



Consumer Electronics Retailers Coalition (CERC) Position on the Need for a National Electronics Management System to Handle Consumer Electronics at their End-of-Life

- Consumer electronic retailers support the concept of the “3Rs” and conservation. When consumers have decided that they no longer want to use a product they should have accessible outlets to have the product **reused** or **refurbished**. If, however, the product has reached its end-of-life, an efficient and cost-effective system should be in place to help the consumer **recycle** it.
- CE retailers also support initiatives that provide incentives for manufacturers to design environmentally-friendly products or manufacture products that are easier and less expensive to recycle at the product end-of-life.
- CE retailers realize that they have an important role in working with and being active participants with other interested stakeholders in developing a true “Product Stewardship” approach to the management of consumer electronics at their end-of-life.
- For these reasons and because consumer electronics are globally distributed across multiple state lines, CE retailers believe that the United States must develop a harmonized national electronics management system – implemented at the local level – that encourages the collection, reuse, refurbishment, and, if necessary, the recycling of consumer electronic products. A “federal solution” would be far more preferable, less costly and much less burdensome than a patchwork of different and conflicting laws instituted by individual states.
- CE retailers believe a successful national system for electronics recycling can be established without imposing new taxes at the point-of-sale; without having to create a new complex administrative structure; and without mandates that discourage innovation.
- CE retailers believe that a no-fee system will not only continue to encourage innovation, but will also provide consumers with a variety of choices and manufacturers with flexibility to implement electronics recycling programs that make sense – to consumers, governments, retailers recyclers, and manufacturers.
- CE retailers also believe that the U.S. can learn from and build on the lessons of other countries that have implemented recycling programs. Our nation has a unique opportunity to create a progressive producer responsibility system that encourages the market to drive an effective, efficient and environmentally sound solution.

Legislation – A comprehensive nationwide harmonized approach to the financing, collection and recycling of consumer electronics devices that preempts individual state action is ultimately the best solution for all interested parties – manufacturers, distributors, retailers, collection agencies, recyclers, governments at all levels and consumers. We look forward to working with all interested stakeholders in coming up with the best consumer electronics management system when products have reached their end-of-life at the national level. However, CERC realizes that many states feel it is necessary to pass legislation as – at least – an interim step before Congress acts.

- CE retailers view the implementation of the *Producer Responsibility* model – certainly at the state level – as the most efficient and comprehensive consumer electronics waste management plan. This approach will encourage reuse and refurbishment, as well as effective recycling and is least burdensome to the consumer.

- In order to be successful, however, the **Producer Responsibility** approach should include –
 - Initially, a **limited number of types** and **clear definition** of covered devices.
 - A **‘safe harbor’** for a consumer electronics retailer that sells a product not covered under an approved management plan absent actual knowledge.
 - Programs that help **educate** and are easily understood by **consumers**.
 - A **flexible system** that allows manufacturers the ability to provide services to consumers and encourages the market to drive efficiencies and choices.
 - Encouraging **voluntary collection initiatives** by manufacturers to partner with retailers, charities and/or local governments with no mandatory retailer ‘take-back’ programs.
 - Preferably, **establishing manufacturers’ financial responsibility based on the products that consumers return to the system at their end-of-life** – not the collection of taxes at the point-of-sale or other financial models that do not reflect the true costs and realities of the return system.
 - The ability of **manufacturers to work independently or collaborate with others** to meet the established responsibility goals.
 - If a state does move such legislation, it should recognize the need to include a **sunset provision** that allows for federal preemption in the event that Congress passes a national electronic device recycling law.

For practical and administrative reasons, the **PRODUCER RESPONSIBILITY approach at the state level is the most efficient and optimal answer** because it will help establish the “Product Stewardship” model more effectively, because it would –

- Place shared responsibility for the recycling of electronic devices at their end-of-life where it belongs – equally on those stakeholders, including producers, distributors, retailers, consumers and government who benefit from the sale of electronic products.
- Encourage producers to design products for ease of recycling and with less materials of concern, if laws are designed to exempt those products that are safe for landfills.
- Establish a system that – unlike the point-of-sale|advance recovery tax approach instituted in California – is easy to administer, is not complicated, is inexpensive for consumers, retailers and governments, and does not unfairly burden the residents of one state.
- Provide a level playing field that applies to all types of sale at the state level – whether the covered consumer electronic product is sold via the Internet, catalogue, over the telephone, or in a traditional brick-and-mortar/in-store operation.

THE POINT-OF-SALE|ADVANCE RECOVERY TAX APPROACH WILL SIMPLY NOT WORK

Consumer electronic retailers oppose a “point-of-sale|advance recovery tax” (usually referred to, misleadingly, as an “advance recovery fee” or *ARF*) because such an approach:

- Has been shown to not accomplish its goals;
- Is administratively burdensome and complicated for all parties – government, businesses and consumers – and becomes even more so, if implemented in different states, on different products, at different fees;
- Will not adequately fund an effective recycling program;
- Incredibly costly for both the governmental agencies and retailers to implement, and will only guarantee a new revenue source for government without guaranteeing that an effective recycling system will be put into place;
- Impossible to impose on out-of-state online/mail order retailers; and
- Disincentivizes the reuse and/or refurbishment of unwanted consumer electronics; and
- Impossible to know how high taxes/fees charged to consumers needs to be in order to adequately fund a successful electronics device recycling program.

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