

Electronic Products Recycling Program Report to the Washington State Legislature

Introduction

The Washington State Department of Ecology respectfully submits this report to the Legislature as required by RCW 70.95N.270(2), which reads:

“By April 1, 2010, the department shall provide a report to the appropriate committees of the legislature regarding the amount of orphan products collected as a percent of the total amount of covered electronic products collected. If the orphan products collected exceed ten percent of the total amount of covered electronic products collected, the department shall report to the appropriate committees of the legislature within ninety days describing the orphan products collected and include recommendations for decreasing the amount of orphan products or alternative methods for financing the collection, transportation, and recycling of orphan products.”

This report addresses requirements for Ecology to:

- Inform the Legislature about the amount of orphan products.
- Develop and report on recommendations to decrease the amount of orphan products or alternative methods to finance recycling them.

Definitions

- A “covered electronic product” is defined by law as a cathode ray tube or flat panel computer monitor having a viewable area greater than four inches when measured diagonally; a desktop computer, laptop or portable computer; or a cathode ray tube or flat panel television having a viewable area greater than four inches when measured diagonally that has been used in the state by any covered entity regardless of original point of purchase.
- "Covered entity" means any household, charity, school district, small business or small government located in Washington State.
- "Orphan product" means a covered electronic product that lacks a manufacturer's brand, or for which the manufacturer is no longer in business and has no successor in interest.
- "Return share" means the percentage of covered electronic products by weight identified for an individual manufacturer determined by Ecology under RCW 70.95N.190.

Background

Ecology oversees Washington's electronic product recycling program, now called *E-Cycle Washington*. As specified by law, manufacturers of covered electronic products are required to finance the administration and operation of the program.

All manufacturers are represented by the Washington Materials Management and Financing Authority (WMMFA) which was created under RCW 70.95N.280. WMMFA implements a plan to collect, transport and recycle covered electronic products.

WMMFA finances its operations by invoicing manufacturers based on a combination of each manufacturer's market share and return share (returned to the program for recycling). Ecology provides the return share determinations to WMMFA as required by law.

"Return share" is a total of each manufacturer's identified returns (based on brand names) and a proportional share of the returns determined by Ecology as orphaned. As a result, the volume of orphan products impacts to some degree each manufacturer's financial responsibility to fund *E-Cycle Washington*.

Orphan Products in 2009

In 2009, the first year of operation for *E-Cycle Washington*, more than 38 million pounds of electronic products entered the program for recycling. Based on return share data, Ecology determined 13.3 percent were orphan products.

Orphan products are expected in a program such as *E-Cycle Washington*. Some manufacturers go out of business, and some products do not have identifiable brands. In 2009, the percentage of orphan products was slightly higher than expected for two reasons:

1. The highly competitive marketplace for electronics manufacturers combined with the global economic downturn in the last two years forced several mid- to large size manufacturers out of business. If there were no successors for those businesses, products entering the recycling program with those manufacturers' brands became orphans. Almost 32 percent of all orphan products were in this category of recently orphaned brands.
2. Another 20 percent of orphan products entering the program were unbranded electronics commonly known as "white boxes" and units unidentifiable because of severe damage or the brands were missing.

Because many small, mid-size and a few large manufacturers that produced televisions, computers and monitors over the last 25+ years have gone out of business, the remainder of the orphan products were expected. Electronic products often last for many years, so they are expected to continue to enter the recycling stream as they become obsolete.

Recommendations for Decreasing Orphan Products

Orphan products collected in 2009 exceeded ten percent of the total amount of covered electronic products collected. Orphan products collected included televisions, monitors and computers that did not have brand owners still in business or identifiable labels. In 2009, 13.3 percent of covered electronics returned for recycling were orphan products. Ecology has increased its emphasis on identifying brand owners to further reduce this percentage.

The existing financing system for collection, transportation and recycling of orphan products has functioned well. Ecology does not have any recommendations to improve the financing system at this time. As far as decreasing the amount of orphan products, Ecology will continue to work to identify manufacturers of unknown electronics brands. Ecology will communicate with WMMFA and continue to monitor the financial impact of orphan products on *E-Cycle Washington*.

Findings and Conclusions

More than 50 percent of all orphan products were either newly abandoned brands as a result of marketplace forces or products without brands at all.

To date, Ecology has been successful in identifying manufacturers of unknown electronics brands. Ecology will continue to work on identifying unknown brands, but the marketplace will continue to be the biggest influence on the volume of orphan products in the *E-Cycle Washington* Program.

As of 2009, the law requires labeling of all covered electronic products sold in the state with the manufacturer's brand. Over time, this requirement should significantly decrease the number of "white box" units coming into the program. Therefore, Ecology expects the percentage of orphan products to decrease in future years. Ecology will continue to monitor the level of orphan products and work with WMMFA to minimize the financial burden from recycling them.

We would be pleased to address any questions regarding *E-Cycle Washington*. Please direct inquiries to Laurie Davies, Waste 2 Resources Program Manager, at 360-407-6103 or Miles Kuntz at 360-407-7157.

Publication and Contact Information

This report is available on the Department of Ecology's website at www.ecy.wa.gov/biblio/1007016/html.

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