

California Integrated
Waste Management Board
www.ciwmb.ca.gov/Electronics/



Update on SB 20 Implementation
March 16, 2004

Today's Item will:

- Provide an overview of our progress to date
- Preview the Emergency regulations
- Highlight remaining issues of concern
- Provide an opportunity for your input, questions



E-Team Activities

Where We've Been



- ◆ Workshops: Oct. 16th, Dec. 11th, Jan. 9th, Feb. 6th, April 2nd
- ◆ Facilitate listserv distribution
- ◆ Website coordination, information sharing
www.ciwmb.ca.gov/Electronics
- ◆ Tours of recycling facilities
- ◆ Conference calls/meetings with stakeholders

News Since Feb. Update

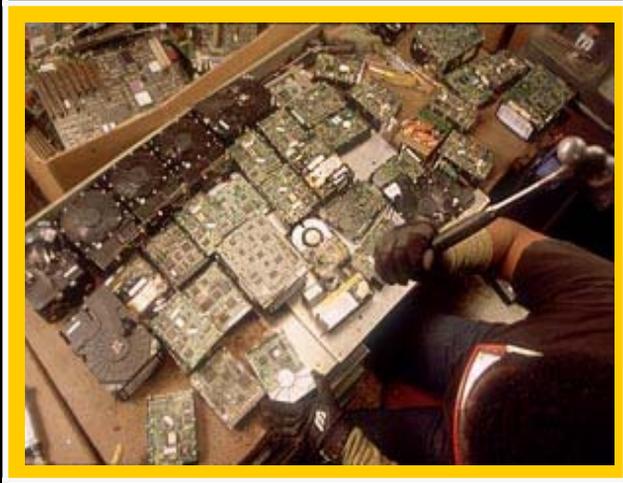
- DTSC determination of new covered products:
 - LCD Monitors
 - Laptop Computers
- SB 50 – cleanup legislation
 - Discussion continues with stakeholders
 - CIWMB Legislative Affairs office involved
- No definitive solution to Fee Collection

Timeline



- Continued stakeholder input via CalEPA email box
- Board update items – Feb 8th, March 16th
- March 23rd – draft emer. Regs posted
- April 2nd – stakeholder workshop on emergency regs.
- April 13-14th – Board consideration of emergency regs.
- OAL process begins upon Board approval – 5 day public comment period; 10 days for OAL review

Key Elements of SB 20:



- ✓ Collection of an e-waste recycling fee at retail point of sale
- ✓ Board payments to authorized collectors and recyclers to cover costs of e-waste collection and recycling
- ✓ Manufacturer reporting
- ✓ Labeling of covered products
- ✓ Consumer information
- ✓ Reduction in use of hazardous substances in product design
- ✓ Environmentally preferred purchasing criteria for state agencies

Milestone Dates in SB 20

- April 1, 2004 – Manufacturers notify retailers of products that are subject to the fee
- July 1, 2004 – Fee is charged on covered electronic devices at first point of retail sale
- July 1, 2004 – Board must establish payment schedule for recovery and recycling payments
- July 1, 2005 – First Manufacturer's report to the Board is due
- July 1, 2005 – Board reviews fee and can adjust as necessary
- July 1, 2006 – Board reviews payment schedule and adjusts if needed
- Dec 31, 2007 – Target date for elimination of e-waste stockpiles

E-Waste In California



Drop-Off Event

Overview of Payment System Model

Recovery and Recycling Payments to Authorized Collectors & Authorized Recyclers

- Recovery and Recycling Payments should foster efficient, affordable and accessible recycling opportunities.
- Must accommodate products beyond CRTs
- Authorized Recyclers would pay Authorized Collectors at least the statewide Recovery Payment rate on all Covered Electronic Devices/Wastes (CEDs/CEWs) delivered.

Recovery and Recycling Payments to Authorized Collectors & Authorized Recyclers

- CIWMB would pay Authorized Recyclers a combined Recovery and Recycling Payment for only those CEWs that are recycled, or “cancelled”.
- Recyclers would not be paid for CEDs/CEWs reused or exported intact.
- There would be no restrictions on other financial agreements between Collectors and Recyclers beyond the minimum Recovery Payment.

Recovery and Recycling Payments

Amount of Recovery and Recycling Payments

- Recovery Payment: Approximately 20 cents/lb.
 - *Represent a combination of 15 cents/lb. for collection and 5 cents/lb. for transportation.*
 - *Possible "per device" alternative.*
- Recycling Payments: Approximately 28 cents/lb.
 - *Represents costs to process CRT or LCD through shredding, crushing, or dismantling to a bare components.*
 - *May be calculated using conversion factor.*
- Rates based on cost models and surveys.
 - *Concern that rates may be high*

Recovery and Recycling Payments

Cancellation of Covered Electronic Wastes



- **Payments tied to cancellation**
- **For CRTs:**
 - *Bare tube with vacuum relieved*
 - *Shredding, crushing, or grinding*
- **For LCDs:**
 - *Disassembly to bare panel*
 - *Shredding, crushing, or grinding*
- **Importance of cancellation**
 - *Fraud Prevention*
 - *Accurate Accounting*
 - *Encourages "commoditization"*

Recovery and Recycling Payments

No Recycling Payments for Reuse

- Intent of SB 20 is to subsidize recovery and recycling of electronic *wastes*
- Existing “gray-market” for viable used equipment
- Collectors will be paid for all collected materials
- Recyclers will be paid only for what is recycled
 - *Have flexibility to choose fate of equipment*
- Growth in collection infrastructure should foster reuse

Recovery and Recycling Payments

Emerging Concerns

➤ **Out-of-State Payments:**

➤ *Program may not be able to limit payments to in-state recyclers.*

➤ *Raises inspection, accounting and auditing challenges.*

➤ **Rumors of Stockpiling:**

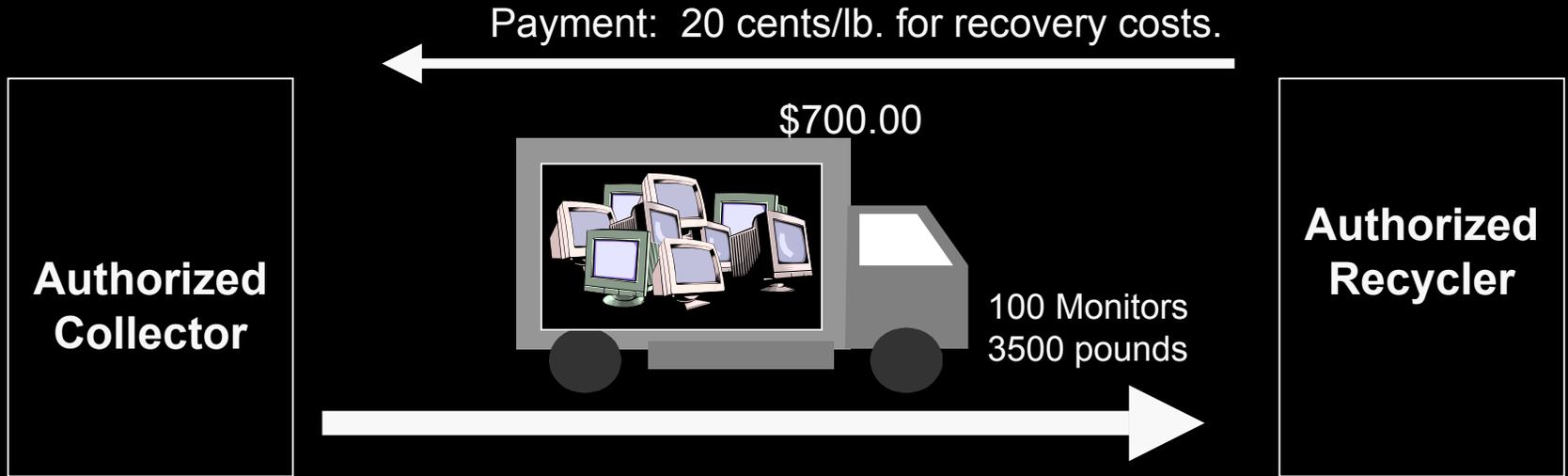
➤ *Reported slow-down in material flows*

➤ *Are prospective collectors/recyclers holding materials until payments begin?*

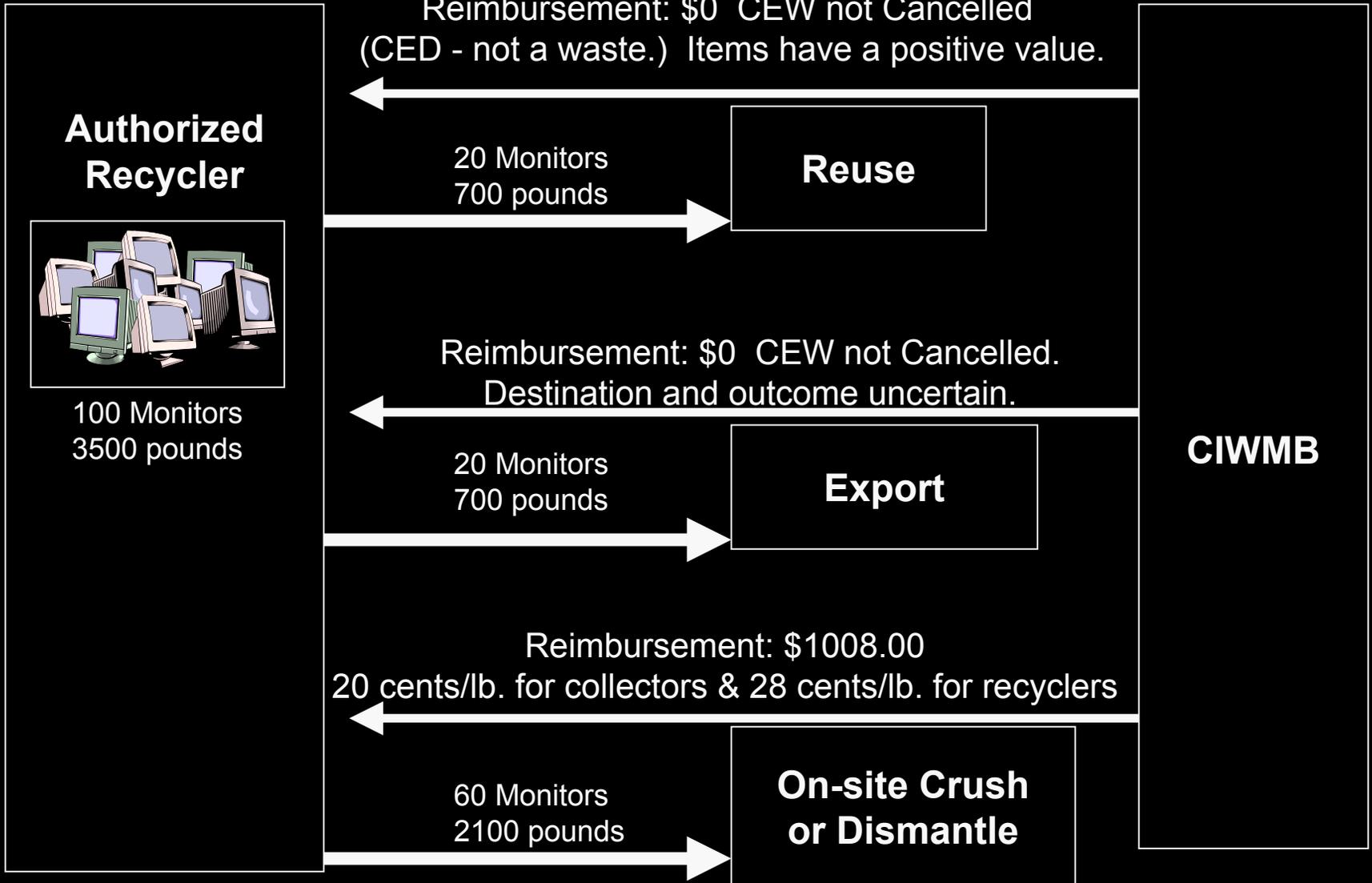
➤ *Staff will propose payments only for materials collected after start date.*

Recovery Payments to Collectors - Hypothetical Examples:

Authorized Recyclers provide at least 20 cents/lb. Recovery Payments to Authorized Collectors regardless of the ultimate fate (reuse, export or cancellation) of the Covered Electronic Wastes (CEWs)



Recycling+Recovery Payments to Authorized Recyclers:



SB 20 Manufacturer Reporting Requirements

- **Manufacturers to submit July 1, 2005**
- **Report to include:**
 1. *Estimate of CA sales of covered products*
 2. *Amount of Lead, Mercury, Cadmium, Hexavalent Chrome, PBDEs and PBBs*
 3. *Amount of Recycled Content used and future plans*
 4. *Design for recycling and future plans*
- **Working with Stakeholder's on an aggregate Reporting System**
 - *Goal: Provide accurate data and minimize conflicts with Proprietary Information*
 - *Key Stakeholders consulted on Reports that contain a combination of aggregate and individual company efforts.*
 - *Propose aggregate reporting for #1, 2; individual reporting for #3, 4*

SB 20 Consumer Information



- **Manufacturer Labels required by Jan. 1, 2005**
- **Manufacturers to provide consumer information on resources to properly handle waste material**
- **Draft Regulation concepts:**
 - ***Require information in several languages***
 - ***Require manufacturers to submit copies of consumer and retailer information to promote consistency***

SB 20 Consumer Information

- **Public Affairs Office developing outreach program for retailers and consumers**
- **CIWMB to have 1% of fund available to provide outreach on issues related to SB 20 implementation**
 - ***Consumers and Retailer's***
 - ***Coordinated with Manufacturers***
- **Manufacturers to provide Retailers information on fees related to the CEDs by April 1, 2004**

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Next Steps:

- ✓ Negotiate fee collection
- ✓ Post draft regs on Board website
March 23rd
- ✓ Stakeholder workshop April 2nd
to discuss regulation issues;
- ✓ Emergency Regulations to Board on
April 13th
- ✓ After approval by Board the
Regulations go to OAL for Approval
(10 days)