
Environment Committee

HB 1824

Brief Description: Concerning electronic product recycling.

Sponsors: Representatives Peterson, Lovick, Kagi, Ortiz-Self, Tarleton, Robinson, Stanford, Ormsby and Doglio.

Brief Summary of Bill

- Requires the Washington Materials Management and Financing Authority (WMMFA), which is the organization established to run the state's electronic waste recycling program, to follow state purchasing and procurement policies and certain other contracting practices.
- Amends the membership of the WMMFA's governing board.
- Requires the Department of Ecology to conduct certain additional audit and oversight activities related to the electronic waste recycling program.

Hearing Date: 2/7/17

Staff: Jacob Lipson (786-7196).

Background:

Electronic Waste Recycling.

Since 2009 the electronic waste recycling program (E-Cycle) has allowed for the recycling of electronic waste at no direct cost to consumers. Electronic products covered by the E-Cycle law include televisions, monitors, computers, laptops, and tablets. Accessories such as computer keyboards are not recyclable through E-Cycle.

Under the E-Cycle law, manufacturers of covered electronic products are required to participate in an electronics recycling program. The E-Cycle law allows for the establishment of multiple electronics recycling programs, should manufacturers choose to develop alternative programs. However, to date, the only electronics recycling program that has been established is operated by

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the Washington Materials Management and Financing Authority (WMMFA), a public body whose creation was required by the E-Cycle law.

WMMFA operations are overseen by the Department of Ecology (ECY). The WMMFA must submit an annual report to the ECY containing specified information, including the methods used to collect, transport, process, and recycle covered products. The ECY may audit processors of electronic waste to ensure compliance with program standards.

The E-Cycle Plan.

The WMMFA must devise and implement a standard plan for collecting, transporting, and recycling the electronic products of its participating manufacturers. Collectors, processors, and transporters of electronic waste must register annually with the ECY. The standard plan must use any registered electronic waste processor that meets program standards established by the ECY rule. The WMMFA's approved plan grants preference to processors that meet heightened performance standards for environmentally sound management that are established by ECY guidance.

The program plans of both the WMMFA and any independent program must include a description of how the plan will seek to use in-state businesses and to fairly compensate collectors and processors.

The Washington Materials Management and Financing Authority.

The WMMFA is a public body governed by a board of directors appointed by the director of the ECY. The WMMFA's 11-person board must include:

- representatives of five of the 10 covered electronic product brands sold, measured by weight;
- representatives from six other covered electronic product brands, chosen regardless of the volume of their sales, including one retailer that sells covered electronic products under its own label;
- representatives of manufacturers of both televisions and computers; and
- representatives of the ECY and the Department of Commerce, who serve on the board as ex-officio members.

The board adopts the WMMFA's operating plan for the collection, transport, and recycling covered electronic products, and is also responsible for collecting the funds needed to operate the program from covered electronic product manufacturers. The board appoints a chief executive officer, and the WMMFA must also employ other specified staff. The WMMFA may execute contracts and other agreements, and make administrative expenditures in order to carry out the program. The WMMFA has adopted procedures and standards for contracting for goods and services as part of its operating plan.

State Procurement Policies.

The Department of Enterprise Services (DES) is the state agency responsible for establishing and implementing the state's policies for procuring goods and services by all state agencies. State

agencies covered by the DES's procurement policies include all executive and judicial branches of state government including: offices; divisions; boards; commissions; higher education institutions; and correctional and other institutions. The DES may enter into agreements with other state agencies that delegate certain authority to those agencies to purchase their own goods and services. With certain exceptions, the DES and state agencies operating under DES policies must competitively solicit contracts, and award contracts to the lowest responsible and responsive bidder.

Summary of Bill:

Washington Materials Management and Financing Authority (WMMFA) Plan Operations.

The Washington Materials Management and Financing Authority's (WMMFA) procurement of goods and services must follow the Department of Enterprise Services (DES) policies and procedures that apply to state agencies. In awarding processing contracts, the WMMFA must give priority to using electronic waste processing companies operating in Washington. At least twice per year, the WMMFA and any independent program plans must review service contracts and provide for contract rate and volume revisions to adjust to market conditions.

WMMFA Oversight.

If the Department of Ecology (ECY) determines that transporter, collector, or processor of electronic waste in the electronic waste recycling program (E-Cycle) program has violated environmentally sound performance standards set by ECY rule, that entity may not be treated as a preferred participant under the plan for at least the following three years. The ECY is required to periodically audit transporters, collectors, and processors operating under the E-Cycle program. The ECY must also periodically review E-Cycle plans to ensure that WMMFA is consistent in administering the plan, consistent in allocating contract volume among contractors, and in negotiating rates and volumes competitively. As part of their annual report to the ECY, the WMMFA must submit information regarding contracted rates and allocated volumes related to current processors, transporters, and collectors, as well as information about unsuccessful contract bids.

WMMFA Board.

The ex officio members of the WMMFA from the Department of Commerce and the ECY must attend at least three board meetings per year. In addition, three members are added to the WMMFA board in positions that must rotate every two years:

- two board positions reserved for companies that collect, transport, and directly process electronic products; and
- one board position reserved for representatives of an electronic product recycling advocacy organization.

Appropriation: None.

Fiscal Note: Available.

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