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Submitted Via Hand Delivery

Representative Chris Lee, Chair
House Committee on Energy Environmental Protection

Representative Della Au Bellati
House Committee on Health

***Re: H.B. 904 Relating to Recycling
Hearing: Thursday, January 31, 9:30 am, Room 325***

Dear Chairs Lee, Bellati, and Members of the Joint Committees:

On behalf of the Consumer Electronics Association (CEA)[®], I am writing to provide **comments** in opposition to H.B. 904, which proposes to amend and expands the Hawaii electronics recycling law.

CEA represents more than 2,000 companies 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.

CEA opposes H.B.904, as drafted, but is open to further discussion with stakeholders regarding this measure.

CEA participated in person at the four meetings of the Electronics Device Task Force, and sincerely appreciates the time and effort the Department of Health and other stakeholders expended in proposing this draft bill. However, CEA respectfully disagrees that the bill will accomplish the goal of meeting the recycling needs of the various counties, and does not feel that the draft bill reflects a true consensus of the parties.

First, CEA believes that the scope of the products, which currently applies to "any device containing an electric motor, heating element, or a speaker," is overly broad, impractical, and would needlessly capture products and industries that were not contemplated in the Task Force discussions. As a first step to making the law workable, CEA would propose to limit the scope of the law to our industry's products: consumer electronics. Complaints and concerns voiced by stakeholders during the task force process focused on consumer electronics, therefore any legislative remedy should also focus on these devices.



In addition, CEA feels that the proposed mandates defined in the bill – poundage requirements of 60% by weight of products sold, increasing to 80% over 2 years, and convenience requirements of collection services in each zipcode with a population greater than 25,000 – are, simply put, not practical for the manufacturing industry nor necessarily effective in meeting the recycling goals of the various counties. In fact strict implementation of these new mandates could result in less recycling opportunities for some Hawaii consumers living on neighbor islands.


CEA would like to propose an alternative track to the proposed legislation, which would continue to focus on manufacturer responsibility, but in a different way. Specifically, CEA supports legislation that would authorize the industry to form a collective electric device stewardship organization to coordinate the industry effort. This organization, administered and joined by consumer electronics manufacturers, would be responsible for forming a collective recycling plan, which would be developed in consultation with local stakeholders, and subject to approval and oversight by the Department. Ideally the plan would serve as an alternative compliance path to the current law, or possibly the Department's proposed legislation so that a manufacturer could choose to either comply individually or participate in the collective stewardship program. The plan would also be tailored to each county, and will reflect an analysis of what the specific needs of each county are.

A draft proposal for what this proposal would look like is included with CEA's testimony.

CEA is committed to creating a program that works for the State, and is open to continued discussion with stakeholders about the concept of a manufacturer stewardship plan.

Thank you for the opportunity to provide these comments on H.B. 904.

Sincerely,
THE CONSUMER ELECTRONICS ASSOCIATION



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**Testimony of
Michael Moss
on behalf of
Samsung Electronics America**

DATE: January 31, 2013

TO: Representative Chris Lee
Chair, House Committee on Energy & Environmental Protection
Representative Della Au Belatti
Chair, House Committee on Health
Hand Delivery

RE: **H.B. 904 – Relating to Recycling**
Thursday, January 31, 2013 at 9:00am
Conference Room 325

Dear Chair Lee, Chair Belatti, and Members of the Joint Committees on Energy & Environmental Protection and Health:

I am Michael Moss, Director of Environmental Affairs from Samsung Corporation and would like to **comment** on H.B. 904 which proposes to expand the Hawaii electronics recycling law. Unfortunately we cannot support the legislation as currently drafted but would suggest the following.

In 2012 Samsung responsibly recycled 450,000 lbs. of consumer electronics generated in Hawaii.

In 2013 Samsung will voluntarily double that amount, with primary focus on collections on the neighbor islands. We do this recycling in good faith as a way to underscore our commitment to making legislative movement towards the representative organization model proposed by CEA a constructive reality for all stakeholders.

Samsung is working with our recycling partner, URT, to plan and drive collections on the neighbor islands in 2013. URT will make the arrangements to meet these commitments working with their local partners. We also work with ERI to drive volume. Both URT and ERI are eStewards and R2 certified.

Whenever manufacturers are financially obligated for processing costs, we believe that manufacturers should have the capacity to operate in a market efficient manner, while generating effective results.

Samsung believes that the Representative Organization approach proposed by CEA offers manufacturers with the best opportunity for competition, innovation and per unit cost. This encourages better use of resources, and ultimately addresses the social needs better.

Through the Representative Organization manufacturers can address needs at local, state and national levels. This has the potential to drive tremendous efficiency and results.

We also believe that, while performing recycling responsibly according to standards, we can generate many more good paying jobs as a result of efficient expansion of the ewaste industry.