



**Electronics Product
Stewardship Canada**

www.epsc.ca

**Recyclage des produits
électroniques Canada**

www.rpec.ca

Presentation by Dave Betts to the Northern Care Conference
Slave Lake, Alberta * 11 September 2003

Good afternoon ladies and gentlemen. Please let me begin by thanking the organizers for extending an invitation to me to speak today. When we were first approached we had some doubts whether the topic of electronics recycling would create much interest in the province. After all the electronics industry represents a small percentage of the waste stream and we are not usually seen as a major polluter. We had several "Should we go?" discussions. With the recent press coverage in the province around tires and electronics it certainly appears our decision to attend was the right call.

Let me be very clear on who we are.

We are an industry organization established by leading companies in the electronics sector to deal with the electronics waste challenge in all regions of Canada.

We think industry should play a key role in a shared approach to manage waste stewardship programs.

We seek cost effective and environmentally responsible end of life programs that will meet provincial requirements and include common elements across Canada.

We are not for profit.

Let me be equally clear on who we are not.

We are not funded by government.

We do not wish to fund government.

We do not wish to impose a central Canada developed waste management solution on Albertans or any other region of Canada.

My first exposure to product stewardship was several years ago when the federal government asked me to attend a meeting about the emerging issue of end of life product management in the electronics sector. They had a couple of key messages. The first message was that governments would soon require companies to finance and manage programs to dispose of obsolete products in the consumer waste stream. Their second message was that this was a provincial responsibility. They wished us the best of luck.

Shortly thereafter the press began to report on electronics waste being exported to China. The resulting images of children smashing computers to recover small bits of copper and gold and the resulting ground water pollution were appalling. In one region of



**Electronics Product
Stewardship Canada**

www.epsc.ca

**Recyclage des produits
électroniques Canada**

www.rpec.ca

China alone it was reported that 100,000 people were involved in scavenging computer waste. The press were also quick to point out that the Europeans seem to be dealing with this issue with the WEEE directive and that at least six European countries had programs in place. Why were we not managing it in North America?

Also at about this time the technology sector began to experience what has variously been referred to as melt down or “dot-comicide” or the movement towards not for profit. Some of you may have had tech stocks and experienced our challenge first hand--- perhaps some of you still do and the pain remains...a colleague of mine held a very senior position with a large multi national corporation. At the height of the boom, his stock was at \$165 and he often joked that he could retire at will. The stock dropped to less than \$10 and his focus moved to concern whether he “will be retired”. Needless to say it remains a tough time for our industry and sales forecasts remain flat at best.

It was in this climate that I found myself sitting in board rooms trying to convince corporations to finance a new company to address product stewardship. It was not easy. One company invited me to make my pitch to their executive management meeting. I dutifully arrived at the appointed hour and was met in the hall outside the boardroom by the CEO. We had never met. His opening remarks were “I’ve read your presentation and I just want you to know that we do not have the money and we won’t be supporting the program”. I responded how pleased I was to meet him and that since I had flown to Toronto to meet with his team I hoped he would keep an open mind until I had made my presentation. This company is now a leading supporter of EPS Canada.

Several companies thought the best course of action was to forget this not for profit nonsense and create a money making business out of recycling computers. Who cares if computers sit in people’s basements? If it costs \$30 charge \$50 and split the profit. Fortunately that idea was short lived.

And of course we have our American friends. They too are struggling with states tabling product stewardship laws. Their advice ranged from “lobby the feds to pass a national law which will override the provinces” to “how many lawyers do you need” to “tell them all to go to hell”. So far calmer heads have prevailed.

I am pleased to say that in spite of these challenges our member companies have put close to \$1 million dollars on the table to finance EPS Canada. Surely this is the best indication that we are serious about dealing with this issue.

There has been much talk in the Alberta press over the past few weeks on placing a fee on electronics through a program managed under the direction of the tire management board. I have received numerous calls from the media to comment on what we think of the tire board, how much the fee should be, and how could the tire board know anything about electronics. One US reporter called with concerns that an organization he had never heard of called MLP was going to make the decision and he wanted to know who this was. Of course he was speaking of MLA’s.



**Electronics Product
Stewardship Canada**

www.epsc.ca

**Recyclage des produits
électroniques Canada**

www.rpec.ca

Our message to the government of Alberta at this time is quite simple. Spend your time and energy dealing with the following question.

Are you ready to consider implementing an electronics waste management program?

We have recently sent a letter to all provincial governments defining key issues that provinces must consider. EPS Canada's focus over the past year has been consultations with stakeholders across the country and with international experts in product stewardship. We have met with every province, with recyclers, with municipalities, with officials from stewardship programs in other industries, and with a broad cross section of corporations. We have visited programs in place in Belgium and Holland. We have met with representatives from the United States, Sweden and Switzerland and we have engaged the services of world renowned experts to provide us with advice and guidance. We have commissioned a number of studies on stewardship options and created an action plan for Canada. All stakeholders must realize that implementation of a cost effective and environmentally responsible program will be difficult and we must do everything we can to get it right the first time.

Here is a synopsis of our message to governments:

First of all we are calling upon all provinces to endorse solutions that include common elements across Canada. We are not aware of any country with an active e-waste program that is not national in scope. Consultants, academics and stewardship managers from around the world universally endorse national and even international solutions. Imagine the challenges if every province introduced different programs with different costs and different administration. One of our member companies has their legal office in Quebec, their distributor in Vancouver, sub distributors in Ontario, and retailers in all provinces. Who collects the fee? The logical response would be our member---but they do not have a legal entity in Alberta...Perhaps the retailer? ...An administrative nightmare not to mention it eliminates manufacturer involvement.

Secondly, fairness demands that any program must result in a level competitive playing field and that compliance must be enforced. Over 50% of desk top computer sales are from very small independent manufacturers. Close to 20% of computer sales are over the internet. How do we ensure that participating companies who are trying to do the right thing are not placed at a competitive disadvantage?

Thirdly, provinces must define how electronics will be collected from consumers to ensure performance targets can be met and to ensure consumer convenience. Will the province regulate that municipalities must collect electronics from consumers as has been done in most European programs? Will the province expect special waste depots to be created as some provinces have done for oil and paint? Or will the province simply define the performance requirements and leave it to industry to create a solution?
.....To be successful we believe consumers must have consolidated drop off points.



**Electronics Product
Stewardship Canada**

www.epsc.ca

**Recyclage des produits
électroniques Canada**

www.rpec.ca

The average citizen will not wish to spend their weekend delivering waste material to a multitude of sites.

Fourth, does the province have an organization in place that can take responsibility for local program management—ensuring the fees are collected, ensuring proper point of sale disposal information, working with local recyclers, managing local transportation issues, working with local municipalities? No one wants a program dictated and managed from Ontario. Perhaps in Alberta this is the tire board or perhaps the tire board will simply be an administrative body that ensures a program is created. This must be clarified prior to moving forward.

Fifth, do you know what you plan to do with this material once it is collected? Are there ready markets? Are the markets acceptable and cost effective—no third world dumping, no residual landfill? Will we create more pollution from hauling the material around the province and perhaps to other provinces than we solve with a program?

Sixth, before you impose a fee you need to define and cost the model. We have seen the tire fees come under some scrutiny in Alberta and we have seen European programs come under fire for accumulating excess surpluses. We need a model for the province and for Canada that takes into consideration product sales history, rate of obsolescence, new sales, collection costs, recycling costs, consumer education, necessary R&D, and program administration to name just a few. And let me be very clear. We are not supportive of cross subsidization of programs—we do not want any of the tire surplus nor would we be in favour of any of our funds being used to support other industry sectors.

And finally governments must work closely with industry to create an environment that promotes responsible recycling. Do government procurement policies reward companies who are demonstrating environmental leadership? Do you allow landfill bans without industry consultation? Do you have a simplified process for the movement of electronics that encourages recycling?

Electronics Product Stewardship Canada has been created to assist provinces in dealing with these issues and we stand ready to work with all levels of government in the coming months.

Let me close with a few comments directed towards rural and Northern Canada. As this audience is aware there are several unique challenges we face in serving these communities. And let me assure you it is our intention to serve rural and remote Canada.

We recently returned from visiting e-waste stewardship programs in Belgium and Holland. The program managers were very proud of their country wide e-waste collection service and their ability to move waste efficiently from residents to recyclers. Transportation and consumer convenience did not seem to be an issue with the exception of the odd traffic jam. Well, Belgium is slightly smaller than Vancouver Island



**Electronics Product
Stewardship Canada**

www.epsc.ca

**Recyclage des produits
électroniques Canada**

www.rpec.ca

with the population of Ontario. In Canada, serving our rural and northern communities will be a bit more of a challenge and carry a significant financial premium. So what do we have in mind?

First of all we are proposing one fee for each major electronics product regardless of where you live. We think you should pay the same environmental handling fee in Slave Lake as you pay in Toronto.

Secondly, we are looking at a number of collection options. We could have product collected by municipalities, we could use special collection depots that may already exist, we could have special collection days several times per year, and we are even exploring whether the Post Office might serve as a collection point. The end solution could be one or a combination of the above. In each case the material will be removed and disposed of in a cost effective, environmentally sensitive manner.

And finally we are looking for your input on how e-waste collection should be done and on how it should be managed on an ongoing basis.

In closing, the next year will see the introduction of e-waste programs in several Canadian provinces. We believe we have a window of opportunity to develop a cost effective and environmentally responsible solution for all Canadians and we look forward to working with you to make this happen.

Thank you very much.

- 30 -