



Remarks of Fran Valluzzo representing Dell

on SB800, electronics recycling at the Informational Hearing before the

Senate Environmental Resources & Energy Committee

October 24, 2017 in Harrisburg, PA

Mr. Chairman, Members of the Committee, my name is Fran Valluzzo and I am here today representing Dell, a global provider of information technology hardware, software, services and solutions. Dell has more than a decade of experience in providing recycling and reuse services to customers in 83 countries and territories around the world. Dell has recycled more than 1.6 billion pounds of IT equipment and is on track to meet its voluntary goal of recycling 2 billion pounds of electronics by 2020.

In addition to being a global leader in take-back, Dell is actively engaged in advancing the circular economy. Dell was the first company to establish a third party certified, closed-loop recycled plastics supply chain, under which a portion of the plastics from electronics (e-plastics) collected in our own take-back programs are incorporated into new Dell products. The process

has been extremely successful, and Dell now offers over 100 different Dell-branded products that contain e-plastics from this closed loop process.

Dell began establishing voluntary take-back programs in the U.S. in 2004, long before most states were exploring legislative mandates for electronics recycling. (At that time, only California and Maine had legislative requirements in place for electronics manufacturers.) Dell recycles for free any Dell branded product, and we also recycle other brands of computer equipment through our recycling program with Goodwill Industries called “Dell Reconnect.”

In 2008, two years before the CDRA was passed into law, Dell began voluntarily collecting and recycling computer electronics from consumers in Pennsylvania. The Dell Reconnect program allow residents to drop off Dell or any other brand of used electronics similar to Dell products at a participating Goodwill location for free recycling. Today, the Dell Reconnect program is available at 146 participating Goodwill locations in 47 counties throughout the state. In the last nine years, the program has collected and responsibly recycled more than 13 million pounds of used electronics from Pennsylvania residents.

Dell strongly supports the principles of Individual Producer Responsibility under which all producers take responsibility for proper end of life management of the electronic products that they manufacture and sell in the state. However, we have major concerns with the severe restrictions proposed for manufacturer funded programs under SB800. Manufacturer funded programs are successful when allowed the flexibility to establish the collection networks, to arrange for the recycling of the products we produce, and to identify and contract with logistics and recycling partners that meet our strict performance standards. At a fundamental level,

requiring manufacturer funded collection sites to collect all waste electronic equipment, puts an unfair financial and logistical burden on manufacturers that have developed and operate these programs. In Dell's case, we have never produced televisions, so requiring our programs to collect them would be detrimental to our programs and unfair to Dell and our contractors. Additionally, many of the Goodwills who participate as collectors in our programs are not equipped to handle televisions, which could jeopardize worker safety.

The proposed credit for up to 10% of the total collections is nowhere near incentive enough to offset the high cost to finance the additional product scope. If the proposal to accept all waste electronic equipment in our program became law, we would not be able to sustain the Dell Reconnect program. We would have no choice but to start immediately to wind down our collection network with Goodwills in Pennsylvania. As a result, Pennsylvania residents would be penalized by having fewer convenient collection sites throughout the state. It would also force Dell into the state's standard plan, which only serves to undercut our investment in a long-term, proven collection infrastructure.

Additionally, the proposal for county specific, per capita collection goals is not realistic or sustainable. This requirement would be contingent on consumer recycling behaviors, which are unpredictable from county to county. Donation volumes also vary from year to year, making it likely that manufacturers would fall short in meeting county-specific collection goals, resulting in unfair penalties to the manufacturer.

These are just a few of the concerns Dell has with SB800. Dell is willing to explore reasonable changes to Pennsylvania's electronics recycling system, but this bill is not the answer. We stand

aligned with the Consumer Technology Association in their opposition to SB800. We appreciate the opportunity to provide our comments today. I would be happy to answer any questions you may have.