

# MARK R. HONADEL

STATE REPRESENTATIVE • 21<sup>ST</sup> ASSEMBLY DISTRICT

TESTIMONY ON ASSEMBLY BILL 131  
ASSEMBLY COMMITTEE ON ENVIRONMENT & FORESTRY  
JULY 23, 2013

---

Chairman Mursau and committee members, thank you for giving me the opportunity to testify today in favor of Assembly Bill 131.

The legislation before you today is intended to enhance efforts to keep up the recycling of lead acid batteries in a fair marketplace in our state.

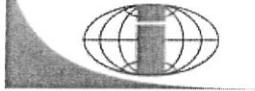
Current law prohibits anyone from disposing of a lead acid battery in a landfill or incinerating it. The law requires anyone who sells a lead acid battery to a consumer to accept the consumer's used battery and cannot charge the consumer a deposit that is more than \$5.

However, the mandated cap has not been updated since 1995 and no longer reflects the prevailing market value of used lead acid batteries. With the large gap between the state-mandated core cap and higher market-driven prices paid by unregulated scrap metals dealers, small businesses in Wisconsin are hard-pressed to compete. It may also encourage stockpiling of used batteries by consumers.

This problem was brought to my attention, along with Senator Larson, by our constituent Michael Moeller, who is president of the Remy Battery Company in Milwaukee. They will testify next.

After listening to our testimony before you today, I urge you to join me in supporting Assembly Bill 266 because it ensures a fair marketplace for consumers and businesses, and continues the benefits of battery recycling. Thank You.

*Working For You!*



**BATTERY COUNCIL INTERNATIONAL STATEMENT ON ASSEMBLY BILL 131**

We wish to express our **strong support** for AB 131 that would increase the responsible recycling of lead-acid batteries in Wisconsin.

Battery Council International members account for over 98% of the U.S. lead-acid battery production and 97% of its reclamation capacity. Our members also include distributors and retailers of batteries. All of our members promote lead-acid battery recycling by collecting and recycling lead batteries. We encourage the enactment of battery recycling laws nationwide.

AB 131 is a modest and reasonable next step to improve the recycling of lead-acid batteries in Wisconsin. It would simply set a minimum deposit of not less than \$5 in trade value on the used battery that is being replaced. The marketplace value of used auto batteries in Wisconsin is as high as \$18 to battery recyclers. Hence a \$5 minimum trade value is modest and appropriate, and will better encourage responsible recycling practices.

Last session this bill advanced unanimously out of the Assembly Consumer Affairs Committee. Manufacturers, retailers and environmental groups supported it. In 2013, BCI encouraged early introduction of the bill in both houses, on a bi-partisan basis, and supported expeditious passage of it by the legislature.

We also would like to recommend a minor clarification that will prevent the bill from inadvertently applying the minimum \$5 trade value to non-vehicular or original equipment market (OEM) lead-acid batteries. This was never the intention of the bill and it would be problematic to newly require a deposit on these batteries. We thus recommend amending Section 11. of AB 131, first sentence, to read as follows (amendment in ALL CAPS):

“A seller shall charge a deposit of not more than \$5 on the sale of aN AUTOMOTIVE TYPE REPLACEMENT battery.”

Thank you for your consideration of our views.

## CORE FEES BY ACCOUNT

Account	Automotive	Light Truck	Heavy Truck	Golf Cart	Marine	Lawn Garden	Power Sport
Advance Auto Parts	\$15.00	\$15.00	\$18.00	\$18.00	\$15.00	\$10.00	\$10.00
AutoZone	Platinum & Gold \$15.00/ Duralast, Valucraft, Econocraft \$12.00	Platinum & Gold \$15.00/ Duralast, Valucraft, Econocraft \$12.00	Platinum & Gold \$15.00/ Duralast, Valucraft, Econocraft \$12.00	\$18.00	\$15.00	\$10.00	\$8.00
Pep Boys	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$10.00	\$10.00
O'Reilly	\$15.00	\$15.00	\$18.00	\$18.00	\$18.00	\$10.00	\$10.00
Walmart	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Sam's Club	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Costco	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
NAPA	\$15.00	\$15.00	\$15-\$60	\$22.50	\$15.00	\$7.50	
IBSA	\$18.00	\$28.00	\$54.00	\$28.00	\$18.00	\$8.00	\$5.00
CARQUEST	Miata \$10.00 \$17.00	\$17.00	\$17.00	\$19.00	\$26.00	\$10.00	\$1.00 Standard \$10.00 AGM
Sears	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Les Schwab	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Tractor Supply	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
NTB	\$15.00	\$15.00	na	na	\$15.00	na	na
Tires Plus	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Bumper to Bumper	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$3.00	\$3.00
Meijer	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Menards	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
BJ's Wholesale	\$9.00	\$9.00	na	na	na	na	na

**Notes:**

1/30/13 - ADVANCE AUTO PARTS-  
Automotive, Light Truck and Marine move  
from \$12 to \$15  
Golf Cart moved from \$12 to \$18  
L&G and Power Sports moved from \$6 to \$10

4/23/13 - AUTOZONE - Increase Duralast  
Platinum and Duralast Gold increased from  
\$12 to \$15; Golf Cart increased from \$12 to  
\$18, Powersports decreased from \$10 to \$8

3/5/13 - O'REILLY - Automotive, Light Truck  
move from \$10 to \$15, Heavy Duty, Golf Cart,  
Marine move from \$10 to \$18

7/9/12 - Core Fees moved from \$9 to \$15

7/1/13 - Automotive and Marine moved from  
\$12 to \$15; Lawn & Garden moved from \$6 to  
\$7.5; Golf Cart moved from \$18 to \$22.5

Blains Farm & Fleet	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Mill's Fleet Farm	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Fisher Auto Parts	\$12.00	\$18.00	\$48.00	\$18.00	\$12.00	\$6.00	\$6.00
Federated Auto Parts							
CANADA							
Walmart Canada	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Costco Canada	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Canadian Tire	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$7.50
NAPA Canada	\$15.00	\$15.00	\$15-\$22.50	\$22.50	\$15.00	\$7.50	\$0.00
Part Source	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$10.00

4/8/13 - Automotive, Light Truck, & Marine  
 \$15; Heavy Truck \$15 - \$22.50 and Golf Cart  
 \$22.50; Powersport No Core Fee.  
 5/7/13 - New Add

Johnson Controls Battery Group, Inc.  
5757 N. Green Bay Avenue  
Milwaukee, WI 53209



September 2, 2011

State of Wisconsin  
Rep. Mark Honadel  
Room 113 West  
State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952

Re: Wisconsin Battery Bill LRB-1824/1

Dear Representative Honadel,

Johnson Controls supports LRB-1824/1 relating to the sale of lead acid batteries and acceptance of used lead acid batteries. Strengthening the deposit provisions in the bill will do much to ensure a fair and level competitive environment for Wisconsin consumers and businesses while continuing the benefits of battery recycling. Johnson Controls appreciates the opportunity to share our thoughts on the bill. Specifically, we recommend that consideration be given to raising the state-mandated core cap ("deposit") amount to "not less than \$15" under the bill.

Johnson Controls' Power Solutions business, headquartered in Milwaukee, Wisconsin is the world's leading supplier of automotive batteries and a recognized leader in closed-loop, automotive battery recycling. We've been instrumental in making automotive batteries the most recycled consumer product in the United States.

As you know, Wisconsin's current deposit of \$5 is out-of-date and needs to reflect current market conditions and commodity prices. While we applaud your efforts to establish a more uniform deposit amount, we recommend that this minimum amount be increased to \$15, rather than "not less than \$5". The minimum \$15 deposit amount more accurately reflects current market conditions for commodity prices, helps eliminate disparity among state mandated core caps, and is more protective of Wisconsin's businesses and consumers.

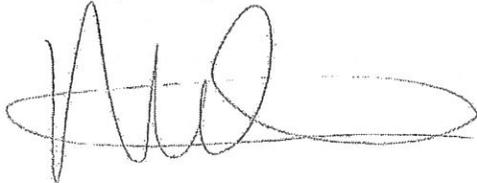
Consumers in states that use low battery deposit amounts typically return fewer batteries than states with higher deposits. For one national retailer, Arizona (\$15 core deposit) has an 11% higher return rate than Wisconsin (\$5 core deposit). And Wisconsin return rates are 7% below the national average.

Unfortunately, low battery returns to retailers result in increased likelihood of lead acid batteries being disposed in municipal wastes, landfills, and incinerators. Establishing a battery deposit minimum of \$15 will strengthen consumer incentives to recycle lead acid batteries when purchasing new ones.

We are pleased you have championed legislation to increase battery recycling efforts, ensure that Wisconsin's businesses and consumers are treated fairly and protect the environment. We believe that the objectives of the bill are more efficiently and effectively achieved with an increase of the battery deposit to "not less than \$15" rather than "not less than \$5" under the bill.

Finally, Johnson Controls greatly appreciates all of your ongoing leadership in promoting Wisconsin as a battery recycling leader in the United States.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael Carr", with a long horizontal flourish extending to the right.

Michael Carr, VP & GM Americas Recycling Business  
Johnson Controls Battery Group, Inc.

Cc: Senator Larson  
Senator Lena Taylor  
Rep. Elizabeth Coggs

# Batteries + Bulbs

July 17, 2013

State of Wisconsin  
Senator Chris Larson  
Room 206 South  
State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882

Re; Wisconsin Battery Bill LRB-1038 and LRB-0958

Dear Representative Honadel,

Batteries Plus Bulbs wishes to express our strong support for the overall intent of LRB-1038 and LRB-0958. The current legislation, which prohibits charging more than a \$5.00 deposit on the sale of a motor vehicle lead acid battery, is not sufficient to promote battery recycling in Wisconsin and places Wisconsin retailers at a competitive disadvantage in the lead market. Changing the legislation to allow a deposit of no less than \$5.00 for motor vehicle lead acid batteries allows retailers to be competitive and encourages customers to return motor vehicle lead acid batteries to ensure they are properly recycled.

Batteries Plus Bulbs respectfully requests, however, minor revisions to the bills or Committee report language to clarify that the deposit only applies to automotive type lead acid batteries. Lead acid batteries come in varying sizes including small sealed lead acid batteries which can fit into a cordless phone or a video camera, and are currently outside of the deposit requirement. Consumers may experience economic hardship if they are charged a \$5.00 or larger deposit for a small sealed lead acid battery which retails for only \$10. Consumers may also be more likely to purchase small sealed lead acid batteries in another state or on the internet where the deposit is not required for these lead acid batteries. Limiting the deposit to lead acid motor vehicle batteries allows Wisconsin retailers to remain competitive and consistent with other states legislation.

Batteries Plus Bulbs is a Wisconsin based battery importer and retailer, which employs 380 people in the state of Wisconsin. Batteries Plus Bulbs is committed to recycling spent batteries as a means to reduce waste in our landfills, stop harmful chemicals from contaminating our soil and water, and preserve our environment by decreasing the need for new raw materials from the Earth. We run a free recycling program for all lead acid batteries in Wisconsin for consumers, regardless of where they purchased the product. Our recycling goal is to produce a positive impact on our environment by recovering and recycling more than we sell.

# Batteries + Bulbs.

We appreciate your support and efforts to foster battery recycling in Wisconsin and applaud your efforts to safeguard the environment. We are grateful to have strong leadership that recognizes the importance of keeping our retail establishments competitive and successful. This legislation will help foster safe and effective consumer recycling practices for motor vehicle lead acid batteries.

Sincerely,



Shawn Cushman  
President of Ascent

Cc. Rep. Mark Honadel

**Motor & Equipment Manufacturers Association**  
1030 15th Street, NW Suite 500 East Washington, DC 20005  
Tel 202.393.6362 Fax 202.737.3742 E-mail info@mema.org



April 23, 2013

*Via email*

Assemblyman Jeff Mursau  
Chairman, Committee on Environment & Forestry  
State Capitol  
Madison, WI 53708

**Re: Support for A.B. 131 / S.B. 121**

Dear Chairman Mursau and members of the committee:

The Motor & Equipment Manufacturers Association (MEMA) represents over 1,000 companies that manufacture and supply motor vehicle parts for use in the light- and heavy-duty vehicle original equipment and aftermarket industries.<sup>1</sup> Motor vehicle parts suppliers are the nation's largest manufacturing sector, directly employing 734,000 U.S. workers and contributing to over 3.62 million jobs across the country. The motor vehicle parts supplier industry is the largest creator of jobs nationwide, providing over \$ 220 billion in annual wages and contributing \$ 355 billion to the U.S. Gross Domestic Product. In Wisconsin, over 13,000 workers are directly employed by motor vehicle parts manufacturers.

MEMA's aftermarket affiliate, the Automotive Aftermarket Suppliers Association (AASA), exclusively represents the North American aftermarket manufacturers and is recognized as one of the nation's strongest and most prominent trade organizations. AASA's sole mission is to help its members, aftermarket suppliers, be more profitable, innovative, and competitive on a global scale.

MEMA and AASA support A.B. 131 (and its companion legislation, S.B.121), which is pending before your Committee. This legislation makes changes to the Wisconsin lead acid battery deposit law. Current state law prohibits charging more than \$5.00 as a deposit on the sale of a lead acid battery. A.B. 131 would change the law to allow for a deposit of "not less than \$5" on the sale of a battery. MEMA and AASA congratulate the Wisconsin Assembly for considering legislation that would make this critical change to how lead acid battery deposits are collected. For a deposit program to be successful, the program must require a sufficient financial incentive to encourage consumers to comply with the state's recycling goals. The program must also be structured to be competitive with the programs in neighboring states. Because of the cap on Wisconsin's current deposit program, your state's program does not meet the goals necessary to be successful. Switching from a deposit with a cap to a deposit that is "not less than" a set amount will rectify this shortcoming.

---

<sup>1</sup> MEMA represents its members through four affiliate associations: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA), and Original Equipment Suppliers Association (OESA).





State deposit programs with a cap encourage the transportation of spent batteries over state lines into states with higher deposits. For example, the minimum deposit in Minnesota is \$10.00 per lead acid battery, and Illinois law does not specify a maximum level for a deposit. Programs without a maximum deposit level allow the free market to set the value of the spent battery and help ensure that the battery is not disposed of improperly. MEMA and AASA believe that higher battery deposits encourage consumers to recycle used batteries instead of abandoning or improperly disposing of them.

Another unanticipated challenge of a maximum deposit amount of \$5.00 is a negative impact on battery retailers. As part of the cost associated with a wholesale purchase of each battery is a "core" charge that the retailer pays the battery manufacturer which will be refunded when the spent battery is returned to the manufacturer for proper recycling. This price is set by market forces and is currently \$15.00 per battery. With a maximum consumer deposit of \$5.00, the retailer would lose money if the consumer does not return a used battery.

As manufacturers, AASA members are well aware of the dangers and high social costs of improperly discarded lead acid batteries. This type of disposal can pose an unacceptable risk to human health and the environment. Also, it further strains local budgets by requiring cities and municipalities to dedicate resources ensuring hazardous products are directed to the appropriate legal waste streams.

Passage of A.B. 131 with a minimum deposit will significantly increase the recycling rate of batteries in Wisconsin. It will also preserve the environment by reducing the amount of toxic materials leaching into soil and groundwater and will lessen the risk of transporting hazardous materials across state lines.

Thank you for your attention this important legislative initiative. MEMA and AASA strongly support the bill and would like to work with you toward final passage. Please contact Tom Lehner at [tlehncr@mema.org](mailto:tlehncr@mema.org) or 202-312-9253 for additional information.

Sincerely,

A handwritten signature in cursive script that reads "Ann Wilson".

Ann Wilson  
Senior Vice President, Government Affairs

MICHAEL E. MOELLER, PRESIDENT, REMY BATTERY CO., INC.

TESTIMONY ON ASSEMBLY BILL 131

ASSEMBLY COMMITTEE ON ENVIRONMENT & FORESTRY

JULY 23, 2013

---

Chairman Mursau and committee members, I would like to thank all of you for giving me the opportunity to testify today in favor of Assembly Bill 131.

Assembly Bill 131 not only creates a fair market place for battery sellers and consumers it also helps create a safe, environmentally sound, and efficient closed loop system for battery recycling that is emulated world wide. Sound legislation like Assembly Bill 131 has been recommended by the lead acid battery industry, and adapted by State governments around the United States, that has created a success story in which the Industry and Government can boast recycling rates that where 97% of all spent lead acid batteries in the United States were returned for proper recycling within the United States from 2004 – 2009 as documented by the Battery Council International. During this time period spent lead acid batteries top the list as the most highly recycled consumer product (see <http://www.batterycouncil.org/LeadAcidBatteries/BatteryRecycling/tabid/71/Default.aspx>).

Battery sellers play an important role in this process by ensuring that spent lead acid batteries are removed from the environment at the point of purchase ensuring that this hazardous material is not stockpiled or worse, “broken” to extract the lead within. When individuals break batteries to extract the lead they leave un-recycled materials and hazardous components to reach landfills, or end up dumping these hazardous materials causing contamination of private and public soil or water.

When a consumer returns their spent lead acid battery at the time of purchase the consumer is ensuring that battery manufacturers have a consistent and cost effective source of feed stock for producing new batteries reducing the need for battery manufactures to go to the volatile open market to purchase expensive virgin plastics or mined primary lead. Without spent lead acid batteries returning on battery manufactures’ trucks additional costs for transportation and raw materials end up getting passed onto all consumers in the form of higher prices.

Assembly Bill 131 allows the market to maximize its efficiencies for the benefit of Wisconsin’s consumers and businesses. Assembly Bill 131 also protects the environment by further encouraging recycling of spent lead acid batteries at the point of purchase. After listening to my testimony today I encourage you to support Assembly Bill 131 for Wisconsin’s battery sellers, Wisconsin’s environment and Wisconsin’s residents. Thank you for your time and consideration.