

STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

**Testimony COMMENTING on HB0595
RELATED TO RECYCLING**

REPRESENTATIVE NICOLE E. LOWEN, CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Hearing Date: 1/31/2023 Room Number: 325

1 **Fiscal Implications:** Unknown.

2 **Department Testimony:** This measure amends Chapter 339D, Hawaii Revised Statutes (HRS),
3 otherwise known as the Electronic Device Recycling and Recovery Act by adding the definition
4 of “market share” and amending the definition of “electronic device” to exempt floor-standing
5 printers, or printers with optional floor stands. This measure also amends the shortfall penalties
6 and the method used to calculate the manufacturer recycling goals.

7 The Department of Health (Department) respectfully requests that the Legislature provide
8 the Department time to implement the amendments made by the Legislature in 2022 to the
9 Electronic Device Recycling and Recovery Act before making additional changes. The full
10 implementation of the 2022 amendments took effect on January 1, 2023, and the Department
11 would like additional time to evaluate if any further changes are needed to improve electronics
12 recycling in Hawaii.

13 The Department shares the following comments on portions of this measure that would
14 be confusing to administer:

15 In section 2 of the bill at page 3, lines 6-10, a definition of “market share” is added. As
16 currently drafted, however, the calculation of a manufacturer’s “market share” would be based
17 only on the electronic device manufacturer’s prior year’s sales of televisions, despite the
18 inclusion in Chapter 339D, HRS, more broadly of computers, monitors, printers, and portable
19 computers in addition to televisions.

1 In section 3 of the bill at pages 5-6, the proposed tiered penalty scale sets penalties for
2 less than 50%, more than 50%, less than 75%, more than 75%, less than 90%, and more than
3 90%, however, it is unclear which penalty applies if a manufacturer were to achieve equal to
4 50%, 75%, or 90% of their goal.

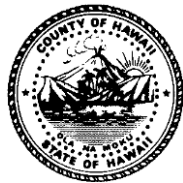
5 In section 5 of the bill at page 9, the proposed method the Department shall use to
6 calculate the manufacturer obligation is confusing and contradicts the goals on page 10. Page 9
7 calls for the recycling goals to be based on the manufacturer's market share percentage of the
8 previous year's total collections, while page 10, lines 4-17, sets the recycling goals as a
9 percentage of a manufacturer's sales two years prior.

10 Thank you for the opportunity to testify.

11 **Offered Amendments:** None

Mitchell D. Roth
Mayor

Lee Lord
Managing Director



Ramzi I. Mansour
Director

Brenda Iokepa-Moses
Deputy Director

County of Hawai'i

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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January 30, 2023

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole Lowen, Chair

Rep. Elle Cochran, Vice Chair

Hawai'i State Capitol
Honolulu, HI 96813

Re: Comments on House Bill 595 Relating to Recycling, which amends the recycling goals under the Electronic Device Recycling & Recover Act and amends the penalties for manufacturers not meeting goals and convenience requirements for electronic recycling.

Dear Chair Lowen, Vice Chair Cochran and Committee Members,

The County of Hawai'i Department of Environmental Management submits comments on House Bill 595, which as currently written, significantly changes the recycling goals and reduces the penalties for manufacturers that do not meet the required recycling goals of the Electronic Device Recycling and Recovery Act.

The Legislature passed amendments to the law last session and the changes have yet to be fully implemented this calendar year. Manufacturers have scheduled the minimum required monthly collection for February in Kailua-Kona and have provided a more convenient collection schedule in Hilo as a result of the new convenience requirements. We have yet to see the effects of those changes on the quantities of electronics collected.

The County believes it is too early to determine if the changes to the law last session will be too difficult for the manufacturers to achieve the required recycling goals and prefers to wait for the results of the fully implemented law to evaluate whether amendments are needed next year.

Thank you for your consideration.

Best Regards,

A handwritten signature in black ink, appearing to read "Ramzi I. Mansour".

Ramzi I. Mansour, Director



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
January 31, 2023
Re: HB 595 RELATED TO RECYCLING**

Good morning, Chairperson Lowen and members of the House Committee on Energy and Environmental Protection and Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901 and is a statewide, not for profit trade organization committed to supporting the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, on-line sellers, local, national, and international retailers, chains, and everyone in between.

We support this measure. HB 595 amends recycling goals under the Electronic Device Recycling and Recovering Act so that goals are based upon the manufacturer's overall market share in the State. Amends penalties and definitions.

Retailers continue to be concerned about our aina and have supported many initiatives that preserve and protect our environment. We are seeing more retailers having takeback recycling type of E-Waste programs for electronics albeit old, broken or just being replaced with an upgrade.

We appreciate the intent of Act 151 SLH 2022 to address E-Waste recycling in our islands. We support continuing to make E-Waste collection convenient for consumers so that they participate in the recycling program. We are also seeing that manufacturers are complying with the requirement that each manufacturer establishing 25 collection sites in the state, which has greatly expanded the opportunity for consumers to recycle their e-waste. However, this Act created additional and significant financial burdens for manufacturers. **The additional costs incurred with this program will most likely have the manufacturers passing these costs onto the distributor and retailers who will pass it on to the consumers, thus making electronic items even more expensive than they already are.**

Electronic products are NOT manufactured in the state of Hawaii and therefore must be shipped to distributors and retailers. **Unlike on mainland, Hawaii can truck out or use rail for these E-Waste items to be transported to nearby recycling facilities including those in neighboring states because Hawaii does not have an E-Waste recycling facility within the state.** All electronics turned in for recycling must be shipped out to the mainland. In the past couple of years, we have seen **shipping cost increase significantly adding onto operational cost. This includes not only to and from the State, but also to and from our neighbor islands as well.**

We strongly support the proposal to eliminate the weight based targets for collection in the bill. **Electronics over the years have been changing and becoming much lighter.** We are seeing more and more weight of newer electronic products being a lot lighter than older ones. With new technology constantly being introduced, we are expecting in the next few years that the recycling weight rate will continue to decline. **Because devices are becoming lighter over time, it does not make sense to escalate recycling targets by weight.** By the Department of Health's own data, collection weights are declining and the weight based collection targets will be simply unachievable.

We also support reducing the shortfall fee from \$1.50 per pound to a tiered penalty based on compliance level. The current penalty fee of \$1.50 per pound is higher than any other state and has resulted in a significant increase in how much manufacturers are being charged to stand up collection sites. This has made it far more expensive for manufacturers to stand up collection programs overall.

Mahalo again for this opportunity to testify.

 3610 Waialae Ave • Honolulu, HI 96816  (808) 592-4200  tyamaki@rmhawaii.org

HB-595

Submitted on: 1/30/2023 8:16:25 AM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Navarra	Zero Waste Hawai'i Island	Oppose	Written Testimony Only

Comments:

It is disappointing to see a bill introduced this session that would weaken the recycling targets AND reduce penalties for missing the targets for manufacturer's of electronic waste.

Please do not pass this bill, it will undermine the efforts made last hear to improve the state's electronic waste recycling program. Electronic waste is toxic if landfilled and contains valuable metals which are in short supply. They are also expensive to recycle for an isolated Island state and there is difficulty collecting the fee to dispose of them properly from consumers at the product's end of life.

Mahalo,

Jennifer Navarra

Coordinator

Zero Waste Hawai'i Island

January 30, 2023

Rep. Nicole E. Lowen
Chair, Committee on Energy and Environmental Protection
Hawaii State Legislature
415 S Beretania St
Honolulu, HI 96813

Re: Support HB 595 Relating to Recycling

Dear Chair Lowen:

On behalf of the Consumer Technology Association (CTA), thank you for opportunity to provide comments in opposition to HB 595. CTA is the trade association representing the U.S. consumer technology industry – including manufacturers of televisions and computer equipment who pay for the electronics recycling program which is the subject of this legislation. We also represent retailers of these and other consumer technology products.

Since enactment of the new electronics recycling law last year (Act 151 Session Laws of Hawaii 2022), our member companies have stepped up collections of e-waste in Hawaii through a combination of new permanent drop-off sites and new collection events. We are meeting the new collection convenience requirements and have picked up the entire cost of the system so that as of January 1, no Hawaii consumer will have to pay to drop off their old TV or computer for recycling.

We have adjusted to this new set of requirements and are not asking for any change relating to the mandate on us to provide convenient collection opportunities with free drop-off.

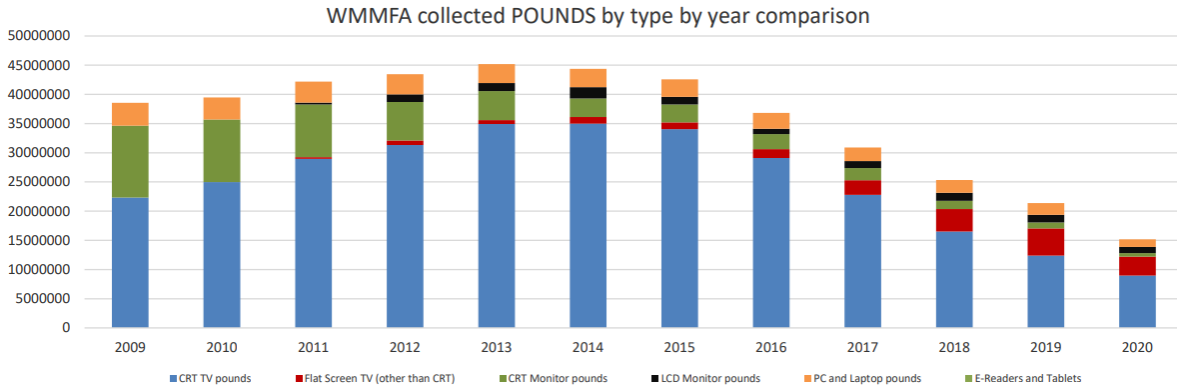
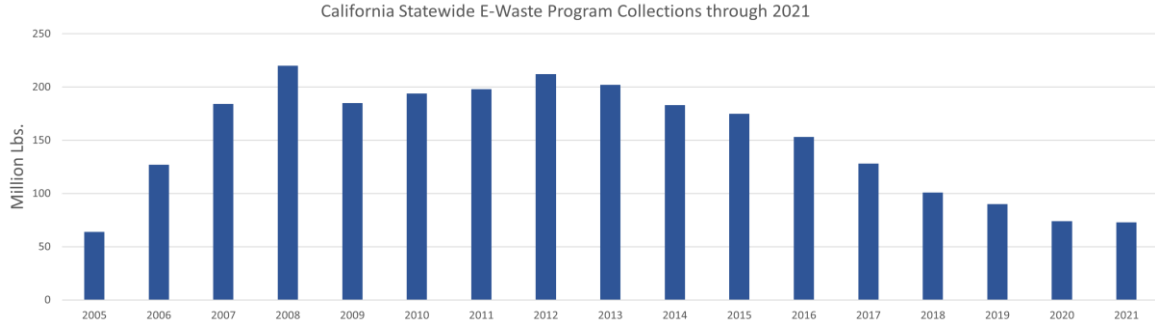
HB 595 would address unintended side effects of the new law, and CTA strongly supports this measure.

Background

Since enactment of the new law in 2022, CTA has heard from multiple manufacturers that the cost of complying with the Hawaii e-waste law has more than doubled. CTA has also heard from manufacturers that this escalation in cost will mean that for at least some of them selling covered devices in Hawaii will be at a loss – an unsustainable situation for any commercial enterprise.

Also, the escalation of pound targets to 60% of pounds sold in 2024 and 70% in 2025 are unachievable. Our industry has done a poor job educating the public on e-waste trends – not

only is e-waste not increasing, according to the latest U.S. EPA data (see table 14 of [this report](#)) consumer electronics are the fastest declining product in the municipal waste stream. Also below are charts showing the trends in California and Washington who both have mature electronics recycling programs with a large and stable collection system:



While we are hopeful that the current year’s target is achievable, manufacturers and their recycling and collection vendors are having to scramble to collect enough to reach the target – a target which is nearly 50% higher than actual collections in 2022. The overall downward trend for e-waste is expected to continue until at least 2026, thus making compliance with the escalating targets unachievable.

Furthermore, the new law includes a shortfall fee of \$1.50 for every pound a manufacturer is short of this target. While CTA supports shortfall fees to ensure a level playing field for compliance across manufacturers, this flat amount has distorted the recycling market in Hawaii. For example, under Connecticut’s electronics recycling program the Department of Energy and Environmental Protection [sets the prices recyclers charge](#) – note that these prices are less than 1/3 of the shortfall fee amount in Hawaii. Moving to a tiered system of shortfall fees would help avoid market distortions while maintaining a level playing field.

CTA Request

For these reasons, we respectfully ask the Committee to pass this measure as is. We are also happy to work with the Committee, the Department of Health and other stakeholders on fine-

tuning this measure so that Hawaii can continue manufacturer-funded e-waste collection at the higher levels established by Act 151, but will also ensure continued access of Hawaii consumers to the full range of consumer electronics going forward.

Thank you again for the opportunity to testify and provide our comments. If you have any questions, please do not hesitate to contact me at walcorn@cta.tech.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Alcorn", with a long horizontal flourish extending to the right.

Walter Alcorn
Vice President, Environmental Affairs and Industry Sustainability
Consumer Technology Association

HB-595

Submitted on: 1/30/2023 8:33:19 AM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Evan Takita	Mr Ks Recycling	Oppose	Written Testimony Only

Comments:

To whom it may concern

This letter is in regards to the proposed changes to reduce the fines of non-compliance to manufacturers.

It is proposed that the fees/fines that are attached to the private manufacturerers for non-compliance of recycling their items (sold, old, broken) be lowered.

If this proposal is passed manufacturers for might decide that they can afford not to recycle or take responsibility of recycling their products properly.

In the past the county/government supplimented the cost to recycle. But with funds being appropriated elsewhere and the increase of costs to responsibly going up (shipping, gas, labor) it is a hardship.

So how does it impact the environment the big picture if the consumer cannot recycle it or have a place to take it, they will dump it on the side of the road.

Electronics have hazardous materials that are not good for the environment, contaminating our land and especially our water.

Batteries use lituhum, lead and other contaminants that can also affect our water and oceans.

If there is a reduction in fines to the manufacturers (who mass produce products and make millions) for doing their part to recycle, we will pay the price.

The worse case scenario, the price of the items will go up. They may decide to not service us with their products, in which case we find another manufacturer who is more environmentally aware.

The best case scenario, they (the manufacturers) take responsibility, pay what is asked to recycle their products properly thus saving our fragile island paradise and creating jobs for our people here on Hawaii.



Mr. K's Recycle and Redemption Center

815 Kinoole St., Hilo, HI 96720 · www.mrksrecyclehawaii.com
Tel: (808) 969-1222 · office@mrksrecyclehawaii.com · Fax: (808) 769-4023

TO: Committee on Energy & Environmental Protection
Chair Rep. Nicole E. Lowen and Vice Chair Rep. Elle Cochran
Committee Members

FROM: Mr. K's Recycle and Redemption Center, Inc.
Roy Kadota, Owner

DATE: January 30, 2023

RE: HB 595 Related to Recycling

Mr. K's Recycle and Redemption Center has served as Hawai'i Island's electronic waste collector for over 10 years. In addition, Mr. K's refurbishes electronics and sells devices and parts for re-use. We are proud to be a part of the ecosystem diverting toxic e-waste and fire hazards from the landfill, extending the use of valuable resources, and making electronic devices available at affordable prices for our County.

Mr. K's **opposes HB 595**, which amends recycling goals, penalties and definitions under the Electronic Device Recycling and Recovering Act, for the following reasons:

- 1) The bill fails to clarify that it proposes changing the basis of recycling goals by weight from a percentage of "the manufacturer's electronic devices sold in the State two years prior" to the manufacturer's market share times the "covered electronic device recycled by all electronic device manufacturers during the previous program year" (emphasis added).
 - a) Because recycling weight is significantly lower than weight sold, this lowers recycling goals.
 - b) The lower the recycling weight, the lower the next year's goals. This can incentivize manufacturers to reduce recycling.
- 2) The bill fails to consider the costs of recycling for Neighbor Islands.
 - a) O'ahu has a metropolitan hub with an incinerator. On Hawai'i Island, not only does Mr. K's have to deal with transportation across a large rural area, but we also must ship electronic waste to the West Coast. Costs increase when recyclers are based further inland

- b) A penalty that is too low will incentivize manufacturers to pay the penalty rather than recycle on Neighbor Islands.
 - i) The previous penalty of \$0.55/pound for TVs, in place for 13 years, represented the cost of only transporting covered devices from Hawai`i Island to a Mainland recycler in 2022. It falls short of including expenses such as collection, recycling and administration.
 - ii) The fourth tier penalty of \$0.50 per pound is lower than the 2009 penalty of \$0.55 per pound.

Hawai`i County's free residential electronic collection programs have had to close twice in three years due to cost. Our landfills are in crisis. Let us remain committed to what is realistically needed for an effective electronic waste recycling program.

Thank you for the opportunity to testify **in opposition to HB 595**.

HB-595

Submitted on: 1/30/2023 2:46:43 AM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Constance Bee	Individual	Oppose	Written Testimony Only

Comments:

The bill makes certain claims with no data or figures to prove them. And it's written to have no benefits to companies like Mr Ks

The bill is not highlighting the REAL change: the recycling target is based on the prior year's **RECYCLED**, weight and not SOLD weight, and it's Penalty for not meeting recycling goals seems offset to benefit the recycling companies.

HB-595

Submitted on: 1/30/2023 8:37:03 AM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michele Mitsumori	Individual	Oppose	Written Testimony Only

Comments:

This bill significantly changes the method for determining recycling goals from a percentage of total **sales by weight** two years' prior in the State, to a percentage of market share by weight times the total **recycled weight** the previous year.

Manufacturers will be incentivized to recycle less by having lower goals the following year. With the tiered penalty approach, they can systematically lower the recycling goals year on year.

As someone from Hawai`i County, where our County subsidized electronic waste collection program ended mid-year due to lack of funds, I appreciate the cost of what it takes to responsibly recycle our electronics. This bill aims to dismantle our much-needed e-waste recycling program before it has even begun.

Thank you for the opportunity to submit testimony in **opposition to HB 595**.

HB-595

Submitted on: 1/30/2023 2:31:05 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
chris c.	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Lowen, Vice Chair Cochran and Committee Members,

The legislature passed amendments to the Electronic Device Recycling & Recovery law last session, and it has yet to be fully implemented, yet the industry is already proposing changes to the law to lower the incentives to achieve their current mandated recycling goals.

The law is having the intended effect; manufacturers have so far scheduled the minimum required monthly collection in Kona and provided more convenient collections in Hilo. Strong incentives will encourage manufacturers to maintain these convenient services.

We should wait to see how the fully implemented law affects electronics recycling quantities then evaluate whether changes are needed next year.

Thank you for your consideration.