

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII
NO. 1 CAPITOL DISTRICT BUILDING
250 SOUTH HOTEL STREET, SUITE 107
HONOLULU, HAWAII 96813
TELEPHONE: 808-586-1400 FAX: 808-586-1412
EMAIL: oip@hawaii.gov

To: House Committee on Energy and Environmental Protection
House Committee on Economic Revitalization, Business, & Military
Affairs

From: Paul T. Tsukiyama, Director

Date: Thursday, February 5, 2009, 8:35 a.m.
State Capitol, Room 325

Re: Testimony on H.B. No. 1809
Relating to Recycling

Thank you for the opportunity to submit testimony on H.B. No. 1809.

The Office of Information Practices ("OIP") takes no position on the substance of this bill. However OIP has concerns and seeks clarification of proposed section 8 (bill page 11). It appears that this section intends that the Department of Health keeps confidential any information received that could properly be withheld from disclosure under the Uniform Information Practices Act ("UIPA"), chapter 92F, HRS. The UIPA protects (among other things) confidential business information, which would typically include non-public financial information that would allow a competitor to determine a business's overhead or profitability. However, as drafted the section could be read to make confidential any information that the submitter marked confidential, regardless of whether it would actually fall within an

House Committee on Energy and Environmental Policy
House Committee on Economic Revitalization, Business and Military Affairs
February 5, 2009
Page 2

exception to disclosure under the UIPA. OIP recommends that this Committee clarify that the agency is required to keep confidential only the information that could properly be withheld under the UIPA.

OIP recommends that beginning at section 8 of page 11, line 20, the bill should read, "financial and proprietary information . . . is exempt from public disclosure to the extent permitted by chapter 92F, HRS."

Thank you for the opportunity to testify.



LINDA LINGLE
GOVERNOR

PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

AARON S. FUJIOKA
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
www.spo.hawaii.gov

TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
HOUSE COMMITTEES
ON
ENERGY & ENVIRONMENTAL PROTECTION
AND
ECONOMIC REVITALIZATION, BUSINESS & MILITARY AFFAIRS

February 5, 2009

8:35 AM

HB 1809

RELATING TO RECYCLING.

Chair Morita, Chair McKelvey, Vice-Chair Coffman, Vice-Chair Choy and committee members, thank you for the opportunity to testify on HB 1809.

The State Procurement Office (SPO) submits written comments on HB 1809 that recognizes the need to develop an efficient television recycling program and offers the following recommendation for your consideration. Our testimony is limited to SECTION 2, page 13 subsections (a) and (b). It is not recommended to limit the purchase via these two source selection methods, competitive sealed bids and competitive sealed proposals and suggest the applicability be expanded beyond state agencies.

To avoid confusion, the following amendment is recommended:

~~§ -12 State procurement. (a) Any person who submits a bid or proposal for a contract with a state agency for the purchase or lease of covered televisions, pursuant to chapter 103D, shall demonstrate to the purchasing agency that the brand of the covered televisions offered are in compliance with this chapter.~~

~~(b) A~~ All state and county purchasing agencies ~~agency~~ that purchase or lease any covered television shall require each prospective ~~bidder~~ offeror to certify compliance with this chapter. Failure to provide certification shall disqualify the prospective ~~bidder~~ offeror.

Thank you.

EEPttestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2009 6:19 AM
To: EEPtestimony
Cc: joanne.mcmahon@ge.com
Subject: Testimony for HB1809 on 2/5/2009 8:35:00 AM
Attachments: GE letter to DOH 11-2008 final.pdf

Testimony for EEP-EBM 2/5/2009 8:35:00 AM HB1809

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: Joanne McMahon
Organization: General Electric
Address:
Phone:
E-mail: joanne.mcmahon@ge.com
Submitted on: 2/4/2009

Comments:

Thank you for the opportunity to submit testimony relating to HB 1809, the television recycling bill. This past fall, GE offered the Hawaii Department of Health our views on how best to address this issue. A copy of our letter to DOH, which more fully outlines our position, is attached. As we wrote in our letter, GE supports a "market share" approach to television recycling as the most fair, environmentally sound and workable approach to television recycling. As we noted in our letter, all of the statewide television recycling laws enacted in 2008 applied a "market share" approach to televisions. Only New York City's law applied a "return share" approach. Since we wrote our letter, Michigan enacted a law in December 2008, applying a "market share" approach to television recycling. Additionally, bills are under contemplation in Maine's 2009 legislative session to adopt a "market share" approach to televisions. We would urge the House and Senate to pass HB 1809, applying a "market share" approach to television recycling and ensuring that Hawaii joins the vast majority of other states that have adopted a "market share" approach to television recycling. We thank you again for the opportunity to submit this testimony.



James A DiGiorgio
Licensing and Trading
General Counsel

GE
105 Carnegie Center
Princeton, NJ 08540
USA

T +1 609 936 6068
F +1 609 936 6083
james.digiorgio@ge.com

November 5, 2008

Hawaii State Department of Health
1250 Punchbowl Street
Honolulu, HI 96813

Attention: Steven Chang

RE: Television Recycling

Dear Mr. Chang:

Thank you for including General Electric in recent discussions regarding the issue of recycling televisions in Hawaii. We greatly appreciate having the opportunity to further provide you with General Electric's perspective on this matter. Since the purpose of this letter is to provide our perspective on television recycling and since General Electric is neither a former nor current computer manufacturer, we offer no commentary on electronic recycling matters that relate to computers.

GE supports e-recycling programs. General Electric supports workable and environmentally sustainable e-recycling programs in Hawaii for devices such as computers and televisions. We applaud the State and the Legislature for their efforts towards these goals. A couple of years ago, General Electric launched Ecomagination, a business strategy based upon the idea that by investing in technologies to help solve global problems from climate change to fresh-water shortages, our business can grow sustainably in a world where there is more scarcity and higher energy costs. Developing sustainable global solutions is a responsibility that our CEO, Jeff Immelt, takes seriously. This is why General Electric strongly supports electronics recycling programs, particularly as more consumers replace their televisions in anticipation of the nationwide switch to HDTV in February 2009.

Hawaii is important to GE. General Electric has a variety of business operations in Hawaii, including industrial, commercial finance, infrastructure and healthcare operations. Our employees work at facilities located in Honolulu, Hilo and Kailua-Kona. GE makes annual contributions to community and educational endeavors in the state.

GE's television manufacturing history. General Electric has not manufactured televisions for over twenty-five years. General Electric has never manufactured televisions in Hawaii. Beginning in March 2009, General Electric-branded HDTV's will become available in various US markets. These televisions will not be manufactured by General Electric, but will be produced through a joint venture in which General Electric is a partner.

“Return” and “market share” approaches defined. Since television recycling discussions frequently utilize the terms “return share” and “market share,” we thought it would be helpful to provide you with our understanding of these terms. Under a “return share” approach for televisions, each manufacturer is individually responsible for costs associated with the handling, collecting and recycling of televisions produced by that manufacturer. Televisions are collected, handled and sorted at state-run consolidation facilities. The state sends invoices to each individual manufacturer for each television collected and attributable to each individual manufacturer. The facility also collects, handles and identifies “orphan” televisions, namely those for which no manufacturer can be identified or for which no manufacturer is in business and for which no successor in interest exists. All participating manufacturers are assessed a *pro rata* share for costs associated with handling and collecting “orphan” televisions. No fees, costs or responsibilities are assessed to those manufacturers that are new entrants to the television marketplace. Maine is the only state utilizing this approach to television recycling.

Under a “market share” approach, each present-day manufacturer contributes to the financing of a recycling program, with yearly contributions based on each individual manufacturer’s prior annual televisions sales. Present-day television manufacturers wholly finance the program. “Orphan” televisions are not an issue, since the program accepts all discarded televisions, regardless of whether the manufacturer is identifiable or still in existence. Several states utilize the “market share” approach for recycling televisions, as more fully described below.

The majority of television recycling laws utilize a “market share” approach. In the absence of a federal law, various states have adopted a patchwork approach to the issue of electronics recycling. With respect to televisions, eleven jurisdictions have enacted laws applicable to recycling televisions. These are Connecticut, Illinois, Maine, Minnesota, New Jersey, New York City, North Carolina, Oregon, Rhode Island, Washington and West Virginia. In 2008 alone, eight jurisdictions enacted or amended laws applicable to television recycling, namely: Connecticut, Illinois, New Jersey, New York City, North Carolina, Rhode Island and West Virginia. Of these, seven adopted a “market share” approach to televisions or, in the case of West Virginia, ensured that the law applies only to present-day television manufacturers. Only New York City applied a “return share” approach to television recycling.

As written, Hawaii’s electronics recycling law would revert to a “return share” approach for television recycling if no other approach is adopted. As such, it is important to examine the other two jurisdictions that apply this approach to televisions. To date, only Maine and New York City apply a “return share” approach to recycling televisions. Maine’s law was enacted in 2004 and it is our understanding that Maine is actively considering updating its law to replace the “return share” approach for televisions with a “market share” approach. New York City’s law, enacted in March 2008, is not yet operational and has already encountered numerous setbacks in terms of implementation. If Maine’s law is revised to adopt a “market share” approach and Hawaii’s law is not revised, Hawaii could be the only state applying a “return share” approach to recycling televisions.

Page 3
November 5, 2008

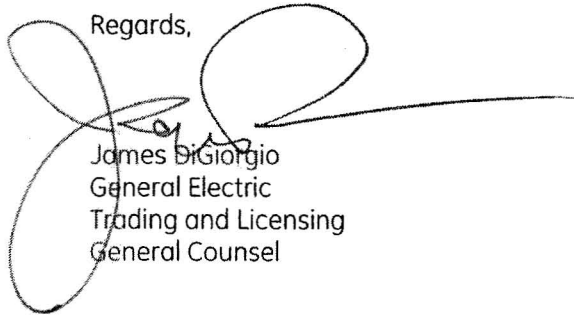
Hawaii should adopt a "market share" approach to television recycling. Requiring present-day television manufacturers to fund a television recycling program based on their respective current market

share is the most equitable way to allocate today's recycling costs among today's marketplace participants at no cost to consumers. Such an approach ensures that newly established manufacturers are not given a "free pass" on recycling costs until their branded products begin to appear in the recycling stream. Given the relatively long lifespan of televisions, this could be more than a decade from now when, in some instances, some of today's marketplace participants may no longer be in business.

Unlike computer equipment, televisions do not lend themselves well to "takeback" programs. This is because many manufacturers of older televisions are no longer in business, televisions are not as easily transportable as computers, and obsolete televisions are not as valuable for recycling or reuse as used computers. All of the states that enacted a television recycling law in 2008 concluded that present-day manufacturers should shoulder the costs associated with the modern-day issue of television recycling. Like the majority of other states that have examined this issue, we urge Hawaii to conclude that a "market share" approach is the preferred approach to television recycling.

We thank you for your consideration and are available to further discuss this matter should you wish to do so.

Regards,



James DiGiorgio
General Electric
Trading and Licensing
General Counsel

EEPtestimony

From: Rickman, Valerie [vrickman@itic.org]
Sent: Wednesday, February 04, 2009 7:00 AM
To: EEPtestimony
Subject: EEP Hearing: Thursday, February 5, 2009, 8:35 am - HB 1809
Attachments: 2009 ELC Membership Alpha.pdf; ITI TV Proposal_Final_19 Nov 08.pdf; HB 1809 ITI Letter_Final.pdf

Greetings:

I am submitting the attached testimony on behalf of the members of the Information Technology Industry Council's Environmental Leadership Council (ELC). The attached testimony and supporting documents concern HB 1809, a Bill to Establish a Television Recycling and Recovery Program.

Attachments:

Testimony: *HB 1809 ITI Letter_Final.pdf*
ITI Submission to the DoH: *ITI TV Proposal_Final_19 Nov 08.pdf*
ITI Environmental Leadership Council membership list: *2009 ELC Membership Alpha.pdf*

Best regards,

*Valerie Rickman
Environmental Affairs Analyst
Information Technology Industry Council
1250 "Eye" St, NW, Suite 200
Washington, DC 20005
vrickman@itic.org
Office: (202) 626 - 5729
Mobile: (703) 795 - 4396*



2009 Environmental Leadership Council Members

1. 3M
2. Acer
3. Advance Micro Devices
4. Agilent Technologies
5. Alcatel-Lucent
6. Apple
7. Avaya
8. Brush Wellman
9. Canon USA
10. Casio
11. Cisco Systems
12. Dell
13. Eastman Kodak
14. EMC
15. Epson America
16. Flextronics
17. Funai
18. Garmin International
19. Hewlett-Packard
20. Hitachi
21. IBM
22. InfoPrint
23. Intel
24. JVC Americas
25. Kenwood USA
26. Konica Minolta
27. Kyocera Rita
28. Lenovo
29. Lexmark International Inc
30. LG Electronics
31. LSI
32. Medtronics
33. Microsoft
34. Mitsubishi Digital Electronics America
35. Motorola
36. National Semiconductor
37. NCR
38. NEC Display
39. Nokia
40. NVIDIA
41. Palm
42. Panasonic
43. Philips Electronics
44. Pioneer Electronics Service, Inc
45. Pitney Bowes
46. Planar Systems
47. RadioShack
48. Research In Motion
49. Ricoh Americas
50. Rockwell Automation
51. Samsung Electronics Co.
52. Sanyo
53. Sharp Electronics
54. Siemens Medical Solutions USA
55. Silicon Graphics
56. Sony Electronics Inc
57. Sun Microsystems
58. Tektronix
59. Texas Instruments
60. Thomson
61. Toshiba America
62. TTE Technology
63. Xerox
64. Yamaha of America



Mr. Steven Chang
Chief, Solid & Hazardous Waste Branch
Hawaii Department of Health
(808) 586-4226

November 19, 2008

Dear Mr. Chang:

The Information Technology Industry Council (ITI) would like to thank the Department for the opportunity to submit the following proposal. ITI's Environmental Leadership Council represents numerous leading manufacturers of IT equipment, televisions and other consumer electronics devices that are subject to the City's electronics recycling ordinance.

ITI and our member companies support reasonable efforts to promote the safe and appropriate recycling of used electronics products to help meet the important environmental goal of increasing resource conservation and recovery. The accompanying proposal has been developed with the support of ITI's members and we are confident that the implementation of this proposal will satisfy the needs of the residents of Hawaii.

ITI's proposal contains several key elements that are essential to a successful recycling program for televisions. The proposal allows for flexibility, collaboration, and the proper allocation of responsibilities among all current market participants. We have prepared legislative language based on the recently passed North Carolina television program, and have merged the program requirements of North Carolina's program with the requirements of the IT program in Hawaii. The intended outcome is a program that satisfies the recycling needs of residents and also eases the administrative burden to the Department associated with administering two recycling programs.

Key Definitions

(a) **"Covered television"**: (1) means a television; and (2) Shall not include: (A) A television that is functionally or physically a part of, or connected to, or integrated within a larger piece of equipment or system designed and intended for use in an industrial, governmental, commercial, research and development, or medical setting, including but not limited to diagnostic, monitoring, control or medical products (as defined under the Federal Food, Drug, and Cosmetic Act), or equipment used for security, sensing, monitoring, anti-terrorism, emergency services purposes or equipment designed and intended primarily for use by professional users; (B) A television that is part of a motor vehicle or any component of a motor vehicle assembled by or for a motor vehicle manufacturer or franchised dealer, including replacement parts for use in a motor vehicle.

(b) **"Household"**: means any occupant of a single detached dwelling unit or of a single unit of a multiple dwelling unit who has used a covered television at a dwelling unit primarily for personal or home business use.

(c) **"Market share"**: A television manufacturer's obligation to recycle discarded televisions. A television manufacturer's market share is the television manufacturer's prior year's sales of televisions (by weight) as calculated by the Department divided by all manufacturers' prior year's



sales for all televisions (by weight) as calculated by the Department. Market share may be expressed as a percentage, a fraction, or a decimal fraction.

(d) **“Television”**: Any electronic device that contains a tuner that locks on to a selected carrier frequency and is capable of receiving and displaying of television or video programming via broadcast, cable, or satellite, including, without limitation, any direct view or projection television with a viewable screen of 9 inches or larger whose display technology is based on cathode ray tube (CRT), plasma, liquid crystal (LCD), digital light processing (DLP), liquid crystal on silicon (LCOS), silicon crystal reflective display (SXRD), light emitting diode (LED), or similar technology marketed and intended for use by a household. The term does not include a computer, computer printer, computer monitor, or portable computer.

(e) **“Television manufacturer”**: A person that: (i) manufactures for sale in this State a television under a brand that it licenses or owns; (ii) manufactures for sale in this State a television without affixing a brand; (iii) resells into this State a television under a brand it owns or licenses produced by other suppliers, including retail establishments that sell a television under a brand that the retailer owns or licenses; (iv) imports into the United States or exports from the United States a television for sale in this State; (v) sells at retail a television acquired from an importer that is the manufacturer as described in (i) of this subdivision, and the retailer elects to register in lieu of the importer as the manufacturer of those products; (vi) manufactures a television for or supplies a television to any person within a distribution network that includes wholesalers or retailers in this State and that benefits from the sale in this State of the television through the distribution network; or (vii) assumes the responsibilities and obligations of a television manufacturer under this Part. In the event the television manufacturer is one that manufactures, sells, or resells under a brand it licenses, the licensor or brand owner of the brand shall not be considered to be a television manufacturer under (i) or (iii) of this subdivision.

Requirements for television manufacturers.

- (a) By January 1, 2010, each television manufacturer, before selling or offering for sale televisions in the State, shall register with the Department and, at the time of registration, shall pay an initial registration fee of two thousand five hundred dollars (\$2,500) to the Department. Thereafter, if a television manufacturer has not previously registered, the manufacturer shall register with the Department prior to any offer for sale for delivery in this State of the television manufacturer’s new televisions. A television manufacturer that has registered shall pay an annual renewal registration fee of two thousand five hundred dollars (\$2,500) to the Department. The annual renewal registration fee shall be paid to the Department by January 1 of each year.
- (b) The registration and each renewal shall include a list of all of the television manufacturer’s brands of covered televisions and shall be effective on the second day of the succeeding month after receipt by the Department of the registration or renewal.
- (c) A television manufacturer shall provide the Department with contact information for the television manufacturer's designated agent or employee whom the Department may contact for information related to the television manufacturer's compliance with the requirements of this section.



- (d) The obligation to recycle covered televisions shall be allocated to each television manufacturer based on the television manufacturer's market share multiplied by the total pounds of televisions recycled by all manufacturers during the previous program year. Beginning in program year 2012, a television manufacturer must annually recycle or arrange for the recycling of its market share of covered televisions pursuant to this section.
- (e) A television manufacturer may fulfill the requirements of this section either individually or in participation with other television manufacturers.
- (f) A television manufacturer shall report to the Department by March 31, 2012, and annually thereafter, the total weight of covered televisions the manufacturer collected in the State and recycled during the previous year.

Retailer Responsibilities

- (a) Beginning January 1, 2011, a retailer shall not sell or offer to sell any covered television in this State unless a visible, permanent label clearly identifying the manufacturer of that device is affixed to the equipment and the television manufacturer has registered with the State.
- (b) Beginning January 1, 2011, retailers shall make available to their customers information on collection services in the State, including the Department's website and toll-free telephone number. Remote retailers may include this information in a visible location on their website to fulfill this requirement.

Department Responsibilities

- (a) The Department shall use State-specific television sales data or national television sales data available from commercially available analytical sources to determine each television manufacturer's recovery responsibilities for televisions based on the manufacturer's market share. If the Department uses national sales data, the Department shall extrapolate data for the State from national data on the basis of the State's share of national population. The Department shall seek to establish the most accurate determination of each manufacturer's market share and may rely on supplemental sources of information to achieve this goal.
- (b) By May 1, 2012 and annually thereafter, the Department shall notify each manufacturer of its non-binding recycling obligation. Each manufacturer's obligation will be based on that manufacturer's market share from the previous year multiplied by the total pounds of televisions collected by all manufacturers during the previous program year.
- (c) Beginning January 1, 2011, the Department shall include on the website and toll-free number maintained in accordance with § 6(a) of Act 13 of the First Special Legislative Session of 2008 current information on where households can return covered televisions for recycling.

If you have any questions regarding this proposal or would like further information, please contact me at vrickman@itic.org or (202) 626-5729. We look forward to further engagement on this important issue and welcome the opportunity to provide more information or background for your additional consideration.



Information Technology Industry Council
Leading Policy for the Innovation Economy

Regards,

Valerie Rickman
Environmental Affairs Analyst
Information Technology Industry Council (ITI)
1250 Eye St, NW - Suite 200
Washington, DC 20005
202.626.5729
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.



February 4, 2009

Members of the Energy and Environmental Protection Committee
Conference Room 325
State Capitol
415 South Beretania Street

RE: HB 1809, a Bill to Establish a Television Recycling and Recovery Program
Energy and Environmental Protection Committee Hearing
Thursday, February 5, 2009

Members of the Committee:

The Environmental Leadership Council at the Information Technology Industry Council (ITI) would like to thank you for the opportunity to comment on HB 1809, a bill to establish a television recycling and recovery program. The ELC represents numerous leading global manufacturers of a wide range of electronic equipment, including computers, televisions, monitors and printers. Our member companies have long been leaders in innovation and sustainability, often taking measures to exceed requirements on environmental design and energy efficiency and to lead the way in product stewardship efforts. As a result, such prestigious indices as the Dow Jones Sustainability Index, the Financial Times Sustainability Index, and the Global 100 have consistently recognized numerous ITI members for their concrete environmental and sustainability achievements.

Ensuring the appropriate end of life management of electronics is an important public policy goal for ITI. Accordingly, we offer the following comments on behalf of our members and ask the Committee to consider our comments for inclusion in HB 1809.

In late 2008, ITI submitted a proposal for the end of the life management of televisions to the Hawaii Department of Health (DoH) on behalf of manufacturers. We have included ITI's submission to the DoH with our testimony and offer it as a statement of our primary policy objectives. In addition to ITI's submission to the DoH, we offer the following suggested changes to the current language of HB 1809.

Provide Incentive for Collection rather than Impose Penalties

ITI urges the committee to remove the penalty provision for not meeting collection targets § 7(f). Manufacturers should not be penalized for the actions (or inactions) of consumers. These devices are private property. Manufacturers cannot compel private citizens to turn in their property at all, let alone according to some statutory schedule. Television manufacturers should still have a target to meet; however, instead of penalizing manufacturers, the DoH should publish a list ranking each manufacturer's collection efforts. This would make the television program consistent with the existing program for information technology equipment. Such publicity will provide the incentive for manufacturers to provide recycling opportunities without imposing penalties that will only penalize manufacturers for the behavior of consumers, not the behavior of the manufacturers.

We recommend the following language:

By <date>, and annually thereafter, the department shall publish a ranking of all manufacturers selling covered televisions in the State, based upon the annual total weight of covered televisions recycled by each manufacturer in the previous year.

If you have any questions or would like further information, you can contact me at vrickman@itic.org or 202-626-5729. We look forward to further engagement on this important emerging bill and welcome the opportunity to provide more information or background for your additional consideration.

Regards,



Valerie Rickman
Environmental Affairs Analyst
Information Technology Industry Council (ITI)
1250 Eye St, NW - Suite 200
Washington, DC 20005
202.626.5729
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.



15 8:23 214

Meggan Ehret, Corporate Secretary
Thomson Inc.
101 W. 103rd Street, INH 3340, Indianapolis, IN 46290
Tel: 317-587-4966
Fax: 317-587-9638
meggan.ehret@thomson.net

February 3, 2009

**TO: Rep. Hermina Morita
Chair, Committee on Energy and Environmental Protection
House of Representatives
Hawaii State Capitol, Room 314**

**Rep. Angus McKelvey
Chair, Committee on Economic Revitalization, Business and Military Affairs
House of Representatives
Hawaii State Capitol, Room 427**

FROM: Meggan Ehret, Deputy General Counsel and Secretary, Thomson Inc.

**RE: HB 1809 – Relating to Television Recycling
Hearing: Thursday, February 5, 2009 @ 8:35 AM
Conference Room 325
Hawaii State Capitol**

Chairs Morita and McElvey, and members of the Committee,

My name is Meggan Ehret and I am testifying in general support of HB 1809, but have no comment and am neither in support nor oppose the other aspects of the bill, including the penalty provision.

I am Deputy General Counsel of Thomson Inc. and also serve as its corporate secretary. Thomson is a world leader in digital video technologies. Last fall, Thomson Inc. participated in the Television Working Group set up by the State DOH as required by Section 3 of Act 13. We appreciate the opportunity to participate in this discussion.

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. Used TVs and computer monitors may present environmental risks if they are not properly disposed of or recycled. But differences between TVs and computers necessitate different approaches to recycling.

Televisions have different product life expectancies, market dynamics, and residual values than computers. Computer manufacturers already utilize various "takeback" programs that enable consumers to return used computers. Such "takeback" systems work well for computer equipment. However, a "takeback" approach is inappropriate and unworkable for used TVs. This is because many manufacturers of older TVs are no longer in business (creating "orphan units"),



Meggan Ehret, Corporate Secretary
Thomson Inc.
101 W. 103rd Street, INH 3340, Indianapolis, IN 46290
Tel: 317-587-4966
Fax: 317-587-9638
meggan.ehret@thomson.net

TVs are not as easily transportable as computers, and used TVs are not as valuable for recycling or reuse as used computers.

Given Hawaii already has electronics recycling legislation that addresses computers, a separate program for TVs is warranted. Under the proposed legislation before you, each present-day TV manufacturer would make yearly payments to an in-state recycling program or run an individually financed program that would accept all TVs. Each manufacturer's contribution would be based on each individual TV manufacturer's annual TV sales in the state.

To date, 18 states and New York City have enacted electronics recycling laws. Existing electronics recycling laws can offer a lot of guidance to states that are still deciding what kind of electronics recycling legislation to enact. Sixteen of the laws include televisions in the product scope, with the overwhelming majority of them assigning recycling and financing obligations to TV manufacturers based on current market share.

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. Furthermore, this program would eliminate dealing with "orphan units", those units made by companies no longer in business, because today's manufacturers would recycle televisions by weight based on their respective market share, regardless of the brand name.

In summary, HB 1809 accomplishes needed recycling objectives with a workable solution for the consumer, the industry and the state. Thomson respectfully submits to the Committee that it generally supports House Bill 1809, but has no comment and neither supports nor opposes the other aspects of the bill, including the penalty provision.

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

Representative Hermina Morita, Chair
Representative Denny Coffman, Vice Chair
Committee on Energy & Environmental Protection

Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Committee on Economic Revitalization, Business & Military Affairs
State Capitol, Honolulu, Hawaii 96813



HEARING Thursday, February 05, 2009
8:35 am
Conference Room 325

RE: HB1809, Relating Recycling

Chairs Morita and McKelvey, Vice Chairs Coffman and Choy, and Members of the Committees:

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

RMH supports HB1809, which establishes a television recycling and recovery program.

National legislation, while still pending in Congress, is the ultimate and best 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 is our preferred approach.

We have two concerns for your review:

- A number of our retailers manufacture private-label computers as well as televisions, and are required by Chapter 339 D, Hawaii Revised Statutes, to pay a registration fee of \$5,000. HB 1809 prescribes an additional registration fee of \$2,500. We respectfully request your consideration of either waiving the \$2,500 fee or determining a compromise amount to alleviate greater financial burden for these companies.
- § -7, Enforcement (b) assesses penalties of up to \$10,000 for the first violation and \$25,000 for the second. We ask you to consider allowing the retailer or manufacturer reasonable latitude to work with the Department to correct the problem before imposing these fines. May we suggest the approach in §339D-8, HRS, which provides for the department to issue a warning to be followed up by action by the attorney general?

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

President

RETAIL MERCHANTS OF HAWAII
1240 Ala Moana Boulevard, Suite 215
Honolulu, HI 96814
ph: 808-592-4200 / fax: 808-592-4202