

SUBJECT: Requiring companies to report international shipments of electronic waste

COMMITTEE: Environmental Regulation — committee substitute recommended

VOTE: 8 ayes — Cook, Chisum, Burnam, Farrar, Hancock, Legler, Veasey,
Weber

1 present, not voting — Dunnam

0 nays

WITNESSES: For — Vandell Norwood; Robin Schneider, Texas Campaign for the
Environment; (*Registered, but did not testify*: Ramon Alvarez,
Environmental Defense Fund; James Canup, Texas League of
Conservation Voters; Bob Gregory, Texas Disposal System; Luke
Metzger, Environment Texas; Cyrus Reed, Lone Star Chapter of Sierra
Club; Ann Travis, City of Houston)

Against — (*Registered, but did not testify*, Stephen Minick, Texas
Association of Business)

On — (*Registered, but did not testify*: Brian Christian, Texas Commission
on Environmental Quality (TCEQ))

BACKGROUND: The 80th Legislature in 2007 enacted HB 2714 by Bonnen, which requires
computer manufacturers to accept computers back from customers and
recycle them.

DIGEST: CSHB 284 would require businesses to report annually to TCEQ on
shipments of electronic parts or equipment from this state to developing
countries for recycling, reuse, or disposal. The purpose of the report
would be to inform consumers about the probable destination of used
electronics given to businesses for recycling, reuse, or disposal.

The report could be filed electronically and would include:

- the business' name, address, and phone number;
- the name of the CEO or CFO;

- the type and amount of each shipment of electronic parts or equipment;
- the date of each shipment; and
- the destination country of each shipment.

The bill would require TCEQ to publish the report information on its website.

Electronics that were being shipped for reuse would not have to be reported unless they were not functional. Only shipments of electronic parts or equipment to countries that were not part of the European Union or the Organization for Economic Cooperation and Development would have to be reported.

TCEQ could adopt rules that could exempt shipments for humanitarian reasons or very small shipments from compliance with the reporting requirements.

The first report would be due on September 30, 2010, and would cover the period from September 1, 2009, to August 31, 2010.

The bill would take effect September 1, 2009, and would apply only to shipments made on or after that date.

**SUPPORTERS
SAY:**

CSHB 284 would help curb the growing trend of companies shipping U.S. electronic waste to poor countries with lax environmental laws. A 2008 report by the U.S. Government Accountability Office confirmed that U.S. companies were responsible for the shipment of massive amounts of electronic waste to the developing world. It is estimated that between 20 and 50 percent of electronic waste sent to recycling centers in the United States is shipped abroad. This amounts to between 72,000 and 180,000 tons every year. Requiring companies to report their electronic waste exports would help discourage them from shipping such large quantities.

When improperly disposed of, electronic waste can present a threat to public health. Computers and televisions contain a number of reusable metals, including lead, barium, cadmium, chromium, gold, and mercury. In Guiyu, China, workers burn or pour acid on computer parts to recover lead and gold. Such practices have contributed to Guiyu's ranking as the city with the highest level of cancer-causing dioxins in the world.

Chemicals released during the improper disposal of electronic waste can be highly toxic to workers, many of whom are children.

The bill would create a mechanism of transparency that would enable consumers to compare companies. Consumers would be able to change their consumption patterns based on information obtained from the annual report required by the bill. At least 18 other states have enacted similar laws in the interest of informing consumers about the reality of electronic waste recycling.

CSHB 284 would support the U.S. recycling industry and help keep jobs in the United States. Although some companies irresponsibly ship waste to poor countries, many dispose of it in a safe manner here in the United States. Dell, for example, hires third-party audit firms to verify that computers actually are being recycled and not simply dumped in poor countries. HB 284 would create more business for Texas recycling companies and encourage good business practices.

**OPPONENTS
SAY:**

Placing another reporting requirement on businesses, as CSHB 284 would do, would not discourage companies from shipping waste abroad. Recycling is much cheaper in developing countries as a result of low labor costs. The cost of recycling an electronic item in the United States far outweighs the benefit for businesses. As a result, CSHB 284 would require businesses to complete more paperwork, but it would not prevent recyclers from shipping electronic waste overseas.

NOTES:

The fiscal note states that the bill would cost \$431,000 in fiscal 2010-11 for TCEQ to develop a database system for reporting exported electronic waste.