

TESTIMONY FROM CONSUMER ELECTRONICS ASSOCIATION May 14, 2008

Mr. Chairman and members of the City Council, thank you for giving me the opportunity to testify on behalf of the Consumer Electronics Association (CEA) regarding Intro 729, a proposed ordinance related to electronics recycling.

As this measure has worked its way through the Council, CEA and other industry trade associations have attempted to improve the legislation but we have been unable to overcome a fundamental difference of opinion articulated in the proposed legislation:

The Council further finds that primary responsibility for the collection, handling and recycling or reuse of electronic equipment belongs to manufacturers.

We respectfully disagree that manufacturers should bear the "primary" responsibility for activities relating to product recycling and suggest an alternative **shared responsibility** model in which manufacturers work in partnership with the City, retailers, recyclers and consumers.

CEA represents more than 2,100 companies and its member companies include major manufacturers of covered electronic products specified in the above-referenced proposed legislation. CEA's member companies, although fully supportive of initiatives to promote the environmentally safe and efficient recycling of electronics, share grave concerns over the approach put forward by Intro 729 and urge the Council to make changes to this measure

Specific CEA Issues

CEA Encourages Shared Financial Responsibility for Electronics Recycling. CEA advocates strongly for a shared financial responsibility among all stakeholders - manufacturers, retailers, consumers and local, state and federal governments - for electronics recycling at all levels of legislation. Any legislative solution that mandates sole manufacturer financing of collection, transportation and recycling of electronics waste treatment at product end-of-life is unbalanced and unfair. Placing the financial burden solely on the manufacturers is contrary to the concept of shared responsibility which CEA believes is the best option for recycling financing. A primary responsibility of manufacturers lies in product design. Most CE manufacturers have reduced and in most cases eliminated the use of potentially hazardous substances in their products. Additionally, manufacturers have developed new ways to incorporate recycled components and design for responsible end-of-life. CEA supports market-driven environmental design initiatives, including federal and state government programs that give preference towards purchasing of environmentally preferable technology products.

CEA Supports Consumer Education Initiatives. CEA recognizes that the recycling of electronics products is essential as we work to do our part to contribute to a more sustainable world. Recycling must be made convenient, cost-effective and easy for individuals, businesses, community centers, schools and government agencies to take part. In order to educate consumers about options for electronics products at the end-of-life, CEA launched the myGreenElectronics.org website at the

2007 International CES. *myGreenElectronics.org* empowers consumers by providing online resources regarding responsible use, reuse, and recycling of electronics with the use of an online searchable database of electronics recyclers, a database of green products and tips for saving energy with electronics. CEA liaises with our members to make these resources available and transparent to all interested stakeholders. We will continue to buoy our education effort and have plans to expand upon this website in 2008.

CEA Prefers a State Solution, and Actively Supports a National Solution

Ultimately, CEA strongly believes that a national solution is the most appropriate means to addressing this significant public policy challenge, primarily as a means to avoid an undesirable patchwork of state and local legislative mandates. This conflicting, ad-hoc pattern of regulation imposes unnecessary financial and administrative burdens on global technology companies, which will ultimately increase costs to consumers. Each state and municipality that creates a new authority with a new governing body, or creates a new administrative or enforcement structure, is duplicating many of the implementation struggles already underway in other states around the country. Electronics recycling is a national issue that warrants a national solution.

Pending implementation of a national solution CEA suggests that the following language be added to the legislation to ensure a harmonized approach at least within the State of New York:

This chapter is void if a state law, or a combination of state laws, takes effect that establishes a statewide program for the collection and recycling of electronic equipment that substantially meets the intent of this chapter.

Conclusion

CEA recommends eliminating the arbitrary recycling targets contained in Intro 729, and strongly encourages the addition of language deferring to a future state-mandated recycling program.

CEA greatly appreciates the Council's interest in creating viable, efficient electronics recycling systems but respectfully urges substantive changes. Thank you for considering our industry's concerns.

Thank you again for the opportunity to present testimony. I am happy to answer any questions.

Sincerely,

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Haku E. Brugge

Senior Director and Environmental Counsel