



LEGAL AND REGULATORY UPDATE



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NEMI Recycling Forum

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Legal and Regulatory “Threats”

Proposed Chemical
Bans/Phase-outs

Proposed
Product Take-back
Legislation

Increased Chemical Regulation

Disposal Fees
and Bans

Examples of Regulatory “Threats” - Chemical Focus

- Chemical Bans
 - New England draft legislation would require manufacturers to phase-out mercury-containing products
 - Proposed EU Restriction on Hazardous Substances Directive would ban use of Hg, Pb, and Cd in electronics by 2008
- Increased Chemical Regulation
 - EPA has proposed reducing annual TRI reporting threshold for Pb from 25,000 lbs to 10 lbs.
 - EPA’s draft Persistent, Bioaccumulative, and Toxic list includes Pb, Hg, and Cd.

Examples of Regulatory Threats

- Product Focus

- **Product Take-Back**

- EU Waste Directive and State legislation (MN, NEWMOA) would require manufacturers to recycle used electronics
- Japan currently requires retailers to collect used electronics

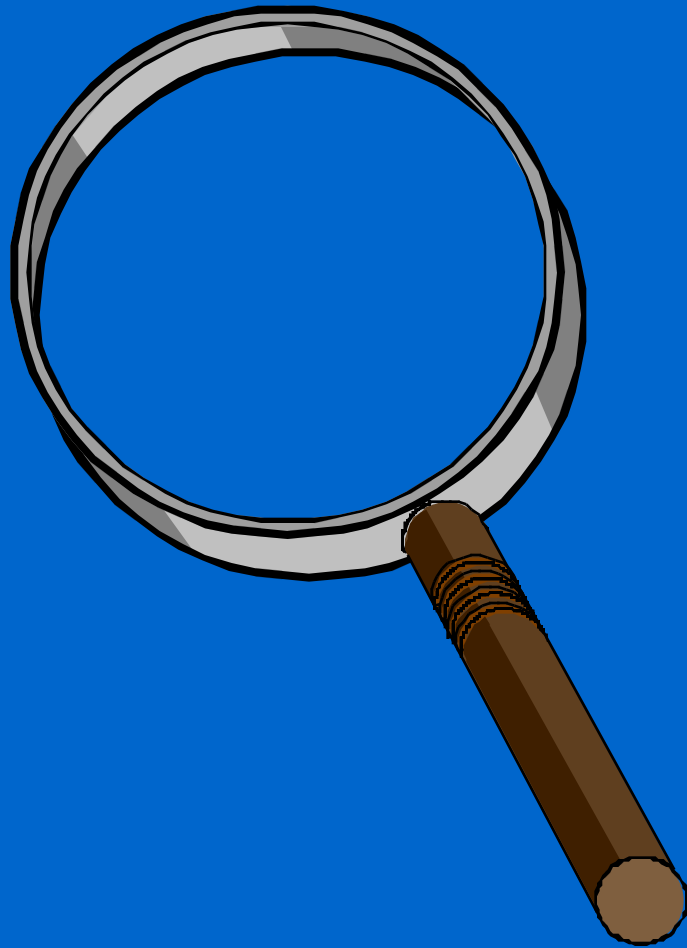
- **Disposal Fees/Bans**

- MA banned disposal of CRTs to encourage recycle
- SC expected to propose “advance disposal fee” on CRTs
- NC may propose end-of-life disposal fee on CRTs

Why Should Industry Care?

- Emergence of legal and regulatory threats at global, federal, and state levels may:
 - Restrict free trade of electronics worldwide
 - Result in inconsistent product requirements
 - Increase manufacturing and marketing costs
 - Reduce industry competitiveness
 - Impact product reliability and effectiveness
 - Increase environmental harm!

What is Driving New Laws and Regulations?



- Public perception that electronics pose environmental risk when disposed
- Concern that disposal will create mountain of “electronic junk”
- Concern that heavy metals that will leach into groundwater

Recent Newspaper Articles

- “Discarded Computers Loom as Environmental Problem,” USA Today, 8/29/00
 - “Rapid innovation...is creating a national solid waste problem.”
 - “Computers...are loaded with...lead, cadmium, mercury, and chromium that can leach into soil and contaminate groundwater.”

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Recent Newspaper Articles (cont.)

- “The Electronic Junk Pile,” Chicago Tribune, 2/28/00
 - “Businesses and government agencies will be challenged to find a cost-efficient and environmentally safe method of disposing of consumer electronic junk.”
 - “Smith recommended making manufacturers financially and legally responsible for their products.”

Industry's Response

- Inform public of industry's environmental "success stories" (DfE Compendium)
- Address true environmental risks posed by electronics in comprehensive, credible manner
- Educate policy makers that industry is actively reducing environmental risks posed by products

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EIA's "Product Ecology" Initiative

- Elements:
 - Position papers on key environmental issues
 - Increased publication of industry DfE "success stories"
 - Material Declaration/Chemical Roadmap project for "chemicals of concern"
 - Consumer Education Initiative
 - Innovative recycling partnerships

Conclusion

- EIA is developing a “product ecology” program to:
 - defeat unsound legislative and regulatory proposals
 - promote industry’s environmental successes with public
 - play meaningful role in development of effective, market-based end-of-life management solutions for used electronics