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Statement of Carl E. Smith, CEO / President, Call2Recycle®

Before the House Energy and Environment Committee Hearing on HB 2938:

The Oregon Small Rechargeable Battery Stewardship Act

February 28th, 2013

Thank you Chairman Bailey and thank you to the Committee for the opportunity to testify in support of HB 2938: the Oregon Small Rechargeable Battery Stewardship Act.

In the early 1990's, five manufacturers, including Energizer, Panasonic and Sanyo, decided to create an industry-run, voluntary nationwide program that would seek to keep cadmium, a heavy metal prevalent in the most common rechargeable batteries of the period, out of municipal landfills. The industry was convinced then as it is to this day that it is best prepared and, in fact, obligated to ensure the proper end-of-life disposal of rechargeable batteries.

My name is Carl Smith and I head that program which is today called Call2Recycle®, a non-profit which collected over 10 million pounds of batteries in 2012 and has collected over 775,000 pounds in the state of Oregon since formal records were kept in 1999. We collect batteries from 434 sites throughout the state. Metro Portland, Marion, and Lane counties, amongst others, count on us to support them and defray their costs. Retailers committed to sustainability like Best Buy, Lowes, The Home Depot and Staples consider us their partner in their efforts. Kaiser Permanente, Nike and Oregon State University welcome our program as part of their overall environmental agendas.

In almost everywhere in the US, the program is still purely voluntary and has grown exponentially, with over 200 manufacturers now supporting it. However, the dynamics of the battery and electronics market has fundamentally changed since the early 90's. It's now a global market and more and more products are battery operated. While corporate sustainability role models like Sony, HP, Apple, Samsung, Stanley Black & Decker and Dell are staunch supporters of this voluntary program, more and more products entering the US market are not. In fact, our recent audit indicates that as much as 40% (by weight) of our battery waste stream is manufactured by companies that are not participating in our program.

While we fervently believe in an industry policing itself, we don't believe that a voluntary program like ours can be sustained long-term without assistance from states in ensuring a level playing field and assisting us in pursuing "free-riders". In essence, we have sought a bill – the bill before this committee -- that will allow us to seek assistance from the state on this issue in return for having plans like ours overseen and monitored. For some of the battery and electronics businesses who support us, it's pursuing a deal with the devil, but it's also a move all of us know we have to make to ensure not only our organization's survival but to avoid what will assuredly be much more prescriptive solutions from states if we should fail.



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So you ask “who are these free-riders?” Most of them are not well-known brands. Many of the brands are made in Asia. They make toys, uninterrupted power supplies (UPS), rechargers, personal care products and computer accessories. They are often manufactured by one company, branded by another company and distributed by yet another company and sold by a retailer in the state.

This bill would work as follows. It requires that all parties that put rechargeable batteries into the marketplace to participate in a qualified program. Groups of obligated manufacturers would submit plans to the State on how they would manage collecting and recycling rechargeable batteries. The State would ensure that plans address a range of issues including accessibility to consumers and public education. While the State ultimately oversees the program, the bill is intended to empower industry to self-regulate participation and compliance.

No organization – including retailers – is obligated to collect rechargeable batteries. The only substantive obligation placed on retailers is that may ultimately be a “no-sell” list generated by the State of products that refuse, despite persistent urging, to participate in an approved plan and, as a consequence, may not be sold in the state.

Any organization that wants to collect batteries can do so and does not have to seek any additional state review or scrutiny of their operations. The bill is NOT intended to impact those out there that just want to collect batteries – the focus is on ensuring that those who put the batteries into the marketplace are financing their proper disposal.

Under this approach, approved plans will have the wherewithal to invest in encouraging collections, expanding accessibility, and ensuring the proper end-of-life disposal of these materials, diverting them from landfill.

Similar bills are under consideration in Washington, California and Minnesota. The bill has passed the responsible committees in the Washington House. Hearings are scheduled in the next weeks in California and Minnesota. We have worked with myriad groups in these states to allay concerns, amend the bill, clarify issues and to make it workable for all involved. We are committed to continue working with all parties to make this work.

We have yet to receive sufficient feedback from the State Department of Environment Quality (DEQ) to understand their concerns and the cost for administration. We don’t think the cost should be significant because: 1) a mechanism already exists; 2) manufacturers are already committed to this area; and 3) the industry is committed to policing itself. We think our program and willingness to step up separates us from other industry groups that have been subjected to product stewardship initiatives and the costs of overseeing them.



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Thank you for your consideration. If the committee would like, I am prepared to quickly review the bill by section. Or, if you would prefer, I am pleased to answer any questions you might have.