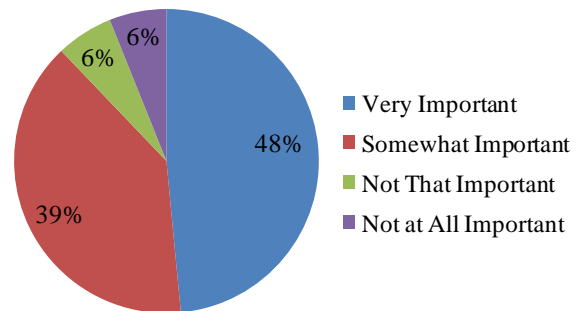


Figure 1. Shopping at an Environmentally-Friendly Business

Value of Being a “Green Business”

Businesses that engage in “green” or environmentally friendly business practices, such as participating in a take back program, may benefit from both a generally more positive public perception as well as increased customer traffic into their stores. SGVCOG surveyed San Gabriel Valley residents to determine their perception of business that offer collection services for household batteries and mercury-containing lamps. Eighty-seven percent of the respondents stated that it was important for them to shop at an environmentally-conscious

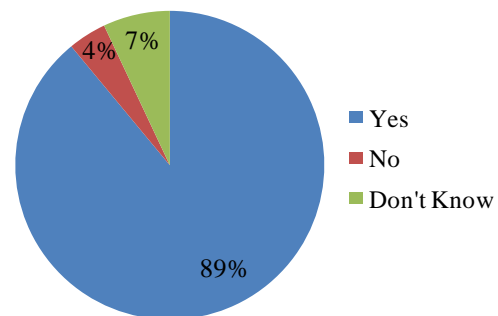


Figure 2. Would Combine Shopping with Recycling

business (Figure 1). In addition, nearly 70% of the respondents say they would have a more positive impression of stores offering take back services. Furthermore, by becoming a take-back location, stores have an opportunity to expand their customer base. When asked about shopping habits, 89% of the consumers stated that they would typically combine shopping when taking their lamps and batteries for recycling at a retail business (Figure 2). Retailers and consumers also participated in focus group research to determine attitudes and behaviors about product stewardship and recycling. Retailers that currently provide take-back services stated that they believe consumers think better of them for being environmental stewards and this has positively impacted sales.

“It’s really rare for someone to just drop something off and not buy something while they are there.”

—Retailer Focus Group Participant

“It would definitely give me a more positive image. I may think about actually becoming a customer of theirs if I wasn’t a customer before because of their contribution to saving the environment.”

—Consumer Focus Group Participant



Focus Groups on Product Stewardship: Who Should Pay?

The San Gabriel Valley Council of Governments (SGVCOG) received a grant from CalRecycle to establish convenient pilot take-back locations for household batteries and mercury-containing lamps. As part of this effort, a telephone survey and focus group research was conducted with consumers and retailers in the San Gabriel Valley to collect baseline information on their knowledge and attitudes about product stewardship.

Product stewardship means being responsible for all phases of a product's lifecycle – from design to end-of-life (EOL) - and places the primary responsibility for product EOL management with the producer who makes the design and marketing decisions. When producers are financially responsible for EOL, studies show they do a better job designing products that are less toxic and more recyclable to reduce those costs.

The SGVCOG conducted focus group research into what consumers' and retailers' attitudes are on Product Stewardship policy. Both the consumers and the retailers were asked who they thought is paying to manage collection, recycling and disposal of hazardous waste. The vast majority of consumers assumed that taxpayers are paying for managing these materials as did the retailers.

"I think it should be half the consumers and half the manufacturers because we are the ones actually using them and disposing of them. However, on the other hand, the manufacturers need to do their part in making the product either safer or more efficient or find some way to replace what's dangerous."

–Consumer Focus Group Participant

"We consume whatever the manufacturers produce for us to use so why can't the producers of these CFLs and batteries make a battery or light bulb that doesn't produce these chemicals? They're producing it so they should bear the cost of it, right?"

–Retail Focus Group Participant

When asked who should pay for the proper handling of hazardous products at EOL, the majority of consumers said the fairest approach is to add the cost of end-of-life management to the price of the product rather than spread it across all tax and rate payers.

Retailers also came to the conclusion that cost of disposal should be added at the front end to the cost of the product rather than spread over all tax or rate payers. Some of the retailers focused on the ethical responsibility of manufacturers to clean up the hazardous products they produce and take responsibility for producing safer products. Some assumed only a few cents would need to be added to the price of the products and consumers would willingly pay the modest price increase.

Both consumers and retailers said that Producer Responsibility includes making products that are less toxic to the environment and that producers have an obligation to help pay for the proper management of the product at its end of life.





Battery and Cell Phone Recycling Program Guidelines

Thank you for participating in the Del Norte/Call2Recycle® **All Battery Recycling** program. Battery and cell phone recycling has never been easier. Just follow these simple steps:

Step 1:

Primary/Non-rechargeable Batteries:

All household dry-cell batteries are accepted for recycling: alkaline, lithium, carbon zinc, silver oxide, and other non-rechargeable batteries.

Rechargeable Batteries:

If it's rechargeable, it's recyclable! When you see any of these seals or the abbreviations Ni-Cd, Ni-MH, Ni-Zn, Li-ion, or Pb* imprinted on a battery pack, it means that the battery can be recycled.

Cell Phones:

Any cellular phone is accepted in the Call2Recycle program. We will accept any size, make, model, digital or analog, with or without battery or charger. Note that cell phone accessories are not to be included.



Step 2:

Place the pre-assembled collection box in a designated battery and cell phone collection area.



Step 3:

Put each individual battery, or cell phone with installed battery, into a separate bag - one battery per bag. Multiple AA, AAA and C alkaline batteries can be bagged together in the 3" x 6" bags provided to form a tight pack as shown. Lithium batteries must be individually bagged. Remove plastic strip from top of bag, fold flap down and seal.



Step 4:

Once you have sealed the plastic bag, deposit the battery and/or cell phone into the collection box. If bags are not available, cover battery terminals with tape (electrical, duct, or masking). Do not overfill beyond approximately 40 lbs. per collection box.



Step 5:

When the box is full, seal the top using the adhesive strips. If necessary, use additional packing tape to make sure the box is sealed before shipping.



Step 6:

The pre-paid, pre-addressed shipping label is on the box top. Print your return address on this label before shipping.



Step 7:

Add the box to your daily UPS** pick-up. Once your shipment has been received at the recycling facility, RBRC's automated program will schedule more boxes to be sent to your location.

Additional Info:

- If you have questions about the program, log onto www.call2recycle.org, or contact RBRC Customer Service at recycling@rbrc.com or 877-723-1297 x 250. Please be prepared to reference your RBRC Site ID Number found on the site label on top of your collection box.
- *Small sealed lead rechargeable batteries are subject to a maximum individual weight of 11 lbs. or 5 kg.
- **UPS may charge a fee for pick-ups scheduled by calling the UPS 800 number. To decrease or avoid these charges, we recommend that you hold containers until an UPS delivery is made to your location, or simply ship more than one container at a time.

(see other side)



Battery and Cell Phone Recycling Program Guidelines

Dear Del Norte Recycling Participant,

Welcome to the Del Norte/Call2Recycle® **All Battery Recycling** program - dedicated to the recycling of used batteries and cell phones. We are excited to offer you a way to recycle batteries and cell phones from your customers in support of Del Norte's commitment to preserve the environment!

To get started, just follow these simple steps:

1. **READ** the enclosed information and the safety guidelines that are printed on your collection box.
2. **TRAIN** your sales associates. Be sure to instruct them that each battery and cell phone must be placed in an individual plastic bag before being placed in the collection box. Multiple AA, AAA and C alkaline batteries can be bagged together in the 3"x 6" bags provided to form a tight pack. If bags are not available, cover battery terminals with tape (electrical, duct, or masking).
3. **PLACE** the collection box in a designated location. Do not overfill beyond approximately 40 lbs. per collection box.
4. **ACCEPT** all household dry-cell batteries from customers and place in box for recycling.
5. **ACCEPT** all used cell phones, with or without their batteries, from customers and place in box for recycling.
Please **DO NOT ACCEPT** bag or cordless phones.

RBRC's Call2Recycle program works with an inventory level system. When you have returned enough boxes to RBRC for recycling, your site on-hand quantity automatically adjusts and triggers a replenishment order when it matches the replenish point quantity that was assigned to your site.

Please do not use a non-RBRC box or a regular UPS label. Only use the Call2Recycle boxes provided.

Please allow up to 3 weeks for your replenishment boxes to arrive. However, if you need to contact RBRC about additional boxes, log onto www.call2recycle.org, or contact RBRC Customer Service at recycling@rbrc.com or 877-723-1297 x 250. Please be prepared to reference your RBRC Site ID Number found on the site label on top of your collection box.

More detailed instructions regarding collection, recycling, and shipping of used batteries and cell phones are available on the Program Guidelines sheet on the reverse side of this sheet.



1000 Parkwood Circle, Suite 450, Atlanta, GA 30339
toll free phone (877) 723-1297, fax (877) 405-6082
www.call2recycle.org

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