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STATE REPRESENTATIVE • 36TH ASSEMBLY DISTRICT

Assembly Committee on Environment
AB 958 – Changes to the E-Waste Recycling Program

January 30, 2024

Thank you for the opportunity to testify in support of AB 958, which makes changes to the Electronic Waste Recycling Program. I am happy to be here today with Senator Cowles. This is an issue we've been working on for many years and the bill before you today builds on the progress of our previous efforts.

E-Cycle Wisconsin is a statewide, manufacturer-funded program that went into effect in 2010. The purpose of the program is to collect and recycle certain electronics and keep them out of our landfills. To date, more than 370 million pounds of electronics have been recycled. The Wisconsin program is a great success story and often recognized across the country as being one of the best!

Last session, the Legislature passed 2021 Wisconsin Act 79, which made several important updates to the program, including a grant program to improve access and reduce costs for consumers. These efforts led to the highest number of collection sites and events in almost a decade and the collection of 23.1 million pounds of electronics. Assembly Bill 958 is a trailer bill that incorporates some additional considerations raised by stakeholders, many of them are also identified in the DNR's annual report to the Legislature and Governor.

Under Wisconsin law, manufacturers must register with the DNR and recycle a target number of weight each year based on 80% of their sales three years prior to the year for which the calculation is made. Under AB 958, manufacturers would instead be responsible for recycling an amount *equal to the percentage of their market share* in Wisconsin the two years prior.

Additional changes include:

- Expands and clarifies the definition of "consumer computer peripherals" to include "consumer video display peripherals", which includes the cords or plug-ins for TVs and monitors.
- Requires DNR to promulgate rules on what constitutes "good faith progress" when determining whether to waive a shortfall fee for manufacturers who don't meet their required recycling target.
- Updating manufacturer fees to make the tiers consistent in maximum per unit cost.

I would like to mention that since the Senate held a public hearing on the bill we've been working with the DNR and industry stakeholders to address some concerns. The amendment wasn't ready for today's hearing, but we believe we will have agreement to move this bill forward.

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.



ROBERT L. COWLES

Wisconsin State Senator, 2nd Senate District

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Testimony on 2023 Assembly Bill 958

Senator Robert Cowles

Assembly Committee on Environment

January 30th, 2024

Thank you, Chair Oldenburg and Committee Members, for allowing me to testify on 2023 Assembly Bill 958. This bill makes numerous changes to our state's electronics recycling program known as 'E-Cycle Wisconsin.'

Over the past decade-plus, the E-Cycle Wisconsin program has been an effective tool to keep valuable materials out of landfills and put them to beneficial reuse. In the first ten years of E-Cycle Wisconsin, more than 325 million pounds of electronic waste has been collected, with many of these pounds being metals that are then reused in new electronics or other goods, and other pounds being hazardous or dangerous materials that we want to keep out of our landfills in the first place. While E-Cycle Wisconsin has been effective, we've also seen how some of the statutory provisions have kept the program from meeting its full potential, with many of the necessary changes being simultaneously recommended by the DNR in their annual reports and the industry participants.

During the 2021-22 Legislative Session, Representative Mursau and I pursued six of the requested changes to the E-Cycle Wisconsin Program in a bill that later became Act 79. This initiative was the first major set of updates to Wisconsin's electronics recycling law in over a decade, and with the support of the DNR, industry participants, and local governments, these recommendations were implemented for more efficient program administration and more effective program operations. While many stakeholders expressed support for this effort, some also came forward with requests for additional revisions to the law beyond what was being considered in that legislation.

Assembly Bill 958 reflects those additional requests for changes to the E-Cycle Wisconsin program. The primary change updates the targets that registered manufacturers must meet for electronics recycling. Under current law, the annual target weight recycled is based on 80% of the weight of the goods sold to households and schools three years prior. Under this bill, we'll update that target to be a percentage of the total amount recycled two years prior, with the percentage for each manufacturer based on their market share of sales by weight to households and schools two years prior. To accomplish this goal, the bill makes changes to the annual reporting requirements.

To help better explain the change to the manufacturer target formula, I want to provide a hypothetical example. If I run the Widget Company, an electronics manufacturing company that sells products in Wisconsin, I'm registered with the state and have to submit reports annually on my sales to households and schools in this state. I must also meet my recycling target, which is based on 80% of the weight of electronics I sold three years prior. So, in 2024, the Widget Company will report the weight of my sales in 2022. If I sold 20 pounds of electronics in 2022, I'd be responsible for collecting 16 pounds of electronics in 2025 (80% of 20 pounds).

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When the program was first kicking off in the early 2010's, it was much easier for manufacturers to meet their recycling targets because thousands of Wisconsinites had several old TVs, computers, and cell phones lying around not in use. However, many of those unused and unwanted electronics have been collected, making it hard for manufacturers to meet recycling targets which count on consumers replacing their devices nearly annually.

Assembly Bill 958 changes the recycling formula to be based on market share percentages over just sales. To continue the hypothetical example, in 2024, the Widget Company will report the weight of my sales in 2023, which is only one year prior versus the two years prior in current law. If I sold 20 pounds of electronics in 2023, and statewide all manufacturers reported 200 pounds of electronics sales, then the Widget Company's market share is 10%. The DNR will then take 10% of the total statewide recycling collections in 2023, as reported by recyclers. If that amount reported from 2023 was 150 pounds, the DNR would report to the Widget Company by August 1st, 2024 that we will be responsible for collecting 15 pounds of electronics in 2025 (10% of 150 pounds).

Other changes recommended by the DNR and supported by stakeholder groups include expanding the definition of peripheral and updating manufacturer fees to make the tiers consistent in maximum per unit cost. Finally, at the request of industry stakeholders, Assembly Bill 958 requires the DNR to make updates to the administrative rules on the E-Cycle Wisconsin program to define 'good faith progress' towards meeting a recycling target.

In discussions with the DNR and during the Senate hearing on the companion bill, we heard requests for technical changes to the legislation to ensure the implementation of Assembly Bill 958 is seamless. We have a draft of an amendment that is nearly finalized, and should be prepared to unveil it shortly.

Between 2021 Act 79 and 2023 Assembly Bill 958, the Legislature will have considered and may make nearly a dozen total updates to the electronics recycling laws, providing a pathway with many opportunities to make the E-Cycle Wisconsin program more workable for manufacturers, collectors, and recyclers.



Assembly Committee on Environment

2023 Assembly Bill 958 *Changes to the Electronic Waste Recycling Program* *January 30, 2024*

Good afternoon, Chair Oldenburg, and members of the Committee. My name is Sarah Murray, and I am the E-Cycle Wisconsin coordinator for the Wisconsin Department of Natural Resources (DNR). Thank you for the opportunity to testify, for informational purposes, on Assembly Bill 958, related to changes to the electronic waste recycling program.

We appreciate the authors' willingness to bring this bill forward and include several recommendations from the DNR's annual reports to the Legislature on Wisconsin's electronics recycling law. We also appreciate the consideration of the technical comments we provided.

We anticipate that expanding the definition of "peripheral" to include equipment used with video display devices as well as computers would make recycling electronics easier for consumers, help collectors and recyclers cover more of their costs, and add a modest amount of weight to help manufacturers meet their recycling targets.

Increasing the registration fees that many electronics manufacturers pay to the DNR would help us continue to provide good service, technical assistance and outreach to E-Cycle Wisconsin participants and the public, since many of our costs have increased since 2010.

The current formula that sets manufacturer recycling targets is based directly on the weights of covered electronic devices they sell. Since early in the E-Cycle Wisconsin program, we have seen a disconnect between these weights and the weights of electronics recycled under the program. For many years, the program collected millions more pounds than were covered by manufacturer targets, as many of us replaced our old tube TVs and monitors with much lighter flat-screen TVs, tablets and cellphones. Now that many of us have cleaned out our basements and closets, the weight being collected for recycling has been less than the manufacturer targets for the last few years.

We appreciate the willingness of the industry and the bill's authors to look at an alternative method for setting manufacturer targets that would align them more closely with what is actually available for recycling. The target formula in this bill should result in more achievable targets while leaving the basic structure of E-Cycle Wisconsin in place. This would allow us to continue the many successful parts of the program and implement the change with minimal disruption.

The main concern with the bill is the timing of the target formula change. E-Cycle Wisconsin's new program year began Jan. 1, and several manufacturers have already submitted their registrations for this program year. Under the current law, manufacturers have known their targets for the 2024 program year for several months, because the 2024 targets are based on sales during 2022. It is our understanding that

many manufacturers have already signed contracts or other agreements with registered recyclers, who in turn have contracts with registered collectors, based on these targets.

Under the current wording in the bill, the DNR would not be able to set targets for the 2024 program year unless manufacturers are required to submit additional sales data on their registration due March 1. This could potentially delay manufacturer registrations, and the DNR would be unlikely to be able to provide manufacturers with targets until late spring or early summer, nearly halfway through the program year. This uncertainty could disrupt Wisconsin households' access to convenient and affordable electronics recycling.

We have provided information to the bill's authors on options that would allow the DNR to more quickly implement a change in manufacturer targets for the 2024 program year. We appreciate their willingness to discuss these options and we have been working collaboratively on an amendment that would provide us with the language we need to be able to implement the changes as the authors intend.

On behalf of the Department of Natural Resources, we would like to thank you for your time today. I would be happy to answer any questions you may have.