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March 31, 2025

Senator Matt Klein, Chair
Senator Judy Seeberg, Vice Chair
Senate Commerce and Consumer Protection Committee
Room G-15
Minnesota State Capitol
St. Paul, MN 55155

Re: CTA Opposition to SF1690

Chair Klein, Vice Chair Seeberger and Members of the Senate Commerce and Consumer Protection Committee,

On behalf of Consumer Technology Association (CTA), we respectfully oppose SF1690, establishing a stewardship program for products containing circuit boards, batteries, and cathode ray tubes.

CTA is the trade association representing the U.S. consumer technology industry. Our members are the world's leading innovators – from startups to global brands to retailers – helping support more than 18 million American consumer technology jobs. As an industry, we have supported the proper collection and recycling of electronics in Minnesota for over 17 years, diverting more than 467,900,000 pounds of electronics from the waste stream.[1]

CTA is committed to constructive conversations around reform needed to ensure the collection and recycling system is working for Minnesota. We understand there are challenges to the current program structure including the pounds-based targets and local collection efforts around electronics. However, upending the existing program and replacing it with the program proposed in SF1690 is not the right solution.

<u>Background</u>
The Minnesota Electronics Recycling program has been in place since 2007. It requires manufacturers of video display devices (primarily televisions and computer monitors) to support the collection and recycling of a broader set of electronic devices from consumers within the state. CTA understands there are challenges to the existing program and is open to discussion around how best to address those issues. CTA has supported similar efforts to revisit existing producer responsibility (EPR) programs in other states.

[1] Data pulled from Minnesota Electronics Recycling Act Program Data Reports for Program Year 1 (July 2007 – June 2008) – Program Year 16 (July 2022 – June 2023). Data for Program Year 17 (July 2023 – June 2024) is not yet available. Reports available on the MPCA website at https://www.pca.state.mn.us/business-with-us/electronics-collection-and-recycling under Program Impact.

In fact, CTA felt it was making progress with stakeholders on possible reform to the Minnesota program in the first part of 2024. However, CTA and manufacturers were not invited to the dialogue that occurred during the middle to second part of 2024 between the Minnesota Pollution Control Agency (MPCA), Minnesota Solid Waste Administrators Association (SWAA), and Recycling Electronics for Climate Action (RECA). CTA was provided with an overview of the proposal from that smaller group back in the fall of 2024 to which we strongly objected and expressed concerns. The next engagement from that group was CTA being provided with a draft of the language that was ultimately introduced a very short time later as SF1690.

Challenges with SF1690

SF1690 is not the right solution. The proposal sunsets the existing Electronics Recycling program and replaces it with a very different extended producer responsibility (EPR) structure that covers all products containing a circuit board, battery, or cathode ray tube. The universe of products impacted is significant. Everything from products currently in scope of the Electronic Recycling program (e.g. televisions, computer monitors, laptops) to items such as small appliances, toys, juvenile products, lighting equipment, security equipment, and any product that contains a circuit board or battery. This could include children's light-up tennis shoes, singing greeting cards, garden irrigation systems with programmable timers, singing teddy bears, desktop lamps with touch controls, exercise equipment and products outside of what is traditionally considered a consumer electronic device.

The broad scope of products impacted raises the question of how the mandated single stewardship organization will manage these different types of products effectively and ensure there are no free riders in the system. The stewardship organization is granted limited private right of action against producers (Section 10, Subdivision 1) but the sheer number of producers in scope of the program and the uncertainty around which products in the market contain a battery or circuit board would make it nearly impossible to track down all producers responsible for compliance with the program. This raises concerns that the program would assess responsibility on those easily identifiable producers, including those currently participating in the Minnesota Electronics Recycling program, leading to unfair and inequitable distribution of the costs of the program.

The single stewardship organization approach is also not supported by CTA. Electronics EPR programs, including the Minnesota Electronics Recycling program, do not operate under a stewardship organization but instead provide flexibility to producers to implement their own programs with their trusted recycling partners. There should be the ability for competition among stewardship organizations to help drive reasonable costs and cut down on bureaucratic overhead. Additionally, some product types may need a separate system for collection and recycling based on their material composition and the economics of the value of that material; the mandate of a single PRO structure prevents that from occurring. For example, a laptop is made primarily of metals with some plastic and a battery while a singing teddy bear is a light-up tennis shoe is a textile with a battery. The economics of recycling these products is very different.

CTA is concerned with the labeling provisions for products to identify the chemistry employed to store energy in the battery the product contains. Minnesota would be requiring a Minnesota-specific label for tens of thousands of products that contain batteries and that are sold within a global market. Additionally, some products aren't well suited for on-product marking or the label could become worn over time rendering the requirement useless. Labeling the product itself creates an undue burden for the consumer electronics industry where the electronics recycling stream is already familiar with the type and location of batteries in consumer technology products and how to properly manage those batteries. Additionally, batteries themselves are already labeled with battery chemistry and information on proper handling and disposable are widely known in the waste and recycling community. A product label for just Minnesota is overreach.

Finally, recent amendments propose to manage organohalogented chemicals found in products as well as have the stewardship organization assist producers in reducing the use of these chemicals. The process of managing chemicals in products should be handled via separate legislation based on risk assessments evaluating both hazard and exposure of the specific use of the chemical in a product. Stewardship organizations do not typically have toxicologists or chemists on staff nor are they versed in the complex design and supply chains of consumer electronics. A stewardship organization would not be equipped to help a producer manage the use of these chemicals nor decide on where the use of that chemical should be reduced. Chemical management in products should be left to legislation specifically addressing chemicals under well established structures and processes that factor in the complexity of the products being regulated.

CTA and our members have over two decades of experience funding and administering electronics EPR programs across 25 states, including Minnesota. Our knowledge about what has worked and what has not worked is extensive. We have been a good faith partner in moving forward reasonable legislative changes where needed in states with existing electronics EPR programs.

While consumer technology companies want to ensure their products are recycled in a safe and responsible manner, the proposal in SF1690 would upend the current system for electronics. No other jurisdiction around the United States has as broad of an EPR program in place covering this multitude of products.

<u>Conclusion</u>
CTA continues to want to be an active stakeholder in dialogue around reform to the existing Minnesota Electronics Recycling Program. To address all these concerns within the legislative session with SF1690 as the vehicle is not the right path forward. We look forward to more thoughtful stakeholder engagement on a viable path forward.

If you should have any questions, please do not hesitate to reach out to me at kreilly@cta.tech.

Sincerely,

Katie Reilly
VP, Environmental Affairs and Industry Sustainability
Consumer Technology Association