

Covered Electronic Waste Recycling Program – Public Comments on Proposed Fee Adjustments

CalRecycle has received the following comments since posting its proposal to adjust the covered electronic waste recycling fee (fee) back to the levels initially established in the Electronic Waste Recycling Act of 2003 (Act). This fee is paid by consumers at the time of retail sale of new covered electronic devices and is used to fund the administration of provisions of the Act, including the disbursement of recovery and recycling payments to approved collectors and recyclers of covered electronic waste (CEW). The proposed fee adjustment was announced through a listserv distribution on July 12, 2010, and discussed at a public meeting on July 14, 2010.

Comment (received via e-mail):

“I would suggest not reducing the fee; all the items currently being sold will come back and need to be recycled. The excess current funds should be prudently invested so they are there in the future when money needs to be paid out for recycling.”

Program Response:

California’s electronic waste recycling program model is often erroneously referred to as an advanced recycling fee, or ARF. This label incorrectly gives the impression that funds collected today will be banked for use when the device upon which the fee was assessed has reached the end of its useful life. In fact, the funds accumulated from the sale of covered devices today are used immediately to pay for the recovery and recycling of CEW being generated today. Statute limits the reserve that can be maintained.

Comment (received via e-mail):

“I would strongly disagree with the intent to reduce the fees on new electronic devices because there is now a surplus in the fund for ewaste recycling. Why on earth would one attempt to change a successful program? An increase in payments amounts to collectors and recyclers would further encourage correct ewaste recycling, and yield the originally intended results of decreasing toxics and ewaste in our landfills. Why not maintain the surplus as is, or slightly increase the payout amounts? Or the surplus could be used to implement a similar program encouraging correct recycling of more dangerous toxics such as batteries.”

Program Response:

CEW payment rates are set by CalRecycle biennially based on average net costs to recover and recycle CEW. It is assumed that these costs are incurred through the correct and compliant management of this waste stream. The revenue to fund the CEW program is derived from the fee assessed on covered electronic devices, which are video display devices with a screen-size of four inches or greater and that have been determined by the Department of Toxic Substances Control to exhibit the characteristics of a hazardous waste when disposed. Although many types of electronic waste are disposed, the CEW recovery and recycling payment system may only pay for the collection and recycling of discarded covered electronic devices.

Comment (offered at July 14 MMLA meeting):

Hewlett Packard – Supports the concept of reducing the excess EWRRA reserve through a measured reduction in the consumer fees. Recognizes that excess fund reserves create the potential for borrowing, which the stakeholder does not support. Prefers not to have wild swings of fee decreases and increases over time.

Program Response:

Noted.

Comment (offered at July 14 MMLA meeting):

Californians Against Waste (CAW) – Supports the concept of reducing the excess EWRRRA reserve through a measured reduction in the consumer fees. Suggests that the fee on larger screen devices be proportionally higher than the other screen-size tiers, since the cost to recycle discarded large screen devices is higher.

Program Response:

Statute provides little guidance on how to apportion the fee across covered electronic devices. Public Resources Code section 424264(f) simply states that Calrecycle “*shall base an adjustment of the covered electronic waste recycling fee on both of the following factors:*

(1) The sufficiency, and any surplus, of revenues in the account to fund the collection, consolidation, and recycling of covered electronic waste that is projected to be recycled in the state.

(2) The sufficiency of revenues in the account for the board and the department to administer, enforce, and promote the program established pursuant to this chapter, plus a prudent reserve not to exceed 5 percent of the amount in the account.”

Since the devices upon which the fee is initially levied will be subject to entirely different recycling costs and conditions when they are discarded in the years ahead, CalRecycle should strive in the present primarily to establish a fee structure that ensures a stable revenue base for tactical program operations.

Comment (received via e-mail, summarized):

Consumer Electronics Association / Best Buy – CEA shared electronic device sales projections prorated to California. Their calculated revenue projections using the proposed fee levels were fairly close what CalRecycle used in its fund condition modeling. They support the concept of reducing the excess EWRRRA reserve through a reduction in the consumer fees.

Program Response:

Thank you.