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April 29, 2025

Senator Founj Hawj, Chair
Senator Jennifer A. McEwen, Vice Chair
Senate Environment, Climate and Legacy Committee
Room 1150
Minnesota Senate Building
St. Paul, MN 55155

Re: CTA Opposition to S.F.2781A-1 Sections Article 2, Sections 3-11

Chair Hawj, Vice Chair McEwen and Members of the Senate Environment, Climate, and Legacy Committee,

On behalf of Consumer Technology Association (CTA), we respectfully oppose Section 3-11 of Article 2 of Senate File 2781A-1 (S.F.2781A-1), establishing a stewardship program and labeling requirements 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 Sections 3-11 of Article 2 of S.F.2781A-1 is not the right solution. Additionally, there remains active dialogue and hearings around the stand-alone bill for Sections 3-11 of Article 2, which is S.F.1690. CTA has been engaging since the introduction of S.F. 1690 with similar messaging.

Background

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

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.

to address those issues. CTA has supported similar efforts to revisit existing producer responsibility (EPR) programs in other states.

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 S.F.1690 which is incorporated into S.F.2781A-1 as Sections 3-11 of Article 2.

Challenges with Sections 3-11 of Article 2 of S.F.2781A-1

Sections 3-11 of Article 2 of S.F.2781A-1 are 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 9, Subdivision 2) 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 or a light-up tennis shoe is a textile with a battery. The economics of recycling these products are very different.

CTA is extremely concerned with the labeling provisions (Section 11, Subdivision 2) 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 disposal are widely known in the waste and recycling community. A product label for just Minnesota is overreach.

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 Sections 3-11 of Article 2 of S.F.2781A-1 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.

Conclusion

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 as part of S.F. 2781 (or even via S.F.1690) as the vehicle is not the right path forward. We respectfully request the removal of Sections 3-11 of Article 2 of S.F.2781A-1. 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