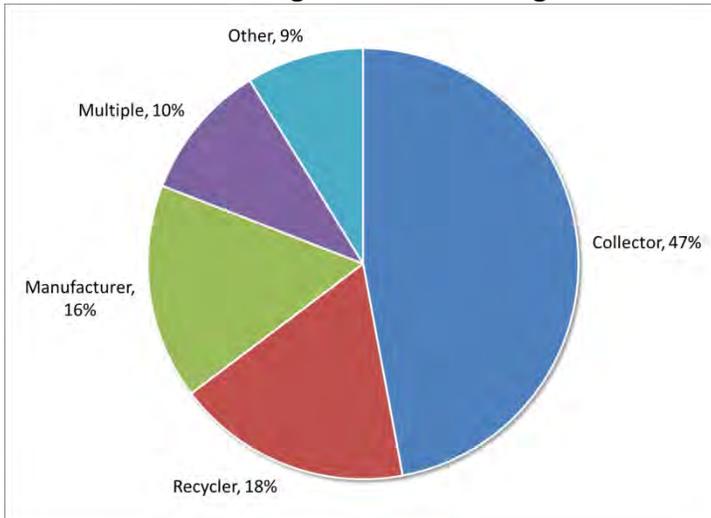


# E-Cycle Wisconsin pre-stakeholder meeting survey results summary

## May 2015

There were 68 total responses to this online survey, which was sent to those registered for the stakeholder meeting and all registered E-Cycle Wisconsin collectors, recyclers and manufacturers.

### Which of the following stakeholder categories best describe you or your organization?



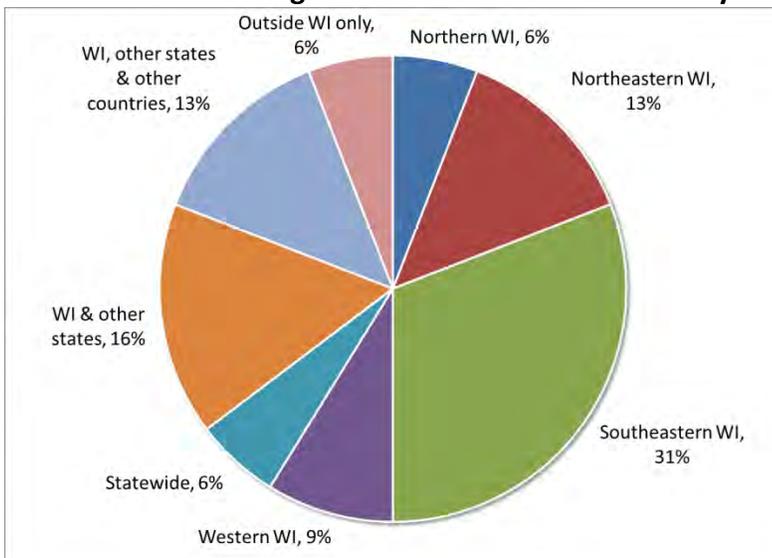
### Is your organization currently registered with E-Cycle Wisconsin?

Yes: 79%  
No: 6%  
Unsure: 15%

### Which of the following sectors best describes your organization?

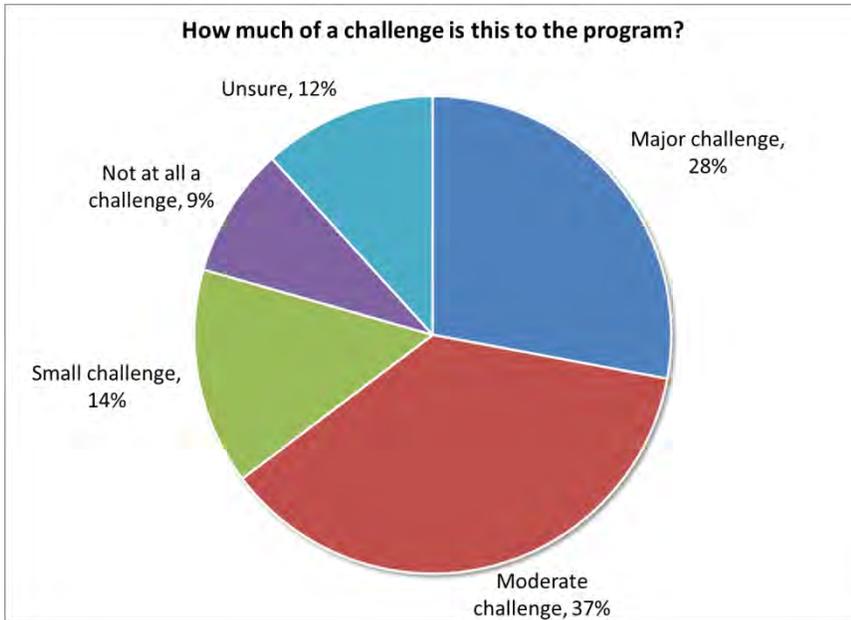
Business: 51%  
Government: 40%  
Nonprofit: 9%

### Which of the following best describes the area where you or your organization works?



For the five challenges listed in the survey, the bullets below represent common themes in the responses.

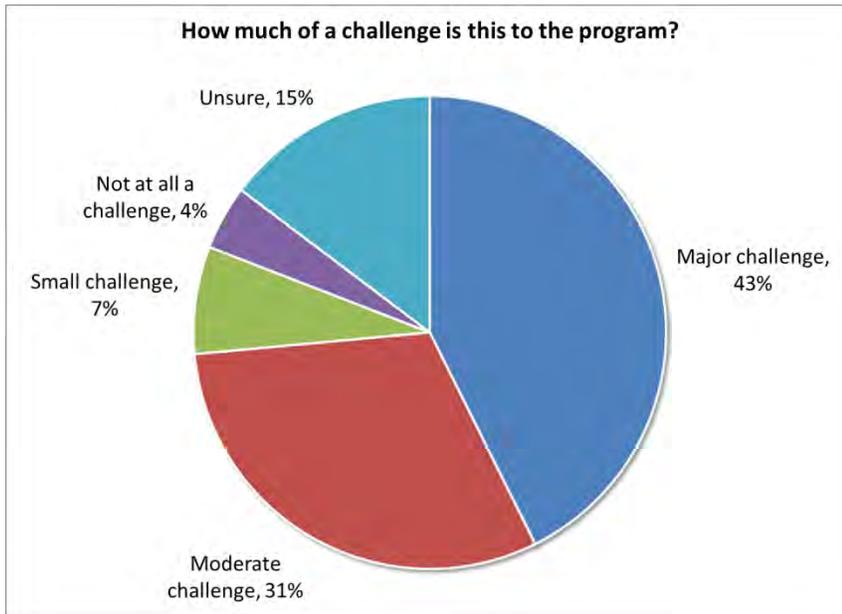
### **Challenge: Lack of consistent, affordable consumer access to electronics recycling throughout the state**



#### **What are some reasons behind the lack of consistent, affordable consumer access to electronics recycling opportunities throughout Wisconsin?**

- Increasing costs for CRT glass and other materials and decreasing commodity prices are leading to higher overall costs per pound for recycling. Manufacturer targets have decreased and many manufacturers push for lower prices. This has been leading to more recycling costs being charged to collectors. As a result, many collection sites have chosen to restrict what they accept, drop out of the program or increase consumer fees.
- Easier for recyclers/manufacturers to attain necessary pounds in dense, urban areas resulting in collectors in rural areas struggling to find a recycler.
- Inconsistent pricing causes multiple changes in charges to the consumer per year, depending on how close the manufacturers are to meeting their targets.
- Handling and storing bulky, heavy TVs is challenging, and some sites have chosen not to accept the largest models.
- Some collectors feel recyclers are unfairly charging them.
- Several manufacturers say this is not a problem. They say they pay for free recycling for consumers and have good collection networks.

## Challenge: Collectors assuming more recycling costs and/or not finding a responsible recycler to work with



### What do you think are reasons some collectors have been dropped by recyclers they were previously working with?

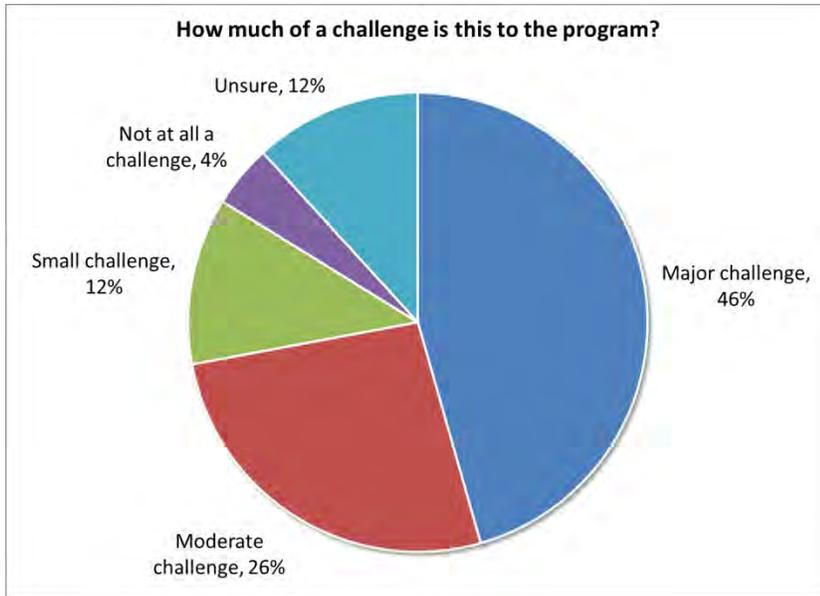
- Lack of manufacturer funding (lower overall targets) and higher recycling costs, leading to higher charges that some collectors can't or don't want to pay.
- Recyclers are dropped or get unexpected decreases in pound demand from manufacturers. When manufacturer contracts change, the collection network has to realign with different recyclers, and this can be messy.
- Bad recycler planning. Recyclers don't realize how much of what collectors will collect will be low value items (CRT TVs and monitors) and not higher value items (CPUs) and underestimate the costs (of demanufacturing, supplies, logistics/transportation, etc.) and/or those costs are rising.
- Collector mismanagement. If collectors aren't preparing or collecting equipment as described (not sorting properly or cherry-picking out the good equipment), then that can create conflict.
- Recyclers cut back on locations with higher logistics costs.
- Some recyclers prefer not to service one-day events because of added cost and staff time.
- Some manufacturers feel this is not a problem—it's the way the market works and the program should be profitable if collectors and recyclers are doing it right.

### What do you think are some reasons many collectors now have to pay recyclers to accept eligible electronics under E-Cycle Wisconsin?

- Cost of CRT recycling and lack of legitimate downstream outlets.
- Downstream recyclers are charging for more material and paying less for other scrap components (lower commodity prices, declining precious metal content).
- Not enough weight being subsidized by manufacturers (targets lower than collection volumes).
- Increased costs for overhead (insurance, labor, heat/light, etc.) While fuel cost itself is relatively low, difficulty securing trucking due to overall lack of drivers for trucking industry.
- Some collectors generate higher volumes than originally expected/agreed to.

- Collectors may have unrealistic expectations about how they can collect (i.e., many small sites, not sorting material, allow breakage) and still receive free recycling.
- Some collectors feel they are at the mercy of prices changed by a few large recyclers.
- Some manufacturer payments may not cover the true cost a recycler must incur to provide a collection container, packaging, transportation and recycling services.

**Challenge: Adjusting to changes in downstream recycling markets for electronics and in the upstream mix of new electronics**



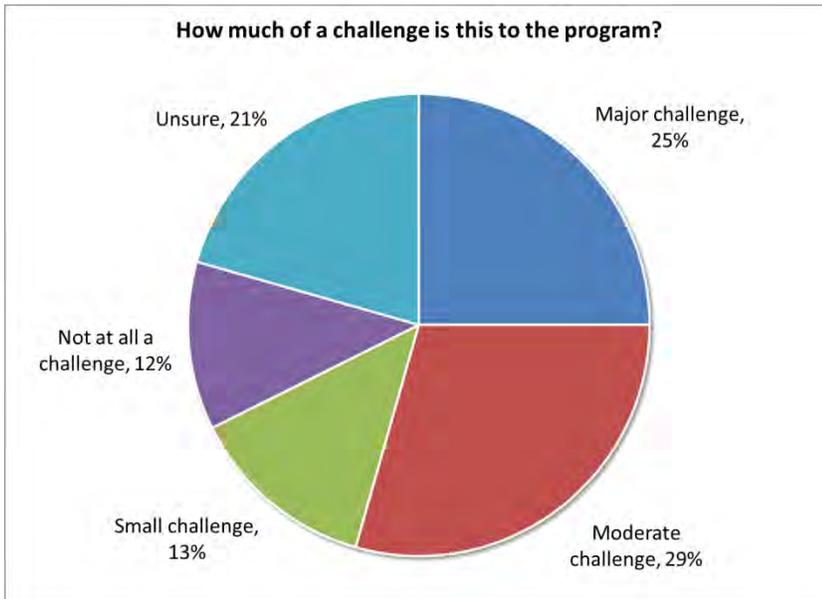
**Other than CRT glass, please briefly describe any other electronics materials/components for which finding cost-effective downstream markets has been a challenge in the past year, or that you expect will be a challenge in the next few years.**

- Flat screen TVs/monitors (LCD, LED, etc.)
- Some plastics
- Lower overall commodity markets (including metals)—down significantly in 2015

**Please briefly describe any effects, from your perspective, that changes in the market for new electronics over the past few years have had on E-Cycle Wisconsin.**

- Technology is constantly changing, electronics have a shorter lifespan, causing more items to become obsolete and increasing the volume of outdated electronics coming in for recycling.
- As new materials/new electronics are lighter, manufacturer targets have decreased. This has resulted in more electronics collected/recycled than necessary.
- More plastic and less metal reduces commodity value of newer devices.
- LCDs contain some mercury in the bulbs, which can be challenging to properly recover.
- Many new electronics (e.g., tablets and smartphones) have thriving, market-driven recycling options. There are hundreds of locations where these products can be returned for recycling and reuse, and in many cases consumers will be paid in exchange. This may reduce the public's dependence on programs like E-Cycle Wisconsin to ensure electronic products are recycled.

## Challenge: Reliance, in some cases, on inefficient and expensive collection and recycling methods



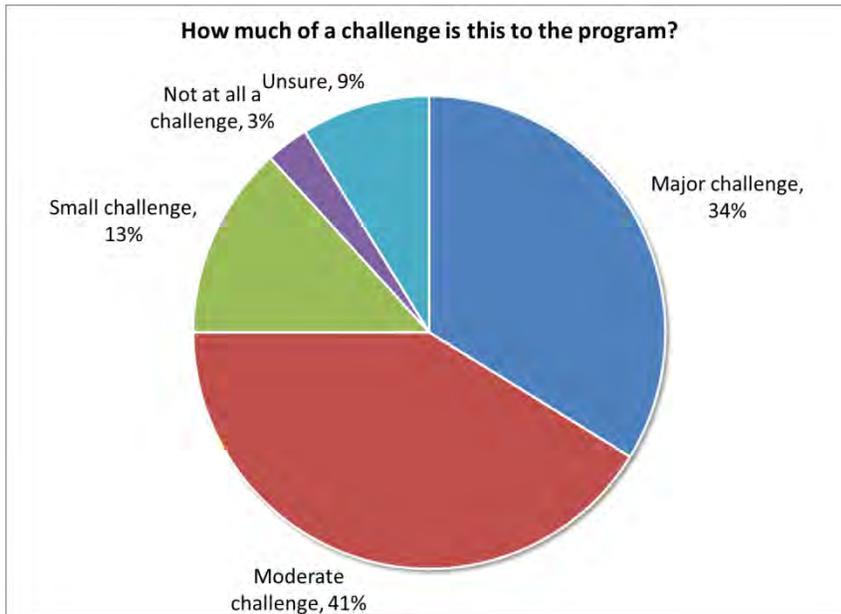
### What are some aspects of the electronics collection and recycling process that can drive up costs?

- Long transportation distances and picking up at many small sites.
- Picking up small quantities/containers not filled or properly packed (less weight per truck).
- Lots of labor required for handling/loading electronics and containers, especially at small sites without equipment like forklifts
- One-day collection events (especially because many are held on Saturdays, meaning overtime pay and possibly higher third-party transportation rates).
- Receiving broken/salvaged units or items getting broken at collection sites or during transport because of improper storage/packing.
- Limitations on ability to store electronics properly, especially large items, at some sites (means more frequent pickups needed/can't consolidate full truckloads).
- Proper recycling of CRT glass.

### What are some reasons electronics collectors and recyclers might still use practices that may be inefficient or increase costs?

- Need to provide service in rural areas/convenience to residents
- Lack of money and/or labor to invest in equipment/technology or change processes to improve efficiency
- Lack of awareness of better methods
- Lack of staff training
- Lack of space
- Electronics may be a small part of a collector's business
- Different methods may make sense for different conditions and volumes
- Lack of competition

## Challenge: Some electronics ending up in the wrong place (illegal dumping and irresponsible processing)



### What do you think are the primary reasons people illegally dump electronics or send them to an irresponsible recycler?

- Cost (unwilling or unable to pay for proper recycling)
- Scrappers think they can make a quick buck from metals and dump the rest
- Laziness/don't care
- Lack of awareness
- Recyclers underestimate proper recycling costs (especially for CRTs) and dump/stockpile
- Not a new problem
- Need more enforcement

### Other challenges

- Managing CRT glass
- Lack of responsible and trustworthy recyclers collecting e-waste within the state.
- Ensuring recyclers have a good (safe and healthy) process for handling mercury lamps from LCDs.
- Cherry-picking of good equipment.
- Lack of support from the state, the recyclers and the large portion of the general public who do not understand or agree with the need for or the challenges faced by the recycling industry.
- Data collecting and confusion on how the program really works.
- With no physical presence in Wisconsin, it is difficult to manage state-specific requirements.
- Products are getting smaller and lighter and manufacturers cannot sustain meeting arbitrary targets year after year. Also, many products are positive value and have a robust recycling market. Consider removing those from the obligation and focusing on the CRT monitors and TVs.
- Manufacturers are held accountable for funding recycling, but they (1) have very small margins, (2) don't know how many products are sold in the state, (3) create products based on consumer and retailer demand, and (4) have no access to knowing who their consumers are.

## Potential solutions

- Collection sites might fare better if they can consolidate with other nearby collection sites and are able to aggregate and appropriately package 20,000 lbs. for a pickup versus 5K or 10K at a pop.
- Provide state funding to municipalities to pay for the recycling.
- Eliminate the moving target of success. Define what a successful program looks like and then spend 99% of the time developing an economic fairness model. A recycling fee collected at the time of purchase is the common thread to the most successful recycling programs.
- Change reporting requirements: a) Reporting requirements should include data from manufacturers identifying credits received from recyclers; b) Data from collectors identifying all weights received and sent to recyclers; c) Data from recyclers showing all weights received from collectors. Three levels of reporting would reveal discrepancies and prevent double counting pounds or 'ghost pounds'.

*DNR note: the above reporting is already in place.*

- Require recyclers to process 80% (or more) of weight received by collectors to participate in legislative program. This will prevent recyclers from potentially selling credits to OEMs that has not been processed.

*DNR note: the above is already a requirement.*

- Require closure funding for each collector and recycler to ensure any abandoned material does not become a taxpayer liability. Further require OEMs to be responsible for any abandoned material if that recycler or collector was listed within the OEM's program.

*DNR note: the above is currently in place for all recyclers, but not collectors.*

- Require recyclers and OEMs to maintain collection network throughout the year regardless of allocation requirements.
- To better maintain a positive collection infrastructure a requirement may be set to pay an approved collection location a minimum allowance for handling.

### CRTs

- Allow alternative uses of CRT glass (fill, cover, etc.) to count toward manufacturer credit.
- Need to generate more markets for the CRT glass.

### Manufacturer targets

- Increase manufacturers' obligation.
- Raise manufacturer obligations to cover all material actually collected through the program, and consider ways to ensure manufacturer payments are sufficient to cover both the collection/transportation costs as well as the physical recycling costs.
- Manufacturer recycling fees should be based on units sold rather than a weight. Also should be 100%, not an 80% target rate.
- Manufacturers should be paying the total cost to recycle their material.
- Minimum payment required to recyclers.
- Get metrics for monetary value of collection and recycling of various electronics in play (both cost and revenue), then average. Use those metrics to determine how much manufacturers should pay (still based on what they produce and how much).
- Require OEMs to participate throughout the state by mandating a minimum of 20% obligation to be collected in rural areas.

## Retailers

- Retailers have access to the consumers, high margins, know where and to who products are sold, and have a method of product collection. Why are retailers not paying to fund the program? Manufacturers, as well as retailers and consumers should be paying for recycling. Consumers should pay a fee at the point of sale, and retailers and manufacturers should pay a portion as well.
- In some rural areas, the idea that people have to pay for disposal is a real deterrent for some. If more materials could be accepted by more retail outlets, it would be more convenient.