

Date 16 April 2007

Dear

**The Role of Producer Compliance Schemes (PCS) under the WEEE Regulations 2006**

As an approved Producer Compliance Scheme (PCS) you will be aware of your responsibilities to discharge the obligations of your members under the WEEE Regulations. This letter sets out how the UK Government wishes to see the WEEE system work in practice and aims to address some of the outstanding issues which have been raised since the publication of the Non-Statutory Guidance on the 28 February 2007.

As a PCS you are required to work on behalf of your membership in relation to their obligations to finance the collection, treatment and reprocessing or recovery of household WEEE to standards specified in the UK WEEE Regulations 2006 (SI3289) and the EC WEEE Directive.

As you are aware, producer obligations will be calculated on the basis of UK market share (by the categories detailed in the WEEE Regulations) and the level of household WEEE arising at designated collection facilities (DCFs) or returned to producers under Regulation 32.

DCFs will be either existing local authority civic amenity sites, independent sites operated by the third sector or retail platforms established as a result of distributors offering collection on delivery services to their customers. Individual distributors who offer in-store take-back to their customers will not be classed as DCFs. WEEE collected as a result of in-store take-back will be covered by

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Regulation 32.

### **Relationships with Designated Collection Facilities (DCFs)**

As a PCS you are required, by the Regulations, to provide evidence of discharging your members' obligations to finance the collection, treatment, and reprocessing and recovery of WEEE in line with their obligations. In practice this will mean developing relationships with operators of DCFs (ie local authorities, third sector and retail platform operators) and other producer compliance schemes.

It is not permissible for local authorities or operators of third party DCFs to charge any PCS for the collection of WEEE from their sites although they may wish to undertake a non financial "tendering" process to secure the level of service needed to suit local circumstances.

A Code of Practice has been developed by a cross section of stakeholders to form the basis of these relationships. The Code can be accessed at <http://www.dti.gov.uk/innovation/sustainability/weee/page30269.html>

A list of the DTI approved DCFs – local authority and third party operated sites will be accessible via the DTI website - <http://www.dti.gov.uk/innovation/sustainability/weee> - and that of the Distributor Takeback Scheme operator - <http://www.valpak.co.uk/dts>

### **Separate Collection of WEEE under Regulation 32**

Distributors offering in-store take-back have the right under Regulation 32 to return collected WEEE to producer compliance schemes. In practice this will mean the distributor making contact with the PCS and returning the WEEE either direct to the PCS or an AATF working on behalf of the PCS.

Under Regulation 32 the distributor is required to meet any costs arising from the transportation of the WEEE to the AATF. The cost of treatment, recycling and recovery will however remain the obligation of the PCS.

A PCS can arrange with the distributor to collect the collected WEEE but this is purely a commercial decision between the two parties.

### **Prioritisation of whole appliances for reuse**

The WEEE Directive calls for the prioritisation of whole appliances for reuse and refurbishment. PCS are encouraged to develop relationships with reuse organisations to ensure all items which can be refurbished and reused as whole appliances are separated from WEEE which will be sent for reprocessing, recycling and recovery.

Care however must be taken when considering items for reuse:

- The PCS must take appropriate steps to ensure any whole items identified are sent for legitimate reuse and not to be discarded by means not in line with the objectives of the WEEE Regulations;
- The PCS should take all appropriate steps to ensure any items of WEEE identified for refurbishment and reuse overseas are exported according to the requirements of legislation governing the trans frontier shipments of waste, that they obtain evidence that the refurbishment was undertaken under conditions equivalent to domestic ATFs and the equipment was subsequently reused;
- Only WEEE which has gone through an Approved Authorised Treatment Facility (AATF) or Approved Exporter (AE) and subsequently reused can be included in evidence returns. Reuse organisation can become AATF/AEs if they so wish, but we would encourage PCS to include the reuse sector in their relationships with AATFs/AE to maximise reuse potential.

### **Relationships with Approved Authorised Treatment Facilities (AATFs)**

PCS will need to establish commercial relationships with approved Authorised Treatment Facilities (AATFs) to ensure all WEEE is treated and reprocessed in accordance with the WEEE Regulations and appropriate WEEE Treatment Regulations.

Only evidence issued by an AATF or via the Settlement Centre will be accepted by the environment authorities as proof that obligations have been correctly discharged under the Regulations.

Each AATF will issue evidence of receipt of WEEE, the treatment of the WEEE and that materials derived from the treatment have been received by a reprocessing facility for either recycling or recovery. The evidence note issued by the AATF will contain the following information:

- Amount (in tonnes) of WEEE received by category;
- Number of units (with equivalent tonnage) of whole appliances sent for legitimate reuse or refurbishment;
- Amounts (in tonnes) of materials derived from the WEEE which has been received by a reprocessor for recycling or recovery;
- A statement of how any materials not able to be passed for reprocessing have been disposed of in an environmentally sound manner.

In determining the amount of WEEE treated by category the AATF should apply the protocols developed as appropriate. Publication of the protocol report is imminent and will be accessible at

<http://www.defra.gov.uk/environment/waste/topics/producer-responsibility.htm>.

Each evidence note must be accompanied by the following information which is subject to audit by the environment authorities as necessary:

- Receipt from a reuse organisation of the number of whole appliances which have been passed for reuse or refurbishment. Any whole appliances which have been identified for reuse and subsequently found not to be suitable should be deducted from the total and returned to the AATF for treatment and reprocessing;
- A receipt from a reprocessing facility of material derived from WEEE received for recycling or recovery. This should be broken down by material and tonnage. The protocols mentioned above should be applied as necessary;
- A receipt to show how materials that are not reprocessed or recovered have been disposed of in an environmentally sound manner.

The AATF will be required to issue a copy of the evidence note and supporting documentation to the PCS they are working for, keep a copy for their own records and pass a copy to the Settlement Centre.

### **Approved Exporters**

If as a PCS you decide the most cost effective option for your members is to export either WEEE as whole appliances for treatment and reprocessing or material derived from WEEE you must ensure the exporter you use is approved by the environment authorities.

The environment authorities will only accept evidence of export for treatment and reprocessing or the reprocessing of materials derived from WEEE, from exporters who have been approved under the WEEE Regulations.

Approved Exporters will be required to issue a copy of the evidence note and supporting documentation to the PCS they are working for, keep a copy for their own records and pass a copy to the Settlement Centre.

### **Settlement Centre**

Procurement of a suitable operator to manage the Settlement Centre is currently underway following the European Commission public procurement process. It is therefore not possible at this stage to give every detail on how the Settlement Centre will operate but the following will be required of PCS and AATFs;

- Copies of all evidence generated by the WEEE system should be supplied to the Settlement Centre;
- The Settlement Centre will provide, via a password protected web based platform, details of the levels of WEEE collected, treated and reprocessed. It will not give open access to the details of individual PCS performance against allocation (ie a PCS will be able to see its own details but not the details of other schemes);

- The web platform will give details of any evidence generated by local authorities operating DCF sites who have been unable to secure agreement with a PCS;
- All trades of evidence must be notified to the Settlement Centre;
- The Settlement Centre will also offer “broker” arrangements between PCS wishing to buy or sell evidence;
- The Settlement Centre will “broker” arrangements between PCS and local authorities on the sale of evidence.

The process to agree the sale and purchase price plus administrative charges for using the Settlement Centre brokerage service is still under discussion.

The DTI will monitor closely the levels of evidence being submitted to the Settlement Centre by each PCS to ensure that levels of collection and treatment are in line with the overall obligation of the PCS membership. Evidence of excessive over or under collection will be examined and could lead to the PCS approval being removed under Regulation 44 and Schedule 7 Part 4 of the WEEE Regulations.

### **Relationships with other PCSs**

The Government has provided producers with a system that encourages a competitive environment, rather than limiting the number of PCSs, in which they can discharge their obligations

The Government expects all PCSs to work effectively together to not only maximise the separate collection and subsequent treatment and recovery of WEEE, but also to ensure that the costs of dealing with WEEE are reduced. It is accepted that each PCS will either under or over collect WEEE in relation to their producer obligations. This position will be monitored closely in relation to the overall system through the settlement centre which will keep records of WEEE activity. Any PCS not playing its full role in delivering an effective WEEE system and reducing cost where possible will risk losing its approved status.

The DTI cannot enter into discussion with individual PCS to explore each “what if scenario” which may arise. We will however update and amend the Non-Statutory Guidance and FAQs in light of experience as the system settles.

Yours Sincerely

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