



JOHN SPIROS

State Representative • 86th Assembly District

January 4, 2014

Testimony on Assembly Bill 666

I'd like to begin by thanking the committee for allowing me to speak today in favor of Assembly Bill 666.

AB 666 is a simple bill that updates Wisconsin's deposit for lead acid batteries, raising it from \$5.00 to \$10.00. Currently, Wisconsin is one of four states that set a maximum deposit of \$5.00. States with higher deposits have a greater number of batteries returned. If batteries are not being returned to retailers there is an excellent chance they are ending up in our landfills and incinerators.

Assembly Bill 666 will benefit our environment by encouraging the recycling of lead acid batteries. But it will also benefit Wisconsin consumers and businesses by creating a fair and competitive environment.

Thank you and I will be happy to take any questions at this time.

STANDING COMMITTEES:

Energy, Consumer Protection, and
Government Reform, Chair

State and Federal Relations, Vice-Chair

Transportation, Public Safety,
and Veterans and Military affairs



JOINT COMMITTEES

Joint Audit Committee, Co-Chair
Joint Committee on Information Policy
and Technology

TO: Members of the Committee on Environment and Forestry
FROM: Senator Robert Cowles
DATE: February 4, 2014
RE: Assembly Bill 666

Chairman Mursau and Members of the Committee:

Thank you for having a public hearing on Assembly Bill 666 today, which deals with lead acid battery recycling. This legislation provides a modest, but necessary update to Wisconsin Statute 287.18. It changes the deposit amount that retailers collect from \$5.00 to \$10.00. It also provides clarification as to which types of batteries are covered by this statute.

The provisions of Section 287.18 promote a closed loop recycling process for lead acid batteries. This system benefits the consumers and manufactures with competitive prices for new batteries. In order for the process to function correctly:

- Retailers selling new batteries must charge a deposit and accept used batteries for recycling.
- Battery manufacturers must arrange for delivery and recycling of the used battery components.
- Consumers need to be incentivized to bring batteries back to retailers through deposits that, in fact, typically serve as a discount on a new battery purchase.

Twenty-two years ago, when section 287.18 was first enacted, no one anticipated the improvements in battery technology that have led to longer-lasting (but more expensive) batteries. Section 287.18 thus set a fixed, \$5.00 deposit cap. But that cap is long out of date with Wisconsin now being only one of four states with a \$5 maximum deposit. Today, increasing consumer returns of batteries requires a higher deposit – which translates for most consumers to a discount on the price of the battery. Providing a \$10 deposit is all that AB 666 will do.

Consumers in states that use low battery deposit amounts typically return fewer batteries than states with higher deposits. Unfortunately, low battery returns to retailers result in increased likelihood of lead acid batteries being disposed in municipal landfills and incinerators. Establishing a battery deposit amount of \$10 will improve consumer incentives to recycle lead acid batteries when purchasing new ones.

Modestly updating the deposit provisions in AB 666 will help to ensure a fair and level competitive environment for Wisconsin consumers and businesses while continuing the benefits to our environment through battery recycling.

This legislation has the support of a broad coalition of battery retailers, recyclers and environmental advocacy groups. Thank you once again for your consideration of AB 666.

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Legislative Bill/Resolution

2013-2014 Legislative Session

Assembly Bill 666

Relating to: deposits on the sale of certain lead acid batteries.

Count	Principal Name	Position	Notified Date
1	Battery Council International	For	2/4/2014
2	Clean Wisconsin Inc	For	1/30/2014
3	Institute of Scrap Recycling Industries, Wisconsin Chapter	For	2/3/2014
4	Wisconsin League of Conservation Voters (WLCV)	For	1/31/2014
5	Wisconsin Retail Merchants Association	For	1/30/2014



TO: Members of the Assembly Committee on Environment and Forestry: Chairperson Mursau, Vice-Chair Krug, Representative Czaja, Representative Loudenbeck, Representative Stroebel, Representative Danou, Representative Milroy and Representative Clark; Members of the Senate Committee on Transportation, Public Safety, and Veterans and Military Affairs: Chairperson Petrowski, Vice-Chair Leibham, Senator Cowles, Senator Carpenter and Senator Hansen

CC: Representatives Spiros, Bies, Danou, Kolste, Krug, T. Larson, Ohnstad, A. Ott, Sargent, Steineke and C. Taylor; Senators Cowles, C. Larson, Miller, Petrowski, Schultz and Vinehout

FROM: Saskia Mooney, Senior Regulatory Analyst, Environment & Safety at Wiley Rein LLP

RE: Business Support for the Wisconsin Battery Recycling Legislation (AB 666 and SB 512)

DATE: January 28, 2014

We wish to express our strong support for your legislation 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 such as AB 666 and SB 512.

Your proposal is a modest and reasonable next step to improve the recycling of lead-acid batteries in Wisconsin. It would simply set a deposit of \$10 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 \$10 trade value is modest and appropriate, and will better encourage responsible recycling practices.

Last session a version of this bill advanced unanimously out of the Assembly Consumer Affairs Committee. Manufacturers, retailers and environmental groups supported it. We now support and urge expeditious passage of it.

Thank you for your consideration of our views.

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Timothy J. Lafond, P.E.
Executive Director, Environmental Engineering
Johnson Controls, Inc.
Power Solutions Components Division
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February 3, 2014

Senator Jerry Petrowski
Chairperson, Committee on Transportation, Public Safety,
and Veterans and Military Affairs
Room 123 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Representative Jeff Mursau
Chairperson, Committee on Environment and
Forestry
Room 113 West
State Capitol
P.O. Box 8953
Madison, WI 53708

Re: Wisconsin Battery Bills AB 666 and SB 512

Dear Chairpersons Petrowski and Mursau,

Johnson Controls, Inc. (JCI) supports AB 666 and SB 512 relating to the sale of lead acid batteries and acceptance of used lead acid batteries. Modestly updating the deposit provisions in the bill will help do much to ensure a fair and level competitive environment for Wisconsin consumers and businesses while continuing the benefits of battery recycling. JCI appreciates the opportunity to share our thoughts on the bills.

JCI's 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.

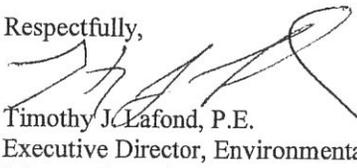
As you know, Wisconsin's current deposit of \$5 needs to be updated to better reflect current market conditions and commodity prices.

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 amount of \$10 will improve consumer incentives to recycle lead acid batteries when purchasing new ones.

We are pleased you have introduced 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 \$10 under the bill.

Respectfully,



Timothy J. Lafond, P.E.
Executive Director, Environmental Engineering
Johnson Controls, Inc.
Power Solutions Division
Milwaukee, Wisconsin

Batteries + Bulbs

February 3, 2014

Senator Jerry Petrowski
Chairperson, Committee on Transportation,
Public Safety, and Veterans and Military Affairs
Room 123 South
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Madison, WI 53707-7882

Representative Jeff Mursau
Chairperson, Committee on Environment
and Forestry
Room 113 West
State Capitol
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Re: Wisconsin Battery Bills AB 666 and SB 512

Dear Chairpersons Petrowski and Mursau,

Batteries Plus Bulbs wishes to express our support for AB 666 and SB 512. The current Wisconsin law, 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 law to specify a deposit of \$10.00 for automotive-type lead acid batteries allows retailers to be more competitive and encourages customers to return motor vehicle lead acid batteries to ensure they are properly recycled.

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 nationwide recycling program for our customers who return used lead acid batteries (and other chemistries), regardless of where they originally purchased the product. Our recycling goal is to produce a positive impact on our environment by recovering and recycling more than we sell.

We appreciate your support and efforts to improve battery recycling in Wisconsin and applaud your efforts to safeguard the environment. We are grateful to have 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 automotive-type lead acid batteries.

Sincerely,



Shawn Cushman
President of Ascent