

Before the Minnesota Senate Environment, Climate, and Legacy Committee

SF 1690

OPPOSE

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Battery Council International

March 6, 2025

Dear Chair Hawj, Vice Chair McEwen and Members of the Committee:

On behalf of Battery Council International (BCI), I am pleased to provide written testimony today on **SF 1690 – An act Establishing a Stewardship Program for Circuit Boards, Batteries, and Electrical Products.**

At this time BCI must oppose the legislation, unless amended, as it would significantly harm the well-established and successful recycling systems for automotive starter batteries and other lead-based batteries.

BCI has been the leading trade association for the incumbent battery industry since 1924. We represent over 125 members consisting of manufacturers, recyclers, and suppliers across North America. Our members produce 98% of U.S. lead batteries and have business portfolios in multiple battery chemistries in addition to lead (*e.g.*, lithium, flow, sodium).

BCI applauds the state's efforts to further promote the collection and recycling of batteries and the products they power. The lead battery industry operates the most successful circular economy in the United States, recycling over 99% of end-of-life batteries each year.¹

The success of this closed-loop system has been recognized by EPA,² the World Economic Forum, and The Sustainability Consortium. Our first-hand experience demonstrates that recycling can be a principal component to a robust domestic manufacturing industry, increasing

¹ BCI National Recycling Rate Study, July 2023 (available at <https://batteryCouncil.org/resource/national-recycling-rate-study/>).

² EPA Facts and Figures About Materials, Waste and Recycling, Lead-Acid Batteries (available at <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/durable-goods-product-specific-data#LeadAcidBatteries>).

America's resource independence. At the same time, our recycling network reduces waste and limits greenhouse gas creation and environmental impacts. The industry is committed to safe and sustainable recycling methods to ensure that lead batteries are an essential part of an energy storage mix to achieve a cleaner, greener future. Approximately 90% of the lead batteries sold in North America are manufactured here, and at the end of life they are recycled here. And we see a bright future for other battery chemistries' domestic footprint and potential to build infrastructure for a closed-loop system in the U.S.

SF 1690 Would Harm Lead Battery Recycling

As noted above, the lead battery industry has built the world's most effective and efficient recycling network, which runs state-wide pursuant to Minn. Stat. § 325E.115, which was first adopted in 1987. This statute is based on the BCI Model Legislation for lead battery recycling, a form of which is in place in more than 40 states nationwide. It is the single most effective recycling framework in the nation.

SF 1690 conflicts with and would substantially harm the existing lead (Pb) vehicle battery collection network and reverse logistics system authorized and required under Minn. Stat. § 325E.115. This collection system not only drives the success of the closed-loop, cradle-to-cradle lead battery success story, but is also built on decades-old business relationships. It is therefore imperative that the state ensure that this network continues to be utilized and operated separately and apart from any new battery stewardship program. The legislature should amend SF 1690 to, at a minimum, exempt lead-based batteries from the scope of covered products.

Further, if lead batteries are included in the scope of the program, the packaging requirements set forth in Section 11 are unduly and unnecessarily onerous. As currently drafted, the packaging requirements seem geared towards lithium batteries, which is understandable. While it is important to protect facilities, this packaging is extremely expensive and should not be required for products that do not have the same inherent risk of going into thermal runaway that lithium-ion batteries and cells do. The U.S. Department of Transportation includes packaging requirements based on its Hazardous Materials Regulations (*e.g.*, battery chemistry), so we suggest using the HMR at 49 C.F.R to require proper packaging.

SF 1690 Would Limit Competition and the Free Market

Also of concern to BCI is mandating a single Stewardship Organization (SO) to carry out the Stewardship Plan, which provides and pays for covered services (e.g., collection and recycling), for all covered products regardless of size, format, or market segment (see Sec 5, subd. 1).

Batteries of varied sizes present different market realities, as well as different hazards and transportation requirements. As an initial matter, not all battery manufacturers operate in all battery size categories. Further, many retailers do not sell all sizes of batteries, and requiring collection locations to collect sizes of batteries for which they are not prepared could cause lower collector participation – larger batteries may require specific fire-code permitting or present physical hazards. Further, transporters may be unable to transport all sizes of batteries. For these reasons, it is important to allow for separate collection networks for different market segments of batteries based on size.

Therefore, the state should allow for multiple SOs to operate within the state and, specifically to battery collection, should allow SOs to run a small, medium, **and/or** large format collection program. This will allow providers the option to operate through their existing retail partner channels, and to manage the types and formats of batteries for which they have experience and expertise.

Finally, we are happy to provide suggested amendments in line with the points made above.

Thank you again for the opportunity to provide this written testimony on behalf of Battery Council International. Please feel free to contact me if you have any questions or need further insight into the lead battery recycling network.

Kindest regards,

Susan Bernard

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