

SENATE BILL REPORT

ESHB 1824

As of February 20, 2018

Title: An act relating to electronic product recycling.

Brief Description: Concerning electronic product recycling.

Sponsors: House Committee on Environment (originally sponsored by Representatives Peterson, Lovick, Kagi, Ortiz-Self, Tarleton, Robinson, Stanford, Ormsby and Doglio).

Brief History: Passed House: 3/01/17, 55-43; 2/08/18, 53-45.

Committee Activity: Energy, Environment & Telecommunications: 3/28/17, 3/28/17 [DPA, DNP].

Energy, Environment & Technology: 2/21/18.

Brief Summary of Bill

- Requires the Washington Materials Management and Financing Authority (WMMFA) to publish information about contract rates and volumes allocated to transporters and processors.
- Requires the Department of Ecology (Ecology) to conduct additional audits and reviews regarding the electronic product recycling program (program).
- Directs penalties to be deposited into an account used for the program.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Majority Report: Do pass as amended.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; Carlyle, Ranking Minority Member; Hobbs, Ranker and Wellman.

Minority Report: Do not pass.

Signed by Senators Brown and Short.

Staff: Kelsey Morfitt (786-7407)

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

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.

Staff: Angela Kleis (786-7469)

Background: Electronic Product Recycling. The program, E-Cycle Washington, was created in 2006. This program allows for the recycling of covered electronic products at no direct cost to consumers. Covered electronic products include televisions, computers, computer monitors, and laptops. Some examples of electronic products that are not included in the program are handheld portable devices and computer peripherals such as keyboards or printers.

Recycling Plan. Manufacturers of covered electronic products must provide collection services in every county, city, or town with a population greater than 10,000. These manufacturers:

- must participate in a recycling plan—standard or independent—and finance the collection, transportation, and recycling of covered electronic products; and
- are encouraged to collaborate with businesses within the state to provide collection, transportation, and recycling services.

An independent plan and the standard plan must contain certain elements. The following are some examples:

- a comprehensive list of all manufacturers participating in the plan and their contact information; and
- a description of the collection, transportation, and recycling systems and services providers used.

Manufacturers are automatically included as participants in the standard plan. If certain criteria are met, a manufacturer may implement an independent plan. All initial recycling plans must be submitted to Ecology for review. Standard plans are managed by the WMMFA with oversight from Ecology while independent plans are managed by Ecology.

Ecology. Ecology oversees the program and reviews all plans for compliance. Ecology also establishes performance standards for processors directly used to fulfill the requirements of an independent plan or the standard plan. These processors may be audited by Ecology.

The WMMFA and manufacturers utilizing an independent plan must file an annual report with Ecology. Some examples of the type of information required in the annual report are:

- total weight in pound of each type of covered electronic products collected and recycled by county during the preceding program year; and
- a list of manufacturers participating in the standard plan.

All reports submitted to Ecology must be available to the public online.

WMMFA. The WMMFA is a public body that develops and implements the program for participating manufacturers utilizing the standard plan. The WMMFA manages the financial resources and contracts for services for the collection, transportation, and recycling of covered electronic products. Registered processors utilized by the standard plan must provide documentation to Ecology at least annually regarding how plan requirements are being met.

WMMFA Board. The WMMFA is governed by a board of directors appointed by the Director of Ecology. The board is comprised of representatives from participating manufacturers. The directors of Ecology and the Department of Commerce serve as ex-officio members.

Summary of Bill: Ecology may not utilize a transporter, collector, or processor in an independent plan or the standard plan for a minimum period of three years following a violation under certain conditions. Ecology must periodically audit transporters, collectors, and processors and review the standard plan and all revisions to the plan.

When accepting and utilizing any registered processors, the WMMFA must give priority to processors operating in the state of Washington.

The WMMFA and manufacturers must include in their annual reports to Ecology the contracted rates for services and certain data regarding allocated volumes for each transporter and processor. Ecology must annually review this information to ensure that the plan is using competitive processes that promote cost-effective and environmentally sound transport and processing of covered electronic products.

Penalties issued under the hazardous waste management laws to a processor of covered electronic products must be deposited into the Electronic Products Recycling Account.

The directors of Ecology and the Department of Commerce, or their designees, must attend a minimum of three board meetings a year.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Engrossed Substitute House Bill (Energy, Environment & Telecommunications): *The committee recommended a different version of the bill than what was heard.* PRO: This bill adds transparency, strengthens and clarifies the program, and supports local businesses. The penalties and transparency help keep e-waste businesses ethical, and the penalties should not be retroactive. Additionally, the "two-strikes-and-you're-out" policy should be incorporated into the violation provisions. The Program was created as a instrumentality of the state and should be subject to state contract law at a minimum.

CON: This program was not intended to be transparent, and Total Reclaim paid its negotiated penalty. The Program is efficient and cost-effective as is.

OTHER: The provisions related to making rates public should be eliminated. E-waste volumes are currently appropriately allocated based on capacity and rates. The the "two-

strikes-and-you're-out" provision should be limited to exporters and not standard processors who may make minor infractions.

Persons Testifying (Energy, Environment & Telecommunications): PRO: Representative Strom Peterson, Prime Sponsor; Senator Marylyn Chase; Sean L. O Sullivan, Ace Metal Co; Jim Puckett, Basel Action Network/Executive Director; James Yoo, Ace Metal Co/Owner; Joshua Estes, Ace Metal Co/Interim General Manager; Gareth Perry, Ace Metal Co/Operations Manager.

CON: Craig Lorch, Total Reclaim.

OTHER: Laurie Davies, Department of Ecology; Charlie Brown, National Electrical Manufacturers Association.

Persons Signed In To Testify But Not Testifying (Energy, Environment & Telecommunications): No one.