

HOUSE BILL REPORT

HB 2488

As Reported by House Committee On:
Fisheries, Ecology & Parks
Appropriations

Title: An act relating to electronic product management.

Brief Description: Requiring electronic product management.

Sponsors: Representatives Cooper, Campbell, Hunt, Romero, O'Brien, Chase, Sullivan, Ruderman, Dunshee, Wood and Dickerson.

Brief History:

Committee Activity:

Fisheries, Ecology & Parks: 1/23/04, 2/6/04 [DPS];
Appropriations: 2/9/04 [DPS(FEP)].

Brief Summary of Substitute Bill

- Establishes a subcommittee of stakeholders under the Solid Waste Advisory Committee to initiate pilot projects and research information regarding the collection, recycling and reuse of electronic products and report findings and recommendations to the Legislature by December 15, 2004 and December 15, 2005.
- Requires manufacturers of covered electronic products to report to the Department of Ecology (Department) information necessary to develop a statewide system for collecting, recycling, and reusing electronic products.
- Requires exporters of hazardous electronic waste to notify the Department and provide documentation of compliance with applicable laws.

HOUSE COMMITTEE ON FISHERIES, ECOLOGY & PARKS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cooper, Chair; Upthegrove, Vice Chair; Sump, Ranking Minority Member; Hinkle, Assistant Ranking Minority Member; Hatfield, O'Brien, Pearson and D. Simpson.

Minority Report: Do not pass. Signed by 1 member: Representative Buck.

Staff: Jeff Olsen (786-7157).

Background:

Rapidly changing technological advances in the computer and electronics sector have resulted in an increasing number of outdated electronic products. The Environmental Protection Agency estimates over 20 million personal computers became obsolete in 1998 and only 13 percent were reused or recycled. By 2005, more than 63 million personal computers are projected to be retired according to a recent study by the National Safety Council. Electronic products may contain hazardous materials including lead, mercury, brominated flame retardants, and hexavalent chromium. Cathode ray tubes in computer monitors and video display devices may contain between four to eight pounds of lead.

National and state efforts have been initiated to examine opportunities to recycle and reuse electronic waste and encourage development of products using less toxic substances and more recycled content. Representatives from electronics manufacturers, government agencies, environmental groups and others began meeting in April 2001 to develop a joint plan in the United States for managing used electronics. The National Electronics Product Stewardship Initiative (NEPSI) goal is to develop a system to maximize collection, reuse and recycling of used electronics, while considering appropriate incentives to design products that facilitate source reduction, reuse and recycling, reduce toxicity, and increase recycled content. The Department of Ecology (Department) is the state agency assigned the responsibility of managing the state's solid and hazardous wastes. The Department issued a policy notice for managing computer monitors, televisions, and other devices that contain cathode ray tubes (CRT's). Under current regulations, materials designated as hazardous, such as CRTs, must be handled, treated, and recycled differently than universal waste.

Summary of Substitute Bill:

A subcommittee of stakeholders is established under the Solid Waste Advisory Committee (SWAC) to initiate pilot projects and research information regarding the collection, recycling and reuse of electronic products. The subcommittee shall select four pilot projects, new or existing, to allow evaluation of a variety of factors including urban versus rural programs, a diversity of financing types, and the impact of approaches on local governments and other stakeholders.

The subcommittee shall also review data on health and environmental impacts from electronic waste, review existing programs and infrastructure in the state for reuse and recycling, develop reporting criteria for manufacturers, and report findings and recommendations to the Legislature by December 15, 2004 and December 15, 2005.

Covered electronic product manufacturers must submit annual reports to the Department by July 1, 2005. The contents of the report will be determined by the SWAC subcommittee to assist in determining the appropriate methods for Washington to consider in developing a statewide electronic product management system.

Exporters of electronic waste are required to notify the Department 60 days prior to export regarding the destination and contents of the waste being exported. Additional export reporting requirements include demonstrating compliance with applicable laws, and demonstrating that the electronic waste is being reused or recycled. The Department must develop a streamlined reporting procedure for those opting to report on an annual basis.

Substitute Bill Compared to Original Bill:

The substitute removes requirements for manufacturers to develop, implement and finance plans to recycle obsolete electronic products. The substitute also removes the Electronic Product Management and Recycling Advisory Committee, the \$5 fee on the sale of covered electronic products, the Electronic Product Management Account, and the requirement to label covered electronic products. The substitute directs the SWAC subcommittee to initiate pilot projects, conduct research, and report findings to the Legislature.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: There is an increasing amount of obsolete electronic products that are a risk of creating toxic wastes if not handled properly. Currently, the burden is on local governments to pay for disposal. Limited manufacturer programs and mail back efforts are not sufficient. The state needs to move beyond local programs, develop a broad framework for industry to operate, and use free-market principles to create jobs and recycle valuable materials.

End-of-life fees and other charges for disposal discourage recycling and reuse. Local governments cannot afford to dispose of electronic wastes. A landfill ban should not be adopted without a program in place to manage the collection and recycling. Non-profits have incurred costs for products illegally left at collection sites. It would be beneficial to reuse certain products for low-income individuals if a return program was in place. Recent local efforts to involve manufactures resulted in limited participation by manufacturers.

Recyclers generate jobs and recover valuable materials. A program to require collection and recycling would generate jobs and keep resources in the economy and not in the landfill. Product stewardship is an important component of sustainable policies. Export reporting is important to ensure our waste is not harming others in developing countries.

Testimony Against: There are successful pilot projects already in place. The bill is an overreaction and costly. Not enough is known about the risks to human health and the environment. Chemicals need to be managed, not banned. Regulations are a negative incentive for companies to locate here in Washington. Medical devices and other health care devices should be excluded from the bill.

The bill fails to recognize that national efforts are under way to develop a program for uniformly addressing electronic waste and recycling. Labeling provisions are ineffective and unrealistic. The system should be a shared responsibility among all stakeholders. Industry is taking steps to reduce the use of toxic materials. Additional fees will increase costs and create incentives for consumers to purchase products in other states.

(With Concerns) Not enough is known about what is the best system to use to address the issue. Programs for urban areas may not be appropriate for rural areas. In some areas curbside recycling may work, while other areas it would not. The Solid Waste Advisory Committee should be used to conduct pilot projects and evaluate different approaches. The Department of Community, Trade and Economic Development would require funding to implement the advisory committee and grant program provisions. The Department of Revenue has minor technical suggestions to improve the fee provisions.

Persons Testifying: (In support) Dave Peters, Kitsap County; David Dougherty, The Dougherty Group; Lisa Sepanski, King County Solid Waste Division; Paul Fleming, Seattle Public Utilities; Jeff Kelly-Clarke, Snohomish County; Tiffany Hatch, Seattle Goodwill; David Stitzhal, NW Product Stewardship Council; Marc Daudon, Government Sustainability Panel and Cascadia Consulting Group; Craig Lorch, Total Reclaim; Bill Smith, City of Tacoma; Kim Ducote, Rabanco; Ivy Sager-Rosenthal, WashPIRG; and Suellen Melee, Washington Citizens for Resource Conservation.

(In opposition) Grant Nelson, Association of Washington Business; Nancy Atwood, ACA; Randy Ray, Abbott Labs; and Dan Coyne, Hewlett-Packard Company.

(With concerns) Tom McBride, Community Trade and Economic Development; Anne Solwick, Department of Revenue; Vicki Austin, Washington Refuse and Recycling Association; and David Midener, Waste management.

(No opinion) Robert Parker, The Printer People, Incorporated.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Fisheries, Ecology & Parks be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Anderson, Boldt, Cody, Conway, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Ruderman, Schual-Berke, Sump and Talcott.

Minority Report: Do not pass. Signed by 4 members: Representatives Buck, Chandler, Clements and Cox.

Staff: Alicia Paatsch (786-7178).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Fisheries, Ecology & Parks:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: We have a television manufacturing facility in Washington and this bill will impact our business. We have supported these types of pilot projects in other states will support a program here in Washington that is designed for all those involved. This bill is a work in progress and has been significantly scaled back from its original version. Local governments pay more each year to deal with televisions and computers, and we are looking for fees from manufacturers to support their recycling. The pilot project could be scaled down and implemented faster as a lot of work has already been done.

Testimony Against: None.

Persons Testifying: Ivy Sager-Rosenthal, Washington Public Interest Research Group; and Suellen Mele, Washington Citizens for Resource Conservation.

(With concerns) David Thompson, Panasonic.

Persons Signed In To Testify But Not Testifying: None.