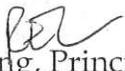




WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director

TO: SENATOR MARK MILLER

FROM: Rachel E. Letzing, Principal Attorney 

RE: Electronic Waste Recycling Program and Proposed Changes in LRB-1605/P5

DATE: January 13, 2016

At your request, provided below is a chart which compares the major provisions of the current electronic waste recycling ("E-Cycle") program and proposed changes to the program in LRB-1605/P5.

	Current Program	Bill Draft
Covered Electronic Devices (CEDs) (may not be sold unless manufacturer is registered for the E-Cycle program) <ul style="list-style-type: none">• Only include products marketed for use by households or schools.	<ul style="list-style-type: none">• Televisions and computer monitors with a tube or screen that is at least 7 inches in its longest diagonal measurement.• Computers.• Desktop printers, and devices that print and have other functions [copying, scanning, or faxing].	Adds all video display devices with a tube or screen that is at least 7 inches in its longest diagonal measurement; printers that primarily function to do 3-dimensional printing or print photographs; and video game consoles.
Eligible Electronic Devices (EEDs) (count towards a manufacturer's recycling target)	<ul style="list-style-type: none">• Computers, keyboards, or any other devices sold exclusively for external use with a computer that provide input or output from a computer.	<ul style="list-style-type: none">• Adds all CEDs and keyboards or other devices sold exclusively for external use with a television, computer monitor, or other video display device with a tube or screen that is at least 7 inches in its longest diagonal measurement.

	Current Program	Bill Draft
<ul style="list-style-type: none"> • Only includes products used by households or schools. 	<ul style="list-style-type: none"> • Fax machines. • DVD players. • Digital video players that do not use a disc and that is not a camera. • Video cassette recorders. • Video recorders that do not use a cassette and are not cameras. • Televisions or computer monitors with tubes or screens that are at least 7 inches in its longest diagonal measurement. • Desktop printers, and devices that print and have other functions [copying, scanning, or faxing]. 	<ul style="list-style-type: none"> • Changes "DVD player" to "video player" and changes "video cassette recorder" to "video recorder." • Removes "digital video disc player that does not use a disc and that is not a camera," and "video recorders that do not use a cassette and are not cameras."
Schools Included	Public schools and private schools participating in a parental choice program.	All public schools, charter schools, private schools, and tribal schools.
Program Year	July 1 to the following June 30.	Creates 18-month transition period beginning July 1 following bill's effective date to the December 1 of the following year. After transition period, will be January 1 to December 31 [calendar year].
Manufacturer Target Recycling Weights	<ul style="list-style-type: none"> • 80% of manufacturer's sales of CEDs two years before the target year. 	<ul style="list-style-type: none"> • Target Percentage: average weight of manufacturer's sales of CEDs 4 years and 3 years before the target year, divided by the average weight of <u>all</u> manufacturers' sales of CEDs 2 years before the target year.

	Current Program	Bill Draft
	<ul style="list-style-type: none"> No target until manufacturer's third full program year. 	<ul style="list-style-type: none"> Total Target Recycling Weight: multiply the [manufacturer's target percentage] by the weight of all EEDs recycled 2 years before the target year. <i>+ first bullet</i> DNR must notify manufacturers of their total target recycling weight for the upcoming year. <i>~ ave weight sales</i> <i>~ ave weight and sales</i>
Manufacturer's Recycling Weight from Rural Counties	May multiply weight of all EEDs recycled from rural counties by 125%.	Requires 10% of a manufacturer's total target recycling weight for a program year be EEDs from rural counties [target rural county recycling weight].
Manufacturer Shortfall Fees	<ul style="list-style-type: none"> 50 cents/lb. if total weight of EEDs recycled is less than 50% of its target; 40 cents/lb. if total weight of EEDs recycled is between 50-90% of its target; 30 cents/lb. if total weight of EEDs recycled is between 90-100% of its target. May request relief from fee amount. No fee paid until the manufacturer's third full program year. 	<ul style="list-style-type: none"> Same fee amounts. If the manufacturer pays a rural county recycling shortfall fee, the manufacturer's total recycling shortfall fee is reduced by that amount. May request relief from all or portion of shortfall fees. Creates separate rural county recycling shortfall fee at same rate, if manufacturer does not meet its target rural county recycling weight. If exceed total target recycling weight by more than 20% for program year, may choose to be exempt from rural county recycling weight shortfall fee owed for that year, but then may not accumulate any recycling credits for that year.

	Current Program	Bill Draft
<p>Manufacturer Recycling Credits</p>	<ul style="list-style-type: none"> • If weight of EEDs recycled exceeds target recycling weight, recycling credits provided equal to the number of excess pounds or 20% of the target recycling weight, whichever is less. • For any of the 3 succeeding program years, may use its credits to reduce or eliminate shortfall fee or sell them to another manufacturer to use during those years. 	<ul style="list-style-type: none"> • May also earn rural county recycling credits if it exceeds its target rural county recycling weight during a program year. • May use or sell any credits only during the succeeding program year. Any "banked" credits must be used or sold during or before the transition year. • Total recycling credits, earned from exceeding total recycling weight for a program year, may be applied only toward total target recycling weight, not toward meeting target rural county recycling weight. Rural recycling credit may be applied toward either total or rural target.
<p>Manufacturer Annual Reporting Requirements</p>	<ul style="list-style-type: none"> • Either: (1) total weight of each model of CED sold during the program year that began 24 months before the beginning of the program year in which the report is made; (2) total weight of all its CEDs sold in that timeframe; or (3) an estimate based on national sales data of the total weight of all of its CEDs sold in that timeframe. • Must also report total weight of EEDs recycled during the preceding program year, the number of recycling credits it purchased or sold during that year, the number of credits it elects to use in calculating its shortfall fees, and the number of credits available after calculating its shortfall fees. 	<ul style="list-style-type: none"> • Adds option to report total weight of CEDs sold calculated by a method approved by DNR. • For weight of EEDs recycled, requires separate report on weight of EEDs collected in rural counties and urban counties. Requires reporting number of rural county recycling credits it elects to use in calculating shortfall fees.

	Current Program	Bill Draft
Manufacturer Annual Registration Fee	<ul style="list-style-type: none"> • \$5,000, if <u>at least 250</u> CEDs sold. • \$1,250, if <u>25 to 249</u> CEDs sold. • \$0, if <u>less than 25</u> CEDs sold. 	<ul style="list-style-type: none"> • \$5,000, if <u>at least 500</u> CEDs sold. • \$1,250 if <u>250 to 499</u> CEDs sold. • \$0 if <u>less than 250</u> CEDs sold.
Recycler Reporting Requirements	Total weight of EEDs received from manufacturer for recycling during previous program year.	<p>Must also include:</p> <ul style="list-style-type: none"> • Weight of EEDs received for recycling during preceding program year, separated into categories based on type of EED; • Weight of materials derived from the EEDs during the preceding program year, separated into categories based on materials derived from EEDs; • Weight of materials derived from the EEDs that were sent to another person for use in a manufacturing process or for recovery of usable materials during preceding program year, separated into categories; • Weight of materials derived from EEDs sent to be disposed of or burned at solid waste disposal facility during preceding program year, separated into categories.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

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Department of Public Works

Ghassan Korban
Commissioner of Public Works

Preston D. Cole
Director of Operations

Senate Committee on Natural Resources and Energy
February 2, 2016 Public Hearing

City of Milwaukee Support of Senate Bill 621:
Improvement to E-Cycle Legislation

The City of Milwaukee supports 2015 Senate Bill 621 (SB621) to improve the E-Cycle Wisconsin program. Wisconsin's law bans many electronics from landfill disposal. The law is designed to ensure the proper recycling of discarded consumer electronics and to share the costs through a product stewardship approach. The mechanism has been successful in obtaining some cost share from the electronics manufacturers with the balance of costs covered by collectors, individuals, and/or tax dollars. However, the target pounds required to be recycled each year by manufacturers far undershoots the demand for recycling end of life consumer electronics by Wisconsin residents. With an inelastic supply of discarded electronics offered for recycling, manufacturers have been able to greatly reduce the proportion of true recycling costs that they pay to electronics recyclers. Recyclers in turn have significantly raised prices on public and private electronics collectors – those providing a public service of receiving discarded electronics from residents and arranging for their proper recycling. The result is insufficient funding to sustainably manage the electronics recovered in the state. Action is needed now, and SB621 improves the E-Cycle program while preserving the flexible, market-based product stewardship approach.

The City of Milwaukee operates the two largest public drop-off sites in the state and our volume of electronics grows each year. These sites manage nearly two and half million pounds of discarded electronics per year. While the E-Cycle law initially eliminated our costs to recycle electronics, charges have since grown to over \$400 per ton. Our unit costs have increased 500% over the last 20 months' time. Manufacturer obligations are too low to sustain the program. Some collection sites have closed in response and some have limited which landfill-banned items they would accept in order to reduce costs. These actions drive more material and thus costs to the remaining collection sites, particularly public sites that continue to accept all landfill banned electronics in order to serve the public interest as well as reduce illegal dumping. Collection sites need relief in order to keep providing the public access to properly recycle electronics.

SB621 improves the link between the inelastic supply of discarded electronics and the demand for collection and recycling services by aligning the statewide recycling targets to weight of material collected. We urge your support of SB621 in order to sustain the collection operations that enable residents to comply with the landfill ban on electronics and fulfill the recovery of resources.

For more information, please contact:

Rick Meyers, Resource Recovery Manager, City of Milwaukee Department of Public Works,
(414) 286-2334 or rick.meyers@milwaukee.gov

Frank P. Zeidler Municipal Building, 841 N. Broadway, Milwaukee, Wisconsin 53202
Administration Room 501 (414) 286-3703 ♦ Fax (414) 286-3953 ♦ TDD (414) 286-2025
Contract Administration, Room 506 (414) 286-3314 Fax (414) 286-8110 ♦ www.city.milwaukee.gov/mpw