

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



GARY GILL
ACTING DIRECTOR OF HEALTH

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

In reply, please refer to:
File:

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

HB 2307, RELATING TO ELECTRONIC WASTE RECYCLING

Testimony of Gary Gill
Acting Director of Health

February 4, 2014
8:30 a.m.

1 **Department's Position:** The Department of Health strongly supports this administration bill.

2 **Fiscal Implications:** Undetermined

3 **Purpose and Justification:** The Electronic Waste and Television Recycling and Recovery Act is an
4 important part of our state's solid waste management system. It is a first step in helping to recycle part
5 of our growing electronic waste stream. This bill continues the Department of Health's efforts to
6 improve the program by making the recycling of electronic devices and televisions easier for the public
7 by implementing manufacturer recycling goals and requirements that will ensure convenient recycling
8 for the public.

9 Specifically, we are proposing to 1) create recycling goals to ensure adequate performance from
10 each manufacturer's program; 2) create requirements for those programs to ensure reasonably
11 convenient recycling options for the public; and 3) institute penalties for under-performing (or non-
12 performing) recycling programs.

13 None of these proposals are new. Each has been put forth in varying versions and discussed in
14 detail in previous committee hearings, task force meetings, and meetings with various stakeholders.

1 Each proposal has been carefully considered by the department and has been borne out of our five years
2 of experience in administering this program.

3 Manufacturers and others will continue to argue that some of these changes will increase costs of
4 electronic devices and televisions. However, these claims must be balanced by also acknowledging that
5 there are costs to a weak law. Some of these costs are explicit, such as the costs of siting a new landfill,
6 while others are indirect such as the degradation of the environment.

7 We look forward to working with the legislature and all interested parties while we remain
8 focused on our goal to strengthen our electronics recycling law to enhance recycling opportunities and
9 environmental protection.

10 Thank you for the opportunity to testify on this measure.

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DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
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KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 14-18

January 31, 2014

The Honorable Chris Lee, Chair
and Members of the Committee on
Energy & Environmental Protection
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Lee and Members:

SUBJECT: House Bill 2307, Relating to Electronic Waste Recycling

The City and County of Honolulu's Department of Environmental Services (ENV) supports House Bill (HB) 2307, which amends the current statute to further define the minimum requirements for the manufacturer-financed electronic waste recycling program.

ENV believes that these new measures would go a long way to strengthen the program by defining clear recovery goals and requiring the manufacturers to provide greater convenience to the consumer. Under the existing law, manufacturers can submit a simple mail-back program, which is inadequate to address any significant diversion of electronic waste from county landfills, and leaves the neighbor islands particularly under serviced. E-waste collection has been concentrated on Oahu, and even here recycling companies have complained that manufacturers do not provide adequate financial support.

Manufacturers should be required to provide on-island collection sites and to be accountable for capturing a specified portion, or market share, of the electronics sold within the state.

We believe that the responsibilities for collecting and recycling electronic waste are best managed by the industry, and support the evolution of this law to strengthen those requirements.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori M.K. Kahikina", is written over a large, stylized scribble. The signature is positioned above the printed name and title of the signatory.

Lori M.K. Kahikina, P.E.
Director



SIERRA CLUB OF HAWAII
MĀLAMA I KA HONUA. *Cherish the Earth.*

*MALAMA I KA HONUA
Cherish the Earth*

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 4, 2014, 8:30 A.M.
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF THE INTENT OF HB 2307

Aloha Chair Lee and Members of the Committees:

The Sierra Club of Hawai'i, with over 102,000 dues paying members and supporters statewide, respectfully supports HB 2307. This measure purports to amend our electronic waste recycling law, something desperately needed. Based upon a review of recycling rates, our current electronic waste recycling law is not accomplishing its intended goals.

We rely upon the Department of Health to ascertain whether this language is enforceable and might result in greater rates of recycling.

Mahalo for the opportunity to testify.



Executive Officers:
Stanley Brown, ConAgra Foods - Chairperson
John Schilf, RSM Hawaii - Vice Chair
Derek Kurisu, KTA Superstores - Treasurer
Lisa DeCoito, Aloha Petroleum - Secretary
Lauren Zirbel, Executive Director

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TO:
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Rep. Chris Lee, Chair
Rep. Cynthia Thielen, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 4, 2014
TIME: 8:30am
PLACE: Conference Room 325

RE: HB 2307

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

We are supportive of recycling efforts and want to be a part of the conversation moving forward. We would like the opportunity to work with other interested parties to ensure that efforts to improve recycling are undertaken without unnecessary negative consequences for retailers and their customers.

Thank you for the opportunity to testify.



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(703) 907-7600 main
(703) 907-7601 fax
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February 3, 2014

Representative Chris Lee
Chair, House Committee on Energy and Environmental Protection
Hawaii State Capitol, Room 436
415 South Beretania Street
Honolulu, HI 96813

Re: H.B. 2307, Relating to Electronic Waste Recycling
Hearing: Tuesday, February 4, 8:30 a.m., Room 325

Dear Chairman Lee and Members of the Committee:

On behalf of the Consumer Electronics Association® (CEA), I thank you for the opportunity to provide testimony in **opposition** to H.B. 2307, which proposes to amend and expand the Hawaii electronics recycling law.

CEA is the preeminent trade association promoting growth in the U.S. consumer electronics industry. CEA represents more than 2,100 corporate members involved in the design, development, manufacturing, distribution and integration of audio, video, in-vehicle electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. For many years, CEA has supported and advanced electronics recycling as part of the industry's broader commitment to environmental sustainability. CEA's comprehensive approach to electronics recycling includes industry initiatives related to public policy, consumer education, research and analysis, and industry standards.

Overall CEA Comments

CEA would like to thank the Department of Health (DOH) for working with our industry in the interim on an e-waste bill proposal. Many of CEA's comments today echo those we provided to DOH, and we are appreciative of the progress made as reflected in H.B. 2307. There are many areas in the bill that the industry feels are improved over legislation considered by the legislature in 2013. We do note, however, that CEA has concerns regarding changes requested by CEA that did not make it into the current draft of the bill.

Our areas of concern in the current language of H.B. 2307 are as follows:

- The proposed collection convenience requirements would not be implementable.
- Combining the TV and IT laws in the way proposed would result in unintended consequences.
- The quantified recycling targets and collection convenience mandates would be difficult to meet.

We would also note that as a result of the discussions with DOH over the years, our industry has made efforts under the existing law to increase collections and awareness of existing manufacturer-financed recycling activities across the State.

Proposed Collection Convenience Requirements

Use of zip codes

We appreciate that this legislation moves away from last year's proposal to require every manufacturer to provide collection service in every zip code of a certain size. However, CEA believes the use of zip codes in this bill are impractical, and will not address the unique needs of the Hawaii population. To understand the geographic scope of the proposed convenience requirement, CEA has prepared the attached list and maps that identify the zip codes in the State with a population of more than 30,000 residents. As the map indicates, these zip code areas are quite arbitrary and clearly not designed with e-waste collection in mind -- they were designed and are used for delivering the mail. Compared to the existing collection infrastructure, this requirement would be overkill for some parts of Oahu but falls far short of the collection system developed by the County of Maui and would need to meet collection goals articulated by some stakeholders on the Big Island. CEA does not believe that a zip code population mandate is a particularly useful metric for judging whether Hawaii consumers have convenient access to recycling locations. However, if convenience standards are to be incorporated into the statute the Committee might consider limiting its application overall to counties with populations of less than 500,000 -- and establishing a rural/neighbor island collection credit for manufacturers collecting in those areas to incentivize more collections in those more rural communities.

Documentation process concerns

At an administrative level, CEA has concerns about the proposed requirement that each manufacturer recycling plan provide "documentation that the county and zip code tabulation area(s) for which the plan does not provide a collection service is already adequately covered by the collection plan of another manufacturer or group of manufacturers." Each manufacturer recycling program makes independent decisions on vendor selection and coverage. Only DOH would have access to collection service information when all the plans are submitted to DOH for approval. Therefore, the current "documentation" requirement is not possible for manufacturers to implement.

Frequency of collection events

H.B. 2307 proposes changing the minimum frequency of qualifying collection service events from quarterly as proposed in the legislation considered in 2013, to monthly. Because 14 of these 20 larger population zip codes already have permanent collection locations, CEA opposes mandating monthly events.

Combining the TV and IT Laws

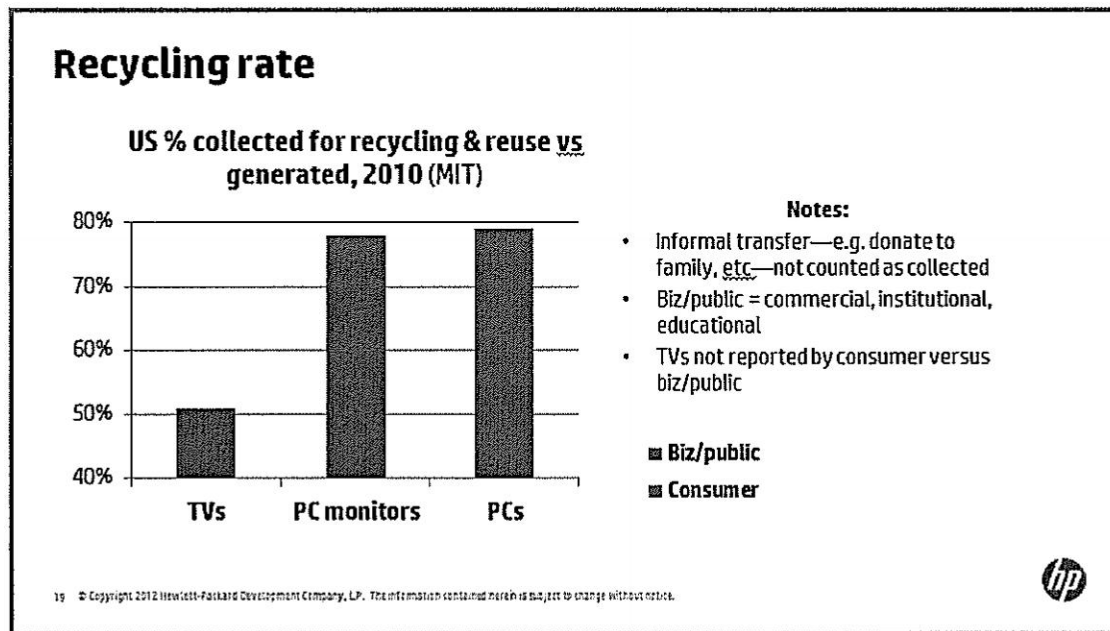
CEA recognizes that there are challenges to implementing parallel recycling systems for IT and TVs and appreciates the bill's attempt to streamline and harmonize the concurrent systems. This is particularly true when considering the current non-covered peripheral devices, which make sense to be included in any system that collects consumer electronic devices from the public. However, CEA has concerns with the way H.B. 2307 is proposing to merge the existing programs.

Any electronics recycling mandate should take into account the economics for recycling the various products proposed for a quantified target. If all IT and TV products were highly similar -- like TVs and computer monitors typically used in households -- a simple merging of the systems might make sense; however, this is not the case.

Quantified Targets

CEA also opposes the section of the bill which imposes volume targets on business sales by covering business sales in calculating manufacturer recycling targets. The current law already requires manufacturers to offer take-back services to business, and there are already well-established existing collection systems for businesses. Computers already are recycled in very high rates from business institutions due to high value recovery, data security, leasing take-back, technology refresh with local companies, and other B2B arrangements. (See the illustration below based on a recent report from MIT for formal collection rates.) It is not reasonable to expect manufacturers to be able to break those existing, entrenched, and well-functioning business arrangements to pry away material just to meet targets. Nor would such activity add any environmental value.

DOH has no data to suggest otherwise and should study business recycling rates before implementing arbitrary targets. If DOH has reason to believe there are problems with B2B recycling rates, DOH should first require all entities collecting and/or processing computers for reuse and recycling to report volume data to DOH (not just manufacturer reports) to determine if the performance is unusually low in HI.



Source: *Quantitative Characterization of Domestic and Transboundary Flows of Used Electronics, Analysis of Generation, Collection, and Export in the United States*; MIT, MSL, NCER; Dec 2013.

CEA also believes that any targets need to be based on historic collections, rather than arbitrary targets, in order to take into account the changing nature of the electronics product stream. While some consumer electronics manufacturers could – over the short term – probably meet the proposed 50% pounds sold, the weight of new products put onto the market and the weight of current returns are completely independent variables. When heavy CRT returns decline during the next few years, a pounds sold requirement will likely be impossible to meet.

CEA Testimony Re H.B. 2307
EEP Hearing, February 4, 2014

Moreover, increasing the TV target is not necessary since the target for TV recycling increased by more than 40% from 2012 to 2013. Based on an informal survey of several TV recycling programs, we expect this target to increase again in 2014 based on 2013 collections in excess of the target.

CEA suggested amendments last year to help improve the existing law. We would ask the Committee to focus on these amendments, many of which were agreed to by DOH and would create needed improvements in the current e-waste recycling system.

Manufacturer Recycling Initiatives Have Made Improvements to the Existing Collections System

CEA believes that, rather than proposing legislation that is unworkable, more attention and resources should be focused on collecting and recycling used electronics. CEA has voluntarily worked to increase manufacture-financed collection opportunities and public awareness about these opportunities throughout the State. First, CEA is working with representatives of the retail industry on a pilot program to utilize empty shipping containers to take e-waste from Hawaii to the mainland for recycling. Second, CEA is promoting a new web page on CEA's recycling website, www.greenergadgets.org/hawaii, which shows the locations of all manufacturer-sponsored electronics collection events in the State. Third, CEA has been promoting manufacturer-financed events and other collections through media, advertisements and social media in Hawaii.

With the increased collections and consumer education under the existing law, CEA is not yet convinced that amending the law is necessary. However, CEA remains open to continuing to work with the Legislature and DOH to improve consumer electronics recycling in the State.

CEA appreciates your consideration of these comments. Please feel free to contact me at 703-907-7765 or walcorn@ce.org or Allison Schumacher at 703-907-7631 or aschumacher@ce.org should you have any questions.

Walter Alcorn
Vice President, Environmental Affairs and Industry Sustainability
Consumer Electronics Association
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walcorn@ce.org

Hawaii Zip Code Maps - Source: 2010 U.S. Census

- **Island of Hawaii:** 2 zip codes

96720 HILO	46,165	Hawaii
96740 KAILUA KONA	33,321	Hawaii

- **Island of Oahu:** 18 zip codes

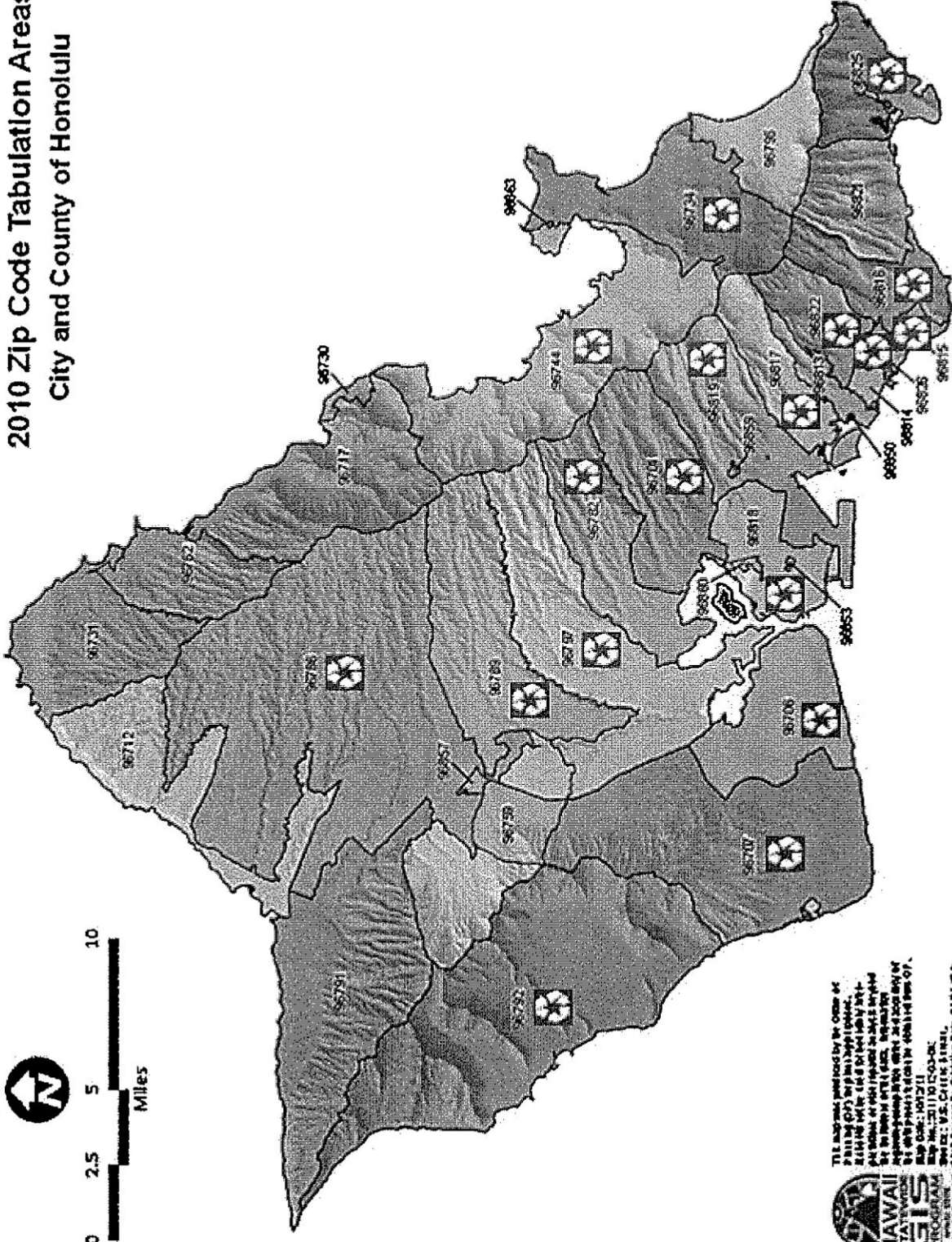
96797 WAIPAHAU	72,289	Oahu
96706 EWA BEACH	62,730	Oahu
96817 HONOLULU	54,628	Oahu
96744 KANEOHE	54,247	Oahu
96789 MILILANI	54,129	Oahu
96734 KAILUA	50,746	Oahu
96818 HONOLULU	50,586	Oahu
96819 HONOLULU	49,492	Oahu
96816 HONOLULU	49,368	Oahu
96792 WAIANAЕ	48,519	Oahu
96822 HONOLULU	45,007	Oahu
96786 WAHIAWA	40,859	Oahu
96782 PEARL CITY	40,496	Oahu
96701 AIEA	40,281	Oahu
96707 KAPOLEI	38,817	Oahu
96815 HONOLULU	31,470	Oahu
96826 HONOLULU	30,842	Oahu
96825 HONOLULU	30,263	Oahu

- **Island of Maui:** 0 zip codes
- **Island of Kauai:** 0 zip codes
- **Island of Lanai:** 0 zip codes
- **Island of Molokai:** 0 zip codes

Hawaii Zip Code Map Key

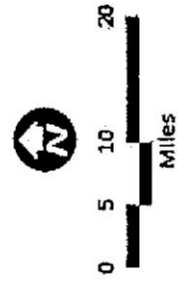
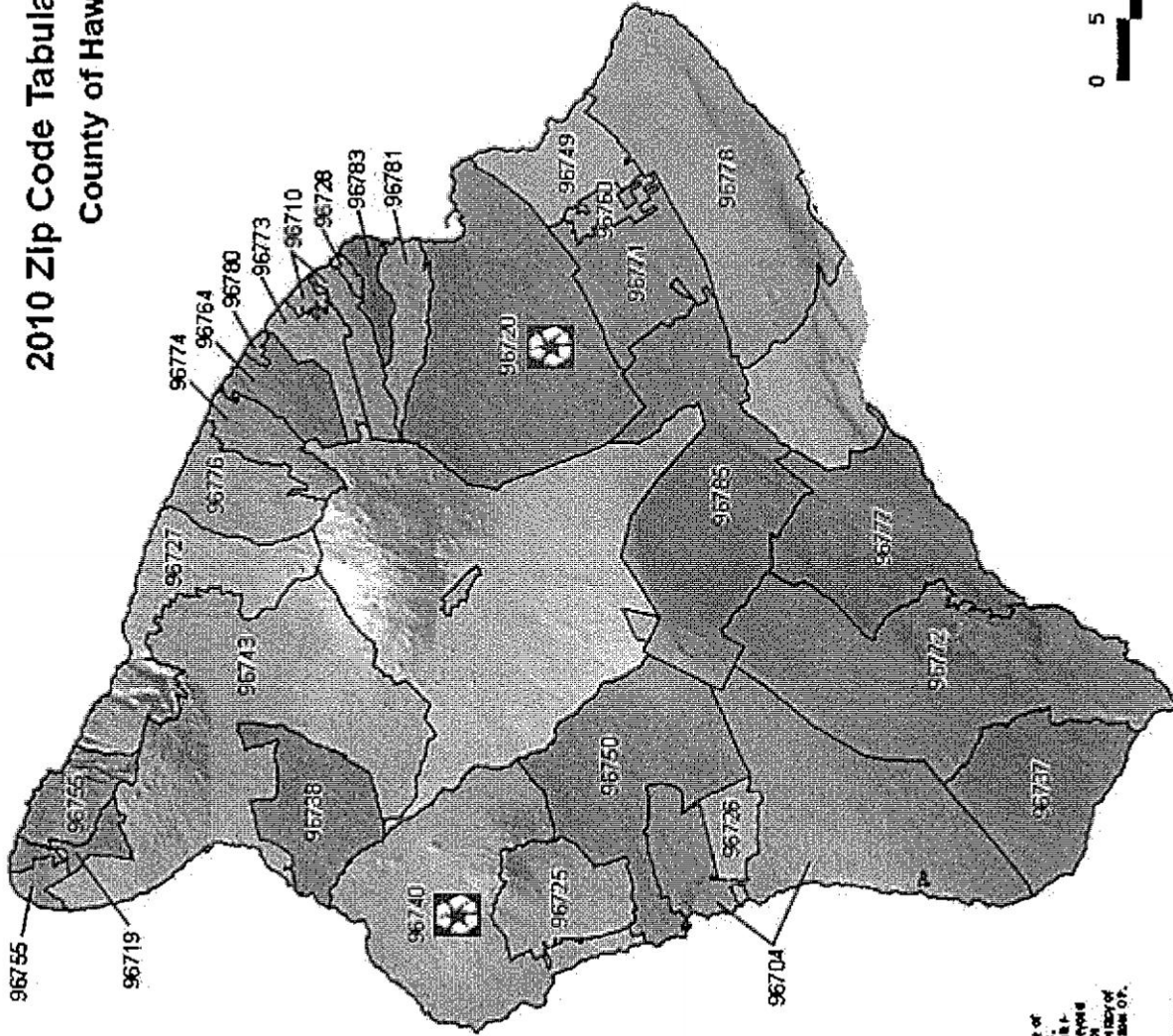
- **Recycling Symbol:** Zip code with a population of at least 30,000 people or above

2010 Zip Code Tabulation Areas City and County of Honolulu




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2010 Zip Code Tabulation Areas County of Hawaii



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Representative Chris Lee
Chair, Hawaii House Committee on
Energy and Environmental Protection

February 2, 2014

**Subject: House Bill 2307, relating to Electronic Device Recycling
Hearing February 4, 2014; 8:30 AM**

Dear Chair Lee and Members of the committee,

Thank you for the opportunity to convey my thoughts on HB 2307. I am writing to provide you with Sims Recycling Solutions' recommendations on the proposed changes to the existing Electronic Waste and Television Recycling and Recovery Act (Chapter 339D) that would be made as a result of the passage of HB 2307. Sims supports HB 2307 with amendments.

Background

Sims Recycling Solutions is the world's leading electronics recycler, with over 40 facilities in 14 countries. Sims Recycling Solutions has been an active participant in providing the citizens of Hawaii recycling services since the Act was implemented in 2010. We accomplish this by working closely with Pacific Corporate Solutions (PCS) of Aiea, HI. The services PCS and Sims Recycling Solutions provide meet the requirements established in the Act and are performed on behalf of a number of registered manufacturers of electronic equipment. According to the information on the Department of Health's web site, since the Act was implemented, the manufacturers who contract with Sims Recycling Solutions to provide collection and recycling services in Hawaii have been responsible for recycling over 57% of the total reported volume of the program. They are also responsible for recycling over 1,000,000 pounds of additional television volume that, because they are not television manufacturers, does not show up on the Department's reports. The service Sims provides has collected unwanted electronics from the citizens every county in the state. Sims Recycling Solutions is also providing similar take back service throughout the United States, Canada, and Europe. It is with this extensive experience that we provide the following suggestions in order to help to enhance the effectiveness and efficiency of the take back system for the citizens of Hawaii.

HB 2307

HB 2307 is an effort to improve and fix some of the issues with the current electronic waste and television recycling program in the state that make the program less effective than it could be.

The issues were thoroughly discussed and analyzed during the Hawaii Electronic Device Recycling Task Force meetings in the fall of 2012. A bill signed into law during the 2012 session directed the Department of Health to hold those meeting with stakeholders. Sims Recycling Solutions was an enthusiastic participant in those task force meetings. HB 2307 addresses a number of the issues that were brought forward by the counties, the recyclers, the manufacturers, and the citizens of Hawaii during the meetings. However, some of the proposed changes proposed in HB 2307 will have a detrimental effect on the collection program in Hawaii.

Manufacturer recycling goal

The manufacturer recycling goals as outlined in §339D-A (c) are unattainable. On the surface, collecting and recycling 50% of sales as a goal does not seem like too daunting a task. In any other state I would agree. However, Hawaii is different. Every year that Sims has been collecting material in Hawaii, we have increased our collection network. When the programs started, most of our focus was on Oahu and our volume reflected that, mostly coming from Oahu. Since that first year, we have consistently increased our collection network in the neighboring islands. In 2013, we collected in every county in the state, including contracting with the County of Hawaii for their county collection program. We have not been able to collect as many covered devices as our manufacturers have asked us to collect. In fact, our volumes in 2013 will be less than 1/3 of what they reported in 2010. Why? It's not due to lack of effort. We have spent more money on advertising, held more events, and have more permanent drop off locations than ever before. There just are not enough unwanted electronics to meet the goals the bill will establish. When manufacturers don't meet their goals, penalties will be enforced, and that brings me to my next point.

Convenience fee

§339D-C outlines the penalty for not meeting the requirements of the law, including the requirement of meeting the collection goals. The "convenience fee" of \$10,000 for IT manufacturers and \$5,000 for TV manufacturers will potentially result in killing the collection program. First, why the different amounts? TVs represent a majority of the electronic waste stream and are much more expensive to recycle than other electronics. If anything, if the fees are going to be different, it should be the other way around. If a manufacturer is assigned a goal of 100,000 pounds (and from my estimate, there will be more than 10 manufacturers with goals in excess of 100,000 pounds), and that manufacturer only collects 99,999, they will owe a convenience fee of either \$5,000 or \$10,000. If another manufacturer with the same goal collects zero pounds, the law states that manufacturer will be assessed the same \$5,000 or \$10,000 amount.

It costs approximately \$.25 per pound to ship this material to the mainland for processing. For that 100,000 pound manufacturer, that's \$25,000 in shipping charges alone, not counting collection and processing costs. Suddenly that \$10,000 is looking pretty reasonable, even better if you are a TV manufacturer. Why ship it to the mainland for processing, why not process it here in Hawaii? Recycling electronics in Hawaii is not allowed under current regulations. We have heard those regulations may be changing, but all of that weight will eventually need to leave the island no matter what form it is in, as a whole device or as separated commodities.

There is a lack of material available for collection, so not meeting the collection and recycling goal is highly likely. Why risk the cost of collecting and recycling a large portion of the obligation, only to pay the full convenience fee anyway? If the language in the bill remains unchanged, some manufacturers may be tempted to stop all collection activities and simply pay the convenience fee as the law would dictate. I do not believe this is the intent of the law, and it is not what most stakeholders want to see happen, but it may be the fiscally prudent course of action that the law would be pushing manufacturers towards.

An argument could be made that publishing the rankings of what the manufacturers collected will discourage manufacturers from stopping their collection activities. If that were truly the case, we probably would not be considering HB 2307 and there would not be so many manufacturers reporting on the DOH's web site that they collected zero weight.

Audit authority

§339D-J authorizes the department to audit the records of manufacturers, collectors and recyclers. Since collectors and manufacturers must register with the department annually, it is easy for the department to reach out to those entities. That is not the case with recyclers. There are no requirements in the law that the recyclers even need be identified in the manufacturers' plans. The plan must specify the recycler is certified by a third party, but does not require identification.

Recommendation

Sims Recycling Solutions recommends the following changes be made to HB 2307 before passage by the committees:

- The manufacturers' goals need to be flexible as the availability and weight of unwanted devices change. Other states have language in their laws that raise and lower the manufacturers' goals based on current consumer activity. Sims recommends the Senate look to those other states' laws for model language to address this situation.
- Any penalty for not meeting the goal should encourage collection activity, not push manufacturers away from collecting and recycling unwanted electronic devices. Sims recommends a reasonable per pound penalty for the weight of the goal not met be included in the bill, not a one-size-fits-all amount no matter what the shortfall total is.
- The bill should require recyclers used by the manufacturers to meet their requirements under the law to register with the department. Included in the registration should be the certification number of the third-party environmental management standard. There should also be an annual recycler report requirement included in the bill.
- Sims recommends the annual reports from the collectors include the names and the volume of material the collector sends to each recycler. The recycler report should list the volume of material received from each collector and the amount allocated to each manufacturer. Finally, the manufacturer report should list the volume of material each recycler recycled on behalf of each manufacturer. This would allow the department to track volume from the consumer through the collector and recycler to the manufacturer claiming the weight.



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Thank you for allowing Sims to provide you with these comments and recommendations for HB 2307. We look forward to our continued participation to help improve the recycling opportunities to the citizens of Hawaii.

Sincerely,

A handwritten signature in black ink that reads "Larry King". The signature is written in a cursive style with a clear, legible script.

Larry King
Legislative Analyst

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HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, February 4, 2014 – 8:30 a.m. – Room 325

Ulupono Initiative Strongly Supports HB 2307, Relating to Electronic Waste Recycling

Dear Chair Lee, Vice Chair Thielen, and Members of the Committees:

My name is Brandon Lee, Associate at the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change. I was also a member of the Electronic Waste Task Force that provided input on the original language for this bill.

Ulupono strongly supports HB 2307, which strengthens the Electronic Waste and Television Recycling and Recovery Act. HB 2307 is the culmination of input from a wide variety of stakeholders to update a statewide policy to handle the ever-growing stream of electronic waste in Hawai'i. In 2011, an estimated 7,000 tons of electronic waste were generated on O'ahu. This quantity is expected to grow as more electronic products are consumed by the public, and as the pace of technological change and obsolescence continues at an extremely high rate. One trend that will drive quantities in the near-term is the transition from cathode ray tube (CRT) monitors to LCD flat panel monitors, resulting in large quantities of CRT material in the short-term and eventual increases in LCD material. In addition, LCD monitors are expected to have a shorter lifespan than CRT monitors, leading to a higher long-term waste generation rate.

Ultimately, as electronic waste grows as a share of our total waste stream, governmental and/or private entities will have to collect and dispose of this material and will likely pass those costs onto the residents of Hawai'i. Therefore, setting up an efficient recycling collection system will help the people of Hawai'i both economically and environmentally over the long term. Currently, there are few timely options for residents to dispose of electronic waste.

Ulupono Initiative invests in projects that include recycling. However, for Ulupono or any investor to put money into a project, we need to have accurate numbers to drive our funding decisions. Currently, it is challenging to obtain accurate electronic waste numbers, particularly on the neighbor islands. A large part of the problem is that much of the data is self-reported or not reported at all. This skews the accuracy of the data and is not helpful to both policymakers and government administrators. Furthermore, this is not fair to the businesses within the industry that do accurately report their data. This bill gives the Department of Health the ability to verify data via audits. Having accurate data allows the public and private sectors to be proactive in finding feasible solutions to a growing electronic waste problem.

In the current system, many businesses were allowed to create a mail-back only option to recycle their electronic products. Mail-back only programs involve shipping electronic goods back to the

Pacific Guardian Center, Mauka Tower
737 Bishop Street, Suite 2350, Honolulu, HI 96813

808 544 8960 o | 808 544 8961 f
www.ulupono.com



original manufacturer located outside of Hawai'i. The effect of this was that many residents ended up not recycling. In particular, this mail-back only policy was detrimental on the neighbor islands where some companies implemented a mail-back only policy and nothing else. The program is prohibitively expensive and time consuming for both the resident and business. The challenging experience of the neighbor islanders with mail-back only programs was one of the reasons why having a convenience requirement was important to the county governments. This bill includes a much-needed provision to remove the mail-back only option.

I have also attached a document that includes the top lessons learned from other states that have implemented various forms of electronic waste laws. One lesson is that without mandates for rural area collection, most recycling efforts will focus on urban areas, particularly O'ahu, and not the neighbor islands.

We believe that by working together, we can help reduce electronic waste and improve the quality of life for Hawai'i's residents. Thank you for this opportunity to testify.

Respectfully,

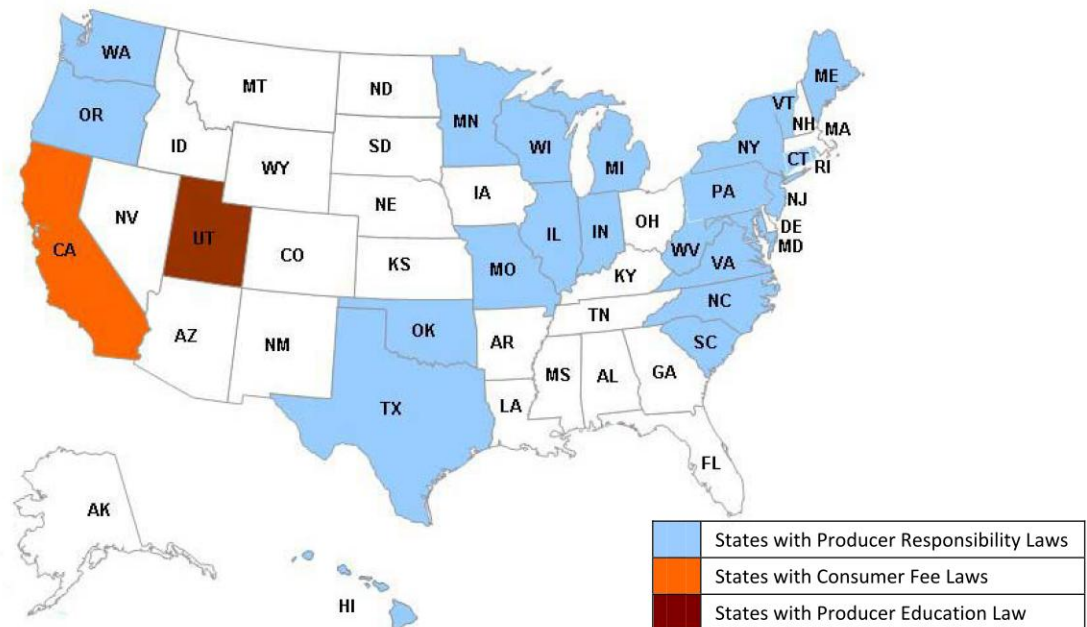
Brandon Lee
Associate

Email: communications@uluono.com



Ten Lessons Learned From State E-Waste Laws

What have we learned from the 25 states that have passed e-waste laws?



Twenty five states have passed laws that mandate recycling programs for electronic waste. Twenty three of the 25 laws use some form of the “producer responsibility” approach (whereby manufacturers have financial responsibility for recycling their old products), although they do this in a few different ways, and with different details.

What have we learned from these state laws? What approach works best?

While some of these state programs are still getting underway, we now have enough data from different states to draw some conclusions about what’s working best, and what elements should be included in state bills. Of course, we will learn more as the existing programs mature, and as other states launch new programs. But we can already glean some important lessons.

What results in high collection volumes?

Let’s start with the most basic question – are any of the state programs actually getting people to bring back their products for recycling? We have long heard the manufacturers complain, “We can’t go into their houses and make consumers give us their old products.” But some states are seeing very high volumes even in the first year of their programs. Why?

The states with the highest volumes of e-waste (on a per capita basis) are Minnesota, Washington, and Oregon. States with very low per capita collection volumes are TX, VA, OK and WV.

	State	Year	Total Lbs Collected	Pounds Per Person in State
Highest volumes	Oregon	2010	24,149,774	6.31
	Washington	2010	39,467,798	5.92
	Minnesota	2009-2010	33,082,679	6.37
Lowest volumes	Texas	2010	24,370,894	0.97
	Virginia	2010	4,439,446	0.56
	West Virginia	2009	1,646,155	0.51
	Oklahoma	2009	817,277	0.22

See a full list of all state programs and volumes collected starting on page 8.

The logical question is: What’s working in MN, WA, and OR, that’s not happening in the other states? Why are MN, WA, and OR collecting six times the volume of the others? Even if you “adjust” the data in these states to compare results on the same product categories (removing the data on TV’s collected in MN, WA, and OR since the TX, VA, and OK programs don’t collect TVs), the leading states numbers are still much higher.

We have learned several lessons from these state programs about collection volumes. The first six lessons below relate to collection volumes, and the remaining address other issues in the programs.

Lesson 1:

States see high collection volumes when laws either make the collection very convenient, or they establish collection goals

All of the states with good results have laws that either make the e-waste collection infrastructure very convenient, or they actually establish specific goals that manufacturers must meet.

Convenient Collection: In Washington and Oregon, the laws establish convenience requirements: there must be a collection site in every county and in every city over 10,000 people. In Washington, 92% of residents now have a convenient collection site within 10 miles of their home. (Source: Northwest Product Stewardship Council.)

Collection Goals: In Minnesota, the manufacturers have specific collection goals each year, which are tied to how much they sold in the state in the previous year. In Year 1, the goal was 60% by weight, rising to 80% by weight in Year 2. (Other states have adopted this model, but we don’t have data yet.) If the manufacturers collect less than their goals, they must pay a fairly high price per pound for each pound they fell short (a higher price than they’d pay by actually doing it).

Policy conclusion:

Bills should include some kind of driver for high collection – either convenience requirements or collection goals or a combination of both.

Lesson 2:

Some states with higher collection numbers have a variety of collector types because their laws cover collection costs.

States (like WA and OR) with some of the highest collection numbers also generally have a variety of types of collectors – municipal governments, private companies (includes recyclers, retailers), and non-profits. (They have a fairly small number of government collection sites.) Both of these state laws require the manufacturers to cover the costs of collecting e-waste as well as the cost of recycling it. The Washington law states that manufacturer plans must, “Fairly compensate collectors for providing collection services.” While some local governments in other states will do e-waste collection without being compensated (they use taxpayer funds to cover those costs), other collector types are unlikely to participate if the law doesn’t cover their collection costs.

Policy conclusion:

Bills should encourage diversity of collector types: government, private (recyclers, retailers), non-profits by covering the costs of collection

Lesson 3:

Most manufacturers will only do what the law requires them to do and not more

We have been disappointed to learn this lesson. But it’s becoming clear that if states don’t spell out clear convenience requirements or establish collection goals, most of the manufacturers won’t make any significant effort to collect used electronics. Texas, Oklahoma, Virginia, and Missouri passed laws that require the computer companies to operate takeback programs, but the laws don’t specify any particular level of performance. Companies are free to do whatever they want (including not doing much at all). We now have two years of data from Texas, analyzed by the Texas Campaign for the Environment (which they had to obtain by FOIA requests – another lesson here – put public reporting in the law). In Year 1 (2009), Dell was the only company that took the law seriously, collecting about 15 of the 18 million lbs collected statewide. In Year 2, the volumes increased, but still only a handful of companies, notably Dell, Samsung, Sony, and a small San Antonio company called Altex, collected 92% percent of the volume. Of the 78 companies selling computers in Texas in 2010, 36 of them collected zero pounds. Computer giant HP collected only 45,931 pounds. By comparison, Dell collected 10 million pounds.

Policy conclusion:

Bills should include clear and high expectations for performance, or your program will underperform.

Lesson 4:

Many manufacturers will stop collecting when they hit their goals, so goals should be high and set as minimums, not ceilings.

In the first year of Minnesota's program, we saw that once manufacturers hit their collection goals, they put the brakes on collecting. Many collectors over-collected e-waste there, thinking they could sell it to the manufacturers who would need it to meet their goals. But some were left holding onto those pounds, once manufacturers reached their marks and didn't want to go over. This was a problem for those collectors, but it was also a problem for consumers. Collection programs that were free (to consumers) as long as the manufacturers were paying for the collection would suddenly have to start charging collection fees once the manufacturers hit their goals. This is disruptive to these programs, and we know that for some consumers, if they must pay to recycle, they won't recycle.

Oregon's program was so successful in its first year that it became clear about half way through the year that companies were on track to exceed the statewide targets. One group of manufacturers put the brakes on their recycling efforts, dropping some recyclers from their program, and telling Goodwill to stop participating in some collection events. [See "Oregon's electronics recycling too successful for some manufacturers," [The Oregonian, May 12, 2009](#).]

Some states now allow manufacturers to accrue credit for "over-collecting" (beyond their goal), which can be sold to other companies, or which can be carried over to the following year (up to 25%).

Illinois is a good example of what happens if you set your goal too low. In Year 1 (2010), companies had to meet a goal of 2.5 pounds per person, and the idea was that the goal would slowly increase over time, based on the volumes collected. But the first year goal was not mandatory, and if it turned out that their actual collection numbers were below this level, then the goal would be reduced by up to 10%. This created a clear incentive for the companies to do little in Year 1, and in fact they did little – collecting only 2.12 lbs per person, despite having a very large scope of products covered for free recycling. Now, the Illinois bill sponsor is seeking to amend the law to set the goal higher.

Policy conclusion:

- **Set your collection goals high enough to generate real collection activity**
- **Don't link your initial goal setting to the manufacturers' collection activity (or inactivity) or you will start off with a very low goal**
- **Set minimum recycling goals, not goals that act as "ceilings"**
- **Because manufacturers will stop collection when they hit their goal, consider bills that combine both collection goals and convenience requirements. New York State did this, and it seems like a good solution to make sure there is ongoing collection year round. (Program began collecting in 2011, so no data yet.)**

Lesson 5:

Manufacturers will focus efforts on urban areas, not rural ones

This is an obvious one but it's worth mentioning. It costs less for manufacturers to collect e-waste in densely populated areas, than in rural ones. This is one reason why some states (WA, OR, NY) have included some convenience language that requires collection in every county. Minnesota used a different approach – they allowed manufacturers to earn extra credit (1.5 times) for products collected in their rural counties towards their annual goal.

Policy conclusion:

States with large rural areas need to include a strategy that (like convenience measures or rural collection credits) that will make sure that your rural constituents are not neglected.

Lesson 6:

Landfill bans boost recycling levels.

Many states laws enact landfill bans, sometimes to coincide with the beginning of their collection program, sometime phased in a year or two later. But States see a spike in volumes when the bans go into effect. Maine began its collection program in January of 2006, but the landfill ban didn't take effect until July 2006. In the first six months they collected 1,291,202 lbs, but in the six months after the landfill ban took effect they collected 2,869,372 lbs. Some of that increase may have been due to maturing of the program, but since it was largely based on an existing infrastructure, they believe that the landfill ban had a big impact.

Policy conclusion:

Include in your e-waste law a disposal ban that prevents e-waste from being discarded into the municipal waste stream (landfills or incinerators)

Lesson 7:

States need to be proactive to make sure e-waste is handled responsibly.

The recycling industry has a history of “bad actors” – companies who use various low-road strategies to manage the products they collect. Some export them to developing countries. Some have stockpiled e-waste in warehouses and then disappeared, leaving behind a toxic waste dump. Some send it to processors using prison labor (particularly the federal prison UNICOR program). Some basically dump it here in the U.S. (such as the collector that loaded computers from a university in Minnesota onto a barge on a lake and then sank it). Some processors are not stooping to those measures, but they run operations that are not as safe for their workers or the environment as they should be.

We don't have federal laws that adequately regulate this industry. Some states have created their own recycling standards that recyclers must adhere to. But for most states, this step is simply too challenging – particularly for verifying compliance. Fortunately we now have two new voluntary standards and certification programs that can help here: e-Stewards and R2. While we believe that e-Stewards is a far superior standard (the R2 standard still allows exporting to developing countries and use of prison labor), states want to provide options. States can, however, show a preference for the much higher e-Stewards standard.

Policy conclusion:

- **Include language in your bill that requires all processors and refurbishment vendors handling e-waste collected in your state programs to be certified to either the R2 or e-Stewards Standards, showing a preference for e-Stewards.**
- **Include language that forbids the use of prison labor for e-waste collected in your state program.**

Lesson 8:

We want to encourage reuse, but e-waste laws can inadvertently discourage reuse if we are not careful

The last thing we want to do is to create laws that discourage legitimate reuse of products here in the U.S. (We do not support exporting non-working or untested products to developing countries, as this is usually a cover for e-waste dumping.) But there are many entities – from large commercial recyclers to small, locally based non-profits – who will reuse and refurbish used equipment for resale or sometimes for placement in non-profits or needy communities. Lawmakers need to be sure that programs don't reward recycling units more than reusing them. (This is the situation in the California program, where recyclers are only reimbursed for units recycled, but not reused. So reusable units are mostly diverted for recycling.)

Illinois has created an incentive for reuse by awarding extra credit to manufacturers toward their goals for units reused instead of recycled. Washington awards a bonus for equipment collected through charities whose main role is reuse. Washington State's law initially inadvertently disadvantaged small reuse entities that do very "light" refurbishment and local resale by including them in the restriction that collectors doing refurbishment must register as processors. They later modified their law to exempt these small guys.

Policy conclusion:

Analyze your bill language to make sure reuse is not discouraged, and include language to award extra credit toward goals for units that are actually reused.

Lesson 9:

Consumers want to be able to bring back everything – including televisions and printers

State laws must specify the "scope of products" that can be returned for free recycling. The first states to pass e-waste laws specified very narrow scopes of products, typically just computers, monitors, laptops and sometimes TVs (but some didn't even include TVs). This was often because that's politically as much as they could get passed at the time. States passing bills more recently (like New York) have been able to establish much larger scopes of products, including a wide range of computer and television peripherals, as well as basic consumer devices. Anecdotal reports from collectors show that consumers want to be able to bring back all the used electronics they have, not just a few of them, especially the larger ones (like TVs and printers). People are more likely to use programs that allow them to bring back all the items they have ready for recycling or disposal. In some states, the highest proportion of e-waste coming back (by weight) is in televisions (over 60% in WA and OR). Some states have already gone back to the legislature to amend their laws to expand their scope of products. See our [list of which products are covered by each state law](#).

Policy conclusion:

- **Include a broad scope of products for free recycling.**
- **Since new products emerge all the time, use more general terms to describe these products.**
- **If possible, create an administrative procedure for adding to the scope of products, without going back to the legislature.**

Lesson 10:

Transparency and reporting helps us to understand better what's happening in the programs

Currently, most companies do not voluntarily report (publicly) the volumes they collect in each state. The companies will promise legislators that they will operate robust takeback programs, but the only way we will know how successful they are is if we get clear reporting by each company, available to the public. For instance, in Texas, the companies report their volumes to the State, but the Texas law does not require the State to make this collection information public, so the State does not do so. An NGO there must file a Freedom of Information Act (FOIA) request each year to get that information and release it publicly. And the 2009 and 2010 numbers revealed that companies were making vastly different levels of effort. In some states, the manufacturers lobby to get this information exempted from FOIA requests.

Because these programs are still fairly new, reporting is an important way for us to evaluate the effectiveness of the programs, and to compare the different approaches between states.

The State should put out a report at least annually (but quarterly is better) on the volumes that each manufacturer has collected.

In some states companies must submit plans for approval. In Washington, the plans are made public only after they are approved. So local residents, businesses, or governments have no opportunity to comment or make suggestions on the plans before they are approved.

Policy recommendation:

Include language that requires

- **quarterly reporting from manufacturers to the State on collection volumes, by category and not exempt from FOIA disclosures**
- **quarterly public reporting by the State on the volumes collected by manufacturers**
- **making manufacturer plans (if required) public – both when they are submitted (draft plans) and after they are approved**
- **manufacturers to hold a public meeting on their proposed plans or at least provide opportunities for comments, that the State could view in its approval process**

Find more information on state e-waste laws on our [website](#).

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How much e-waste is collected in states with electronics recycling laws?

Twenty five states have passed e-waste recycling laws, and all but two are based on “Producer Responsibility.” Many programs are only just getting started. Only a few states report breakdowns by product type. This chart is updated regularly as data becomes available.

☑ means the item is collected for free recycling but the state doesn’t provide collection data by category. (Figures in purple estimated or annualized.)

KEY to Other Products: C = Cell phone, CB = Converter box for TV, D = DVD player, DPF = Digital Picture Frames; F=Fax, G = Game console, K=Keyboard, M = Mouse, MP= MP3 player, S = Scanner, Sat = Satellite receiver or cable receiver, V= VCR

Last updated: Sept 26, 2011

State	Year	Monitors	TVs	Computers	Laptops	Printers	Other Products See key above	TOTAL LBs COLLECTED	Notes	# Reg. Mfgers	Population ¹	Disposal Ban Effective Date	# sites	People per site ²	Lbs per capita ³	
California	Year 1	2005	☑	☑	not covered	☑	not covered	64,809,498		None, Mfgers don't participate	35,795,255	In 2002 & 2006			1.81	
	Year 2	2006	☑	☑	not covered	☑	not covered	127,979,144			35,979,208				3.58	
	Year 3	2007	☑	☑	not covered	☑	not covered	185,190,929	Portable DVD players with LCD screens added		36,226,122				5.17	
	Year 4	2008	☑	☑	not covered	☑	not covered	216,062,581			36,580,371				5.91	
	Year 5	2009	☑	☑	not covered	☑	not covered	167,876,682			36,961,664				4.54	
	Year 6	2010	☑	☑	not covered	☑	not covered	172,570,839			37,253,956			580 collectors		4.63
Hawaii	Year 1	2010	☑	Not until 2011	☑	☑	☑	3,235,432	Only IT in 2010	49	1,360,301				2.38	
Illinois	Year 1	Jan-Jun '10	3,324,947	4,674,583	2,771,516	Reported under Computers	1,689,124	1,159,071	30,183,168		52	12,830,632	2012	144	89,102	2.35
			24%	34%	20%		12%	C,D,F, G, K, M, MP, S, V								
Maine	Year 1	2006	1,205,726	2,954,848	not covered	Laptops reported under "monitors"	not covered	4,160,574			1,317,308	7/20/06			3.16	
	Year 2	2007	1,393,775	3,290,682	not covered		not covered	4,688,552	4095 unk			1,314,963			3.57	
	Year 3	2008	1,421,399	3,853,020	not covered		not covered	5,274,419		Printers, DPF, Games added for 2010		1,319,691			4.00	
	Year 4	2009	2,145,256	5,767,036	not covered		not covered	7,912,292			1,318,301			6.00		
	Year 5	2010	1,203,511	3,935,723	not covered		198,895	158 games	5,338,287			1,328,361			4.02	
Maryland		2006	Was a pilot program with limited funding. Permanent program estab. eff. Oct 2007													
	Year 1	2007	Volumes reported are from municipal (mostly county) collection programs that go beyond products covered by law (computers and displays).						908,135	FY 07-08: Total includes 2.2 Million lbs pd by producers		5,634,242				0.16
	Year 2	2008	Manufacturer registration fees used as grants to reimburse some municipal costs (see box to right of total lbs.)						12,610,690			5,658,655				2.23
	Year 3	2009							17,393,976	FY 09-10: Total includes 9 million lbs paid for by producers,		5,699,478				3.05

State	Year	Monitors	TVs	Computers	Laptops	Printers	Other Products See key above	TOTAL LBS COLLECTED	Notes	# Reg. Mfgers	Population ¹	Disposal Ban Effective Date	# sites	People per site ²	Lbs per capita ³	
	Year 4	2010						17,042,374		60	5,773,552		30		2.95	
Minnesota	Year 1	2007 - 08	☑	☑	☑	☑	Fax, DVD, K,	33,600,000		79	5,191,206	7/1/06			6.47	
	Year 2	2008 - 09	☑	☑	☑	☑		30,293,194		72	5,230,567				5.84	
	Year 3	2009 - 10	☑	☑	☑	☑		33,082,679		71	5,266,214				6.37	
	Year 1	2010	☑	☑	☑	☑	☑ as of July 2010	9,148,000	K, M, S as of July 2010	78	9,535,483	7/1/2011			.096	
Oklahoma	Year 1	2009	☑	not covered	☑	☑	not covered	817,277			3,687,050	No ban			0.22	
	Year 2	2010	☑	not covered	☑	☑	not covered	2,554,632		36	3,751,351				1.47	
Oregon	Year 1	2009	6,144,774	10,817,023	2,031,941	Reported under computer	not covered	18,993,738			3,825,657				4.96	
		%	32.40%	57.00%	10.70%		not covered									
	Year 2	2010	6,520,439	14,972,860	2,897,973		not covered	24,149,774			3,825,657	1/1/2010	264	14,491	6.31	
	%	27.0%	62.0%	12.0%	not covered											
Rhode Island	Year 1	2009	☑	☑	☑	☑	not covered	2,823,369		46	1,053,209	1/1/08			2.68	
	Year 2	2010	☑	☑	☑	☑	not covered	Not available			1,052,567					
Texas	Year 1	2009	☑	not covered	☑	☑	not covered	15,247,207			24,782,302				0.62	
	Year 2	2010	☑	not covered	☑	☑	not covered	24,370,894			25,145,561				0.97	
Virginia	Year 1 partial	Jul - Dec 2009	☑	not covered	☑	☑	not covered	3,782,500	Actual 2Qs	37	7,882,590				0.96	
							not covered	7,565,000 ⁴	Annualized		(6 mos x 2)					
	Year 2	2010	☑		☑	☑	not covered	4,439,446 ⁵			7,882,590				0.56	
Washington	Year 1	2009	12,287,734	22,350,612	3,910,328	Reported under computer	not covered	38,548,674			6,664,195				5.78	
			%	31.90%	58.00%		10.10%	not covered					NA ⁶			
	Year 2	2010	10,738,240	24,969,639	3,759,919		not covered	39,467,798			6,664,195		280	23,801	5.92	
	%	27.20%	63.30%	9.50%	not covered											
West Virginia	Year 1	2009-10	Counties run programs partly funded by producer fees. Some producers operate own programs.				921,270 lb by counties 2009	724,435 lbs by mfgers 2009	1,646,155	For 2009 Prelim data.		1,819,777	1/1/2011			0.51
			☑	☑	☑	☑	not covered									
Year 2	2010-11	☑	☑	☑	☑	not covered			No data yet.							
Wisconsin	Year 1	Jan - Jun 2010	☑	☑	☑	☑	☑	D, F, K, M, V	10,328,779	Only 6 months	69	5,686,986	9/1/10	329	17,286	3.63
	Year 2	Jul 2010 - June 2011	☑	☑	☑	☑	☑	D, F, K, M, V	35,470,000	First full year	82	5,686,986		400	14,217	6.24
Other States Which Began Collection in 2010 or scheduled to begin collection in 2011 or later. (No data available yet)																
Connecticut	Year 1	2011	☑	☑	☑	☑	☑			Data in 2012	60	3,518,288	1/1/2011	123	28,604	

State		Year	Monitors	TVs	Computers	Laptops	Printers	Other Products See key above	TOTAL LBs COLLECTED	Notes	# Reg. Mfgers	Population ¹	Disposal Ban Effective Date	# sites	People per site ²	Lbs per capita ³
Indiana	Year 1	Apr 2010 – Mar 2011	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	not covered	F, K, DVD, V		Later in 2011			1/1/2011			
Michigan	Year 1	Apr 2010 – Mar 2011	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Added in year 2			Later in 2011	27					
Missouri	Year	2010-11	<input checked="" type="checkbox"/>	not covered	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	not covered			Later in 2011						
New Jersey	Year 1	2011	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	not covered			Data in 2012			1/1/2011			
New York	Year 1	Apr 2011 – Mar 2012	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	C, CB, D, F, G, K, M, MP, S, Sat, V		Data in 2012			4/1/11 and 1/1/12			
Pennsylvania	Year 1	2012	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	K		Data in 2013			1/1/2013			
South Carolina	Year 1	July 2011- Jun 2012	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Data in 2012			7/1/2011			
Vermont	Year 1	July 2011 – Jun 2012	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	K, M		Data in 2012			1/1/2011			

Comparing data between the states.

To make fair comparisons, it's important to know that these programs are not all accepting the same products, and some collect from more than just households. (See whose products are covered on our [chart summarizing laws](#).) For instance, the California program accepts e-waste from all entities – business, consumers, etc. CA experts estimate that at least half the volume there comes from business. So those numbers should be expected to be higher than states that are only collecting from residents.

For more information on state laws: <http://www.electronicstakeback.com/promote-good-laws/state-legislation/>

¹ Population stats through 2009 from US Census annual July estimates: <http://www.census.gov/popest/states/NST-ann-est.html> .
2010 Census data: <http://2010.census.gov/2010census/data/>
2011 Census information not yet available.

² We divide total population by the number of regular collection sites (meaning those operating year round). Of course, one would need to look at the location of the sites to assess whether all areas of the state are covered, but this statistic provides a very general metric for comparing the number of sites offered between states.

³ Pounds per capita (pounds per person in the state) is used to compare collection volumes between states with different populations.

⁴ Program went into effect mid-year, so manufacturers were required to report only July – Dec 2009 collection totals. Because this was only 6 months of collection, we multiplied the volumes time 2 to estimate an annual amount (for comparison’s sake). However, according to the Virginia Dept of Environmental Quality, some companies reported annual totals in their 2009 numbers. So our annualized 2009 number was likely overstated.

⁵ According to the VA DEQ, some companies have still not reported their 2010 numbers. We will revise this total, if these manufacturers report any volumes.

⁶ Washington did not include a statewide disposal ban in its law, but some counties have established disposal bans (including King County).



LATE

February 4, 2014

LATE

House Committee on Energy and Environmental Protection
Chris Lee, Chair
Cynthia Thielen, Vice Chair
Hawaii State Capitol
Honolulu, HI 96813

RE: House Bill 2307 - Electronics Recycling

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Dear Representatives Lee, Thielen, and Committee Members,

HP is a worldwide supplier of computer products and services. HP has a longstanding tradition of taking initiative to engage constructively on business related environmental management issues. For example, HP recycles, at no added charge to the consumer, computer products dropped off at over 3,700 drop-off locations nationwide (www.hp.com/us/go/recycling). **HP also has consistently collected volumes of electronics in Hawaii that have ranked HP among the top few manufacturers as reported by the Department of Health.** We take our role in supporting Hawaii consumer recycling needs seriously.

Regarding proposals by the Department of Health to update electronics take-back legislation, as reflected in HB 2307, HP requests your attention to three important issues:

- (1) Action must be taken to ensure that product scope subject to targets is balanced between IT (computer) and TV related manufacturers.

As drafted, HB 2307 would only cover televisions under targets from the TV / entertainment sector of the electronics industry, while covering *all* major computer devices from the IT sector under targets. This arbitrary, unbalanced approach to determining targets would drive computer companies to subsidize TV recycling to meet targets, and needs to be corrected.

Objective information supports that (a) personal computers and (b) computer-like TV peripherals (e.g., video players, game consoles, set-top-boxes) should be either covered or exempt from collection targets in a consistent manner. Example reasons include:

- Personal computers and computer-like devices used with televisions have similar composition. Not only do products from both categories contain

similar components—e.g., disk drives, memory chips, audio and video cards, etc.—but they have similar materials composition as well, based on HP’s review of research by the Waste and Resources Action Programme (WRAP)¹.

- **Personal computers and computer-like devices used with televisions sell in similar total weight to consumers**, based on HP’s study of many syndicated market research reports providing unit sales and combined with typical unit weights estimated from online retailer best-selling unit information.

Note also that CRT TVs are the greatest financial impact on take-back programs today—they comprise over 70% of the collection stream weight on average in a number of states where collection is required year-round, and CRT devices currently are the most expensive item to process. Therefore, it would not be logical to cover a long list of computer devices while exempting devices used with televisions from targets.

While HB 2307 proposes a new definition for “peripherals” to include products from both TV and computer industry sectors, this definition has not been inserted in the definitions for covered devices which would be subject to targets. To act fairly, the bills need to be edited in one of the following ways: (1) only define computer monitors as covered electronic devices (to mirror TVs being the only covered devices from the TV / entertainment sector), or (2) **add the new term “peripheral” to the definitions of “covered electronic device” and “covered television” in existing law, as follows:**

“Covered electronic device”:

- (1) Means a computer, ~~computer printer, computer monitor,~~ or portable computer with a screen size greater than four inches measured diagonally, or a peripheral; . . . [note that printers and monitors would be included under peripherals and do not need to be stated separately]

“Covered television”:

- (1) Means any device that is capable of receiving broadcast . . . and displaying television or video programming . . . with a viewable screen size of nine inches or larger . . . , or a peripheral;

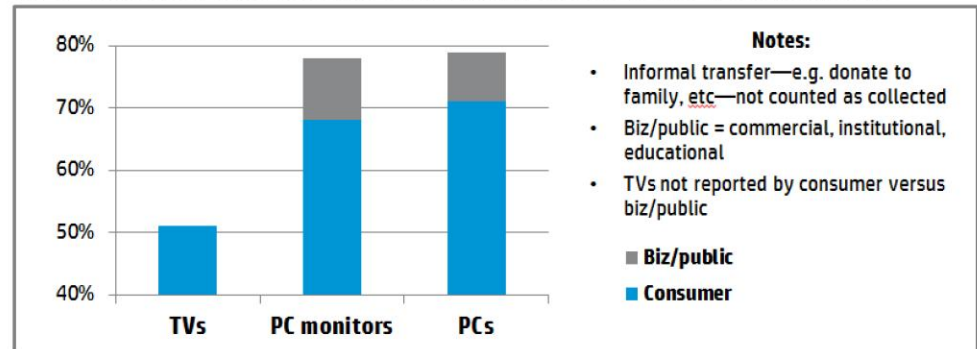
(2) Commercial sales of computer equipment do not warrant coverage under targets.

Under definitions in the current law, a “covered entity” is essentially unlimited in Hawaii. However, due to many factors, **computer equipment is already collected for**

¹ See www.wrap.uk.org for more information about WRAP and their projects.

recycling and reuse at extremely high rates without the motivation of targets. As reflected in Figure 1, a recent MIT report estimates US collection for formal reuse and recycling of computers to be very high, especially for commercial customers (79% for business / public sources, and likely higher if including informal donations, direct resale and other items not considered as formal collection by MIT)².

Fig 1: Estimated US % collected for recycling & reuse versus generated, 2010²



Some of the reasons that the collection rate for business / public computers is so high even without uniform targets include:

- Computers retired by these entities often remain functional and have high residual value that the owner / generator is motivated to recoup. These entities have many opportunities at their disposal for computer collection and value recovery.
- These entities already are covered by numerous take-back provisions, including “tech refresh” programs under contracts with many parties not limited to manufacturers alone.

In order for computer manufacturers to comply with these targets and obtain covered devices from the business and public sector, manufacturers may need to interrupt many existing reuse and recycling arrangements already in place between customers and various computer product and service providers. Those arrangements often involve contracts for delivery of new equipment, and factor in the value for reuse and recycling of various computer devices. Such disruption of current systems would be extremely difficult for all parties involved, and add no environmental benefit.

To help ensure practical and efficient implementation of the proposed system under HB 2307, please revise the proposed Section 339D-A (a) such that the Department

² Based on data from: *Quantitative Characterization of Domestic and Transboundary Flows of Used Electronics, Analysis of Generation, Collection, and Export in the United States*; MIT, MSL, NCER; Dec 2013; http://www.step-initiative.org/tl_files/step/_documents/MIT-NCER%20US%20Used%20Electronics%20Flows%20Report%20-%20December%202013.pdf

will only use data for sales to consumers when determining targets. For example, the current bill text might be rewritten:

339D-A Manufacturer recycling goals. (a) The department shall base manufacturer recycling goals on sales through consumer channels, such as sales to households and home offices. The department shall use the best available information regarding sales to consumers to establish the weight of all covered electronic devices and covered televisions sold to consumers in the State. . .

Note that a broad range of entities (schools, small government entities, etc.) would remain eligible to use the take-back programs offered by manufacturers, but only consumer sales would be subject to the target calculation.

(3) Fees levied on the IT industry must not be double the fees proposed for the TV industry

In Section 339D-C of HB 2307, "convenience fee", it is proposed that computer manufacturers be levied double the fee (\$10,000) that TV manufacturers would be levied (\$5,000) for failing to meet convenience standards. This inequitable treatment of industries is not justifiable. Either charge the same fee for both industry segments, or omit the fee.

In closing, as drafted Hawaii HB 2307 would impose different standards on the TV / entertainment electronics industry versus the IT industry. For example, almost all TV / entertainment sector electronic devices would be exempt from targets, except for the TV monitor itself, while virtually all major computer devices would be subject to targets. Computers are valuable in the recycling stream and already collected at very high rates without mandated targets. We ask that the two industries' recycling targets include a similar mix of products for target calculations, as well as other recommendations that ensure the TV and IT industry segments are treated fairly. HP's proposed edits are based on careful consideration of data, and our longstanding experience and leadership in the take-back arena. Thank you for your reviewing and addressing our concerns.

Please do not hesitate to contact me with questions, and thank you for your consideration.

Sincerely,



Jeff Kuypers
Environmental Project Manager

February 3, 2014

A handwritten signature in cursive script, appearing to read "Lorin Alusic", is centered on a light gray rectangular background.

Lorin Alusic
Director, Western Region
State and Local Government Relations