



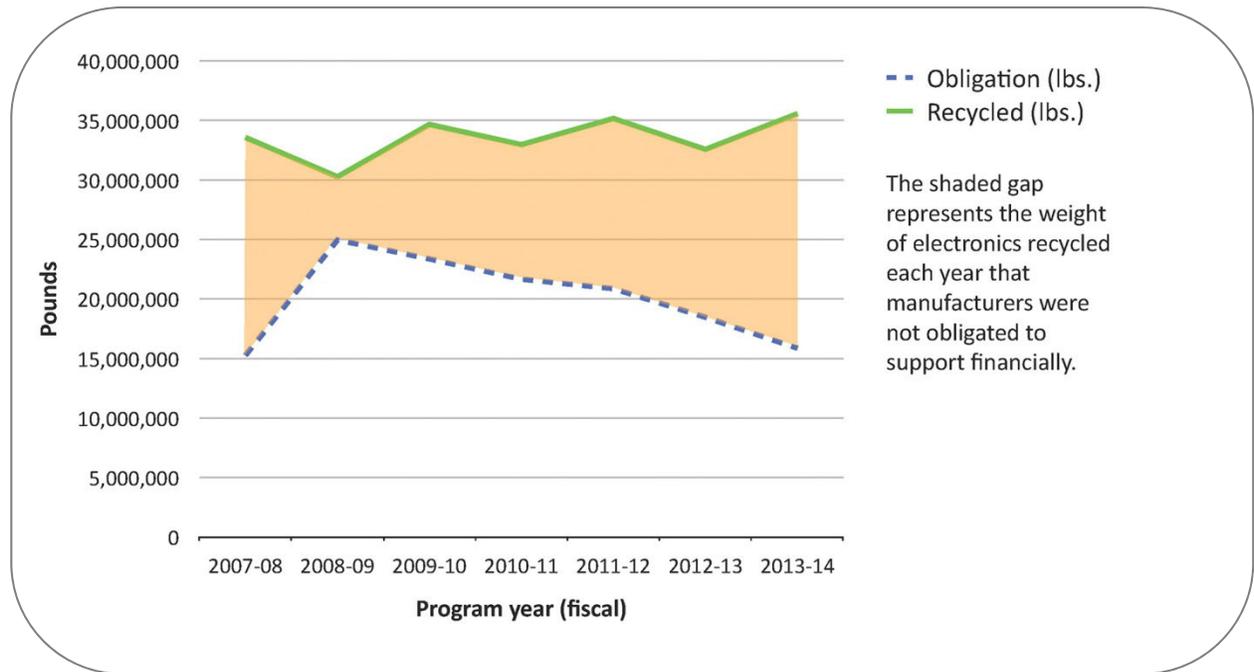
# Proposed modifications to the Electronics Recycling Act (HF1412/SF1427)

## What's the issue?

The Minnesota Electronics Recycling Act was enacted in 2007 to address the increase in volume of waste electronics being generated, the rising costs associated with their management, and the illegal dumping of them. Specifically, the Act is based on a producer responsibility approach that requires manufacturers of certain electronic products (video display devices such as household televisions, monitors, and laptops) to participate in the collection and recycling of waste electronics. The Act's goals were to 1) increase collection opportunities and the amount of waste electronics collected and 2) greatly reduce the expense for consumers and counties to recycle them.

The Act has achieved several of its intended outcomes, but not others. On the positive side, the number of collection options for consumers has increased, approximately 250 million pounds of waste electronics have been recycled, and economic development opportunities for Minnesota electronics recyclers have expanded.

However, in some parts of the state consumers do not have adequate collection options, and consumers and counties are often covering the cost of recycling. These shortcomings stem from the fact that the amount of materials being collected far exceeds the amount that manufacturers are obligated to collect. The result is that consumers are still paying "end-of-life" fees to recycle televisions, monitors and laptops, and/or counties are covering the costs by using property tax or solid waste fees.



Manufacturers of video display devices (VDDs -- household televisions, monitors and laptops) are obligated to collect and recycle 80 percent by weight of these products sold in Minnesota. In addition to VDDs, manufacturers may collect and recycle other devices (called covered electronic devices or CEDs) to meet their

obligation. CEDs include computers and peripherals, printers, facsimile machines, DVD players, and video cassette recorders.

## What we propose and how it will help:

### **1. Change the methodology for determining manufacturer obligation from 80% of VDD sales by weight to the average total collection of all VDDs from the past three years.**

As VDDs sold in today's marketplace are lighter than the older, heavier devices that continue to be collected, a significant gap exists between the weight of products placed on the market and the weight of devices that are collected for recycling. Therefore, the amount of materials manufacturers are responsible to recycle is declining compared to the amount being collected for recycling. As a result, consumers and counties are picking up the expenses of the widening gap. Changing the obligation-setting mechanism from a percentage of sales to total collection would bring the manufacturer financing closer to the level originally intended.

### **2. Reduce the screen size requirement within the definition of Video Display Device.**

Currently, manufacturers are only obligated to recycle devices if they sell a VDD with a screen size greater than nine inches. With the introduction and popularity of smaller devices such as tablet computers, reducing the screen size requirement to four inches or greater creates a more level playing field in terms of how and which manufacturers are obligated to meet a recycling goal.

### **3. Eliminate the registration fee for new manufacturers and those with annual sales of 100 or fewer devices to Minnesota households.**

Currently, all manufacturers of VDDs are required to pay a registration fee. This fee is set at \$1,250 for those selling fewer than 100 devices annually to Minnesota households, or \$2,500 for those with at least 100 annual sales. For some smaller manufacturers, especially those limited to an online sales presence, a fee of \$1,250 can be a financial burden to doing business in Minnesota. As a result, they may be unable to sell here. Removing the lower tier of the registration fee will provide more purchasing choices for Minnesota citizens and reduce barriers to selling VDDs in the state.

### **4. Require environmental certification from an accredited third-party certification body for all recyclers within the program that are selling pounds of recycled devices to fulfill manufacturer obligation.**

The recyclers managing the majority of electronic waste are certified to an environmentally sound management standard (e.g. R2 or e-Stewards). Requiring certification ensures all electronic waste that is used to fulfill manufacturer obligation within the program is managed with the highest environmental standards. It may decrease the need for further regulatory efforts.

## For more information

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