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March 31, 2009

Representative Ben Cannon, Chairman
House Environment and Water Committee
Oregon State House
900 Court Street NE
Salem, Oregon 97301

RE: Support for HB 3060

Dear Chairman Cannon:

The Product Stewardship Institute (PSI) is writing to express our support for **HB 3060**, which will establish an overarching framework in the state to continue to shift the burden of mitigating environmental and public health impacts caused by products onto manufacturers and off of local and state government. We support our state and local government members in their efforts to devise and implement sustainable solutions to environmental problems within their jurisdiction.

PSI is a national non-profit organization with membership from 45 state governments, over 75 local agencies, and over 50 businesses, environmental groups, and other organizations that have pledged to work together to reduce the health and environmental impacts from consumer products. These stakeholders work through PSI to develop and implement “product stewardship” solutions that share responsibility for safely managing consumer products across their entire life cycle, from design to reuse, recycling, or disposal. Representatives of the Oregon Department of Environmental Quality (OR DEQ) and Metro Regional Government were PSI founding Board Members over eight years ago, and we continue to enjoy their participation on our Board.

HB 3060 is fully aligned with the mission of our organization, and the basic approach we take to finance the recycling of difficult-to-manage wastes. In 2001, PSI adopted its *Principles of Product Stewardship*, which was developed in 2001 by PSI’s founding state and local government members. All 45 PSI member states currently support these *Principles*, which specify, among other things, that product manufacturers have the greatest ability and responsibility to reduce the lifecycle impacts of their products. When companies do *not* do so, they pass on an “unfunded mandate” to government to take care of their products at the end of their useful life. The “product stewardship” way of doing business -- internalizing the cost of safely managing products throughout their lifecycle -- is taking hold across the country. The number of laws requiring manufacturers to take this responsibility has tripled in the past three years, with another 30 bills under consideration across the country in the current state legislative sessions. If just 1/3 of these pending bills were to pass, there would be over 40 such laws in place across the country.

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HB 3060 will provide the greatest financial incentive for manufacturers of covered products to invest in environmentally sound technologies. In the absence of a system that requires manufacturers to include the cost of recycling within their normal business expenses, manufacturers have less incentive to develop technologies that reduce their external impacts on the environment.

To date, 18 states (including Oregon) manage scrap electronics through a product stewardship system. Other states have mandated product stewardship systems for rechargeable batteries, mercury thermostats, and mercury auto switches. Bills on fluorescent lamps, paint, and pharmaceuticals are under consideration in several states. As states gain experience with individual product stewardship legislation, patterns emerge, including “designated products” subject to the legislation; the roles for companies, government, and retailers; submittal of manufacturers’ plans for agency review; provisions for planning, performance metrics, and enforcement. While the specifics of each relationship must be negotiated separately depending on the product and associated stakeholders, there are common elements among these legislative initiatives. HB 3060 attempts to capitalize on these common elements to develop a more efficient and consistent approach that will save resources over time. HB 3060 will allow for industry-specific negotiations to take place within the context of an overall system that is based on key principles of product stewardship that state and local government agencies in the United States would like integrated into legislation on a range of priority products.

In addition to establishing a framework under which the OR DEQ can incorporate additional products, HB 3060 would require manufacturers of fluorescent lamps and rechargeable batteries to set up, fund, and implement systems for maximizing the collection and recycling of these products. PSI supports the inclusion of these priority products as outlined below.

Rechargeable Batteries

Over the past decade, rechargeable battery manufacturers in the United States have implemented a nationwide voluntary collection and recycling infrastructure for their products, relying on an extensive collection network coupled with active education and outreach. This industry-run product stewardship program is based on cost internalization. Three states now require manufacturers to collect rechargeable batteries, while one state puts the recycling requirement on retailers that sell rechargeable batteries. HB 3060 would implement basic elements for managing rechargeable batteries to maximize the number of rechargeable batteries diverted from the waste stream. Neither the voluntary industry-run program nor the four state laws include all the elements of HB 3060 which, together, form the basis for a sound product stewardship program.

Fluorescent Lamps

In 2008, PSI convened three national stakeholder meetings, called the “National Dialogue on Fluorescent Lighting,” that included local, state, and federal government officials; the Association for Lighting and Mercury Recyclers (ALMR) and individual recycling companies; fluorescent lamp manufacturers and the National Electrical Manufacturers Association (NEMA); electric utilities and energy efficiency advocates; state and national retail associations; and environmental organizations. The OR DEQ participated in all three meetings.

Participants in this multi-stakeholder dialogue agreed that fluorescent lamps should be promoted for their energy efficiency benefits (until a viable, less toxic alternative exists) and should be recycled. The group also agreed on the following with regard to a financing system:

- (1) **Household Lamp Recycling:** There should be some type of financing system developed that allows consumers to recycle their lamps without an end-of-life fee. State and local governments should not manage or pay for this system. Household lamp recycling should also be promoted by the passage and enforcement of disposal bans/recycling requirements, but only when convenient recycling opportunities are available.

- (2) **Commercial Lamp Recycling:** There is already a financing system and infrastructure in place for lamp recycling in the commercial sector in the form of contractual relationships between “large” consumers and recyclers or lighting service providers.

There are different points of view about who should pay for the convenient recycling system for consumers. From PSI’s perspective, the only viable system that emerged from our three stakeholder meetings was based on cost internalization by the manufacturers. While this type of system might not be the only viable one, no other system was offered that had the potential for simplicity and sustainability that is exhibited in HB 3060.

PSI believes that consumers will not be deterred from purchasing energy-efficient, cost-saving fluorescent lights even if the purchase price reflects the small increase to manage them properly. We have not seen evidence that this is the case, and when the federal energy efficiency standards for lighting take effect by 2012, there will be no alternatives available anyway. Meanwhile, many compact fluorescent bulbs are subsidized by utilities or energy efficiency groups, which would help offset any potential cost increase for the consumer. In addition, this bill allows product manufacturers flexibility in deciding whether to increase the price of fluorescent lamps, or to recover their costs from another product line.

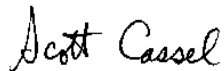
PSI’s Product Stewardship Action Plan on Fluorescent Lighting is available at <http://www.productstewardship.us/FluorescentLightingProject>. Agendas, participant lists, and meeting summaries for the three dialogue meetings are available at the links below:

- Meeting #1: <http://www.productstewardship.us/FluorescentLightMeetingSaltLakeUT>.
- Meeting #2: <http://www.productstewardship.us/FluorescentLightMeetingSeattleWA>
- Meeting #3: <http://www.productstewardship.us/FluorescentLightMeetingSeattleWA2>.

PSI believes it is time for states to implement a product stewardship system for household fluorescent lamps, as mandated by HB 3060. While we are encouraged by the voluntary efforts of some national and local retailers and electric utilities/energy efficiency program administrators to implement and pay for recycling solutions, these systems are sporadic, piecemeal, and only cover a fraction of the lamps that need to be collected. Action is needed now, and we believe that the producer-financing model is the most viable system to be tested.

Let me again express PSI’s appreciation for your time spent to understand this complex environmental issue, and to take action toward eliminating the impacts from consumer products.

Sincerely,



Scott Cassel
Executive Director/Founder

Cc: Representative Vic Gilliam, Vice Chair
Representative Jefferson Smith
Representative Jules Bailey
Representative Phil Barnhart

Representative Cliff Bentz
Representative Deborah Boone
Representative Bob Jenson