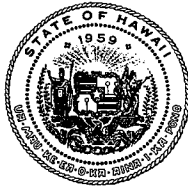


HB 2509



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

COMMITTEE ON ENERGY AND ENVIRONMENT
COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION

H.B. 2509 Relating to Electronic Device Recycling

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

**March 18, 2008
3:15 pm**

1 **Department's Position:** The Department has concerns regarding HB 2509 and prefers a
2 **program that is privately run.**

3 **Fiscal Implications:** The Department has not budgeted for startup costs of the program. This bill
4 establishes an Electronic Device Recycling Fund to collect manufacturer fees, payments, and penalties
5 to be administered by the Department.

6 **Purpose and Justification:** HB 2509 establishes a state program for collection, recycling, enforcement
7 and monitoring of covered electronic devices.

8 The Department concurs with reducing the pollution due to electronic devices and believes that
9 product stewardship and manufacturer responsibility is a proactive approach in handling our waste
10 electronic devices. It is especially encouraging to have manufacturers and retailers supportive of this
11 concept. The department appreciates the intended self-sufficiency of the proposed program and its
12 positive environmental impact. However, we have serious concerns about funding and prefer a program
13 that is privately run and does not require the establishment of a new state program.

1 In light of the need for additional personnel to establish and implement the program, the
2 department requests that any provision of resources not adversely affect the priorities in our executive
3 supplemental budget request.

4 Thank you for the opportunity to testify.

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UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Energy and Environment and
Senate Committee on Economic Development and Taxation
March 18, 2008 at 3:15 pm

by
David Lassner
Vice President for Information Technology and Chief Information Officer
University of Hawai'i

HB 2509 – RELATING TO ELECTRONIC DEVICE RECYCLING

Chairs Menor and Fukunaga, Vice Chairs Hooser and Espero and Members of the Committees:

The University of Hawai'i supports the intent of HB 2509, which would increase the responsible recycling and disposal of electronic waste (ewaste). Regrettably however, we must oppose the current Bill unless two significant changes are made to avoid major negative impact on our ongoing educational recycling programs.

The following important changes were made in SB 2843, SD2 as passed by the Senate, and we request that they be applied to HB 2509 as well.

First, unlike the original measure, SB 2843, SD2 now includes the University of Hawai'i, Department of Education, other schools, and all levels of government as "covered entities." Second, SB 2843, SD2 now includes computers and printers as "included electronic devices." Our experience is that computers and printers are a substantial component of our ewaste problems. Without these provisions, the bill would do substantial damage to current University and DOE ewaste disposal efforts.

Our concern over the language in these bills as introduced is the direct result of our experience coordinating one of the largest ewaste disposal efforts in the State. In collaboration with Apple Computer, in October 2006 the University of Hawai'i coordinated a one-week statewide educational ewaste disposal program. At no direct cost to the University, DOE or private schools, we collected and responsibly disposed of 51 containers of unused electronic equipment from schools and colleges on four islands. Apple paid for the containers and all associated handling. Also at Apple's sole expense, the 1.2 million pounds of e-waste we collected were removed from Hawai'i for responsible recycling and disposal. This equipment included computers, monitors, printers and televisions.

We recently began discussions with Apple to plan another ewaste disposal effort for

2008. Apple's preliminary intention was to extend the program to include governmental entities as well. However, with the introduction of SB 2843 and HB 2509 as originally drafted, Apple asked to put our planning on hold. Apple's legitimate reasoning was that if the State Legislature decides to mandate disposal programs only for ewaste from consumers and small businesses, and explicitly excludes computers and printers, then Apple would quite logically redirect its recycling efforts and resources in Hawai'i into ewaste disposal programs that directly address the new statutory requirements.

We therefore request that HB 2509 be amended in a manner similar to SB 2843, SD2 in order to support the efforts of Hawai'i's education and governmental sectors to responsibly and comprehensively address our ewaste concerns as well as those of consumers and small businesses.

Date of Hearing: March 18, 2008

Committee: Senate Energy and Environment/
Economic Development and Taxation

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. 2509, HSCR 1014: Relating to Electronic Device Recycling

Purpose: Establishes a state program for collection, recycling, enforcement and monitoring of covered electronic devices; establishes program funding through the electronic device recycling fund.

Department's Position: The Department of Education (DOE) supports the purpose and intent of this bill but feels strongly that the bill should be modified to include "government entity" in the definition of "covered entity" and also that the definition of "covered electronic device" should be broadened to include "computers" and "computer printers".

Most DOE schools and offices have a serious problem with disposal of obsolete or non-functioning computers and other electronic devices. Such equipment is taking up a significant amount of storage space at schools and this volume is

increasing at an alarming rate. This equipment is often being stored because schools do not have a viable, low cost, and environmentally acceptable disposal option. Some manufacturers have from time to time assisted the DOE and schools by collecting and recycling equipment at no cost to the schools or to the DOE. Unless government entities are included as covered entities under this bill, manufacturers will necessarily divert their attention and resources to only households and small businesses in order to comply with the specific statutory requirements, and will have no incentive to help public schools and state government offices with recycling their obsolete electronic devices.

Also, although computer monitors are one important source of the dangerous chemicals and metals in electronic waste, computers and printers also contribute to this hazard so we believe that it is important to include them in the scope of this legislation.

The bill as amended with the recommendations above will allow the DOE and public schools to avoid unnecessary expense and equipment storage and responsibly dispose of their electronic waste.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON ENERGY AND ENVIRONMENT
AND ECONOMIC DEVELOPMENT AND TAXATION
ON
HOUSE BILL NO. 2509

March 18, 2008

RELATING TO ELECTRONIC DEVICE RECYCLING

House Bill No. 2509 establishes a State program for the collection, recycling, enforcement and monitoring of covered electronic devices and establishes program funding through an electronic device recycling fund.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.

**TESTIMONY OF THE
COUNTY OF KAUAI
DEPARTMENT OF PUBLIC WORKS**

**TO THE SENATE COMMITTEES ON ENERGY AND ENVIRONMENT
AND ON ECONOMIC DEVELOPMENT AND TAXATION**

**TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008**

**March 18, 2008
3:15 p.m.**

**TESTIMONY ON HOUSE BILL NO. 2509, RELATING TO ELECTRONIC DEVICE
RECYCLING**

**TO THE HONORABLE RON MENOR, CHAIR, AND THE HONORABLE CAROL
FUKUNAGA, CHAIR, AND MEMBERS OF THE COMMITTEES:**

My name is Donald Fujimoto, Director of the Department of Public Works, County of Kaua'i (County), testifying in favor of House Bill No. 2509.

The Bill establishes a state program to collect, recycle, enforce and monitor certain electronic devices and provides program funding through the electronic device recycling fund.

The Bill establishes and supports a much needed program to deal with a rapidly growing and potentially hazardous waste stream. Currently, there are no recycling outlets on Kaua'i able to handle this waste stream, and the County landfill does not accept commercially-generated monitors. Users of these devices, including schools, other State agencies, business, and County agencies, face significant challenges disposing of these materials because of lack of local service providers, lack of consolidation points, and the cost of shipping from a neighbor island. The program proposed by this Bill would assist these users by providing a cost-effective and environmentally sound option to current methods of disposal. While the measure places significantly responsibility on the State Department of Health, we anticipate that with adequate resources, the department can make this program as successful and beneficial as the deposit beverage container redemption program.

In order to increase the effectiveness of the measure, we suggest amending the definitions in section two of the measure to (1) include desktop computers and printers in the definition of "covered electronic device," and (2) expand the definition of "covered entity" to include government entities, businesses, and nonprofit organizations, regardless of size, operating on a neighbor island.

We thank the Committees for the opportunity to present testimony on this matter.



**Committee on Energy & Environment
Committee on Economic Development and Taxation
Hawaii State Legislature
March 18, 2008**

**Comments on Electronics Recycling
D. Michael Foulkes
Senior Manager
State & Local Government Affairs
Apple, Inc**

House Bill 2509 (Morita) – Oppose Unless Amended

Dear Chairman Menor and Chairwoman Fukunaga:

On behalf of Apple, Inc., I respectfully request that HB 2509 be amended to reflect that language that was placed in SB 2843, SD 2 as passed by the Senate.

That language, requested by both Apple and our partners at the University of Hawai'i, would strengthen the bill, make it more fair to industry participants, and most of all avoid unintended harm to our voluntary programs here in Hawai'i.

Apple has a demonstrated investment in helping Hawai'i to recycle electronics. In 2006 Apple sponsored a weeklong recycling event, partnering with the University of Hawai'i and the Hawai'i Department of Education to recycle 1.2 million pounds of electronics from the State. In 2007, Apple recycled another 100,000 pounds of electronics. We are actively working on more partnerships here in Hawai'i.

HB 2509 should not exclude schools and business.

Apple has a long history of partnership with education institutions. With that comes a great understanding of recycling practices. Schools regularly get large donations of outdated electronics equipment, which has a very limited life in the classroom and can be costly to recycle. Schools often will seek the most cost effective disposal method to preserve scarce education dollars for teaching. This electronic equipment often ends up overseas where it is not treated appropriately. If schools are not part of this program, the unintended consequence will be an increase in improperly disposed of electronics.

Businesses face a similar problem, and should be part of the program. This language was previously placed in SB 2843, SD2.

HB 2509 unfairly targets certain types of products.

AB 2509 has a very narrow scope, leaving many devices with the same internal components out of the legislation, such as computer peripherals. These products, such as printers and fax machines, are often more bulky and contain the same chemicals, metals, and plastics as computers. Removing these products from the scope will provide no incentive to the manufacturer's of those products to design for the environment. Product scope should not be determined by the use of the product, but rather by the contents of the product: products with similar internal and external materials should be treated the same.

According to the latest US EPA data the following electronics are discarded in the US (all numbers in thousands of tons):

| | |
|---------------------------|-------|
| TV's (CRT) | 759.1 |
| Monitors (CRT) | 389.8 |
| Printers, keyboards, mice | 324.9 |
| Desktops | 259.5 |
| TV's (projection) | 132.8 |
| Laptops | 30.8 |
| Cell phones | 11.7 |
| Monitors (LCD) | 4.9 |

The scope of products in the bill should match those creating the largest waste issues, to focus only on the computer and TV industries is unfair and will result in a program that does not effectively distribute the burden across all of the industries involved.

Apple has supported producer responsibility legislation, including legislation in Europe and the United States with fair product scopes. Recently, Apple supported producer responsibility legislation in New York City that has a broad scope of covered devices and covers waste generated by all entities.

This language was previously placed in SB 2843, SD2

HB 2509 needs to reward good environmental design

The best way we can help minimize waste creation is to design products that are environmentally sensitive, minimize power use, and have a long lifespan.

Apple is committed to designing products with the environment in mind. The most recent example of this is the design behind our latest product: the Macbook Air. The new MacBook Air embodies Apple's continuing environmental progress with its aluminum enclosure, a material highly desired by recyclers; Apple's first mercury-free LCD display with arsenic-free glass; and brominated flame retardant-free material for the majority of circuit boards as well as PVC-free internal cables. In addition, MacBook Air consumes the least amount of power of any Mac, and its retail box, made primarily from 100 percent post-consumer recycled material, is 56 percent smaller by volume than the previously smallest MacBook packaging. We apply this philosophy of environmental design to all of our products and in addition, Apple offers free computer takeback with purchase and free takeback for our ipods and iphones.

HB 2509 should be based upon market share

The legislation assigns responsibility based upon return share (those products coming into the waste system). While this methodology has its supporters, especially those with large current market share, it creates a complicated system for assigning responsibility and will put a large burden on the Hawai'i Department of Health.

It will also have the unintended consequence of limiting programs to give computers to children, since companies will now have a potentially significant liability if those products, when disposed of, create a large market share increase. We have experienced this exact issue in other states.

A market share approach, especially if based upon national sales data, is simple to compute, simple to manage, and not create any disincentives to corporate donations.

Thank for the opportunity to share our comments on HB 2509. We look forward to working with you to develop meaningful electronics recycling legislation that is fair and comprehensive. Please do not hesitate to contact me at (408) 974-2503 or by email at foulkes@apple.com if you have any questions.



Meggan Ehret, Corporate Secretary
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OPPOSE

March 18, 2008

**TO: Sen. Ron Menor
Chair, Committee on Energy & Environment
State Senate
Hawaii State Capitol, Room 208**

**Sen. Carol Fukunaga
Chair, Committee on Economic Development and Taxation
State Senate
Hawaii State Capitol, Room 216**

FROM: Meggan Ehret, Senior Counsel, Thomson Inc.

**RE: HB 2509 – Relating to Electronic Device Recycling
Hearing: Tuesday, March 18, 2008 @ 3:15 PM
Conference Room 414
Hawaii State Capitol**

Chairs Menor and Fukunaga and members of the Energy & Environment Committee and Economic Development and Taxation Committee,

My name is Meggan Ehret and I am Senior Counsel with Thomson Inc. and also serve as its corporate secretary. Thomson Inc. is committed to developing a workable and environmentally sustainable solution for e-waste, which, according to the EPA, is the fastest growing portion of the municipal solid waste stream. We applaud the Legislature for having this hearing to ensure that the e-waste solution is a workable one that accomplishes the goal. We appreciate the opportunity to participate in this discussion.

Thomson is committed to complying with all environmental, health, and safety laws and regulations applicable to our business activities. We are equally committed to preventing deterioration of the environment and minimizing the impact of our operations on the land, air and water. These commitments can only be met through the awareness and cooperation of all employees.

Thomson is a world leader in digital video technologies. Thomson provides technology, services, and systems and equipment to help its Media & Entertainment clients — content



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creators, content distributors, and users of its technology — realize their business goals and optimize their performance in a rapidly-changing technology environment. The Group is the preferred partner to the media and entertainment Industries through its Technicolor, Grass Valley, RCA, and Thomson brands. As background, RCA's stock was acquired by General Electric in 1986, and shortly thereafter Thomson bought certain consumer electronics assets from GE and eventually acquired the RCA trademark (in most classifications) and today licenses the trademark to a number of different companies that make RCA televisions and other RCA-branded products. In 2004, Thomson sold its television manufacturing assets and now licenses the trademark to a large television manufacturer.

Thomson is also a member of the Electronic Manufacturers Coalition for Responsible Recycling which we commonly refer to as "the Coalition." The Coalition consists of major manufacturers and marketers of consumer and commercial electronic products.

Based on our experience, we have learned that each product is different and, relevant here are the differences between televisions and computers. The different product life expectancy, market economics, residual values, and product portability necessitate different approaches to recycling to each product.

- **Different Product Life Expectancy** - Televisions have an average useful life of 15 to 17 years and have been available on the market since the late 1920's. Computers, on the other hand, have only been widely available to consumers since the 1980's and have an average life expectancy of at least 10 years less than the average television. Because televisions have been in existence much longer and have a much longer life, many of the manufacturers of the televisions hitting the waste stream are either no longer in business or are no longer manufacturing televisions.
- **Different Market Economics** - It is estimated that over 30 million TVs will be sold in 2008 (US News & World Report, 12/31/07). Of these, many will be sold by value brands that have only been established in the past few years. Ten percent of TV manufacturers - primarily those based in Asia - are expected to go out of business each year. (Legislative Study Accompanying Washington State E-Waste Law). Requiring present-day TV manufacturers to fund a TV recycling program based on their current market share ensures they are not given a free pass until their branded products begin to appear in volume in the State's recycling stream more than 15 years later and, in some instances, at a time they are no longer in business.
- **Different Residual Value** - A computer's residual value is much greater than the typical cathode ray tube television. Computers contain precious metals and other valuable and easily recycled or reused materials. This significantly impacts the economics of recycling a television versus recycling a computer.



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- **Different Product Portability.** Computers are lighter and easier to handle, thus different opportunities exist for collection and recycling. Those opportunities do not exist for television manufacturers. Thus, “takeback” programs that require consumers to send equipment to a manufacturer is more workable for computers than televisions.

These important differences support separate approaches to recycling programs. The computer manufacturers have already implemented “takeback” programs and thus requiring takeback programs is the most logical and workable approach for computer products. For televisions, which is my focus today, the only approach that levels the playing field is allocating the costs of a recycling program to the present day manufacturers based on each manufacturer’s respective share of the market. It is a fairer approach for the following reasons:

- The television market is an easy-entry and easy-exit industry, making short-term competitive advantages the rule. According to an article in Smart Money Magazine (“Behind the Glass,” March 2005), 70 percent of the television manufacturers were not in business ten years ago. By the time a new market entrant must pay to recycle its products (approximately 15 years from today), it is likely no longer in business.
- Far East manufacturers are flooding the market. “China...has emerged to build consumer electronics...as a new manufacturer. Any company with the resources and a market entry point can deliver product relatively quickly by contracting with the original design manufacturers.” (The Consumer Electronics Industry in Flux, Gartner Inc. Research Report, November 16, 2005.). History has proven that they will not be in business by the time their products hit the waste stream and, given their location, enforcement or collection (particularly after they are out of business) will be difficult if not impossible, unless a barrier to entry to the market is contributing to the costs of recycling televisions now.
- It is difficult—if not impossible—to estimate today the costs associated with recycling televisions 15 years from now (e.g., collection, transportation and recycling) and market share allocation ameliorates this concern. Thus, allocating the actual costs to recycle products today among today’s market participants is fair and permits today’s market participants to plan accordingly.

A market share approach requires each current manufacturer to pay for a share of the recycling of televisions based on its respective share of the market and account for these costs in the price of their product. Any other alternative will give a free ride to new market entrants as they will not be required to pay any costs for recycling today and history has demonstrated that they will be out of business in 15 years (which is when their products hit the waste stream). Thus, new market entrants will likely never pay for recycling e-waste. Importantly, as a result of not having to factor in the cost of e-waste, they are able to price their products lower than the long standing market participants and increase their share of the market. This is the same



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conclusion reached by the Council of State Governments NE region, Minnesota, New Jersey, and Oregon. (See http://www.csgeast.org/pdfs/RegionalDraft7-06_revised.pdf).

In summary, Thomson respectfully asks that the Senate Committees on Energy & Environment and Economic Development and Taxation consider allocating the costs of recycling televisions to the current market participants based on their respective share of the market and level the playing field for all television manufacturers.

Thank you for allowing me the opportunity to provide my comments to you.

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March 10, 2008

The Honorable Ron Menor
Chairman, Committee on Energy and Environment
Hawaii State Legislature

RE: H.B. 2509 – Relating to Electronic Device Recycling – Oppose as Written, Amendment Suggested

Dear Senator Menor:

The Information Technology Industry Council (ITI) has serious concerns regarding certain provisions of the House Bill 2509, which relates to the electronic device recycling. We would like to express our opposition to this bill as it is currently written and offer an amendment to the current version.

Assuring the appropriate recycling of obsolete electronic devices is an important public policy goal. On behalf of our membership, however, ITI cannot support this bill as written. Our primary concern with H.B. 2509 is that it does not recognize that business models and life spans for TV and IT equipment are very different.

Our members have significant concerns regarding any electronics recycling legislation that disrupts the market playing field by imposing costly requirements on some manufacturers today, while delaying obligations for others. Under the approach set forth in H.B. 2509, manufacturers are responsible for recycling their own branded products that are generated as waste in the state. The proposal calls for all obligations to be based on a manufacturer's return share of electronics. This requirement obligates established market participants to cover major costs now, while giving many of their new competitors a free ride for years. This is a particular issue for televisions, given that their average life-span is over 15 years.

We do not believe it is the role of government to interfere with fair market competition. This proposal, however, would have that exact effect. Notably, there are several newcomers in the television market that already possess significant market share. This legislation will hand these companies a competitive advantage over established manufacturers, since their branded products will not appear in the State's recycling stream for years. We recommend amending H.B. 2509 to base the recycling obligations for TV manufacturer's on a manufacturer's market share, rather than a manufacturer's return share of products.

If you have any questions regarding these comments please contact Chris Cleet at ccleet@itic.org or 202-626-5759. We look forward to further engagement on this bill and welcome the opportunity to provide more information or background for your additional consideration.

Regards,

Chris Cleet
Director of Environmental Affairs

Information Technology Industry Council (ITI)
1250 Eye St, NW - Suite 200
Washington, DC 20005
202.626.5759
www.itic.org

ABOUT ITI

The Information Technology Industry Council (ITI) represents the nation's leading high-tech companies and is recognized as one of the most effective advocacy organizations for the tech industry in Washington and internationally. ITI helps member companies achieve their policy objectives through building relationships with Members of Congress, Administration officials, and foreign governments; organizing industry-wide consensus on policy issues; and working to enact tech-friendly government policies.



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TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Electronic device recycling fee

BILL NUMBER: SB 2843; HB 2509 (Identical)

INTRODUCED BY: SB by Menor, Baker, Chun Oakland, English, Espero, Fukunaga, Gabbard, Hanabusa, Hooser, Ige, Ihara, Inouye, Kim, Kokubun, Nishihara, Sakamoto, Tokuda, Tsutsui and 2 Democrats; HB by Morita, Awana, Belatti, Berg, Bertram, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Green, Hanohano, Har, Karamatsu, Lee, Luke, Magaoay, Manahan, Mizuno, Nishimoto, B. Oshiro, Rhoads, Saiki, Say, Shimabukuro, Sonson, Takai, Takumi, Wakai, Waters, Yamane, Yamashita and 4 Democrats

BRIEF SUMMARY: Adds a new chapter to HRS as the electronic waste recycling act to establish a program to encourage the recycling of electronic devices in the state.

Requires manufacturers of electronic devices, as a prerequisite to selling such devices in the state, to register with the department of health and pay a registration fee of \$5,000 per year beginning on January 1, 2009 along with a list of their brands. Requires such electronic devices sold by the manufacturers to be permanently labeled so that the covered devices can be identified.

By June 1, 2009, each manufacturer to whom the department of health provides a return share in weight that is greater than zero to submit: (1) an additional fee calculated by multiplying the manufacturer's return share in weight by the cost per pound for collection, transportation, and recycling of covered electronic devices; or (2) submit a plan to provide for the collection, transportation, and recycling of at least 5% of the total return share in weight of covered electronic devices. Requires each manufacturer to comply with the return share provisions by February 15, 2011. Delineates what shall be covered in the manufacturers' recycling plan.

Further delineates sampling and reporting provisions that shall be conducted annually by the department of health beginning on January 30, 2011. Also requires the department to determine the return share for each program year for each manufacturer by dividing the weight of covered electronic devices identified for each manufacturer by the total weight of covered electronic devices identified for all manufacturers. Requires the department to notify each manufacturer of its return share, if a return share has been determined for the manufacturer, by February 15, 2011.

Delineates provisions to require the department of health to prepare and implement a plan to establish, conduct, and manage a program for the collection, transportation, and recycling of covered electronic devices in the state for manufacturers without approved recycling plans.

Prohibits the disposal of a covered electronic device in any solid waste disposal facility on January 1, 2010.

Any manufacturer that fails to label its covered electronic devices, fails to register with the department of health and pay a registration fee, or fails to comply with the provisions of this act may be assessed a penalty of up to \$10,000 for the first violation and up to \$25,000 for the second and subsequent violations.

Establishes an electronic device recycling fund into which shall be deposited all fees, payments, and penalties collected by the department of health under this chapter.

EFFECTIVE DATE: July 1, 2008

STAFF COMMENTS: This measure proposes to address the disposal of electronic waste by requiring manufacturers to: (1) establish a recycling program to recover the electronic devices sold by the manufacturer; or (2) pay an additional fee and participate in a state department of health recycling program for electronic devices that are not covered by a manufacturer's recycling plan. Under the proposed program, each manufacturer would be required to submit a fee of \$5,000 per year and an additional fee based on the amount of covered devices returned for recycling if the manufacturer does not submit a recycling plan approved by the department of health.

While it may be desirable to require and promote the environmentally correct disposal of electronic devices, it is questionable whether it should be a state run program. It should be noted that there are a number of private companies that will dispose of used computers and electronic goods in the state. Rather than adopting this measure, an educational awareness program regarding the disposal of these electronic devices or a program similar to the disposal of hazardous material would be preferable.

The adoption of this measure would result in an additional imposition on manufacturers who sell their electronic goods in Hawaii which, no doubt, will be passed on in the form of higher prices of these goods. It could also mean that manufacturers that are not willing to pay the fee will decide to not to sell their products in the state. While the department of health is required to establish an electronic device recycling program, it would greatly add to the proliferation of programs and regulations, such as proposed by this measure. Recycling of electronic devices, or for that matter any of the other numerous "worthy" programs that are important to the health and safety of the community, should be funded out of legislative appropriation rather than a fee imposed on manufacturers.

If there is any kind of message being sent here by the legislature is that it is not worth it to do business in Hawaii. Like the bottle deposit program, this is just one more nail in the economic coffin. If retailers and other businesses think consumers find shopping on the INTERNET more advantageous, this measure will drive consumers in droves to make purchases of electronic devices from out of state vendors who will not be burdened with an addition "tax" like that which is proposed in this bill. Losing business like that will drive many businesses right out of business for after all, the manufacturers will have to recover the cost of the registration fee and the return share in weight fee by passing it on to the consumer in the form of higher prices if they even decide to do business in Hawaii. What this also says is that lawmakers do not know how to set priorities in expending what resources have already been provided to them by the taxpayers but merely think they can ask for more from taxpayers.

Digested 2/20/08

Joyce Masamitsu
Associate Director
State Public Policy, West Area



March 18, 2008

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The Honorable Ron Menor, Chair
Senate Committee on Energy and Environment
The Honorable Carol Fukunaga, Chair
Senate Committee on Economic Development and Taxation

RE: Testimony and Proposed Amendment to House Bill 2509

Dear Senator Menor, Senator Fukunaga and the Members of the Committees,

This letter is written on behalf of Verizon Wireless to request an amendment to House Bill 2509, legislation that would create a statewide recycling program for electronic waste. While Verizon Wireless embraces the author's goals to encourage the recycling of electronic devices, we request exclusion of voice and data equipment for wireless communication carriers without limiting exception criteria to telephones with a screen size greater than four inches measured diagonally.

Verizon Wireless and the industry at large, have already instituted voluntary recycling programs to promote environmentally friendly alternatives for electronic waste management. The recycling program created by House Bill 2509 would not be necessary for any of our products and would be disruptive to current consumer-centric policies we have in place today.

Verizon Wireless joined forces with HopeLine in 2001 to create a company wide recycling program that would aid victims of domestic violence. The **HopeLine® Phone Recycling and Reuse Program** collects no-longer-used wireless phones and equipment in any condition from any service provider. The used phones are either refurbished or recycled. With the funds raised from the sale of the refurbished phones, Verizon Wireless donates wireless phones and airtime to victims, and provides funding and other contributions to non-profit domestic violence shelters and prevention programs across the country.

Verizon Wireless also concentrates on protecting the environment by collecting spent rechargeable batteries for recycling. The **Verizon Wireless Cell Phone Battery Recycling Program** is an easy way for customers to join with us to help conserve the earth's natural resources and prevent spent batteries from entering community landfills. Verizon Wireless' retail stores participate in the **Rechargeable Battery Recycling Corporation (RBRC) Call2Recycle™** program, designed to educate the public about the need to recycle these batteries and to provide collection containers at retail stores where replacement batteries are sold. To participate, a customer simply drops their used rechargeable battery at any of our retail locations nationwide. As a corporate participant in this program, every Verizon Wireless retail store has collection kits behind the service counter to collect your spent batteries and ship them directly to the recycling facility for processing.

Through the HopeLine® Phone Recycling and Reuse Program, more than 200 tons of electronics waste and batteries have been kept out of landfills.

Verizon Wireless' participation and establishment of a national recycling program is a success story that fosters goodwill, corporate responsibility and community outreach. Since its launch in October of 2001, this nationwide program has produced outstanding results while driving public awareness of domestic violence across the country:


- Collected more than 4.5 million phones through our Verizon Wireless stores and other points across the country.
- Nearly 1 million phones have been properly disposed of in an environmentally sound way.
- Through the HopeLine® program, refurbished and resold equipment has enabled the delivery of nearly \$5 million in cash donations to domestic violence organizations nationwide.
- Distributed more than 60,000 HopeLine® phones with the equivalent of 180 million minutes of service and other features for use by victims, survivors and organizations
- More than 170,000 pounds of batteries were recycled through the HopeLine and Call2Recycle™ programs.

In 2007 alone, Verizon Wireless' national recycling program has facilitated the collection of nearly 1.07 million phones, the highest total since the program launched in 2001. Nearly \$1.74 million in cash generated from donated phones given to 330 different domestic violence prevention and awareness programs nationwide. Approximately 20,000 HopeLine® phones with service were active nationwide at the end of 2007. Hawai'i, residents and businesses donated more than 5,200 cell phones to our Verizon Wireless HopeLine® recycling program. In the state of Hawai'i, Verizon Wireless donated more than \$100,000 grants and wireless phone with airtime to local domestic violence programs.

For the above stated reasons, Verizon Wireless does not feel that participation in a mandated, statewide recycling program for electronic devices would provide greater benefit to our customers and the communities that we currently support through our HopeLine® recycling program. In light of this, Verizon Wireless asks that HB 2509 be amended to read in Section 1 – Definitions: "Covered electronic device" 2) Shall not include: (D) "*A telephone of any type.*" The remainder of the sentence, "unless it contains a video display area greater than four inches measured diagonally" should be deleted. Verizon Wireless requests the removal of this screen size requirement because all of Verizon Wireless products are included in our company's existing recycling program.

Thank you for your consideration of this amendment to House Bill 2509.

Sincerely,



Joyce Masamitsu



Dan Youmans
Director
External Affairs

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March 18, 2008

The Honorable Senator Ron Menor
Chair, Hawaii State Senate Committee on Energy and Environment

The Honorable Senator Carol Fukunaga
Chair, Hawaii State Senate Committee on Economic Development and Taxation

RE: Testimony and Proposed Amendment to House Bill 2509

Dear Senator Menor, Senator Fukunaga and Members of the Committee:

On behalf of AT&T, we are requesting an amendment to House Bill 2509 so that it will match Senate Bill 2843 as it passed the Senate. In the definitions section of HB 2509, telephones of any type are excluded from the program, unless the screen size is greater than four inches measured diagonally. AT&T requests the removal of this screen size requirement since all of our products are covered in our industry's recycling program.

As we stated in our previous testimony on SB 2843, most wireless devices today have screens smaller than four inches. However, new devices in the future may have screens that exceed this limit. Because our industry has a highly effective recycling program, we do not believe our devices should be included in the program created by House Bill 2509.

Our industry's approach allows any consumer to take any wireless device or accessory, including phones, PDAs, chargers, and batteries, to any company retail outlet. Stores will accept these devices without cost to the consumer. The devices do not even have to be from that particular carrier. These devices will then be reused or recycled. This program covers all of our products, no matter what the screen size.

We are especially proud of the program now in place at AT&T in which we collect old cell phones and use the funds from recycling these devices to purchase pre-paid calling cards for military personnel, so they can call home from overseas. This program is called "Cell Phones for Soldiers."

For these reasons, we request the removal in HB 2509, Section 1 in "Definitions," 2 (D) of the phrase "unless it contains a video display area greater than four inches measured diagonally." Thank you for considering this amendment to House Bill 2509.

Respectfully Submitted,

Dan Youmans, AT&T



MOTOROLA

March 18, 2008

The Honorable Ron Menor
Chair, Senate Committee on Energy and Environment
415 S. Beretania St.
Honolulu, Hawaii 96813

RE: HB2509

Dear Chairman Menor:

I am writing on behalf of Motorola to request an amendment to an amendment to House Bill 2509 so that it will match Senate Bill 2843 as it passed the Senate. In the current version of the HB2509, telephones of any type are excluded from the program, unless the screen size is greater than four inches measured diagonally. We respectfully request that the legislation be amended to remove the screen size requirement since all of our products are covered in our industry's existing recycling programs.

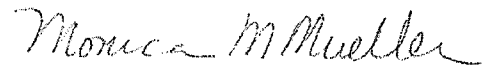
Motorola has a history of consumer product take back programs in place. For example, through our mobile phone recycling program, we take back any make, any model and any accessory. Details are available at www.Motorola.com/recycling.

Also, it is very important to note that there is a market for used mobile phones. Consequently, when done properly in a competitive environment, take back programs for mobile phones actually generate revenue, in contrast with computers, monitors, and televisions. These differences mean that a "one size fits all" approach should not be applied to recycling programs. Instead, we believe that the favorable market for used mobile phones should be allowed to continue to operate. This competitive market for used product has resulted in several options for consumers about where and how to dispose of their used phones. In fact, programs are operated by the manufacturers, the carriers, and others.

For these reasons, we request the removal in HB 2509, Section 1 in "Definitions," 2 (D) of the phrase "unless it contains a video display area greater than four inches measured diagonally."

Thank you for considering this request. If you have any questions, please do not hesitate to contact me at 847-630-1653.

Sincerely,

A handwritten signature in cursive script that reads "Monica M. Mueller". The signature is written in black ink and is positioned above the printed name.

Monica M. Mueller
Manager, Global Government Affairs

Senator Ron Menor, Chair
Senator Gary Hooser, Vice Chair
Committee on Energy & Environment

Senator Carl Fukunaga, Chair
Senator Will Espero, Vice Chair
Committee on Economic Development & Taxation

State Capitol, Honolulu, Hawaii 96813

HEARING Tuesday, March 18, 2008
 3:15 pm
 Conference Room 414



RE: HB2509, Relating to Electronic Device Recycling

Chairs Menor and Fukunaga, Vice Chairs Hooser and Espero, and Members of the Committees:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing about 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii.

RMH supports HB2509, relating to electronic device recycling. If I may, I would like to offer the following comments:

- National legislation, while still pending in Congress, is the ultimate solution. A series of individual state-by-state laws tends to confuse the consumer and forces manufacturers and retailers to absorb tremendous administrative costs.
- However, understanding the urgency of our addressing this issue to avoid further impact on our environment, the manufacturer responsibility model in SB2843 is our preferred approach. To date Connecticut, Minnesota, Oregon, North Carolina, Texas, Maine, Washington and New Jersey all have passed manufacturer responsibility bills. In the long term, this will further encourage the design of environmentally friendly products, allow for flexibility in recycling methods and establish a market that can drive down the costs for consumers over time.
- We respectfully ask your consideration to insert language in § -3 (2) that allows an initial "sell through" provision to afford retailers to ability to sell any covered device that was on order and/or is in stock BEFORE a manufacturer may have registered; suggested: *(c) The sale or offer to sell any new covered electronic device in the State that was either in stock or on order for stock by a retailer prior to the initial registration date specified in subsection (b) shall be exempt from the requirements of this section.*
- In this measure, retailers who manufacture private label products are also considered manufacturers. Because many of our retailers are also manufacturers, we do have a concern with the reference in the bill (§ -1 Definitions: "Manufacturer" and § - 4(4) (k): The Obligations ...) to the usage of present and past tense of *manufacturers* and *manufactured* and *sells* or *sold*. Using the present tense forms of the verbs, i.e., "manufactures" and "sells," would more fairly appropriate and delineate responsibility.

Thank you for your consideration and for the opportunity to comment on this measure. We are eager and look forward to continued discussion

A handwritten signature in black ink, appearing to read 'Carol Prejill', written in a cursive style.

President

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A LIMITED LIABILITY LAW PARTNERSHIP LLP

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March 17, 2008

TO: Senator Ron Menor
Chair, Committee on Energy & Environment

Senator Carol Fukunaga
Chair, Committee on Economic Development & Taxation

Via Email: testimony@capitol.hawaii.gov

FROM: Chris Pablo

RE: **H.B. No. 2509 – Relating to Electronic Device Recycling
Hearing: Tuesday, March 18, 2008, 3:15 pm, Room 414
(Revised Testimony)**

Dear Chair Menor, Chair Fukunaga and members of the Committees on Energy & Environment and Economic Development & Taxation

I am Chris Pablo testifying on behalf of Covanta Energy Group, the operator of the HPOWER waste-to-energy facility at Campbell Industry Park.

H.B. 2509 establishes a state program for collection, recycling, enforcement, and monitoring of covered electronic devices, and establishes program funding through the electronic device recycling fund. The measure also prohibits any person from placing or disposing of any covered electronic device in any solid waste disposal facility.

Covanta believes that the appropriate handling of electronic devices is a product stewardship issue. As such, those who make or who dispose of the product should play the primary role in managing this product as waste. Although that issue is addressed by the electronic device recycling program to be established by H.B. 2509, the bill's disposal ban at facilities like HPOWER does not promote product stewardship.

Covanta does not want this material at HPOWER and does its best to keep it out. But, Covanta is not in a position to keep the material out if it is disposed of in the waste delivered to HPOWER.

Covanta supports the creation of an electronic device recycling program pursuant to H.B. 2509, but respectfully requests an amendment to relieve the facility of liability should

March 17, 2008

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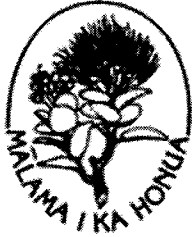
such devices enter the facility in the normal course of operations and not be disposed of in the manner provided by the proposed Electronic Waste Recycling Act. It is not feasible to separate materials that are in the waste stream that is delivered to HPOWER once it enters the premises. This amendment will allow HPOWER to deal with such material like all solid waste that enters and is disposed of at the facility. Therefore, Covanta requests that HB 2509 be amended by adding a new subsection (c) to Section 10 as follows:

§ -10 Disposal ban; recycler responsibility. (a) Beginning January 1, 2011, no person shall place or dispose of any covered electronic device in any solid waste disposal facility.

(b) Recyclers shall comply with applicable federal, state, and county laws, regulations, and rules in recycling covered electronic devices collected pursuant to this chapter.

(c) A county authorized waste-to-energy facility shall not be in violation of this section if any covered electronic device enters the waste stream in the normal course of operations and is not removed from the facility for disposal in the manner provided by Chapter .

Thank you for providing us with the opportunity to provide testimony on
HB 2509.



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.537.9019 hawaii.chapter@sierraclub.org

**SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION**
March 18th, 2008, 3:15 P.M.

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 2509

Chairs Menor and Fukunaga and members of the committees:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, supports HB 2509, establishing an electronic waste (or e-waste) recycling program.

E-waste from computers, televisions, and other high-tech devices is an increasing problem. This type of waste frequently contains toxic materials, such as lead in the circuit board soldering or in the cathode ray tube. Moreover, with landfill issues on nearly every island, policies to divert waste from landfills should be encouraged. The program contemplated in the current draft of HB 2509 is compatible with programs being developed by national electronic device manufacturers.

Starting the process to establish and fund a state e-waste recycling program is critical now as more and more residents purchase high definition televisions and decide to scrap their older sets.

We ask that this timely measure be forwarded for further discussion.

Thank you for the opportunity to testify.