

State-level requirements for selling covered electronic devices (CEDs)

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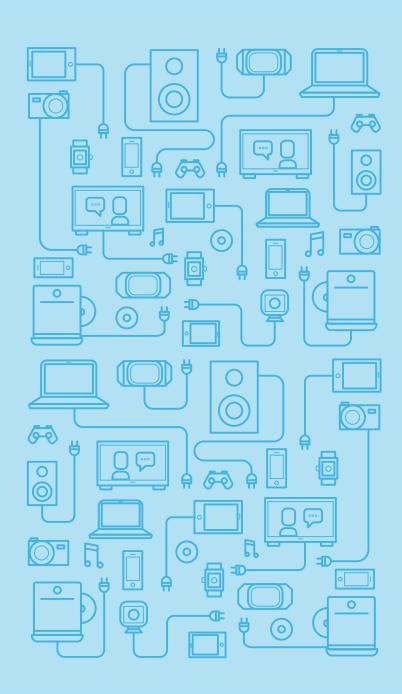












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Introduction

As the consumption of consumer electronics increases, the obligation to handle electronics in a safe and sustainable way becomes more and more important.

It's essential that retailers and manufacturers know their obligations and understand the proactive ways they can be good corporate citizens.

What are the state-level regulations that apply to Covered Electronic Devices (CED) today?

How does the price of a TV affect which regulations apply?

Which states have obscure rules for CEDs?



The definition of Covered Electronic Devices (CEDs) has specific administrative and waste management requirements which must be followed in order to be legally sold within certain US states.

It's imperative for manufacturers and retailers to understand state requirements. And each state's requirements differ slightly. For example, in South Carolina, TVs that are sold for less than \$100 are exempt from the CED requirements; while in Pennsylvania, manufacturers who only make computer peripherals (and no other device type) are exempt from requirements. Companies have needed to stay on top of regulations, including local nuances, to avoid being fined for shipping or disposing of products in the wrong way.

Failing to comply with selling requirements could result in being placed on a "Do Not Sell" list and the issuance of fines.

AJ Kenny,
Director of Regulations
Smarter Sorting

This is where Smarter
Sorting comes to the
rescue. We know the
rules. We also know the
individual makeup of
millions of consumer
products. We can
accurately identify
the right product
classification, instantly.

In our State-level Requirements for Selling Covered Electronic Devices white paper, we examine all applicable requirements for selling CEDs, and break down how manufacturers and retailers can confidently navigate the complex regulatory environment in order to get products to consumers, quickly and efficiently.

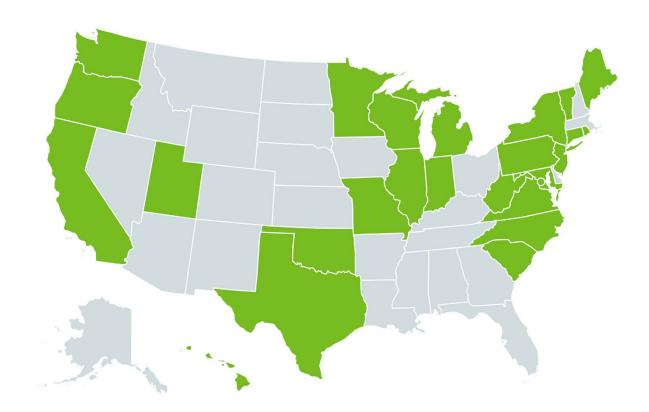
This white paper focuses on state-level requirements for compliantly selling CEDs.

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Where do the rules apply?

To remain compliant, retailers and manufacturers must follow the requirements in the state where the product is sold. There are currently rules in 25 states and the District of Columbia

Each state's requirements and definitions of "CED" differ, so it's vital for retailers and manufacturers to thoroughly understand their obligations in every state.







For retailers, failing to comply with selling requirements could result in receiving a "Do Not Sell" notice and the issuance of fines if prohibited items continue to be sold. For manufacturers, failure to comply with selling requirements would bar product sales by any retailer. They could find themselves on a "Do Not Sell" list on the state website (eg, CT List) as they could receive fines.

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What devices do the rules apply to?

To find out whether selling requirements apply to a particular product, a manufacturer or retailer must first determine whether that product qualifies as a Covered Electronic Device (CED) in a particular state.

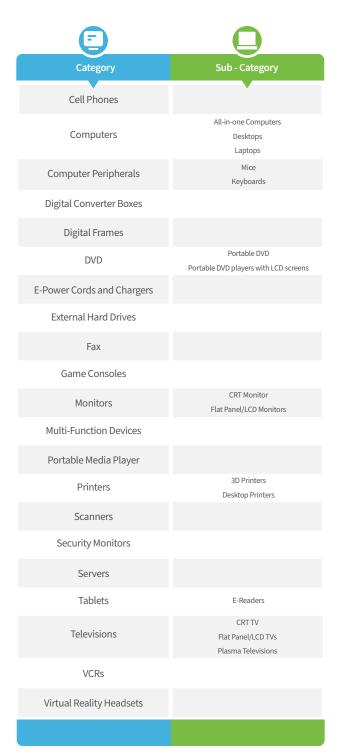
Unlike federal hazardous waste definitions, the definition of CEDs varies state to state. While the Minnesota Pollution Control Agency defines CEDs as "consumer electronics that can be collected, recycled, and sold as pounds to meet manufacturer recycling obligation". The California Department of Toxic Substances Control defines a CED as "a video display device with a screen greater than four inches, measured diagonally".

Despite discrepancies and ambiguities in definitions, most states agree that CEDs are consumer electronics, typically with screens, which generally fall into one of the following categories and subcategories:

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Many states also stipulate that a device must have a screen with a specific size to qualify as a CED. The size is typically 4 or 7 inches measured diagonally. Knowing the exact screen size will help to more quickly identify the CED status.

Haley Salzwedal, Sustainability & ESG Lead Smarter Sorting



While some of these categories are broad, there is no formal unified definition for what each category entails. Again, it is up to the manufacturers and retailers to determine how their product is classified by the state and if there are any associated regulations.





Rules for manufacturers

The manufacturer registry



To compliantly sell CEDs, manufacturers need to know which states have manufacturer registries. Product registration

typically involves submitting a registration form and paying a fee to the state environmental department. This fee usually goes towards funding state-level e-waste recycling and educational services for consumers. Fee structures, ranging from flat fees to tiered fees, are assessed by a manufacturer's market share in a state.



In addition to the fee, many states require manufacturers to provide proof of an EPR (Extended Producer Responsibility) program

which offers e-waste collection and recycling for consumers. Along with details about the program, manufacturers may also need to report on CED sales and collection, as well as reuse and recycling rates through the program. This coincides with a <u>nationwide effort</u> to further EPR initiatives and hold manufacturers financially and legally accountable for the fate of their products.





If a manufacturer cannot establish their own EPR scheme, they must pay additional fees to fund state-run recycling programs for CEDs.

Once registered with the state, the manufacturer and associated brand names will be added to the state approved manufacturer registry, and their products may be legally sold.

Exceptions

Some states have specific exceptions for CED manufacturers that should be considered. These exceptions focus on the following:

- Intended use of device (residential vs. commercial)
- Price and quantity of sold devices
- Device type (peripheral vs. primary)

For example, manufacturers selling CEDs in Wisconsin are only required to register with <u>E-Cycle Wisconsin</u> if they intend to sell products to households and K-12 schools. If a manufacturer only intends to sell electronic devices to commercial entities, they would be exempt from registration requirements.

In <u>South Carolina</u>, TVs that are sold for less than \$100 are exempt from CED selling requirements.

Meanwhile, in Pennsylvania, manufacturers of only computer peripherals are excluded from requirements established by the <u>Covered Device Recycling Act</u>.



Notice to retailers

In <u>New York</u> and <u>California</u>, manufacturers are required to notify their retail partners about their current registration status. This can be accomplished through an electronic notification system or through traditional mail. Although not standardized across the US, this requirement adds a layer of transparency and ease for retailers as they determine which manufacturers are registered and what obligations they need to follow as the retailer.

Product labeling

CEDs will need permanently affixed labels that clearly identify the manufacturer and brand name to comply under most laws. This requirement is fundamental in most states and allows retailers to cross-reference the brand or manufacturer against the registered entities list for that state. Manufacturers who choose to omit this information will be limited in where they can sell their products, as most retailers can only sell products that meet this labeling requirement.



Rules for retailers

State registrations - what you need to know

To compliantly sell new CEDs, retailers must first confirm that the device manufacturer and/or brand are listed on the most current version of each state registry. Some states allow continual manufacturer registration throughout the year and update the registry periodically to reflect these updates. Retailers can elect to continually monitor these updates or directly contact a state to inquire about the status of a particular manufacturer.

Retailers should also be sure to check "Do Not Sell" lists in states that furnish them. If a manufacturer and/ or brand is included on that list for the current time period, a retailer is prohibited from selling their CEDs.

It should be noted that while California and Utah have implemented some form of CED requirements, neither state has an official manufacturer registry. In California, they rely upon fee collection from consumers to fund an electronics EPR program (see **Collection fees** section for more information). Utah does not levy any requirements on retailers but instead issues reporting and public education requirements for manufacturers.

Label confirmation

Prior to selling a CED, retailers must confirm the product is permanently affixed with a visible label that clearly shows the manufacturer or brand name. More specifically, the label must be affixed to the product, not just the outer or inner packaging. It's standard practice for most product labels to be etched directly into the product, but retailers should check to be sure.

This is a requirement in almost every state with CED regulations and should be incorporated into a retailer's standard due diligence process for selling electronics.

Notice to consumers

A handful of states require retailers to provide consumers with notifications about recycling CEDs at the point of sale. These notices can include where, when, and how to recycle CEDs, as well as the overall benefits of e-waste recycling.

These notices usually need to be clearly displayed at retail locations in a place that is visible to customers. If the product is purchased through a retailer website or a third party ecommerce store, these notices must be clearly stated on the website at the point of sale.

Sometimes manufacturers will provide this information directly to retailers. However, if a manufacturer does not furnish this information, retailers should direct consumers to the state website to find information about take back programs, recycling locations, and authorized recyclers.

In some cases, public outreach campaigns fall under the "consumer notice" umbrella. For example, the state of Washington requires retailers selling CEDs to provide the public with information about the E-cycle Washington program. Outreach materials, logos, and overall requirements are provided by the State of Washington Department of Ecology.

Collection fees

In California, retailers must collect Electronic Waste Recycling fees from consumers at the point of sale for CED. These fees must be sent to the California Department of Tax and Fee Administration (CDTFA) to fund the cost of collecting and recycling waste CEDs.

Additionally, retailers may retain 3% of the covered electronic waste recycling fee as reimbursement for all costs associated with the collection of the fee. The remainder of the fee can then be passed to the state. More information on the Covered Electronic Waste Recycling Fee can be found on the <u>Calrecycle website</u>.





We know the rules

Selling a wide variety of electronics in multiple US states can prove challenging for both manufacturers and retailers. Each state has different requirements and exemptions that must be closely followed to ensure compliance. But keeping tabs on every state with CED regulations is a tedious and time consuming process.

The Electronics Recycling Coordination Clearinghouse (ERCC) is a nonprofit that aims to solve this problem by consolidating state requirements and manufacturer registries into one database. They provide a breakdown of all applicable requirements and covered device definitions for every state. Retailers and manufacturers can use some of the publicly available features to establish covered device status for a product, search manufacturer databases, and determine selling requirements for a particular state.

The ERCC has also developed the Ecycle Registration tool for CED manufacturers. This tool helps simplify the registration process for manufacturers in each state and provides a centralized location to view registration requirements under state electronics recycling laws.

The Product Intelligence Platform™

Smarter Sorting has partnered with ERCC to help retailers and manufacturers fully understand CED selling requirements for their electronic products. All the rules, state by state, are accessed by our Product Intelligence Platform™. This helps retailers and manufacturers know exactly how to make, move and sell products in the most compliant and sustainable way possible.

With the Product Intelligence Platform™, users can access ERCC data instantly without the hassle of searching through requirements and registries for each state and trying to determine CED types for every electronic product in inventory.

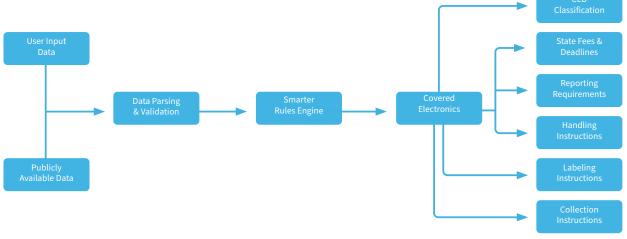
When CEDs are registered in the platform, the CED status is automatically determined, and state registries are instantly searched to confirm registration and compliance. Additional

requirements for providing notices and labeling are also provided, so full compliance is ensured throughout the selling process.

Retailers and manufacturers can quickly confirm device compliance and will receive flags and instructions for handling non-compliant products.

Along with ERCC, Smarter Sorting is demystifying selling requirements and streamlining compliance for CED manufacturers and retailers across the country.





Appendix

Table 1: List of states with CED regulations

State	Link to Regulations
California	https://calrecycle.ca.gov/electronics/
Connecticut	https://portal.ct.gov/DEEP/Reduce-Reuse-Recycle/Electronics/ CT-Electronic-Recycling-Law
Hawaii	https://health.hawaii.gov/ewaste/
Illinois	https://www2.illinois.gov/epa/topics/waste-management/ electronics-recycling/Pages/default.aspx
Indiana	https://www.in.gov/idem/recycle/indiana-e-cycle/
Maine	https://www.maine.gov/dep/waste/ewaste/comply.html
Maryland	https://mde.maryland.gov/programs/LAND/ RecyclingandOperationsprogram/Pages/ecycling.aspx
Michigan	https://www.michigan.gov/egle/about/organization/Materials- Management/electronic-waste-takeback-program
Minnesota	$\frac{https://www.pca.state.mn.us/quick-links/minnesota-electronics-recycling-act}{}$
Missouri	https://dnr.mo.gov/waste-recycling/reduce-reuse-recycle/what-to-do-with-specific/electronics
New Jersey	https://www.nj.gov/dep/dshw/ewaste/
New York	https://www.dec.ny.gov/chemical/65583.html
North Carolina	https://deq.nc.gov/about/divisions/waste-management/solid- waste-section/electronics-management
Oklahoma	https://www.deq.ok.gov/land-protection-division/recycling/.computer-equipment-recycling/.
Oregon	https://www.oregon.gov/deq/ecycles/Pages/more.aspx
Pennsylvania	https://www.dep.pa.gov/Business/Land/Waste/Recycling/ Electronics/Pages/default.aspx
Rhode Island	http://www.dem.ri.gov/programs/wastemanagement/facilities/ e-waste.php
South Carolina	https://scdhec.gov/environment/recycling-waste-reduction/electronics-recycling/electronics-recycling-manufacturers
Texas	https://www.tceq.texas.gov/p2/recycle/electronics/
Utah	https://deq.utah.gov/waste-management-and-radiation-control/solid-waste/recycling/recycling-electronics-responsibly
Vermont	https://dec.vermont.gov/content/e-cycles-retailers-and- manufacturers
Virginia	https://www.deq.virginia.gov/land-waste/recycling/statewide-recycling-programs/computer-electronics-recycling
Washington	https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Electronics-Ecycle-guidance-and-reports
West Virgina	https://dep.wv.gov/environmental-advocate/reap/cedprogram/ Pages/default.aspx
Wisconsin	https://dnr.wisconsin.gov/topic/Ecycle/Wisconsin.html
Washington D.C.	https://doee.dc.gov/node/1117961

Figure 1: Map of states with CED regulations





Smarter Sorting helps companies know more about consumer products to make, market and move them better. Our customers are the places you shop everyday like Costco and Albertsons, as well as brands like Lysol, Miracle-Gro and Colgate. They use our product intelligence to identify how to best handle regulated consumer products across the supply chain to remain compliant, avoid fines and reduce their environmental impact. We have brought together a passionate team of math nerds, chemistry wizards and retail pros. We work smart and we get stuff done.

Because when we know more, we do better.













an <u>un</u>reasonable company







