

**Presentation to the Environmental Planning and Protection Committee
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Good morning, ladies and gentlemen, and thank you for giving me the opportunity to speak to you today. My topic is environmental stewardship in Canada's electronics industry – or what do you do with the millions of obsolete computers and TVs in Canadian households, which contain significant amounts of lead and other hazardous material. It is estimated that at least 300 million computers are obsolete and awaiting disposal in the United States. While Canadian figures are not available, it is reasonable to assume there will be proportionately similar numbers in this country.

My objective is to obtain the council's support and guidance as the electronics industry works to develop a solution for Canadians.

Many of you will have seen the press coverage of computer equipment being disposed of in China with little regard for human health and little regard for the impact on the environment. Canadian waste material was found in China and very likely continues to be sent to Third World countries for disposal.

Everyone in this room is well aware of the challenges associated with municipal landfill management in Canada, including financial and physical shortfalls. Computers contain hazardous materials, and we continue to bury this material in most parts of the country. This is certainly neither environmentally responsible nor a long-term solution.

In the developed world, Europe has taken the lead in addressing these issues. At least five European countries have electronics product stewardship programs in place. The material is collected and the disposal is managed under environmentally acceptable conditions. The European Union has just passed the WEEE directive, mandating all member countries to introduce comprehensive programs.

Questions are being asked as to why North Americans are not on the leading edge. Why are well-known technology companies participating in electronics waste programs in Europe and not in Canada? Why are we passing along our problems to Third World countries? Why don't we do something about it?

Well, the electronics industry *is* doing something about it. With close to a half a million dollars in seed financing from the private sector, we have financed studies of the problem, consulted with stakeholders, developed a national action plan, and created a not-for-profit corporation to manage our interests.

Within the next few months, we plan to be ready to move forward with program implementation in a selected region of Canada. Within five years, we believe we could have a comprehensive, industry-managed and -financed electronics waste management program in place, serving all Canadians.

We believe we have a compelling argument for the creation of a national solution:

- 1) There are no legislated electronics end-of-life programs in Canada today, although many provinces have indicated their intention to do so. We have a window of opportunity to influence that legislation.
- 2) Our national program places the responsibility squarely upon brand owners, where the problem should reside. Regional programs will, by necessity, place the burden primarily upon the much broader retail sector.
- 3) Our industry will incur a significant administrative burden if we are required to manage 13 different regulations in Canada. We don't believe that is an effective or efficient solution.
- 4) Smaller provinces and territories will incur significant start-up and management costs in developing their own programs.
- 5) A Canada-wide program will allow for simplified performance reporting and a standardized recycle vendor qualification process.
- 6) A Canada-wide program will allow for more efficient working relationships with organizations such as Computers for Schools.

So, what is our plan? First of all, let me identify the firms that have invested in creating an electronics waste management program for Canada.

Slide 1

You will no doubt recognize our supporters. These corporations have provided financing to keep the corporation going through the summer months of 2003 with an agreement to provide additional financing if we are making sufficient progress.

Initially, we plan to target personal computers, laptop computers, printers and televisions. Other electronics products will be phased in as we move forward. These four targets represent the best-known and largest number of personal and business electronics products in use today.

I would like to share with you some important guiding principles that govern our efforts as we work to develop a program for waste management. Everyone has heard of the three Rs of the recycling industry – reduce, reuse and recycle. In creating our guiding principles, we have added the three Rs of environmental management – responsible, reasonable and right.

Slide 2

We must have a level competitive playing field. Large companies only have 50% of the personal computer market in this country, with hundreds of small companies holding half the market share. It is very important that all participate in any waste management program. We believe this is a **reasonable** approach.

Everyone has a role to play in developing a solution, from corporations to consumers to retailers to government.

We are focusing initially on municipal waste, although we clearly recognize that commercial waste must be handled.

We must ensure economic and environmental efficiency. I don't think anyone wishes to see electronics recycling trucks on your street every week. Existing infrastructure must be used. That is the **responsible** approach to a solution.

We estimate that up to 50% of the historic waste is from corporations no longer in business. We must not penalize those still in business when dealing with this waste.

Disposal must be carried out only in jurisdictions with similar environmental and health protection laws. We must avoid recent experiences with used electronics finding their way to China. We feel that this is the **right** thing to do.

We must have a national solution for Canada and avoid the problem of 13 solutions in 13 jurisdictions.

So, what are we proposing?

Slide 3

- We should have a standard environmental fee across Canada for each major product type.
- The fee would be visible, applied by brand owners and passed on to consumers.
- Brand owners would remit fees to EPS Canada.
- EPS Canada would set national standards for disposal and provide reports on performance.
- EPS Canada would provide provincial agents with funding through a formula.

- Provincial agents would deliver the program in each province and could be entrepreneurial within their allocated funding and environmental guidelines.
- The program would include placement of a collection box at municipal sites or depots.
- The program would pay for pickup from sites or depots and for final disposal.

We have many challenges in delivering this program.

How do we convince provinces of the necessity of a national program? Some want a return-to-retail program, some a deposit system, and others a depot system that bypasses municipalities. Most support a national program with the caveat that the province comes first.

How do we work with thousands of municipalities? Do they need any additional funding? I regularly receive unsolicited phone calls from municipalities just to tell me they have no money.

Do we have the disposal capacity in Canada? Does it matter? Will the program create the demand?

How do we handle commercial versus consumer waste? Many of our companies have already made substantial investments in commercial waste programs.

How do we agree on a reasonable funding formula?

We are working through each of these issues, and we are making progress.

There are three specific areas where the council can be of assistance as we move forward:

- 1) As you consider the implementation of product stewardship programs in your respective regions, please encourage your officials to consult with EPS Canada.
- 2) As the coordinating body for environmental issues, we are calling upon the council to formally endorse the principle of a national electronics waste program.
- 3) We are seeking your advice and guidance as to the best method of moving forward with our agenda.

The industry is taking responsibility for the issue, with a reasonable approach, because we believe it is the right thing to do.

Thank you very much for your attention.