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Senate Bill 264 Changes to E-Cycle Wisconsin June 20, 2019

E-Cycle Wisconsin is one of the best household electronic recycling programs in the country, recognized by manufacturers, recycling companies, and solid waste managers for its simplicity and flexibility. The program requires manufacturers who sell household electronics in Wisconsin to assume responsibility for recycling a portion of those devices. Under the program, the DNR determines the recycling requirement for each manufacturer based on prior sales of certain household electronic devices. Each manufacturer decides how it wants to accomplish that requirement. Most manufacturers contract with recycling companies, including several Wisconsin companies, and work with retailers, local governments, non-profits and waste haulers to collect electronics. Manufacturers cover all administrative costs of the program, including public outreach by the DNR. No state taxpayer dollars are used.

Since its inception in 2010, E-cycle Wisconsin has consistently achieved one of the highest per capita household electronic recycling rates in the country. The program requires the DNR to publish an annual report on the results of the program to include recommendations for modification, if any. Those reports provide the basis for the modifications proposed in this bill. The annual reports are available online. I am happy to provide you with a hard copy of the most recent report if you would like. To help guide the DNR in program administration including preparation of the annual report, E-cycle Wisconsin convenes regular meetings of stakeholders from across Wisconsin, neighboring and other states. Those attending include manufacturers, recyclers, collectors, solid waste managers, landfill operators, waste haulers and state regulators from other states. At these stakeholder meetings, I often hear compliments from attendees on how well Wisconsin's DNR staff operates the E-Cycle Wisconsin.

While E-Cycle Wisconsin is operating well, modifications will help it to work even better.

At the request of manufacturers and local units of government, the bill changes the program year from a fiscal year beginning July 1 to a calendar year beginning January 1.

Senate Bill 264 changes fee thresholds to reduce fees paid by manufacturers with small or very small sales in Wisconsin.

The bill expands the list of K-12 schools eligible to participate in E-cycle Wisconsin to include all public and private schools, including voucher and charter schools.

The bill expands reporting requirements by recyclers. This provision is in response to a stakeholder's meeting where many participants thought the DNR should require recyclers to submit a mass balance calculation. A mass balance calculation compares intake with output. The expanded reporting requirement in the bill approximates a mass balance calculation and will allow the department to improve its assessment of the market for recycled commodities.

The DNR has done a terrific job implementing E-cycle Wisconsin from its inception. Adoption of this bill will make it easier for them and for participants to make a good program even better.



Leaders in Resource Renewal

A non-profit association that provides statewide proactive leadership on waste reduction and recycling through education, advocacy, collaboration, programs and services.

Testimony In Support of SB264

Thank you Sen. Cowles and members of the Committee for this opportunity to submit this testimony and thank you to Sen. Miller for his diligent efforts on continuous improvement for the electronics recycling program in Wisconsin. I am here today on behalf of the Associated Recyclers of Wisconsin (AROW) Board of Directors. AROW represents Wisconsin's recycling, waste reduction and sustainability professionals with members from local government, businesses and non-profit groups. AROW provides leadership through education, advocacy, and collaboration and promotes effective, efficient and sustainable material recovery initiatives.

AROW supports SB264. Specifically AROW supports the following:

1. Expanding the definition of schools under the program, as it will help provide coverage to a wider range of consumers.
2. The lowering of manufacturer registration costs is a benefit to manufacturers, particularly small manufacturers with relatively low sales within the state. This has the potential to incentivize additional sales and additional business by a wider range of manufacturers. It also could serve as a catalyst for small business economic development.
3. The transitioning of the program year from fiscal to annual year will make reporting easier for towns, villages, cities and counties, many of whom are AROW members, because municipal budget cycles are annual.
4. Many registered recyclers already make a distinction between rural and urban source areas, so this addition will not be a great burden for legitimate recyclers and will provide important data for the state.
5. Allowing recyclers to estimate weights of materials processed (recyclable fraction and residual/waste fraction) is a significant move forward which will serve to reduce costs for recyclers, while still achieving the aim of necessary tracking. As well, it will serve as a means of reducing costs for consumers. AROW appreciates that its 2018 comments, related to SB733, about the need for estimated weights, has been incorporated into SB264.

While AROW continues to support SB264, it has areas of concern:

6. Narrowing or clarifying the definition of what printers qualify for the program is not a problem, but AROW hopes that at some future time the need to report the break out of the various collected printers from all other Eligible Electronic Devices (EEDs) may be evaluated. Sorting the EED printers from other collected non-eligible printers could cause additional labor costs, which will then have to be passed on to collectors, and/or consumers.
7. Tracking and reporting requirements under the newly created 287.17(8)(b)1m and 2m could increase processing costs for recyclers, primarily driven by the requirement to sort and weigh separately the items listed under 2m. AROW is uncertain what value this adds to the e-cycling program over the current reporting of a breakdown of EEDs and those electronic devices not eligible under the program (voluntarily recycled).
8. In the future, AROW would love to see work done on evaluating how best to align manufacturer targets to that of the supply of discarded electronics. Our understanding is that targets are approximately 50% lower than the amount of electronics collected. A more equalized cost-share within this system would ensure greater affordable accessibility to electronics recycling for all citizens and would also reduce cost burdens for municipalities operating e-cycling programs.

Again, I wish to reiterate, AROW's support for SB264 and we look forward to being a part of a robust, sustainable and vibrant electronics recycling program.

Thank you to the Committee for the time allowed to AROW to provide this feedback. AROW is always prepared to be a resource to this Committee and others in the legislature working on recycling and waste reduction issues.

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Senate Committee on Natural Resources and Energy

2019 Senate Bill 264

Changes to the electronic waste recycling program and granting rule-making authority June 20, 2019

Good morning Chairman Cowles 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 Senate Bill 264.

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.

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.

SB 264 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 SB 264 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 are confident we can accomplish this. The additional information reported by recyclers would make it easier for the DNR to analyze changes in the e-waste stream and corresponding implications for the program's future.

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 SB 264 and thank Senator Miller for his ongoing leadership on this topic. While we support the current bill and the improvements it will make to the E-Cycle Wisconsin program, we wanted to also highlight some additional ideas to consider on this topic. Addressing economic challenges, 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

Senate Bill 264 (Electronic waste recycling)

Chairman Cowles and members of the Senate Committee on Natural Resources and Energy. We appreciate the chance to provide comments today on SB 264.

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, the wording of the current law as it applies to manufacturers of aftermarket automobile electronics, and the need for a more blanket exemption for portable printers.

- 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.

- Finally, we continue to request that the definition of desktop printer explicitly add “small portable printers” as excluded from the definition at 287.17 (1) (eg) 2. Such small devices are smaller than many smart phones, and are fundamentally different from document printers.

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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