

# HP U.S. take back perspective

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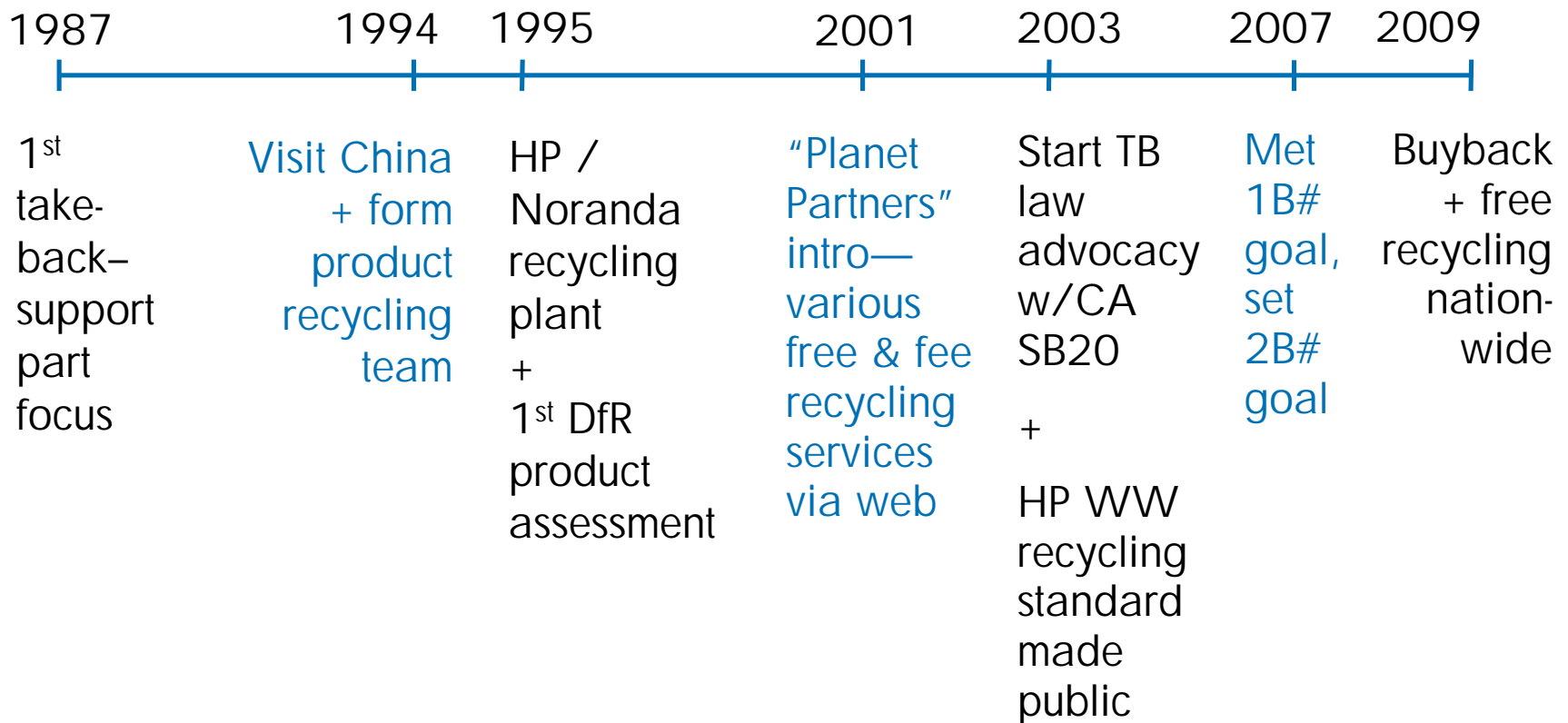


# First things from HP

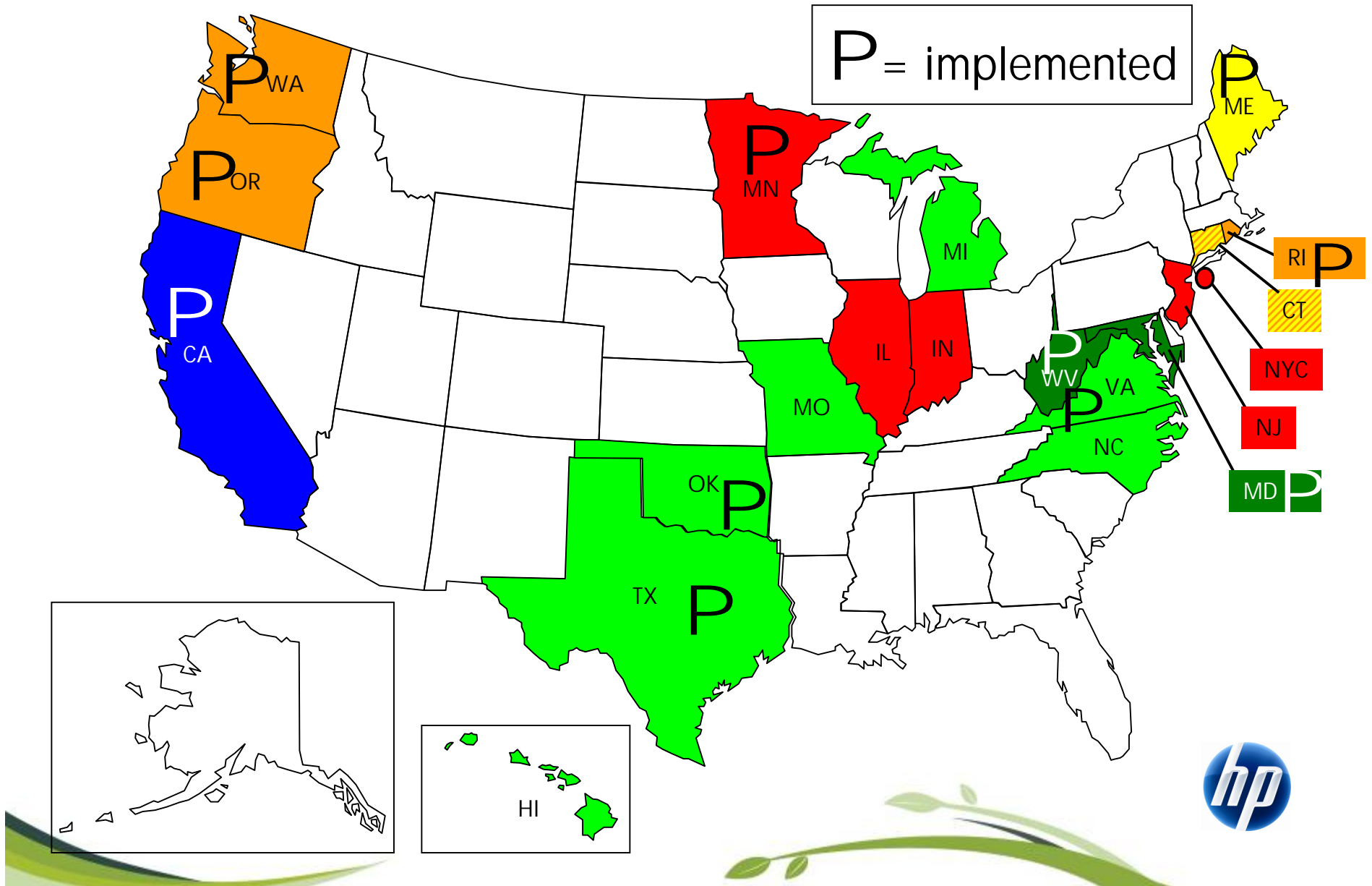
- Position: “Individual Producer Responsibility” (IPR)
- Objective: explain 4 key concepts for IPR to work well
- Assumptions from “Presentation Question Matrix”
- Agenda:
  - Select HP history of recycling (1 slide)
  - 4 commonalities among laws make IPR work well (7 slides)
    - Covered brand
    - Covered entity
    - Covered products
    - Performance measures
  - Summary (1 slide)



# HP Take Back General



# 20 Take Back Laws, Variability



# Select Commonalities among 20 Laws

SCOPE			PERFORMANCE MEASURES
COVERED BRAND: OWN BRAND  (14)	COVERED ENTITY: HOUSEHOLD  (11)	COVERED IT PRODUCTS: DESKTOP*, NOTEBOOK, MONITOR (12)	FLEXIBLE, DO NOT MANDATE VOLUME OR GEO COVERAGE  (9)
CA, CT, HI, IN, MD, ME, MI, MO, NC, OK, RI, TX, VA, WV	CT, IL, MD, ME, MN, MO, NC, NJ, OK, TX, VA	CA, MD, MN, MO, NC, NJ, OK, OR, RI, TX, VA, WA	CA, HI, MD, MI, MO, OK, TX, VA, WV

State laws with all in common preferred by HP:  
TX, VA, OK, MO, MD (ME also notable)



# Scope—Covered Brand

- Preferred: own brand / IPR
- Benefits:
  - Design incentive
  - Implicit volume potential, avoid arbitrary targets
- Orphans:
  - Small IT volume issue
  - Solutions:
    - o Competitive / market approach preferred:
      - Ø Many mfrs do accept other brands
      - Ø allow mfrs to “count” any brand collected in published data or rankings
      - Ø possible procurement preferences (e.g. HI)
    - o One other approach noteworthy – Maine



# Scope—Covered Entity

- Preferred: households and home-offices or any entity shipping less than a set amount (e.g. 5 covered units)
- Not larger entities—already obligated / induced:
  - Legal requirements
  - Data security / privacy
  - Contracts (trade-in, tech refresh, etc)
  - High resale potential
  - Leasing models



# Scope—Covered Products

- Origin: CRTs / VDDs
- Trend: add limited devices without objective & consistent criteria
  - Example lobby by mfr X: “add printers because they contain circuit boards and sell a lot”
  - Counterpoint:
    - o Mfr X doesn't make printers, trying to place burdens on competitor that does
    - o Many other CEDs not yet covered sell more than printers
- Recommend:
  - Start with VDDs or
  - If expanding, honestly ID criteria and be consistent





# Performance Measures

- Do not mandate volume
  - Mfrs responsible for collection, transport and recycling
  - Mfr accountable also for the consumer's decision of when to relinquish private property!?
  - Mfrs compete to buy waste -> artificially inflates price
  - %-of-sales a guess, mfrs do not have visibility to all sales locations
- Do not impose geographic coverage requirements
  - Mfrs selling remotely disadvantaged
  - Mfrs not experienced in municipal waste collection
  - Expensive—more than 2X \$/lb vs states w/out geo mandates
  - Mfr offers free mail back -> geographically-convenient



# Performance Measures . . .

- Do allow flexibility if mfrs are funding the program—common language allows choice of mail-back, events or drop-points
- Misc:
  - Volume reporting (e.g., HI public ranking)
  - Gov't / other procurement preferences
  - If returns are not respectable after first program year(s), then revisit



# Summary, key points for IPR to work well

- Scope:
  - Mfr's own brand required, incentives for any brand
  - 5 units or fewer at one time, no interference with B2B / similar
  - Video display devices, or consistent criteria for broader
- Performance measures:
  - Flexibility if mfrs are funding—choice of mail-back, events or drop-points
  - If offering mail back, no further “convenience” mandate
  - Try program with volume incentives, not mandates, first



# Thank you!



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# Backup slides



# HP Vendor Requirements for Hardware Recycling (Standards)

- Available to public via [hp.com](http://hp.com)
- Example points:
  - Sign Social and Environmental Sustainability Agreement and adhere to Electronic Industries Code of Conduct
  - No landfill of electronics
  - No export of hazardous or regulated materials from developed countries to developing countries
  - Track material flows to the final disposition, disclose fully to HP
  - Provide mass balance reports upon request
  - Maintain environmental management system
  - Maintain closure plan and financing
- HP conducts systematic, annual audits of direct (first tier) and downstream (second and third tier) hardware recycling vendors.
- Subject to substantial HP contract



# US Commerce Clause

- US Congress has power to enact legislation affecting interstate commerce
- Supreme Court & lower court decisions interpret that states are restricted in legislating interstate commerce (“Dormant Commerce Clause”)
- Supreme Court: “The central rationale for [this] is to prohibit state or municipal laws whose object is local economic protectionism, laws that would excite those jealousies and retaliatory measures the Constitution was designed to prevent.”
- To overcome, a state generally must show that there is no other means to advance a legitimate local interest

