




NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION

EPA/NEWMOA Mercury Science & Policy Conference

**MERCURY PRODUCT POLICIES:
AN INDUSTRY PERSPECTIVE**

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NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION

My Plan

- Provide Overview of NEMA - Organization, Functions, and Products
- Discuss Mercury Product Policies
 - What do we Support?
 - What do we Oppose?
- Address Specific Product Issues
 - Lamps
 - Thermostats
 - Batteries

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NEMA
75 years of excellence

NEMA Vital Statistics

- Created 1926, Principal Trade Association Representing US Electro-Product Industry
- Membership: Appr 450 US Manufacturers
 - Products used in Generation, Transmission, Distribution, and End-Use of Electricity
 - 8 Industry Divisions, ~50 Product Sections
 - Dry Batteries to Motors to Traffic Signaling Equip to MRIs, etc.
- Principally a Standards Organization
 - More than 500 Industry Standards; Internally and With ANSI and IEC
- Also Advocacy, Market Data Collection & Analysis, Safety Promotion, International Collaboration

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NEMA
75 years of excellence

Electro-Industry Products

- NEMA products constitute the *foundation* of the worldwide electrical infrastructure
- Most NEMA Products are Industrial/Commercial
 - Long-lived
 - Large, stationary
 - Embedded in infrastructure
 - Little chance of potential harmful exposures
- Certain high value, common consumer products have long relied on Hg for functionality & efficiency
 - Hg switch thermostats ▪ EE lamps ▪ Consumer batteries

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Mercury Product Policies - Overview

Key Principles

- Ideal policies adequately reflect . . .
 - Characteristics of the product
 - Characteristics of the market
 - Realities of science, technology, and economics
 - Careful consideration of associated costs and benefits
- Ideal approach can *differ* by product type, market conditions, etc. (What's best for thermostats may not work for lamps, batteries, etc.)
- If collection and recycling are deemed to be the best option, NEMA favors true *Product Stewardship* approach.

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Product Stewardship Defined

According to US EPA . . .

- “Product stewardship is a product-centered approach to environmental protection. It calls on those in the product lifecycle—manufacturers, retailers, users, and disposers—to share responsibility for reducing the environmental impacts of products.”
(<http://www.epa.gov/epawaste/partnerships/stewardship/index.htm>)

Furthermore . . .

- “Product stewardship recognizes that product manufacturers must take on new responsibilities to reduce the environmental footprint of their products. However, real change cannot always be achieved by producers acting alone: retailers, consumers, and the existing waste management infrastructure need to help to provide the most workable and cost-effective solutions. Solutions and roles will vary from one product system to another.”

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Product Stewardship Contd

- Primary Goal of Product Stewardship?
 - Reduce adverse impacts of products on the environment and public health. Focus on entire product cycle; design through end-of-life.
- NEMA's View
 - Ideal approach is one that best serves that goal in the most *efficient* and *effective* way

**** Key is to Recognize and Make Use of **
Strengths/Advantages of Various Stakeholders**

- Manufacturers' clearest strength is designing new and better products; and provide information to the market


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“Extended Producer Responsibility”

- EPR = *Prescriptive form* of Product Stewardship
 - “One Size Fits All”
 - *e.g.*, AB 283 in Calif, HB 3060 in OR
- Places Entire Legal, Cost, & Performance Burden on Manufacturers
 - Claims of “Flexibility” & “Shared Responsibility” are Illusory
 - Reflects Ideology
- Based on False Presumptions
 - Provides Incentives to Develop “Greener” Products
 - Producers can Exercise “Power” in the Marketplace
- Ignores Critical Differences in Products, Markets, Consumption/Use Patterns, etc.


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NEMA Preferred Approach

- **Shared Responsibility**
 - All stakeholders should be engaged. Don't assign financial & administrative responsibility, enforcement, to one group by fiat.
- **Rational and Attainable Program Goals**
 - Need credible data
 - Parties responsible for actions/functions *they can control!!*
- **Cost Efficient/Economically Viable**
 - Minimize expense, particularly to consumers
- **Accessible**
 - Key factor for collection programs
- **Environmental Benefits Commensurate with Costs**
 - If benefits < costs, what's the point?

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Product Area - Thermostats


In a Nutshell . . .

- NEMA supports state legislation that *complements* the efforts and *reflects* the experience of the TRC
- NEMA opposes state legislation that adds costs with no benefits to the TRC operations

**** Thermostat Recycling Corporation ****

- Only national thermostat recycling program in US
- Formed by Honeywell, GE, White-Rodgers in 1998; now has 29 paying corporate members
- Operates in 48 states, accepts all t-stats regardless of brand
- Except for \$25 bin fee, manufacturers absorb all costs
- Over 4 tons of mercury collected

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Product Area - Thermostats Contd

NEMA therefore supports . . .

- Inclusion of all current and former manufacturers of mercury t'stats (*i.e.*, "Producer" = brand owner)
- Mandatory contractor recycling
- Mandatory wholesaler participation
- Shared education and outreach
- Explicit authority for the program to manage risk
- A sunset provision
- Incorporating compliance activities into licensing programs (where possible)

NEMA opposes. . .

- Mandatory financial incentives
- Mandatory mail-back programs
- Performance goals tied to collection rates, based on *ad hoc* models that have not been field tested
- Public review and comment on manufacturer plans
- Requirement on manufacturers to "maximize" collection of thermostats

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Product Area - Lamps

In a Nutshell . . .

- NEMA supports lamp recycling legislation that promotes widespread education on proper lamp disposal, creates a shared responsibility framework to maximize the number of mercury lamps collected and recycled from households, and minimizes the impact on the market price of energy efficient lamps.
- "Cost internalization" is economically untenable for lamps
 - Cost of collection, transport, recycling nearly = purchase price of a lamp. No model for this.
 - Creates upward pressure on price of EE lighting. Not a good outcome in era of energy efficiency
 - Forces manufacturers into recycling business - opposed by recyclers

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Product Area - Lamps Contd


NEMA therefore supports . . .

- Disposal bans for businesses, with recycling through existing private infrastructure
- Household recycling funded through broad-based structure (*e.g.*, Waste fees? Visible fee?)
- Mandatory mfr participation
- Shared education and outreach
- Possibly a TPO, administered by industry, not Govt, for agreed-upon functions
- **Uniform** Hg content standards

NEMA opposes. . .

- Policies that raise the price of EE lamps or present obstacles to developing new technologies
- Non-transparent (*i.e.*, invisible) fees
- Enforceable target recycling rates
- Systems that would disrupt or create a financial burden for recyclers

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Product Area - Batteries

In a Nutshell . . .

- NEMA supports and funds collection of rechargeable batteries (NiCads, Li ion, etc.)
 - RBRC operates in US and CAN, hundreds of thousands of collection sites
- NEMA does not support collection and recycling of primary, single-use batteries (AA, AAA, C, D, 9v)
 - Science (*i.e.*, LCA) does not support it
 - They are miniscule part of waste stream
 - No value in recovered constituents
- NEMA opposes recycling Hg-added coin and button cell batteries
 - Principal chemistry phasing out now; others by 2014 or so
 - **Far** too many complications; inconsequential source of mercury

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Summary

- In general, Product Stewardship is sensible approach
- Manufacturers play a key role in meeting the goals of product stewardship

NEMA supports. . . .

- Shared Responsibility - not only fair but efficient
- Approaches that are economically viable and can be expected to have benefits
- Performance measures that reflect real data and relate to actions and parties mfrs *can control*

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