



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

In reply, please refer to:  
File:

## COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS CONCERNS

### SB 2843, SD2, HD1 Relating to Electronic Device Recycling

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

March 18, 2008  
8:45 a.m.

1 **Department's Position:** The Department has concerns regarding SB2843, SD2, HD1 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:** SB2843, SD2, HD1 establishes a state program for collection, recycling,  
7 enforcement 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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WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEES ON ECONOMIC DEVELOPMENT AND BUSINESS  
CONCERNS AND LABOR AND PUBLIC EMPLOYMENT  
ON  
SENATE BILL NO. 2843, S.D. 2, H.D. 1

March 18, 2008

RELATING TO ELECTRONIC DEVICE RECYCLING

Senate Bill No. 2843, S.D. 2, H.D. 1, 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.

Date of Hearing: March 18, 2008

Committee: House Economic Development &  
Business Concerns

**Department:** Education

**Person Testifying:** Patricia Hamamoto, Superintendent

**Title:** S.B. 2843, SD2, HD1: 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". The original language of this bill did include these broader definitions but when the wording of HB 2509 was inserted into this bill, the modified bill now has the unduly restrictive definitions, which in our opinion negates much of the value and benefit of the legislation.



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 heavy metals in electronic waste, computers and printers also contribute significantly to this hazard so we believe that it is very important to include them in the scope of this legislation.

The DOE urges that the bill be modified to restore the recommended broader definitions noted above, which will allow the DOE and all public schools to avoid unnecessary expense and equipment storage and to responsibly dispose of their electronic waste.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Economic Development & Business Concerns  
March 18, 2008 at 8:45 am

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

### SB 2843, SD2, HD1 – RELATING TO ELECTRONIC DEVICE RECYCLING

Chair Yamashita, Vice Chair Wakai and Members of the Committee:

The University of Hawai'i supports the intent of SB 2843, which would increase the responsible recycling and disposal of electronic waste (ewaste). Regretfully 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 from the measure as introduced were made in SB 2843, SD2 as passed by the Senate. These were removed in SB 2843, SD2, HD1. We urge that they be reinstated in any measure that will be enacted.

First, unlike the original measure, SB 2843, SD2 included the University of Hawai'i, Department of Education, other schools, and all levels of government as "covered entities." Second, SB 2843, SD2 included 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 the measure be restored to its SB 2843, SD2 contents 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.

**TESTIMONY FROM THE  
COUNTY OF KAUA'I  
DEPARTMENT OF PUBLIC WORKS**

**TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND  
ENVIRONMENTAL CONCERNS**

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

March 18, 2008  
8:45 a.m.

**TESTIMONY ON SENATE BILL NO. 2843 SD 2 HD 1, RELATING TO ELECTRONIC  
DEVICE RECYCLING**

**TO THE HONORABLE KYLE T. YAMASHITA, CHAIR, AND MEMBERS OF THE  
COMMITTEE:**

My name is Donald Fujimoto, County Engineer, Department of Public Works, County of Kaua'i (County), testifying in favor of Senate Bill No. 2843 SD 2 HD 1. 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 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 Committee for the opportunity to testify on this matter.

# 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, HD-1

INTRODUCED BY: House Committee on Energy & Environmental Protection

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 3/17/08

**OPPOSE**

**March 18, 2008**

**TO: Rep. Kyle T. Yamashita  
Chair, Committee on Economic Development and Business Concerns  
State House of Representatives  
Hawaii State Capitol, Room 402**

**FROM: Meggan Ehret, Senior Counsel, Thomson Inc.**

**RE: SB 2843, SD2, HD1 – Relating to Electronic Device Recycling  
Hearing: Tuesday, March 18, 2008 @ 8:45 AM  
Conference Room 325  
Hawaii State Capitol**

Chair Yamashita and members of the Committee on Economic Development and Business Concerns,

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 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.
- **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 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](http://www.csgeast.org/pdfs/RegionalDraft7-06_revised.pdf)).

In summary, Thomson respectfully asks that the House Committee on Economic Development & Business Concerns consider allocating the costs of recycling televisions to the



**THOMSON**  
images & beyond

Meggan Ehret, Corporate Secretary  
Thomson Inc.  
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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.

###



**Information Technology Industry Council**  
Leading Policy for the Innovation Economy

March 17, 2008

Rep. Kyle Yamashita, Chair EDB Committee  
Measure: SB 2843, SD2, HD1  
Hearing: March 18, 2008 at 8:45 AM  
State Capitol; Conference Room 325

**RE: S.B. 2843 – Relating to Electronic Device Recycling – Oppose as Written, Amendment Suggested**

Dear Representative Yamashita:

The Information Technology Industry Council (ITI) has serious concerns regarding certain provisions of the Senate Bill 2843, 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 S.B. 2843 is that it does not recognize that business models and life spans for TV and IT equipment are very different. We do, however, strongly support the changes that have been made to the bill that have narrowed the scope of entities covered by the legislation. We would like to suggest the following change, which will improve the legislation by appropriately addressing the differences in business models, markets, and product life cycles of IT equipment and TVs.

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 S.B. 2843, 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 S.B. 2843 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](mailto: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  
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## 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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Environmental Coalition

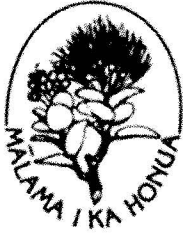
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# Sierra Club Hawai'i Chapter

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## HOUSE COMMITTEE ON COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS CONCERNS

March 18<sup>th</sup>, 2008, 8:45 A.M.

**(Testimony is 1 page long)**

### TESTIMONY IN SUPPORT OF SB 2843 SD2 HD1

Chair Yamashita and members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, supports SB 2843 SD2 HD1, 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 SB 2843 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.

The Sierra Club supports the amendments in House Draft 1 and asks that this timely measure be forwarded for further discussion.

Thank you for the opportunity to testify.

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

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March 15, 2008

TO: Representative Kyle T. Yamashita  
Chair, Committee on Economic Development & Business Concerns  
Via Email: [EDBtestimony@capitol.hawaii.gov](mailto:EDBtestimony@capitol.hawaii.gov)

FROM: Christopher G. Pablo

RE: S.B. No. 2843 SD2 HD1 – Relating to Electronic Device Recycling  
Hearing: Tuesday, March 18, 2008 at 8:45 a.m., Conf. Room 325  
**(Revised testimony)**

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Dear Chair Yamashita and Members of the Committee on Economic Development & Business Concerns:

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

S.B. 2843 SD2 HD1 establishes a state program for collection, recycling, enforcement, and monitoring of covered electronic devices, and establishes program funding through the electronic device recycling fund. Section 10 of this 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 S.B. 2843 SD2 HD1, 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 SB 2843 SD2 HD1, but respectfully requests an amendment to relieve the facility of liability should 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



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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 SB 2843 SD2 HD1 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 SB 2843 SD2 HD1.

Representative Kyle Yamashita, Chair  
Representative Glenn Wakai, Vice Chair  
Committee on Economic Development & Business Concerns  
State Capitol, Honolulu, Hawaii 96813



HEARING Tuesday, March 18, 2008  
8:45 am  
Conference Room 325

**RE: SB2843, SD2, HD1, Relating to Electronic Device Recycling**

Chair Yamashita, Vice Chair Wakai, and Members of the Committee:

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 SB2843, SD2, HD1, 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

President

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March 18, 2008

The Honorable Rep. Kyle Yamashita  
Chair, House Committee on Economic Development and Business Concerns

**RE: Testimony and Proposed Amendment to Senate Bill 2843 SD2, H1**

Dear Rep. Yamashita and Members of the Committee:

On behalf of AT&T, we are requesting an amendment to Senate Bill 2843 SD2, H1. In the definitions section of this version of Senate Bill 2843, 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 existing recycling program.

As we stated in our previous testimony on this legislation, 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 already has a highly effective recycling program, we do not believe our devices should be included in the program created by SB 2843.

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." We respectfully ask the committee to allow us to pursue our own processes for recycling our devices so we can offer programs like "Cell Phones for Soldiers."

**For these reasons, we request the removal in SB 2843, as amended in HD 1, 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 very important amendment.**

Respectfully Submitted,

Dan Youmans, AT&T



COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS CONCERNS

Rep. Kyle T. Yamashita, Chair -- Rep. Glenn Wakai, Vice Chair

March 18, 2008 – State Capitol - Conference Room 325

RE: SB2843 SD2 HD1 - RELATING TO ELECTRONIC DEVICE RECYCLING

POSITION: SUPPORT, IF AMENDED

HI Senate Bill No. 2843 SD2 HD1, establishes a state program for collection, recycling, enforcement, and monitoring of covered electronic devices. Sprint Nextel is prepared to Support the bill, if it is amended to its previous form and restores previous Senate language that would exempt from the provisions of the bill all "telephones of any type" from the electronic waste recycling requirements, without any reference to screen size.

As now before you, telephones of any type are excluded from the program, unless the screen size is greater than four inches measured diagonally. Sprint Nextel would respectfully request the removal of this screen size requirement.

Sprint Nextel does not make this request in a vacuum. It is important to note and re-affirm for members that Sprint Nextel, joined by others in the wireless industry, is committed to environmentally-friendly business practices. Sprint Nextel has a strong history of developing and promoting initiatives aimed at preserving and protecting the environment and recognizes by its actions the importance of wireless recycling to our business, customers, and communities. But as provided for in the legislation before you those programs might need be changed. And those changes would likely bring-about a dramatic shift in results and the success of industry pro-active and voluntary initiatives.

We undertake these initiatives on a global scale, as Sprint Nextel provides a service that is not constrained by traditional borders. Because of the national nature of Sprint Nextel service, it will be increasingly more difficult, if not impossible, to provide Hawai'i and other states with accurate recording for the amount of phones collected for recycling in an individual state. And we certainly do not wish to set-aside the advantages and success enjoyed by the use of postage-paid envelopes for re-cycling.

Sprint Nextel collects wireless equipment for recycling, refurbishing, and reuse through a variety of channels. It may be instructive to provide some greater detail on the two largest take-back programs made available to Sprint Nextel customers nationwide -- Sprint Project Connect and Sprint Buyback.

Sprint Nextel is actively moving broadly to include postage-paid Sprint Project Connect envelopes in the retail box with all new phones. Since those envelopes are not postmarked when mailed back and rarely include a return address, there is not currently a way to track which states the phones are coming from. This, of course, would stymie any accurate means of state-by-state accounting, as called for in the bill before you.

Created in 2001, Sprint Project Connect is a charitable recycling program that accepts all wireless phones and accessories regardless of make or model. Proceeds from donated phones are given to K-12 educational programs. Sprint Buyback, created in 1999, is an incentive-based recycling program that offers Sprint subscribers account credit for returning their no-longer-used phones.

Sprint Nextel also operates a robust Service and Repair program to serve the needs of its customers and internal business operations with approximately 1900 service and repair centers nationwide. This channel recycles and refurbishes used and damaged equipment received through insurance claims, unwanted customer purchases, Sprint employee phone programs, and other internal company initiatives, thus further helping to keep phones out of the waste stream.

Wireless equipment designated for recycling through Sprint Project Connect and Sprint Buyback is handled in an environmentally sound manner in accordance with applicable federal, state and local environmental laws and regulations. To help ensure that equipment is handled properly, Sprint Nextel works with vendors that specialize in recycling wireless devices.

Sprint Nextel also owns and operates a processing facility dedicated to thoroughly sorting and refurbishing wireless equipment and components received from both customers and company channels to reduce waste. For phones and components that cannot be reused, Sprint Nextel actively works with innovative vendors in the recycling community to find creative uses for base materials that come out of no-longer-used wireless devices.

In closing, and to repeat, Sprint Nextel requests the removal in SB 2843, as amended in HD 1, 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 your consideration of this very important amendment.

Joyce Masamitsu  
Associate Director  
State Public Policy, West Area



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March 14, 2008

The Honorable Rep. Kyle Yamashita  
Chair, House Committee on Economic Development and Business Concerns

**RE: Testimony and Proposed Amendment to Senate Bill 2843 HD1**

Dear Chairman Yamashita and Members of the House Committee on Economic Development and Business Concerns:

This letter is written on behalf of Verizon Wireless to request an amendment to Senate Bill 2843, 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 Senate Bill 2843 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 Senate Bill 2843 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 Senate Bill 2843.

Sincerely,



Joyce Masamitsu