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Testimony on 2021 Assembly Bill 254

Senator Robert Cowles

Assembly Committee on Environment

May 6th, 2021

Thank you, Chairman Kitchens and Committee Members, for allowing me to testify on 2021 Assembly Bill 254. This bill would make a series of changes to the E-Cycle Wisconsin program.

For the past decade, Wisconsin has continually been one of the top states in the nation for electronics recycling through the Department of Natural Resources' (DNR) E-Cycle Wisconsin program. Through the tenth program year (PY), 325 million pounds of electronics have been recycled, leading to more storage space in Wisconsin households thanks to less old electronics laying around, saved landfill space, less toxic materials in our landfills, and more recovered metals and other materials which can be reused in future manufacturing processes.

In fact, over ten-years E-Cycle Wisconsin has led to the recovery of an estimated 47 million pounds of steel, 8 million pounds of aluminum, and 16 million pounds of copper, in addition to other materials recycled including glass, plastic, and other precious metals. Use of E-Cycle by Wisconsinites has had numerous economic benefits, including new business opportunities as the percentage of pounds collected in Wisconsin that stays in the state for recycling has risen to 78% in PY 11 through seven recyclers, an increase of 15% in just five-years.

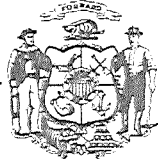
Assembly Bill 254 make a series of changes recommended by stakeholders and the DNR's annual report that will help the E-Cycle program function better, provide stakeholders with more clarity, and help the DNR to collect more valuable information that can improve the program's future without more regulatory burdens. This bill:

1. Changes the types of covered schools from just public or vouchers schools to allow collections from all public, charter, private and tribal schools to count towards the manufacturer's recycling targets, which is the amount of electronics they must collect on an annual basis based on their sales.
2. Changes the program year from a state fiscal year to the calendar year with an 18-month transition PY.
3. Changes the manufacturer's annual registration fee thresholds to exempt smaller manufacturers from these fees by changing the thresholds to:
 - \$0 fee – Current Law: Less than 25 covered electronic devices (CEDs) → Bill: Less than 250 CEDs
 - \$1,250 fee – Current Law: 25 to 249 CEDs → Bill: 250 to 499 CEDs
 - \$5,000 fee – Current Law: At least 250 CEDs → Bill: At least 500 CEDs
4. Changes the manufacturer's annual reporting requirements to distinguish between the 39 rural counties and 33 urban counties based on the area of collection to gain better data.
5. Changes the covered electronic devices definition to clarify language on consumer printers to exclude floor-standing printers, point-of-sale receipt printers, and other similar printers.
6. Establishes a grant program funded by manufacturer fees for entities to increase access to collection sites and events in rural areas. Grants may cover a portion of expense for the space needed for the collection site, advertisement, staff, transportation of goods, and more. Grants are prioritized into four categories based on needs the DNR has determined to help expand opportunities for rural residents to recycle their old, unused electronic devices.

While the changes in Assembly Bill 254 may be minor tweaks to the program, they should be expected to make a noticeable impact that improves E-Cycle Wisconsin as well. This bill finds consensus-based revisions that will expand opportunities for schools of all types to have a sensible electronics disposal options readily available, better match local government and stakeholder calendars, encourage more small manufacturers to enter the market, and help increase collection opportunities for residents in rural areas of the state.

After further discussions with the DNR which was consulted throughout the process on the drafting of this bill, we've introduced Assembly Amendment 1 to ensure that tribal governments would be included in the grant eligibility list. With this amendment adopted, the Senate Committee on Natural Resources and Energy passed the companion to Assembly Bill 254, Senate Bill 248, last week on a vote of five to zero.

2021 AB 254 is similar to 2019 AB 297 and SB 264 as amended, which passed Assembly and Senate committees with unanimous votes, with the exception of the addition of the grant program to this year's bill.



Jeff Mursau

STATE REPRESENTATIVE • 36TH ASSEMBLY DISTRICT

Assembly Committee on Environment

AB 254- E-Waste Recycling Program

May 6, 2021

Chairman Kitchens and Committee Members:

Thank you for the opportunity to testify in support of Assembly Bill 254, related to changes to the electronic waste recycling program.

The E-Cycle program has been tremendously successful. Last November the legislature received the DNR's annual report on the electronics recycling law and it showed that from July 2019 to June 2020, the E-Cycle Wisconsin collectors received 21.3 million pounds of eligible electronics. Since the law went into effect in 2010 to June 2020, nearly 325 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)
- Changes the thresholds for manufacturer registration fees, including eliminating fees for smaller manufacturers.
- Makes changes to the reporting requirements of manufacturers to distinguish between rural and urban counties
- Changes the program year from the fiscal year (July 1 through June 30), to the calendar year (January 1 through December 31).
- Clarifies the types of consumer printers that are covered to exclude large, floor standing printers.
- Creates a grant program to increase access to collection sites and events in rural areas.

The Senate Companion (SB 254) was passed out of committee unanimously and I anticipate it will be scheduled for a senate floor vote soon. 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

2021 Assembly Bill 254 *Changes to the Electronic Waste Recycling Program* *May 6, 2021*

Good afternoon Chair 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 254 (AB 254) 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 law, manufacturers of TVs, computers, monitors and desktop printers 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 150 manufacturers registered with E-Cycle Wisconsin.

The law has produced many successes since it took effect in 2010, recycling more than 325 million pounds of electronics and expanding access to electronics recycling for Wisconsin residents. Most 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 other states' programs.

Over the last few years, the DNR has worked with stakeholders to identify several adjustments needed to make E-Cycle Wisconsin function better for registered participants and for Wisconsin residents. As required in the law, the DNR has submitted annual reports with recommendations for potential statutory changes for the Legislature to consider. The most recent report was submitted in November 2020. AB 254 reflects many of these recommendations and makes relatively minor improvements to the state's electronics recycling program.

Over the last few E-Cycle Wisconsin program years, about six counties each year, on average, have had no permanent electronics collection sites or hosted one-day collection events registered with the program. These have primarily included counties in the northern part of the state, but also some in central, northeastern and southwestern Wisconsin. This lack of access can contribute to illegal dumping of electronics, or to use of local "scrappers" that do not properly manage hazardous materials in electronics, particularly the leaded glass in older TVs and computer monitors.

The bill sets up a modest grant program to help fill this gap. Based on a similar program in Michigan, the DNR anticipates that making relatively small grants of \$5,000 to \$10,000 per project could make a difference in these underserved areas by providing funding to help plan and staff collection events or set up electronics drop-off points. We are looking forward to promoting and providing technical assistance for those interested in this opportunity.

The most significant administrative change in the bill would shift the program from the state fiscal year to a calendar 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 FY2021, there are 28 manufacturers in this category, paying a total of \$35,000. The bill would also reduce the registration fee paid by manufacturers that sold between 250 and 499 units, to \$1,250 instead of the current \$5,000. 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, though it may limit the amount of money available for grants in the future.

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.

There is a small change to manufacturer reporting requirements that simply 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.

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