



California Integrated Waste Management Board



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November 17, 2005

Mario J. Rufino
Assistant Manager
Environmental Management & Product Safety Department
Canon U.S.A., Inc.
One Canon Plaza
Lake Success, NY 11042-1198

Dear Mr. Rufino:

Thank you for your response to our letter dated September 19, 2005, regarding an effort by the California Integrated Waste Management Board (CIWMB) and the Department of General Services (DGS) to establish an environmentally preferable product (EPP) standard for printer and duplication cartridges. Your comments and suggestions were informative and helpful. In your letter dated October 10, 2005, you offered a number of suggestions. In an effort to continue our dialogue, I have the following responses.

1. The Scope of the EPP Standard

While we acknowledge that there are differences in design and specification between black and colored toner cartridges, we continue to feel that there are sufficient similarities between the containers of black and colored cartridges to warrant the inclusion of both in this EPP standard. Furthermore, the state agencies continue to purchase colored toner cartridges. Their exclusion from the EPP standard would undermine our efforts to increase the diversion of cartridges from the solid waste stream.

2. Comments on Benchmarks

- a. One hundred (100) points in any one benchmark or from a combination of points from the three benchmarks in Tier 2 signifies full attainment of Tier 2 for any toner cartridge model whether existing or new.
- b. **General Comments on Benchmark 2 and 3**

Benchmark 2 applies to the manufacturing of new cartridges, and benchmark 3 applies to remanufactured cartridges.

In your letter dated October 10, 2005 you stated:

“The Benchmarks do not lend themselves to the fair inclusion of new cartridges in any way. Therefore, it would be very difficult for new cartridge manufacturers to obtain award points from a combination of the Tier 2 Benchmarks.”

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We feel the attainment of Tier 2 should not be too onerous for new cartridge manufacturers. In general benchmarks 2 and 4 are appropriate for new cartridge manufacturers and reasonably attainable. We will offer clarification of this in the following corresponding section.

It is important to clarify that the intent of this effort is to neither mandate nor regulate. The purpose of this effort is to provide a standard whereby purchasers who want to purchase EPP cartridges could determine which cartridges are EPP and which are not.

c. Specific Benchmark Concerns

(i) Benchmark 2

Postconsumer material required in benchmark 2 must be the raw material used in the manufacture of a new cartridge. In order to attain Benchmark 2, a plastic product would have to be used, collected, crushed, flaked, melted and then mixed with virgin resin to form a new toner cartridge casing. That casing then would be considered made from postconsumer material. It is our intent to encourage a greater use of postconsumer (PC) material, thereby, increasing the diversion of cartridges from the solid waste stream. In order to focus solely on the use of postconsumer material in the manufacture of new cartridges, we propose to delete the use of secondary materials from benchmark 2. Furthermore, the feedback from you and other interested parties indicate, that the percentage of postconsumer material used in the manufacture of new cartridges can not be too high due to manufacturing process limitations. Consequently, we propose to lower the threshold for awarding points to attain benchmark 2 as summarized in the following table:

Percent Postconsumer Material	Points
10 or more	100
5 - 9	50

(ii) Use of Secondary Material

In light of our intent to focus solely on the use of postconsumer material in the manufacture of new cartridges, we propose to delete the use of secondary materials from benchmark 2.

(iii) Benchmark 3

It is our intent to distinguish remanufactured from restored, renovated and repaired by requiring vendors to subject the remanufactured cartridge to a formal process such as ISO 9001 or other documented standard operating procedures. We are mindful that requiring ISO 9001 can be onerous on some vendors who are environmentally responsible but lack the resources to put the ISO 9001 quality management system in place. However, we agree that a formal process is needed to differentiate between environmentally preferable remanufactured cartridges from other remanufactured cartridges. To this end we propose to revise the language of benchmark 3 by replacing “other documented standard operating procedures” with “a similar recognized standard.” Furthermore, as indicated in your letter dated October 10, 2005, “no cartridge is ever returned for repair”, we propose to delete repair from the language of benchmark 3.

Additionally, remanufacturers, as part of their formal process, should demonstrate sound environmental management practices for the disposition of replaced parts and cartridges that they or their supply chain collect, but do not remanufacture due to defects or other reasons. To this end we propose to revise the language of benchmark 3 to include the following:

A remanufactured cartridge must be processed in such a way that the replaced components and collected cartridges that are not remanufactured are responsibly managed, preferably by recycling.

(iv) Combining Benchmarks 2 and 3

Benchmarks 2 and 3 are distinct benchmarks that are intended to serve different purposes in the EPP standard for printer and duplication cartridges. In benchmark 2, postconsumer material is considered as raw material in the manufacturing of new cartridges, whereas, benchmark 3 addresses remanufacturing. We hope that our explanation above and the revised standard clarifies and distinguishes benchmarks 2 and 3.

d. Specific Comments on Benchmark 4

The intent of benchmark 4 is to offer a method of attaining the EPP standard through the collection of a significant percentage of a cartridge model. One of the goals of the EPP standard for printer and duplication cartridges is to divert as many cartridges as possible from landfills. To achieve this goal, all collection efforts, including but not limited to original equipment manufacturers (OEMs), remanufacturers, and cartridge brokers can have an important role.

To collect a specific new cartridge model, all collection efforts can be utilized. For example, consider a new cartridge model denoted Model A. With a collection program in place, the OEM of Model A could collect a certain percentage of this model. The remanufacturers and brokers may also collect a certain percentage of this model. If the OEM can certify that the cumulative collection rate is 60 percent, then Model A would be considered an EPP. Brokers typically sell cartridges to remanufacturers. Since the remanufacturers would presumably market Model A as a remanufactured Model A cartridge, the OEM can then determine what percent of Model A is collected. We feel that this marketplace approach to collection rate would not disrupt the secondary cartridge market, not be an unreasonable administrative burden, can be reasonably calculated, and is consistent with shared responsibility for cartridge collection. We consider such an approach to the collection rate as a win-win proposition for OEMs, remanufacturers and the State of California.

e. Redefine Benchmark 4

In your letter dated October 10, 2005 you stated:

“We suggest to redefine Benchmark 4 as follows:

- 1) The cartridge collection system is available to the user, is easily accessible and free of charge and is adequately promoted by the manufacturer. For example, the cartridge acquires points if the information leaflet about the cartridge collection is included with all cartridge packages, and
- 2) To set forth certain recycling percentage in the following formula;

$$\text{Recycling Percentage} = (X/Y) \times 100$$

Where X is the total weight of “parts reused” and “material recycling” for the creation of new products and/or cartridges

Where Y is the total weight of cartridges that were returned to the manufacturer (applies for only self-manufactured cartridges)”

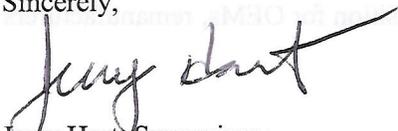
We would like to reiterate that one of the goals of the EPP standard for printer and duplication cartridges is to divert as many cartridges as possible from the solid waste stream. We feel the use of recycling percentage will not enable us to determine what percentage of a cartridge model was diverted from landfills. Furthermore, placing an information leaflet about the cartridge collection program with the cartridges, while important, can not ensure diversion of cartridges from the solid waste stream. Therefore, it will be difficult for us to award points towards attainment of the standard for simply including an information leaflet with the cartridges.

In our previous correspondences with you, we had indicated that CIWMB staff would schedule conference calls and/or workshops at any time during the process as needed. Based on our communications with you and other interested parties over the past six months, we feel that we have achieved consensus on major aspects of the EPP standard for printer and duplication cartridges. Therefore, it is time to bring all of the stakeholders together to discuss the outstanding issues and finalize the standard. Consequently, we have scheduled a workshop for Monday, December 12, 2005 at our Cal-EPA building at 10th and I Street in Sacramento. The meeting will be held in Conference Room 230, 2nd floor from 1:00 p.m. to 4:00 p.m. We ask you to respond via e-mail to Mr. Fareed Ferhut at fferhut@ciwmb.ca.gov and indicate whether you will attend this workshop.

I would like to thank you again for responding to our letter with helpful comments and suggestions. I look forward to continuing our dialogue and working together towards establishing an environmentally preferable standard for printer and duplication cartridges. We will be sending out our next letter to the interested parties on November 17, 2005, and would like to encourage you to continue your assistance in this effort.

If you have any questions or comments, please contact Mr. Fareed Ferhut at fferhut@ciwmb.ca.gov or (916) 341-6482. I hope to see you at the workshop.

Sincerely,



Jerry Hart, Supervisor
Buy Recycled Section

Cc: Bill Orr, CIWMB
Fareed Ferhut, CIWMB