



JAMES W. EDMING

STATE REPRESENTATIVE • 87TH ASSEMBLY DISTRICT

Testimony in Support of Assembly Bill 943

Assembly Committee on State Affairs

February 9, 2022

Good afternoon Mr. Chairman and committee members. Thank you for holding this public hearing today on Assembly Bill (AB) 943 which would require the Department of Natural Resources (DNR) to contract for the cleanup of contaminated glass and other electronic waste materials left behind by 5R Processors. I would like to thank Senator Petrowski, Representative Gundrum, and my other co-authors for working with me on this important legislation.

5R Processors was an electronics recycling company formerly based in Ladysmith, Wisconsin. Investigations of this company by the DNR and the U.S. Environmental Protection Agency (EPA) discovered a great deal of illegal activity on the part of 5R, including the storing of hazardous waste at unpermitted facilities, transporting hazardous waste without the required manifest, and concealing these violations from state regulators both in Wisconsin and Tennessee. This led to the federal prosecution of several of the company's leaders by the U.S. Attorney for the Western District of Wisconsin.

While most of the legal matters surrounding 5R have been resolved, what remains is millions of pounds of electronic waste without a responsible party to clean it up. The electronic waste from 5R is currently contained in several semi-trailers and warehouse facilities located in Rusk, Price and Washington Counties. Unless we do something it could fall to local governments and local taxpayers to clean this waste up which they cannot afford to do. That is the reason for this simple bill before you today.

AB 943 directs the DNR to contract with a third party for the removal and proper disposal of this waste using not more than \$2.5 million in segregated funds from the environmental management account. At the end of fiscal year 2022, the balance in this account is projected to be \$33.8 million. It is also important to note that because segregated funds are being used there is no impact on the federal maintenance of effort requirements.

Senator Petrowski's office worked with the DNR on this proposal in an effort to make it as easy as possible to administer this clean up and I thank them for their willingness to work to find a solution to this unfortunate situation

Mr. Chairman and members, I ask for your support of AB 943 and thank you again for the opportunity to testify before you today.



RICK GUNDRUM

STATE REPRESENTATIVE • 58TH ASSEMBLY DISTRICT

Testimony on Assembly Bill 943

Assembly Committee on State Affairs

February 9, 2022 | 328 Northwest

Good afternoon. Chairman Swearingen, Vice-Chair Vorpapel, Ranking Member Sinicki, and other distinguished members of the Committee, I want to thank you for holding a hearing on Assembly Bill 943 today.

Assembly Bill 943 requires the Wisconsin Department of Natural Resources (DNR) to contract with third parties to perform various tasks in order to dispose of cathode ray tube (CRT) glass and related waste from produced from activities commenced by 5R Processors (5R) and located properties within Rusk, Price, or Washington counties that are not owned by 5R Processors or its successors.

I was surprised to learn of this story when it was brought to my attention by members of the community. The story, without going into too much detail, is that 5R Processors had facilities in Ladysmith, Glen Flora, Catawba, and West Bend, WI and Morristown, TN. 5R used a de-manufacturing process where the electronic equipment was taken apart manually and the parts classified into commodities which could be resold.

Some of these electronics included computer monitors and televisions that contained CRTs. These were broken down into “clean glass” and “funnel glass,” which contained lead. Until 2011, 5R would ship the CRT glass to companies that were permitted to handle it, and 5R would be charged for the disposal. From 2011 to 2016, 5R then began knowingly storing hazardous waste at unpermitted facilities, transporting hazardous materials without a manifest, and concealing these violations from state regulators in Wisconsin and Tennessee.

Thankfully, the individuals involved in this hazardous material shell game were charged with conspiracy to store and transport hazardous waste without the

required permits and manifests, in violation of the Resource Conservation and Recovery Act (RCRA). The former president of 5R was sentenced to 18 months in federal prison, but the colossal amount of waste still remains, including approximately 841,000 pounds in my district alone.

The facility, located 133 Oak Street in West Bend, sits as a crumbling reminder of the waste stored within. It is located in the heart of a residential neighborhood, just a couple of blocks from Badger Middle School. Located within walking distance to downtown West Bend, it is backed up by the Eisenbahn State Trail, which is an enormously popular recreational trail in Washington County.

While I would personally prefer to see those responsible cover the cleanup cost of their failed conspiracy, United States District Judge William M. Conley stated the former president of 5R “does not have the economic resources to allow him to make full payment of restitution in the foreseeable future under any reasonable schedule of payments.” It is because of this, and my desire to see the hazardous waste removed from my district, that I ask the honorable members of this committee to recommend passage of Assembly Bill 943. I wish to thank the DNR for its work with Senator Petrowski, and I’d like to, again, thank the Committee for the opportunity to provide testimony today.



Assembly Committee on State Affairs

2021 Assembly Bill 943 *Removal of Electronics Recycling Waste* *February 9, 2022*

Good afternoon Chair Swearingen and members of the Committee. My name is Brad Wolbert, and I am the Waste and Materials Management Program Director for the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify, for informational purposes, on Assembly Bill 943, related to cleanup of electronics recycling waste.

This bill would provide the department with \$2,500,000 from the environmental fund to clean up electronic waste in certain areas of the state. The locations in question were operated by 5R Processors, a Wisconsin company that was formerly in the electronics recycling business. The company utilized six locations in Wisconsin, including those in Ladysmith, Catawba, Glen Flora and West Bend, as well as one location in Tennessee, to store electronics it had collected. 5R is now out of business and has left behind millions of pounds of unprocessed and partially processed cathode-ray tube glass and other electronics-related materials. Cathode-ray tube glass contains significant amounts of lead and is considered hazardous waste.

5R's owners and operators have been the subject of federal criminal prosecution for federal and state hazardous waste violations and other crimes. The company has no net assets and there is no realistic possibility that the restitution ordered in the criminal cases would be enough to address the sites in question. The department does not have an existing program that can pay for the removal of this material. The US Environmental Protection Agency (EPA) has evaluated the sites and determined that they are not eligible for EPA-funded cleanup programs. Responsibility for removing these materials and ensuring the sites are safe from hazardous substances now lies with the current owners of the properties.

Cleaning up these properties would help to abate any environmental or public health concern and return the sites to productive use. Money appropriated under this bill would go to private contractors performing the cleanup under DNR oversight. The amount in the bill is based on third-party contractor estimates compiled by the department as a part of the federal criminal investigation.

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.

**Wisconsin Assembly Committee on State Affairs
Support for AB-943
Public Hearing | February 9, 2022**

Jay Shambeau, City Administrator
Mark Piotrowicz, Development Director
City of West Bend

Chairman Swearingen and Committee Members:

Thank you for the opportunity to speak today. My name is Jay Shambeau and I am the City Administrator for the City of West Bend. I am here with my colleague, Development Director Mark Piotrowicz, representing the City of West Bend in support of the proposed Assembly Bill 943. This legislation will create a new and continuing appropriation of \$2.5M to enable the Department of Natural Resources to contract with third parties to perform any necessary assessment, collection, transportation, and disposal of cathode ray tube glass and related waste generated from activities undertaken by 5R Processors or its successors.

5R Processors is the owner of record for 133 Oak Street—a dangerous and contaminated 105,000-sq.-ft. facility on a 7-acre parcel located in the heart of downtown West Bend, Wisconsin. The site is surrounded by single-family homes and the Eisenbahn State Trail.

The site operated as a facility for finishing wood for caskets in the 1920s. In the 1940s, the site housed an operation that varnished poles used for soldier's tents in World War II. It was later used as a brake shoe manufacturer, metal painting firm, and garage door manufacturer. Since 5R Processors acquired the site in October 2014, serious safety violations immediately followed. A Conditional Use permit granted in January 2015 to allow for solid waste collection, a recycling center, and retail sales was revoked after the organization neglected to meet building, fire and zoning codes. The facility ceased operations and, shortly after, became completely abandoned by 5R Processors. No taxes or assessments have been paid for this property since 2015. There is \$133,179.84 in outstanding back taxes and charges. The City of West Bend performs regular site safety checks which often result in our city staff boarding windows or doors to keep hazardous contents safely secured inside. The building has no heat or fire protection. In the last five years, the City of West Bend Police Department responded to 272 calls for service to the property. From trespassing, vandalism, drug use, sexual offenses, and other suspicious and illegal activities, this is a seriously dangerous and concerning property.

The Wisconsin Department of Natural Resources (DNR) has placed a lien or deed affidavit/notice at this site associated with environmental cleanup obligations or costs. The DNR's Bureau for Remediation and Redevelopment Tracking System website currently lists 60 actions and 38 documents related to environmental investigations of this property dated from 1988 to 2021. This site contains high volumes of hazardous chemicals and waste that could be accessible and threatening to the health of trespassers. The DNR and contracted parties are needed to perform the necessary assessment, collection, transportation, and waste disposal at this facility.

Thank you in advance for supporting Bill 943, the community of West Bend will become a safer place once this cleanup has occurred. This legislation will enable the City of West Bend to move forward in collaboration with the DNR to remediate this dangerous brownfield site, giving it a chance for future development.

Thank you for your time and consideration. Mark and I are happy to answer any questions.

Respectfully,

Jay Shambeau
City Administrator
City of West Bend