

THE DISTRIBUTOR TAKE BACK SCHEME PHASE 2 - FACT SHEET

Existing members of the DTS that are rejoining in phase 2

WEEE Regulations

The Waste Electrical and Electronic Equipment (WEEE) Regulations came into force on the 2nd January 2007; the Regulations are aimed at increasing collection and recycling rates of WEEE. From the 1st July 2007 any distributor supplying Electrical and Electronic Equipment (EEE) is required to play an active role in meeting the aims of the WEEE Regulations, by providing collection mechanisms for the public to return household WEEE for recycling and advertising these facilities to customers.

WEEE and the Distributor Take Back Scheme (DTS)

On 6th November 2009, the Department for Business, Innovation and Skills (BIS), which is responsible for implementation of the Directive in the UK, published updated regulations designed to improve the effectiveness of the UK's system for collection and treatment of WEEE. They are effective from 1 January 2010. As a part of this update, BIS announced the re-appointment of leading Producer Responsibility Scheme, Valpak, as operator of the DTS for a further three compliance periods (to be known as 'phase 2' of the DTS) until December 2012.

The DTS is the only way that retailers can be exempt from the requirements relating to take-back (regulation 31) and record keeping (regulation 34(1)).

In many cases, the DTS will provide a cost effective hassle free solution for Distributors to discharge their obligations under the WEEE regulations.

Options available to distributors:

Distributors have two options to comply with the WEEE regulations;

If distributors DO decide to join the DTS

- Instead of offering free take back to customers, distributors will make a financial contribution to the DTS which will be used to assist in the development of WEEE collection facilities throughout the UK.
- Financial contributions will be passed to Local Authority and Council collection site operators to develop their WEEE collection infrastructure.
- By making this contribution, distributors will NOT be required to offer any take back (unless they wish to do so) until at least 2013.

Any large equipment that distributors may wish to collect as a customer service can still be fed into the WEEE system and will be recycled at the cost of producer schemes.

If distributors decide to NOT join the DTS

- The enforcement agency, the VCA (www.vca.gov.uk), will assume that distributors are offering free and convenient take back of household WEEE from their customers, when purchasing like for like products.
- Free take back will have to be available for all types of EEE that is sold; not just large or white goods, therefore requiring the provision of floor space for storage.
- WEEE will need to be stored and transported to an appropriate treatment facility at the cost of the distributor, which may require comprehensive waste licensing with no guarantees regarding future cost or licensing requirements.
- Distributors will be subject to enforcement agency monitoring.
- The introduction of a Government sponsored WEEE awareness scheme it is likely that any demand for take back is likely to increase significantly in the future.
- Material will have to be passed to producer schemes, who will be responsible for onward treatment and recycling of collected equipment, under WEEE regulation 32.
 - No distributor, DTS member or otherwise, is allowed to deposit collected WEEE at the local council operated waste collection site.

BIS advise that any distributor without sound commercial reasons for offering take back should seriously consider joining the DTS. **Any retailer choosing not to join the DTS should be 100% satisfied that the methods they adopt to meet the requirements of regulation 31 (take-back) and 34 (record keeping) are compliant with the law.**

Joining and retention fees

Any distributor that is joining the DTS for the first time is required to pay a joining fee. Any distributor that is rejoining the DTS for a second phase is required to pay a significantly lower retention and operating fee. This fee structure takes into account the higher fees paid by members of the DTS in phase 1 (2007-2009), that were required at that time in order to achieve the objective of assisting in the establishment of the UK's WEEE collection network. It would be unfair on existing DTS members for new applicants to gain low cost access to the scheme on the back of the investment made in establishing the collection network.

All fees paid into the scheme (with the exception of Valpak operating fees which offset operational costs as agreed with BIS and the British Retail Consortium) will be passed to Local Authorities for either the development of new DCFs, maintenance of existing sites or special projects agreed by BIS to specifically increase the collection rate of WEEE in the UK.

Retention fees for members that are re-registering with the DTS in phase 2

The fees that you pay will, in the first instance, be based on the total value of all EEE that you sold to household end users between 1 October 2008 and 30 September 2009 (initial data collection period). Fees are **guaranteed to be a one off payment** that will **ensure your compliance until the end of December 2012**. The fees are described below:

Distributor type (DTS classification)	Value of EEE products supplied in data collection period	Cost* of re-joining the DTS before 5 th February 2010	Cost of re-joining the DTS after 5 th February 2010
band A distributor	Greater than £1.5m	Phase 2 'per unit' fee [†] plus op costs	Phase 2 'per unit' fee [†] plus 20%
band B distributor	£100,000 and £1.5m	£187.25	£300
band C distributor	£0 and £100,000	£75	£150

* The cost to existing DTS members of re-registering in phase 2 includes a retention fee and separate operating cost, covering the cost of administering the scheme.

[†] **Retention fees for members in band A in phase 2 detailed below.** These are less than 20% of those charged for phase one, and in many cases significantly lower than that. A further operational fee (14.75% of retention fees) will also be added.

Material type	Equipment category	Band A retention fees (£) per unit sold (01/10/08 – 30/09/09)	Band A retention fees (£) including operating fees
Fridges and freezer	1b	0.148	0.170
Other white goods (non-refrigeration)	1a	0.0607	0.0696
Televisions and monitors	4b, 3b	0.0537	0.0616
Lighting	5	0.000864	0.000992
All other EEE	2, 3a, 4a, 6, 7, 8, 9,10	0.00198	0.00227

Any distributor falling into 'band A' but whose bill is calculated to be less than the 'band B' fee will be charged the appropriate 'band B' fee (£187.50 if application is received before 05/02/10).

The Benefits of joining the DTS

The benefits of joining the DTS include:

- Full exemption from prosecution under regulations 31 (requiring you to offer take back) and 34(1) (record keeping) until 31 December 2012.
- Assistance in meeting obligations to provide information regarding the WEEE regulations to consumers through Valpak's existing recycling brand, recycle-more.co.uk.
 - Valpak will produce a range of virtual marketing material and fact sheets. This will include certification, web based information and other materials such as window stickers and posters.
- DTS members will have access to email and internet help and guidance.