

TESTIMONY FROM BRIAN A. RIDER, PRESIDENT & CEO, PENNSYLVANIA RETAILERS'
ASSOCIATION ON SENATE BILL 800, PRINTER'S #1041 AS PRESENTED TO THE SENATE
ENVIRONMENTAL RESOURCES & ENERGY COMMITTEE

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Brian Rider, President and CEO

Pennsylvania Retailers' Association

SB 800 - Testimony

Good morning Chairman Yaw, Chairman Yudichak and members of the Senate Environmental Resources and Energy Committee. On behalf of the Pennsylvania Retailers' Association (PRA) the statewide association representing retailers throughout the Commonwealth, I sincerely thank you for the opportunity to present testimony today on Senate Bill 800 (SB 800) and express the concerns some retailers have with this legislation.

I would first like to thank Senator Richard Alloway, prime sponsor of SB 800 and his staff for their continued efforts in working with interested parties on this important legislation. We understand the need to address this important issue and appreciate the opportunity to provide you with our concerns with SB 800 as currently drafted.

The PRA has concerns about some of the provisions in SB 800 that impact retailers and retail manufacturers. Retailers, with their finger on the pulse of customers, are in a unique position to evaluate policy proposals that impact the buying public.

Retailers have also been at the forefront of addressing customers' needs in finding solutions for unwanted electronics. For example, since 2009, Best Buy has voluntarily operated a comprehensive electronics recycling program in all 50 states. Best Buy's in-store and haul-away programs offer consumers convenient solutions to responsibly recycle their electronics at end-of-life. Best Buy has developed strict recycling standards to ensure responsible, accountable management of electronic waste.

Since the program began, Best Buy has recycled more than **one and a half billion pounds** of electronics and appliances. Since 2012, Pennsylvania residents responsibly recycled more than **32 million pounds** of electronics at Best Buy, removing them from the Commonwealth's waste stream – free of charge. Moreover, product lifecycle management is one of the pillars of Best Buy's sustainability commitment. Best Buy's Trade-In and repair services have provided customers the opportunity to extend the life of millions of products through reuse and refurbishment.

Best Buy also has the unique experience of operating a voluntary recycling program as well as manufacturing its own line of consumer electronics subject to state producer responsibility laws. This experience has provided retailers like Best Buy with the opportunity to evaluate the successes and challenges of these state programs and develop some high-level recommendations to inform electronic waste recycling legislation. Best Buy supports a consumer-focused approach to electronics recycling legislation that shares responsibility among all stakeholders, fosters recycling solutions that are as convenient as purchasing new product, sets goals for meaningful results, and allows reasonable flexibility in the implementation of collection and education requirements.

Pennsylvania Covered Devices Recycling Act (CDRA)

The PRA supports the approach manufacturers have put forward and agree that modest changes to the current CDRA are appropriate. PRA believes an effective recycling law should have the following elements:

No Point-of-Sale Consumer Fees

Point of sale fees on the purchase of new devices disproportionately impact retailers. These negative impacts include the disparate treatment of brick-and-mortar and online or out-of-state sellers, incentivizing residents to purchase electronics in surrounding states by raising the cost of electronics in the Commonwealth, and shouldering the administrative burden and resulting compliance liability of collecting a new tax. Online sales tax fairness remains a critical issue for retailers and point-of-sale fees perpetuate this competitive disadvantage. While a number of online retailers collect sales tax in some states or on some of their product, a substantial portion of taxes remain uncollected. States are estimated to lose **\$211 billion dollars** in lost sales tax revenue between 2018 and 2022 because of this loophole.

Electronic Waste Collection is a Service

Collection is voluntary. Laws should support the full spectrum of consumer collection opportunities to encourage participation by the public. Manufacturers' electronics recycling requirements should not interfere with collection options. Collecting end of life electronics requires investments, standards and operating overhead. Those performing the collection service should own the financial and operational controls to ensure sustainability and efficiency

Shared Responsibility of All Stakeholders

Producers, retailers, recyclers, government, and consumers must share responsibility in driving the success of electronics recycling and support economically sustainable solutions. Advance recovery fees, while an effective means to subsidize processing EOL electronics, does not promote nor require all stakeholders to engage in the solutions.

Again, Chairman Yaw, Chairman Yudichak and members of the committee, we greatly appreciate the opportunity today to testify on SB 800 and provide you with the retail industry's concerns. Although I am not expert on E-Waste recycling, I am more than happy to receive any questions and/or comments you may have regarding my testimony.

Thank you all.