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Senate Bill 733 Changes to E-Cycle Wisconsin February 15, 2018

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. Copies of the most recent report are provided for your review. Those reports provide the basis for the modifications proposed in this bill. 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 states, and the entire country. Those attending include manufacturers, recyclers, collectors, solid waste managers, landfill operators, waste haulers and state regulators from other states.

Although the program 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. This is accomplished by creating a one-time transition year of eighteen months. Because it takes five years for a program year to no longer be included in calculating a manufacturer's recycling obligation, this one change alone accounts for over half of the language in the bill. Believe me, I struggled to find a way to handle this using less verbiage, but to no avail.

E-cycle Wisconsin creates a market for electronic recycling services and recycled commodities. That market needs to be healthy enough to balance supply and demand so that recyclers can make sufficient profit to continue to offer the service and to preclude warehousing of collected electronics. The bill tweaks the calculation of a manufacturer's obligation by including a factor related to the weight of devices recycled in the previous year. It also averages a manufacturer's obligation over two years rather than just one.

Senate Bill 733 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.



E-Cycle Wisconsin 2017 report summary

Figure 1: Pounds collected by registered collectors

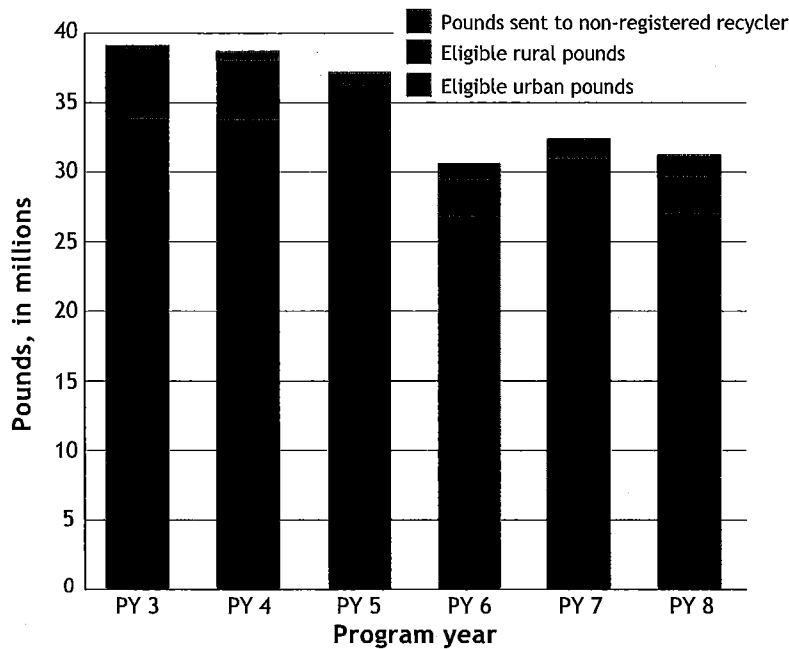
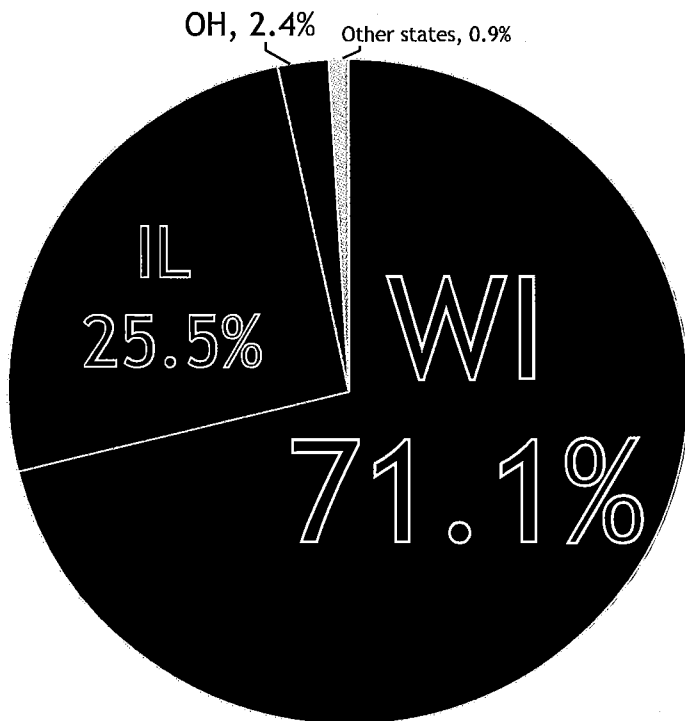


Figure 2: Percent of program year 8 pounds received by registered recyclers, by state



Program highlights

- Between January 2010 and June 2017, Wisconsin households and schools recycled more than 250 million pounds of electronics through E-Cycle Wisconsin. During program year 8 (July 2016 to June 2017), registered collectors took in 31.3 million pounds of electronics, or 5.4 pounds per Wisconsin resident.
- More than 99 percent of the electronics collected under E-Cycle Wisconsin were processed initially in the Midwest. Wisconsin recyclers accounted for 71 percent of the weight processed.
- E-Cycle Wisconsin has helped provide a steady stream of material, which has led to more business opportunities and jobs in Wisconsin and nearby states.
- While the number of registered collection sites has declined, residents in 66 of Wisconsin's 72 counties, representing 99 percent of the state's population, had access to at least one registered electronics collection site or event.
- Nearly all manufacturers met or exceeded their recycling targets.
- The vast majority of manufacturers, recyclers and collectors are complying with the law, and the DNR continues to ensure a level playing field for program participants.

Table 4: Program year 8 collection, by product type

Product type	% of total weight
TVs	61%
Monitors	5%
Computers	7%
Other EEDs	27%

EEDs are eligible electronic devices. Other EEDs include printers, computer accessories, DVD players, VCRs and fax machines.

Figure 3: Comparison of weight recycled and manufacturer targets, by program year

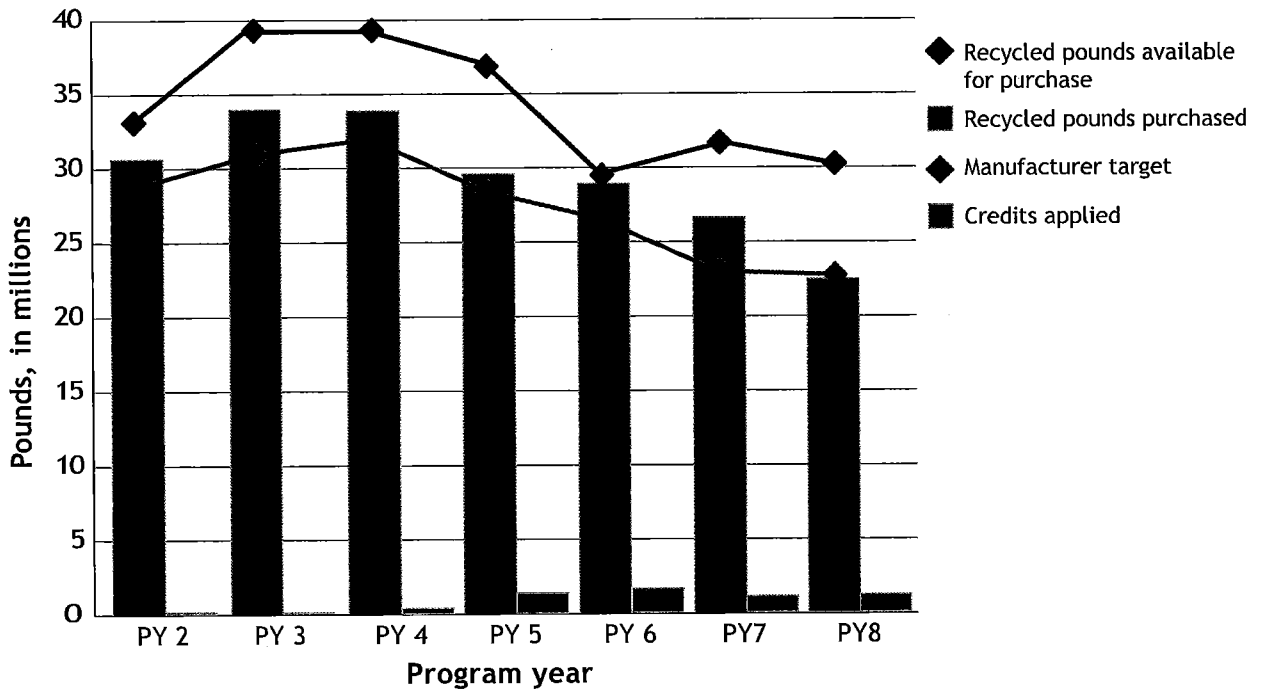


Figure 4: Registered collection sites over time

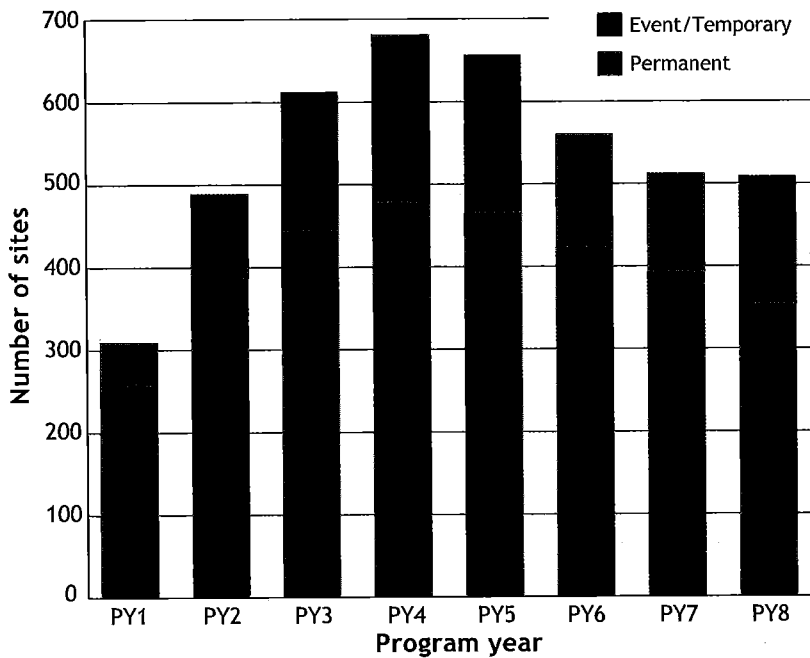


Table 2: Eligible pounds received and recycled, program year 8

Type	Pounds
Urban received	27,126,370
Rural received	2,508,681
Rural credit	627,215
Non-eligible glass	(120,035)
Available for manufacturers	30,142,412
Sold to manufacturers	22,787,094

Rural credit is 1.25 pounds per pound collected. For a map of urban and rural counties, see Appendix C.

Urban and rural pounds differ slightly from Table 2 because of how collectors and recyclers report pounds collected before a program year end but not received by a recycler until the next year, and because some recyclers choose to count all pounds as urban.

Non-eligible glass is CRT glass the recycler received but that was not recycled, under the definitions in s. 287.17, Wis. Stats.

Report and other info at dnr.wi.gov/topic/ecycle

Challenges

Since 2010, both the nature of electronics being sold and the markets for materials electronics contain have changed dramatically. Due to the popularity of smaller and lighter devices and manufacturers' design improvements to reduce product weight, the weight-based manufacturer recycling targets, which are set by a statutory formula, have declined by more than 10 million pounds (32 percent) over the last four years. While some manufacturers have continued to voluntarily exceed their targets, overall there were nearly 7.5 million pounds collected in program year 8 for which manufacturers did not pay. Dwindling markets for the leaded glass in cathode ray tubes (CRTs), along with lower commodity values in newer devices, have increased recyclers' per-pound costs, but manufacturer payments have not always risen to match.

As a result, unless manufacturer recycling targets are updated or more manufacturers voluntarily exceed their recycling targets, the collection and recycling system funded by manufacturers will continue to fall short of the electronics recycling demand of Wisconsin households and schools, particularly in rural areas. Since 2013, the number of registered electronics collection sites has dropped by 25 percent, and collectors are passing higher recycling costs on to consumers, meaning there are fewer convenient and low-cost recycling options throughout the state. The DNR has seen several cases in the last three years of irresponsible recycling. These cases threaten the environment and are driven in part by the higher costs for responsible recycling. These trends are increasing the costs shouldered by taxpayers to either collect electronics or clean up dumped devices.

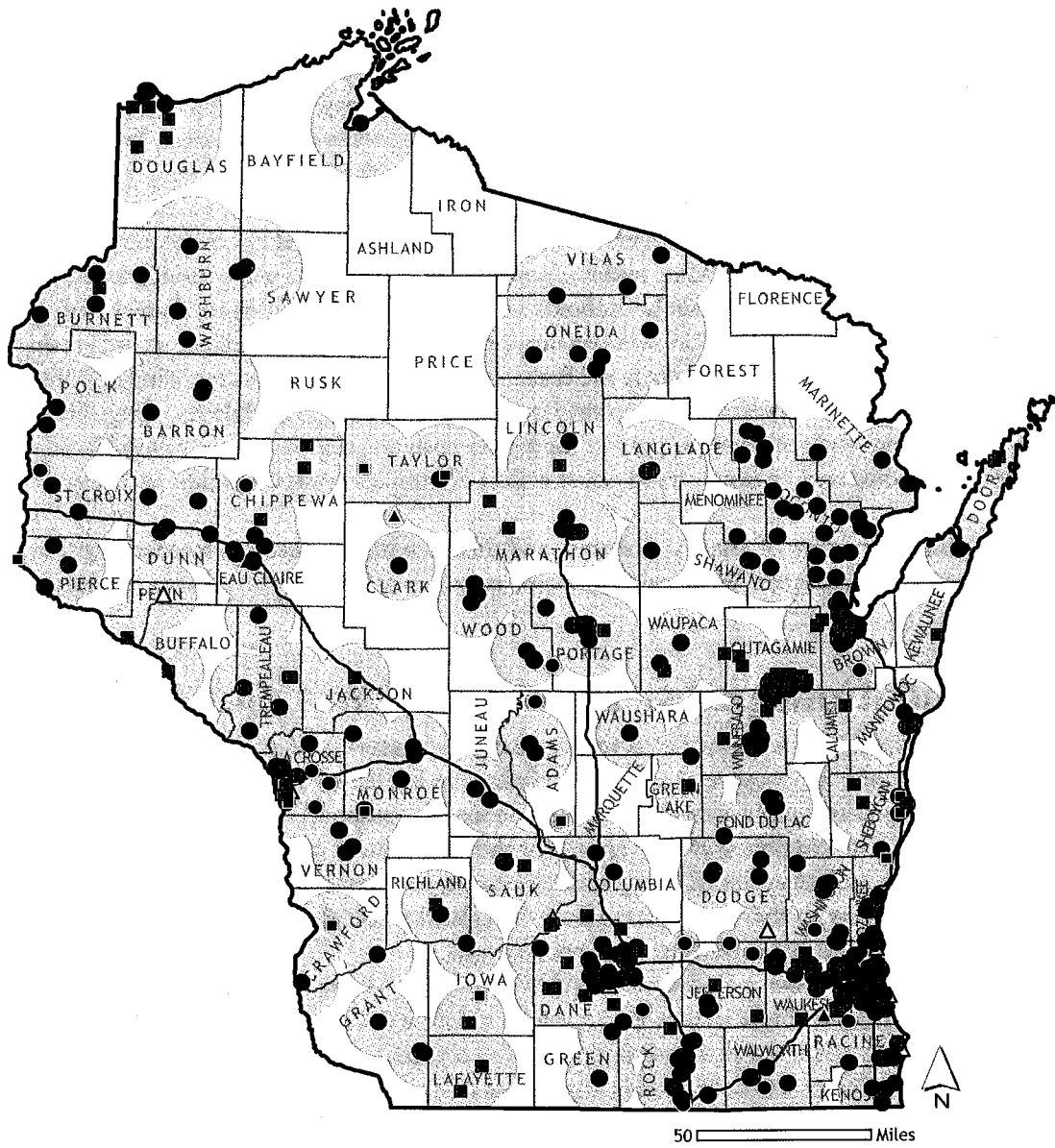
In summary, the basic structure of the law is sound, and there are many successes to celebrate. However, changes will be needed to maintain Wisconsin residents' access to affordable electronics recycling—particularly in rural areas.










Recommendations per s. 287.17(10), Wis. Stats.

The electronics recycling law directs the DNR to examine several aspects of the law within the annual report and make suggestions for possible changes. The following is a list of relatively minor changes, based on both formal and informal stakeholder input that could be made to improve administration of the electronics recycling law and ensure its continued effectiveness, for the Legislature's consideration.

- To better match the budget cycles of many manufacturers, recyclers and collectors, consider changing the annual program year so that it corresponds to the calendar year (Jan. 1 to Dec. 31), rather than the state fiscal year, and adjusting reporting dates accordingly.
- To better meet the electronics recycling needs of Wisconsin residents and schools, consider changing the manufacturer target formula so that the aggregate target is based on the total weight of electronics received for recycling under the program during previous years.
- To ensure access to electronics collection in rural areas of the state, consider replacing the current rural collection incentive with an alternative method to ensure that, regardless of the overall manufacturer target, manufacturers and recyclers would provide attention to rural areas.
- Consider assisting small businesses by reducing or eliminating registration fees very small electronics manufacturers pay to the state under s. 287.17(4)(b).
- Consider modifying the definition of "school" under s. 287.17(1)(np) to allow all K-12 schools in Wisconsin to recycle electronics through E-Cycle Wisconsin.
- Consider updating and clarifying device definitions so they better fit the changing nature of electronics.

Map of collection sites registered under E-Cycle Wisconsin during program year 8



	10-mile coverage area of collection sites*		Permanent collection sites		Interstate Highways
	15-mile coverage area of collection sites*		Temporary collection sites		One-day collection sites
*Based on the 2010 WDNR Household Survey question, "How far would you be willing to travel to recycle electronics?"		  	Collection sites available only to employees of a company or residents of a town, city or county		



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.

MEMORADUM

TO: John Anderson (Sen. Mark Miller's office)
FROM: Meleesa Johnson (President-Associated Recyclers of WI)
DATE: February 12, 2018
RE: SB733
C.c.: AROW board; Sen. Robert Cowles

Please accept this memo, on behalf of the AROW Board of Directors. We are pleased to provide this feedback on SB733. Thank you for reaching out to us!

In a perfect world AROW would prefer to see new legislation address how to narrow the gap between manufacturer targets and actual supply of discarded electronics. This disparity transfers the burden of managing discarded electronics from manufacturers to consumers, to those providing e-cycling collections and recycling programs.

Specifically to the changes found in SB733, please see the following:

1. Expanding the definition of schools under the program will help provide coverage to a wider range of consumers. AROW supports this provision.
2. Lowering 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. AROW supports this provision.
3. Transitioning the program year from fiscal to annual year will likely make reporting easier for towns, villages, cities and counties, many of whom are AROW members. AROW supports this provision.
4. Many registered recyclers already make a distinction between rural and urban source areas. This will not be a great burden for those legitimate recyclers and will provide important data. AROW supports this provision.
5. Narrowing or clarifying the definition of what printers qualify for the program is not a concern for recyclers. However, the break out of printers from all other Eligible Electronic Devices (EEDs) for reporting purposes causes additional labor costs, which will then have to be passed on to collectors, and/or consumers. This requirement does not add any significant advantages for any of the stakeholders. Collectors/recyclers, could already provide estimates of the percentage composition that printers represent in the material stream at no additional cost. Because of the risk to increase costs, AROW is concerned about this provision.
6. 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 eligible electronic devices and those electronic devices not eligible under the program (voluntarily recycled). AROW is concerned about this provision and its potential to increase costs.
7. There is no practical or cost effective way to provide data for final disposition materials from one segregated instream. Wisconsin material is captured as it comes into a recycling facility and processed in large volumes along with many other instreams of material in homogenous lots to create the maximum efficiencies and minimize costs involved in the process. The type of segregation of material for outbound tracking purposes this bill is suggesting would ultimately require recyclers to change or amend operational processes, resulting in numerous cost increases and inefficiencies. AROW is concerned about this provision and its potential to increase costs to recyclers and consumers.

AROW is pleased to provide this feedback and in general, supports bipartisan efforts to improve Wisconsin's E-Cycling Program.

About the Associated Recyclers of Wisconsin (AROW)

Founded in 1990, AROW is a 501(c)(3) association representing Wisconsin's recycling, waste reduction and sustainability professionals with members from local government, businesses and non-profit groups. The organization provides leadership through education, advocacy, and collaboration and promotes effective, efficient and sustainable material recovery initiatives. For details on AROW, its positions and programs visit www.arow-online.org.

Testimony of the Consumer Technology Association on

Senate Bill 733 (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 SB733.

A proponent of innovation, the Consumer Technology Association advocates for the entrepreneurs, technologists and innovators who mold the future of the consumer technology industry.

We take electronic waste issues seriously and appreciate the chance provided by the authors of this bill to offer feedback on early drafts of this important legislation. For that reason 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. 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. We defer to our recycling partners to provide more definitive information on this topic.
- Second, it has come to our attention recently that the exemption in the current law for electronics installed in motor vehicles is not as inclusive as it needs to be. According to DNR, 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.

For more information contact:

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February 15, 2018

To: Senate Committee on Natural Resources and Energy

From: Andrea Kaminski, Interim Chair, LWV-WI Legislative Committee

Re: SB 733, SB 789 and SB 792, included in your 2/15/18 public hearing

The League of Women Voters of Wisconsin holds extensive Natural Resources positions in support of a physical environment beneficial to life, wise use of ground and surface water resources, and improvement of water, air, and soil quality. Based on our positions, which have been developed through study and consensus by our members, we take the following stances on bills you are hearing today:

SB 733: The League of Women Voters of Wisconsin supports this bill, which proposes to make changes to "E-Cycle Wisconsin," the state's electronic waste recycling program. In general, the legislation raises compliance standards and expands the definition of "schools" for purposes of being covered by the program. We believe this legislation will help support responsible recycling of waste in Wisconsin.

SB 789: The League opposes this bill, which would create an exemption from permit requirements for certain riparian owners who remove material from the bed of a navigable river. We believe the limitations placed on this exemption are insufficient, and that a negative impact on Lake Mendota and other lakes is a possible repercussion.

SB 792: The League opposes this legislation, which provides that the definition of "solid waste" does not include certain iron and steel slags. The bill instead proposes that these materials be managed as an item of value. This would increase the opportunity for environmental hazard.

Thank you.