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STATE REPRESENTATIVE • 36TH ASSEMBLY DISTRICT

Assembly Committee on Environment
AB 297- E-Waste Recycling Program
August 15, 2019

Chairman Kitchens and Committee Members -

Thank you for the opportunity to testify in support of Assembly Bill 297, related to changes to the electronic waste recycling program.

The E-Cycle program has been tremendously successful. Last fall the legislature received the DNR's annual report on the electronics recycling law and it showed that from July 2017 to June 2018, the E-Cycle Wisconsin collectors received 25.6 million pounds of eligible electronics. Since the law went into effect in 2010, more than 280 million pounds of electronics have been recycled.

However, despite the initial success of the program, a recent household study found that the number of unused electronics has continued to grow and folks are storing devices they no longer use.

According to a 2018 DNR survey, its estimated that there are 8.1 million TVs, 8.2 million computers, and 10 million cell-phones in WI households. Of these, survey responses indicate that approximately 1.8 million TVs, 2.4 million computers, and 5.1 million cell phones are not being used and are just sitting in people's homes. This demonstrates a need to make some improvements to the current program.

The bill before you today incorporates a number of simple changes to make the program operate more effectively and efficiently. Specifically the bill:

- Expands the program to ALL schools, including charter schools, private schools, and tribal schools. (Right now, only electronics from public schools are counted towards a manufacturer's recycling target right)
- Clarifies the types of consumer printers that are covered to exclude large, floor standing printers.
- Changes the thresholds for manufacturer registration fees, including eliminating fees for smaller manufacturers.
- Makes changes to the reporting requirements of manufacturers and recyclers to improve efficiencies for program participants.
- Changes the program year from the fiscal year (July 1 through June 30), to the calendar year (January 1 through December 31).

Once again, thank you for holding a public hearing on this important piece of legislation. I am happy to answer any questions you may have.



Assembly Committee on Environment

2019 Assembly Bill 297 *Changes to the Electronic Waste Recycling Program* 8/15/2019

Good morning Chairman Kitchens and members of the Committee. My name is Sarah Murray, and I am the E-Cycle Wisconsin Coordinator with the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify in support of Assembly Bill 297 (AB 297), which relates to changes to the electronic waste recycling program.

Wisconsin's electronics recycling law established a statewide program, called E-Cycle Wisconsin, to collect and recycle certain electronics from households, K-12 public schools and Parental Choice Program schools. Under this product stewardship-based law, manufacturers of TVs, computers, monitors and desktop printers must register with the DNR the brands they sell to Wisconsin households and schools. Those manufacturers also must recycle a target weight of electronics each year based on their sales. Manufacturers contract with state-registered recyclers and collectors to meet their targets. The law also banned landfill and incinerator disposal of many electronics. Currently, there are approximately 125 collectors, 16 recyclers and 170 manufacturers registered with E-Cycle Wisconsin.

The law has produced many successes since it took effect in 2010, recycling more than 300 million pounds of electronics and expanding electronics recycling access for Wisconsin residents. A majority (76% in the most recent reporting period) of the electronics collected under E-Cycle Wisconsin are processed in the state, contributing to capital investments and job growth at high-tech recycling facilities. Wisconsin has been a leader among state electronics recycling programs for the number of collection sites and weight collected per person, and stakeholders have praised the law's structure and the ease of complying with its requirements compared with those of other states' programs.

Over the last few years, the DNR has worked with stakeholders to identify several tweaks needed to make E-Cycle Wisconsin function better for registered participants and for Wisconsin residents. Through required annual reports on the law's implementation, the DNR has submitted recommendations for potential statutory changes for the Legislature to consider. The most recent report was submitted in November 2018. AB 297 reflects a subset of these recommendations and makes relatively minor changes to the state's electronics recycling program.

The most significant change, administratively, would be the shift from the state fiscal year to a calendar year as the basis for the E-Cycle Wisconsin program year. This request came directly from program participants, particularly local governments, so that recycling contracts under the program would better align with their budget cycles and reduce unexpected price changes partway through the year.

The most significant change from a fiscal standpoint is the elimination or reduction of annual registration fees for smaller electronics manufacturers, which would make per-unit registration costs more equitable and could make it easier for manufacturers to comply with the law. The bill would eliminate the \$1,250 registration fee currently paid by manufacturers that sold 25 to 249 units of covered electronics in Wisconsin the previous year. In FY2019, there are 39 manufacturers in this category, paying a total of \$48,750. This compares with 33 manufacturers in this category in FY2018, 28 in FY2017 and 35 in FY2016. There would be additional, but indeterminate, revenue loss from manufacturers that sold between 250 and 500 units, since under the bill, they would pay an annual fee of \$1,250 instead of the current \$5,000. Since the DNR does not have data on the specific number of units each manufacturer sells, there is no reliable way to estimate this additional revenue loss. Because more manufacturers have registered than originally estimated when the law passed in 2009, the DNR does not expect the revenue loss to have a significant effect on core work.

The bill would expand access to the E-Cycle Wisconsin program to all K-12 schools, which could potentially reduce the added schools' costs for responsible electronics recycling and slightly increase overall E-Cycle Wisconsin collection totals.

Changes AB 297 makes to registered recycler reporting requirements would require the DNR to work with the recyclers to ensure our online reporting system meets the requirements in a way that continues to make reporting straightforward and simple. We have spoken with several registered recyclers about these changes and are confident we can accomplish this. Having data on the breakdown of device types recycled under the program will help us understand changes in the e-waste stream, and resulting implications for the weight the program may collect in the future and the costs for collection and recycling. Stakeholders frequently request this type of data from the DNR, and it would be helpful in analyzing the best mechanism for adjusting manufacturer targets or otherwise addressing the program's economic challenges.

The small change to manufacturer reporting requirements captures something nearly all manufacturers are already doing. Finally, the adjustments to the definition of "consumer printer" are consistent with how the DNR has been applying the existing definition.

The changes in the bill would require modest modifications to the DNR's online reporting system for registered collectors, manufacturers and recyclers, and corresponding updates to guidance and technical assistance documents. It would also require some updates to public outreach materials (including publications and webpages), particularly those aimed at schools. The DNR is confident it can address the changes in its reporting system and inform E-Cycle Wisconsin program participants of steps needed to comply with additional or modified requirements.

We appreciate the opportunity to work with the bill authors on the development of AB 297 and its companion Senate Bill, SB 264. While we support the current bill and the improvements it will make to the E-Cycle Wisconsin program, we wanted to highlight some additional ideas to consider on this topic. Addressing economic challenges—particularly the high costs many consumers are paying to recycle electronics—as well as lack of access to electronics recycling in rural communities, and the device definitions in s. 287.17(1), Wis. Stats., are all things we hope the Legislature will examine in future legislation.

On behalf of the DNR and the Bureau of Waste and Materials Management, I would like to thank you for your time today. I would be happy to answer any questions you may have.

**Testimony of the Consumer Technology Association on
Assembly Bill 297/SB264 (Electronic waste recycling)**

Chairman Kitchens and members of the Assembly Committee on the Environment. We appreciate the chance to provide comments today on AB297.

Consumer Technology Association (CTA)TM is the trade association representing the U.S. consumer technology industry, which supports more than 15 million U.S. jobs. More than 2,200 companies – 80 percent are small businesses and startups; others are among the world’s best-known brands – enjoy the benefits of CTA membership including policy advocacy, market research, technical education, industry promotion, standards development and the fostering of business and strategic relationships. CTA also owns and produces CES® – the world’s gathering place for all who thrive on the business of consumer technologies. Profits from CES are reinvested into CTA’s industry services.

We take electronic waste issues seriously and appreciate the chance to provide feedback on this important legislation, which is very similar to legislation considered in 2018 (SB733). Last year we provided input on earlier drafts of that bill and so we have registered as neutral on this bill and are providing this testimony for information only.

We support the goal of this bill to move more electronic waste into the recycling stream and to try to provide more equity between rural and urban recycling utilization. We appreciate that this bill right-sizes the manufacturer registration fee and provides for no fee if fewer than 250 devices are sold. This is common sense reform.

While this bill makes progress on these areas, there are a few items we would encourage the committee to look into further before taking action on this bill: the cost to recyclers of compliance, and the wording of the current law as it applies to manufacturers of aftermarket automobile electronics.

- First, we are interested in learning more about the impact of additional reporting requirements on recyclers. Also, the six product subcategories proposed for reporting under 287.17 (8)(b) 2m does not match up with the way many recyclers separate and weigh these old devices by product type. While more information can be useful to program oversight, this must be balanced against the additional burden recyclers (and potentially manufacturers paying recyclers) would have to bear.
- Second, the exemption in the current law for electronics installed in motor vehicles is not as inclusive as it needs to be. According to information provided by DNR to CTA last year, sometimes a 7” screen in a car used to transmit video images from back-up cameras still meets the definition of a covered device. Here is the definition of “Television” under the law:
 - (p) *“Television” means an electronic device, with a cathode ray-tube or flat panel display, primarily intended to receive video programming via broadcast,*

cable, or satellite transmission or to receive video images from surveillance or similar cameras.

Also according to DNR, the exemption regarding devices in vehicles applies to devices incorporated by the manufacturer of the vehicle or franchised motor vehicle dealer. And if these devices can now be installed by the consumer and does not require a franchised dealer to install it (and is not already installed by auto manufacturers) then it is within scope of the current law. CTA recommends the law be updated so that all such automotive electronics be excluded, regardless of who installs them.

We very much appreciate the opportunity to provide input on this legislation, and are happy to explore any of these items in more detail.

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