

SENATE BILL REPORT

ESB 5699

As Amended by House, April 9, 2013

Title: An act relating to electronic product recycling.

Brief Description: Concerning electronic product recycling.

Sponsors: Senators Ericksen and Kline.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 2/19/13 [DP].

Passed Senate: 3/12/13, 46-3.

Passed House: 4/09/13, 87-6.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; Ranker, Ranking Member; Billig, Brown, Chase, Cleveland, Honeyford and Litzow.

Staff: Jan Odano (786-7486)

Background: The E-Cycle program provides free recycling of a covered electronic product (CEP), which includes computers, monitors, laptops, and televisions, for households, charities, small businesses, school districts, and small governments.

Manufacturers of CEPs include entities that:

- have legal ownership of the brand, brand name, or cobrand of a CEP;
- import a CEP branded by a manufacturer that has no physical presence in the United States; and
- sell at retail an imported CEP and chooses to register in place of the manufacturer.

All manufacturers of a CEP sold, or previously sold, in or into the state must participate in a recycling plan that provides for collecting, transporting, and recycling of CEPs. Manufacturers are automatically included as participants in the standard plan. If certain criteria are met, a manufacturer or group of manufacturers may implement their own independent plan.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Department of Ecology (Ecology) reviews all plans for compliance and operation, and enforces the E-Cycle law. The Washington Materials Management and Financing Authority (WWMFA), created under the E-Cycle law, is responsible for implementing the standard plan. The membership of WWMFA is comprised of participating manufacturers of CEPs who are not participating in an independent plan.

WWMFA duties and operations are funded by participating manufacturers. WWMFA assesses a charge, based on return share, market share, or a combination of the two, to each manufacturer to cover the costs of collecting, transporting, and recycling of its equivalent share of CEPs. The return share is the percentage by weight of CEPs collected during the year through the E-Cycle program. Market share is the percentage by weight of CEPs sold in the state.

Summary of Engrossed Bill: Beginning in 2015, funding of the E-Cycle program is based on market share. The method to determine market share is provided. Manufacturers must provide the total weight of CEPs sold in state or nationwide for the program year. The sales information is exempt from public disclosure.

The E-Cycle program provisions are revised to reflect the use of market share beginning 2015.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill clarifies that if a CEP has an image or logo, the company licensing the image is not a manufacturer of a CEP. We need to ensure that under the license agreement, the licensor of logos is not required to participate in the recycling program.

OTHER: The law was never intended to impact this group. The bill may have unintended consequences of shifting financial burden to others who have to pay for orphan products. This could be resolved in the licensing agreement between the licensor and licensee.

Persons Testifying: PRO: Senator Billig, prime sponsor; TK Bentler, Motion Picture Assn.

OTHER: Suellen Mele, Zero Waste WA; Laurie Davies, Ecology

House Amendment(s): Ecology may determine the market share for CEPs based on manufacturer and retailer-supplied data, as well as available market research data. The method to determine market share is clarified. An entity may assume the responsibility of another manufacturer beginning in 2016, as well as register in lieu of that entity with Ecology.

The dates for certain changes to E-cycle activities during the interim period before the transition to the market-share based system are revised to 2016.