



Should we educate households to keep their old analog TVs or Recycle them?

February 19, 2008

The countdown to the FCC mandated switch to digital broadcasting is 364 days away, Feb 17th 2009. No one knows how the US residential population will react with their old unwanted TVs. However, it is entirely within our power to control the residential reaction resulting in a WIN/WIN for all parties involved. Will the residential community hang onto them adding to the stock piled computers they have in their basements attics and garages? Or will they dispose of them at the curb in 45 non-legislated States where there are no land fill bans on lead based covered electronic devices (CED) such as TVs and computer monitors?

There is a notion and a suggestion going around the nation that we educate the public to hang onto their unwanted analog TVs? To keep them for further use down the road for a family member in need or to give them to non profit groups to be passed on to less fortunate families. Both situations will require a digital converter box for antenna based house holds or paid service connection to cable or satellite.

The problem with the above mentioned suggestion is that the TV Producers will quickly obsolete the analog TVs through creative marketing and advertising campaigns thereby creating more supply of the old analog TVs then demand for them even though they will be FREE.

It is entirely possible that the US will be sitting on 274 million “unused” analog TVs (according to the 2001 Census Track data) over the next 3-8 years. After all, it only took 8 years for the entire nation’s businesses and consumers to replace and buy the Flat screen LCD computer monitors. It is sure to be even less time for the new flat screen HD TVs with the advertising budgets the TV Producers already have in place for the digital transition.

As an astute fellow board member of the Michigan Recycling Coalition said to all of us in a string of e-mail dialogue on the Subject of the Digital Switch in Nov. of 2007, “ I think that some folks may see this as an opportunity to replace their analog TVs with digital, regardless of the options suggested. This is America after all, where consumerism is akin to national pride”.

Is it better to deal with the problem head on by being proactive now or to deal with it down the road when it has become another huge mountain of electronics stock piled with little to no solutions at pulling the TVs out to be recycled? It certainly won’t be because we couldn’t and wouldn’t try to make the same argument we’ve been making to the US population to RECYCLE . Unfortunately that has NOT worked to date, and without a bigger event to “jump start” it, we doubt it will get any better.

The FCC mandated switch to digital broadcasting has the “media power” which is free of charge and therefore the momentum behind the ability to educate the public on what to do with their old unwanted analog TVs. It also has the “law of potentiality” on its side.

If the FCC switch to digital is communicated correctly with all its myriad of messages and power, it could exponentially effect E-waste recycling nationwide. Not only would it solve the E-waste problem , it would be a HUGE upside potential for JOB CREATION. Additionally, it will invariably affect recycling of anything and everything nationwide.

To properly recycle TVs by themselves only produces sub-products and small amounts of raw materials which are negligible to offsetting the labor costs required to make TV/Monitor recycling a profitable business. This needs to

become a profitable business in order to promote proper disposal/recycling of TVs and avoid the landfill/hazardous waste disaster that it also could become.

The right price to perform this service is \$20 per TV which covers collection, hauling and processing. Assuming legislation won't be in place in the majority of states at the time of the digital transition, Feb 17th, 2009, the plan we've outlined below is WIN/WIN for all parties involved.

First and foremost, it needs to be jump started with funding. Who should provide the funding? The correct and easy answer is the TV Producers and the FCC. WHY? Because they both stand to gain the most monetarily from the switch to digital estimated to be in the multi billions and therefore they will be the only groups that COULD and SHOULD fund the "jumpstart". The TV industry will profit in the multi billions from sales of HD TV units and the FCC will do the same from selling the analog spectrum to the wireless companies.

We are not saying they should fund the recycling of TVs indefinitely, but we are saying they should for a period of time beginning with the day after Thanksgiving Nov 28th 2008 lasting through the Super Bowl Sunday Feb 7th 2010 (14 months and 10 days). This time frame covers 2 years of the biggest selling seasons for TV Producers and Retailers which is always Christmas and Super Bowl Sunday.

The TV Producers should give the Retail stores who sell their TVs a \$20 off credit for every HD TV a consumer buys who also brings in an old analog TV to recycle (any brand). It should NOT be the responsibility of the manufacturer of the brand being recycled but rather the TV Producer of brand being purchased. This eliminates the cumbersome, tedious tracking and sorting by brand for all parties involved, the biggest burden of which would be on the Recyclers.

This solution requires that the Retailers partner with the E-waste Recyclers of TVs ahead of time (similar to the way Waste Management and Sony are coming up with the 150 recycling centers nationwide for Sony's TakeBack program). Checks should be rebated back monthly for the \$20 to both the Retailers and the E-waste Recycler partners at the same time upon the TV Producers receiving both parties recycling reports for total units recycled monthly. The reports should itemize TV unit sales by brand monthly and the # of analog units recycled for \$20 credits off each sales receipt totaled up by month for each store. Additionally those same figures should match the quantities of total units recycled by the Recyclers working in partnership with the Retailers on a month by month basis.

The check approval process should require that both the Recycler and the Retailer turn reports in simultaneously which will help keep a "check and balance" for TV Producers on accuracy of data. The check will be split with 25% going to the Retailer for collecting the old analog TVs on their Retail property and 75% will go to the Recycler/Processor to do the trailer drops at the Retailers sites for accumulation and storage of TVs and the hauling of the full trailers back to their facilities. Additionally it will cover the costs of the Recyclers to process the TVs in a manner called "glass to glass" recycling which follows the US EPA standards and recommendations. It is currently the only Green method available to handle lead based glass products in existence today.

If we do the math, the worst case scenario is that every single person recycles one analog TV in the 45 non-legislated states in exchange for \$20 off the designated price of a purchase on a new HD TV. It is unlikely that 100% of the consumers who purchase a new HD TV will recycle and old one, but the TV producers need to plan for it as if it will happen.

It has been estimated by industry experts that 86% of all Households will own at least one new HD TV between now and the end of 2009 largely because of the FCC mandated switch to Digital Broadcasting combined with TV Manufacturer advertising. There are 114 million Households in America therefore the market potential for TV Producers is an estimated 98 million units to be sold over the next two years. And then many, many more units will be sold after that time period as American consumers replace all their old analog TVs with HD TVs.

This will cost the TV Producers a maximum estimated 90 million units x \$20=\$1.8 Billion dollars (worst case scenario), if you factor out the other 5 states who already have legislated E-waste programs (CA, WA, ME, MA, MN).

The amount represents 4.2% of total revenues in a 14 month time frame. Consider the advertising mileage TV Producers will get from "word of mouth" and the public announcement campaigns that will occur as a result, FREE of

charge, nationwide. One of the goals of this proposed solution is to help the entire TV Producer industry "step up" and account for the environmental problem that the TV industry's product obsolescence creates.

It's very important that all the TV Producers, Retailers and CERC (Consumer Electronics Recycling Coalition) understand that they need to lobby and petition the US EPA for a nationwide environmental fee to be placed on all TV sales beginning with Feb 8th 2010 such that all consumers begin paying the recycling fees up front at the time of purchase with the Retailers. We believe this is the only successful path to take if the US wants to solve the E-waste problem nationally. The legislation would be similar to the *car battery* and the *tire* consumer purchase programs which have environmental fees added on to the receipt at the point of purchase.

Many, many groups would help to make this a reality after the November 2008 Presidential election. It's never a good idea in American politics to propose legislation that makes consumers pay "another tax" which is how the environmental fees will be viewed by the American politicians who will "spin" the story into a controversial message to the American citizens for their political gain.

Although we believe Sony and Waste Management's current TAKEBACK program is a good idea for the end of life product cycle; they will still have to deal with the challenges of sorting out Sony products ONLY, picked up from households in the special trucks that come around once a month to pick up household appliances. The special trucks will have to deliver the appliances to the designated recycling centers to be processed separately which bring on a host of new challenges if all the TV Producers were to make a similar deal with the Solid Waste Industry nationwide.

A better idea for residents who do not purchase a new HD TV between Nov 28th 2008 and Feb 7th 2010 and/or for those who don't take advantage of the \$20 credit with a new purchase to recycle an old TV is to allow them to recycle their TVs *curbside* for FREE. Households should be able to recycle their unwanted TVs for FREE at the Curb for the exact same time frame as the TV producers run their programs under the auspices that the TVs will be recycled NOT land filled. As we all know, residents in 45 non-legislated states can do this now, but their TVs will automatically go to a landfill because haulers will not separate the TVs out of the solid waste stream unless they are paid to perform that service. The service costs money; therefore they can't afford to do it for free.

The FCC needs to fund this program the same way as the TV producers do with a \$20 payment to the Waste Hauler and their designated Recycling partners of choice. The same split should be afforded whereby the haulers get \$5 for each TV recycled and collected by them (25% of the \$20) and the Recycler gets \$15 (75% of the fee) for the trailer drops and swaps, the hauling, and processing of the TVs via the "glass to glass" recycling method.

The current best *guesstimate* is 1 in 4 households will recycle one TV. Or said another way, 10% of the analog TVs in households will be set out at the curb in the first 14 months immediately preceding the FCC deadline and 10% more the year following the FCC mandate. IF WE DO THE MATH: 1 in 4 households recycling one TV at the curb will produce 28.5 million TVs per season which will cost the FCC \$20 x 28.5 million units x 2 seasons (Christmas and Super Bowl 2008/2009 and 2009/2010) = \$570 million.

This amount is nothing more than raising the money through 3 Mega Millions lotteries. More appropriately, it should be raised from a portion of the funds the FCC will receive from the sales of the analog spectrum to the wireless companies. Either way, it's affordable, and it's a way to fund the "jumpstart" of recycling the-soon-to-be obsolete analog TVs. Stay tuned for more information on this subject coming soon.