

E-Cycle Wisconsin Stakeholder Meeting Summary

UW Pyle Center, Madison, Wisconsin – May 19, 2015

Welcome and Introductions

Brad Wolbert, solid waste and recycling section chief at the Wisconsin Department of Natural Resources, opened the day with a brief outline of the successes of the E-Cycle Wisconsin program and encouraged all meeting participants to engage in open and honest dialogue in coming up with ideas for addressing challenges within the program. All 71 people in the room stood and introduced themselves.

E-Cycle Wisconsin: Successes and challenges in the first five years

Sarah Murray, E-Cycle Wisconsin program coordinator, gave an overview of Wisconsin's electronics recycling law and outlined some of the successes it has led to, including consistently high collection rates, an increase in collection sites and wider collection site distribution compared with before the law. Sarah then began addressing some of the challenges the program is facing, including a decline in the number of collection sites compared with previous program years; an increasing gap between manufacturer targets and the weight of electronics collected; rising costs for collectors, recyclers and manufacturers; use of higher-cost collection and recycling methods; and the persistence of illegal dumping and irresponsible processing.

Handouts and links

- Presentation: <http://dnr.wi.gov/topic/ecycle/documents/2015stakeholdermeetingpresentation.pdf>
- Pre-stakeholder meeting survey results: <http://dnr.wi.gov/topic/ecycle/documents/Premeetingsurveyresults.pdf>
- 2014 annual report summary: <http://dnr.wi.gov/topic/ecycle/documents/2014reportsummary.pdf>
- Map of program year 5 collection sites: <http://dnr.wi.gov/topic/Ecycle/documents/CollectionSitesMap.pdf>
- Map of collection sites, April-June 2015: <http://dnr.wi.gov/topic/Ecycle/documents/FullListMap.pdf>
- Map of collection sites accepting most TVs: <http://dnr.wi.gov/topic/Ecycle/documents/TVSitesMap.pdf>
- Map of collection sites accepting some items for free: <http://dnr.wi.gov/topic/Ecycle/documents/FreeSitesMap.pdf>

Manufacturer panel

Joe Van Rossum, director of the UW-Extension Solid and Hazardous Waste Education Center, facilitated the manufacturer panel. Beth Johnson from Dell, Doug Smith from Sony and Richard Vernam from Panasonic answered a combination of prepared questions and audience questions about their companies' electronics recycling philosophies and their experiences with E-Cycle Wisconsin.

Dell program overview

Dell has set voluntary company take-back goals for the last decade and works directly with a network of collectors and recyclers. It has a free mail-back program for Dell equipment and also partners with

Goodwill stores across the country to collect computers and peripherals (including in 25 Wisconsin counties). Dell has never made TVs, so doesn't collect them. It once made CRT monitors and so will continue to collect these.

Sony program overview

Sony works independently, rather than through a network of stores or a manufacturer group. Doug finds the Wisconsin program easy to work with. He directly negotiates contracts with recyclers in every state that requires manufacturers to recycle (about three recyclers for Wisconsin). In Wisconsin, Doug reviews bids and requires recyclers to meet certain requirements.

Panasonic program overview

Panasonic started with voluntary take-back programs in the mid-1990s and helped establish MRM. Panasonic meets requirements in Wisconsin by providing its target to MRM, which in turn works with recyclers to meet all participating manufacturers' targets. MRM requires recyclers to collect year round, rather than ending collection after meeting a target, to provide a more stable program.

Manufacturer oversight of recyclers

All panelists agreed that it is important for manufacturers to conduct regular audits of recyclers, and that third-party certifications are useful but not enough on their own

- MRM funds third-party independent audits every other year and performs its own audits. Additionally, it requires recyclers to submit monthly or quarterly bills of lading and prohibits export of all CRTs – working or not.
- Dell established its own global standard prior to R2 and e-Stewards and still uses it. Dell audits its partners and conducts unannounced visits monthly.
- Sony began auditing all of its recyclers in 1993 to ensure that the recyclers they are using are not stockpiling/mismanaging. Doing this is important for risk management. Sony made an early commitment and non-export pledge and has used only certified recyclers since 2012.

Green design

The panelists generally agreed that product stewardship laws don't encourage "design for the environment," because manufacturers fund recycling of all brands and wouldn't reap cost savings from their own better designs.

- Beyond moving away from toxicity (something manufacturers are required to do through various global standards) and using lighter materials (something that helps the bottom line as well as the environment), green design does not affect Sony or Panasonic design practices.
- Dell does collect much of its own material. The company considers the entire product's lifecycle and has its engineers see what it takes to deconstruct products so they can incorporate that during the design phase. Dell is working to extend the life of products and making more components out of recycled material in a closed-loop system. Beth said a drawback of the Wisconsin program is that it does not provide benefits for reuse.

How manufacturers promote electronics recycling

None of the manufacturers are taking specific actions in Wisconsin. They maintain information on their websites and MRM maintains a toll-free number for the manufacturers it works with. Dell provides tools to Goodwill for advertising and has a relationship with Earth 911.

How to address rising costs in the Wisconsin program

Consensus of panel was that the states should not get involved in price setting and should leave it a free market system. States can help by keeping a level playing field, especially when it comes to stockpiling and irresponsible recycling.

Vision for sustainable Wisconsin program

In envisioning a future for E-Cycle Wisconsin, the panelists did not encourage major changes. All panelists encouraged Wisconsin to keep the flexibility of the free-market pricing in the current law and continue to require the rigorous record-tracking that is in place. They also liked the market-share approach to assigning manufacturer targets (though Doug is a proponent of advanced recovery fees). Both Doug and Rich encouraged Wisconsin to get retailers more involved in collection. Beth noted that just increasing targets would penalize manufacturers that are already trying to do the right thing.

Facilitated discussion of key program challenges

Joe Van Rossum led a discussion exploring key program challenges included in the pre-meeting survey and the DNR's presentation. The bullets below summarize audience suggestions from this discussion.

In what ways should E-Cycle Wisconsin be different?

- Consumers should be informed of the costs to recycle and should be educated at the point of purchase that recycling has costs they will be expected to cover.
- Recyclers should have contracts with manufacturers before the beginning of the year to bring more stability to the collection system. There should be longer-term relationships between entities.
- There should be better alignment between what is coming in and the manufacturer targets.
- The program should focus on reducing commodity and recycling costs. Business models should recognize fluctuating prices.
- There should be a focus on conquering the CRT weight problem. CRTs should be looked at separately from other electronics.
- We should look at more privatization of collection or more public/private collection partnerships.
- There should be incentives for reuse within the program.
- There should be a way to regulate recyclers/collectors not in the program.
- Retailers should be more involved in the program.
- E-Cycle Wisconsin should follow a calendar year, not a fiscal year.
- E-Cycle Wisconsin could offer a grant for collection in rural areas.

What specific challenges are collection sites facing that we could address here?

- Governments move slowly and cannot adjust their budgets quickly to meet fluctuating markets.

- There is a disconnect in consumers' eyes between the value of recyclables and the payments they are asked to make at collection sites.
- It is tough to balance finding manpower for a collection site with allowing residents to load recyclables into boxes themselves (which leads to less efficient packing and other problems).
- The volume of incoming material is very unpredictable.
- Dumping still happens, even with convenient and free recycling, but recycling is becoming more and more expensive. Local governments either pay to collect electronics or pay to pick up dumped electronics.

Facilitated discussion of potential solutions

Following a break for lunch, participants divided into groups to discuss specific challenges and potential solutions to consumer access, CRTs, consumer awareness/education, rising costs, collection site logistics and bad actors. Joe Van Rossum then asked people to provide **non-legislative solutions** to these issues and Rick Meyers (Wisconsin Council on Recycling/city of Milwaukee) solicited **legislative solutions**.

The following suggestions came from the meeting's discussions and the 2014 program annual report. Meeting participants then voted on them using green (like), yellow (curious to explore more) and red (dislike) sticker dots during a break. Ideas are listed, generally in order of group popularity, below, with notes in *italics* about items that would or could require legislation.

Ideas that received mostly or all green stickers

- Change program year from state's fiscal year to a calendar year (*requires legislation*). [17 green]
- Require more retailer education of consumers (*the law currently requires retailers to educate customers, so this could be done with more enforcement, or legislation could increase requirements*). [7 green]
- Get better info to people about who is taking certain materials. [5 green]
- Extend training/education to all collectors, not just those who attend meetings like this (*maybe require it through legislation*). [13 green, 2 yellow]
- Require regular CRT mass-balance reporting from recyclers (*the DNR could likely request these records under the current statute, but specific ongoing reporting requirements would require legislation*). [10 green, 5 yellow]
- Figure out ways to get as much volume as possible on a semi-truck, perhaps by using consolidation points. [9 green, 1 yellow]
- Compensate collectors and recyclers for a percentage of the CRTs they collect (*could be done voluntarily through the private contracts negotiated among manufacturers, recyclers and collectors, or could be required through legislation*). [8 green, 4 yellow]
- Require licenses or certifications for all electronics recyclers operating in Wisconsin (*could potentially be done through existing solid waste codes, but might require legislation*). [6 green, 3 yellow]

- Allow recyclers to carry over credits for excess weight collected, similar to what the law currently allows manufacturers to do, to help them deal with unpredictable volumes and maintain year-round collection (*requires legislation*). [7 green, 6 yellow]

Ideas that received a mix of colors or mostly yellow

- Let the public know that collectors are just trying to break even. [1 green, 3 yellow]
- Have retailer take-back requirements (*requires legislation*). [1 green, 5 yellow]
- Increase percentage of CRTs to be recycled by manufacturer share using records of incoming materials—in other words, a separate CRT target (*requires legislation*). [2 green, 7 yellow]
- Cover all K-12 schools, not just public/Parental Choice (*requires legislation*). [2 green, 1 red]
- Adjust manufacturer targets to be tied to weight collected, not weight sold (*requires legislation*). [9 green, 4 yellow, 1 red]
- DNR tracking bills of lading for CRT glass or other materials monthly or quarterly (*the DNR could request records under existing law, or specific additional requirements could be added through legislation*). [6 green, 3 yellow, 2 red]
- Add more covered devices like smartphones and game consoles (*requires legislation*). [5 green, 1 yellow, 2 red]
- Require third-party certification for all recyclers (*requires legislation*). [5 green, 3 yellow, 3 red]
- Increase manufacturer target to a higher percentage of sales (*requires legislation*). [5 green, 3 yellow, 3 red]
- Give incentives for reuse (*requires legislation*). [3 green, 3 yellow, 2 red]
- Allow cleaned CRT glass to count for manufacturer credit even if it is stored for longer periods of time (*requires legislation*). [7 green, 8 yellow, 5 red]
- More stable pricing through set contracts. [4 green, 2 yellow, 7 red]
- Move to an advanced recovery fee model like California's (*requires legislation*). [3 green, 2 yellow, 7 red]
- Make manufacturers responsible for all incoming electronics (*requires legislation*). [2 green, 1 yellow, 6 red]

Ideas that received mostly red stickers

- Provide registration fee relief for small manufacturers (*requires legislation*). [1 yellow, 2 red]
- Bring institutions (like higher ed) into the program (*requires legislation*). [1 green, 8 red]
- Have inmates help pack collection site materials [4 yellow, 13 red].

Additional comments from the discussions surrounding these ideas

- Several speakers noted that certification does not guarantee proper recycling.
- Submitting bills of lading to the DNR on a quarterly or monthly basis does not make sense for everyone. Some recyclers are minimally involved in E-Cycle Wisconsin. For them, this would be a huge administrative effort for little value.
- If manufacturer targets were to increase, it would work best if targets are set in advance of the program year to allow planning.

- Bringing institutions into the program would help them recycle and bring more high-value IT materials into the mix.
- An increase in manufacturer targets may not be sustainable over time and might need to have some sort of sunset feature. High targets can create a sense of entitlement for recyclers/collectors that over-collect and then want to be compensated for it. The obligation should be on problem materials, not the valuable materials that take care of themselves.
- Landfill bans mean that somehow we have to pay for whatever is coming in, so targets need to support the supply.
- We don't need to push consumers into bringing in electronics immediately. We should let it come in at a natural pace.

Meeting wrap-up and next steps

Sarah Murray closed the meeting by thanking people for being so open and willing to consider the opinions of others. The discussion will inform recommendations in the annual E-Cycle Wisconsin report to the Legislature. Joe Van Rossum asked anyone interested in continuing some of these conversations to give him his/her card. He and the DNR will explore options for future, focused discussions.

State Senator Mark Miller, primary author of the original law, then asked to make some remarks regarding his efforts to introduce a bill to make some tweaks to this law. He began by mentioning that this law has enjoyed bipartisan support and he wants to keep it that way. The ideas he plans to include in legislation at this time include:

- Changing the program year to begin on Jan. 1.
- Slightly expanding eligible materials to include portable video players.
- Expanding eligible schools to include all K-12 schools.
- Changing the registration fee structure so that a manufacturer needs to sell more than 250 devices in Wisconsin to pay a fee and raising the threshold for paying the full \$5,000 fee to 500 devices sold.
- Changing manufacturer recycling targets to be based on a 3-year average of collected materials, beginning 5 years prior to the current program year. Manufacturers would then know their targets prior to the program year and would be able to predict with more certainty what their requirement would be, and targets would be better tied to collected material.
- Changing the rural incentive to a requirement that 10 percent of collected materials come from rural counties.

He said this meeting had inspired him to look into the possibilities of requiring mass balance reporting, designing a CRT program that would require all manufacturers to pay for some CRTs, and considering ways to engage retailers more in the program.