

# **Mercury Policy Project**

**Testimony to the Vermont House Committee  
on Natural Resources, Fish and Wildlife**

**On H.500; An act to prohibit the sale of mercury lamps in the state**

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Starting in 1998 with passage of Act 36 creating a state mercury advisory committee, Vermont has worked diligently in passing laws to reduce mercury use, release and exposure in our State.

# ADVISORY COMMITTEE ON MERCURY POLLUTION



## 2011 ANNUAL REPORT

To the Governor, General Assembly  
and Citizens of the State of Vermont  
January 2011

### Committee Members:

Chair	Neil Kamman	Vermont Agency of Natural Resources
Vice-Chair	Jen Holliday	Chittenden Solid Waste District
	Michael Bender	Abenaki Self-Help Association, Inc
	John Berino	Vermont Assn. of Hospitals & Healthcare Systems
	William Bress	Vermont Department of Health
	Gary Gulka	Vermont Agency of Natural Resources
	Jim McCullough	House Fish, Wildlife & Water Resources Committee
	Ruma Kohli	IBM Burlington
	Wayne LaRoche	Vermont Agency of Natural Resources
	Richard McCormack	Senate Natural Resources and Energy Committee

# Quotes from the Advisory Committee Meetings

The Advisory Committee on Mercury Pollution November 2010 meeting minutes:

*“The Committee agreed to a recommendation on lamps similar to the recommendations in the 2010 report, including mercury content restrictions, sustainable funding for mercury lamp recycling that includes shared responsibility **and a mechanism for phasing out mercury lamps when technically and economically feasible mercury-free alternatives are available**”*

This recommendation was further reinforced in the 2011 Advisory Committee report:

*“As energy efficient non-mercury lighting products become readily available in the marketplace and are demonstrated to be cost-effective alternatives to mercury-containing lamps, the Committee recommends that a mechanism be put in place to phase out the distribution and sale of these mercury lamps.*

## Legislative Council recordings of 2011 Senate Natural Resources Committee discussions drafting S.34 (Act 36)

***Sen. Lyons: Except by eliminating incandescents and then having an elimination of the hazardous materials, really putting pressure to eliminate these, I think manufacturers are going to be working like gangbusters. Look what's happening with LEDs over the past few years... I was at Efficiency Vermont in, I don't know, December, and they're putting LEDs in businesses everywhere...in affluent residences, but these are good lights that are coming that are not hazardous.***

***Sen. Brock: They were saying that what- in three to five years- that was possible. So what you could do is that you simply delay the end of the incandescent lamp for call it not more than five years and that any replacement must be mercury-free."***

**On the one hand, US lamp makers actively promote LEDs and encourage conversion, saying “farewell to fluorescent.”**

**PHILIPS**

LED tubes

Real pros say  
**farewell to  
fluorescent.**

The new Philips MASTER Value LEDtube Universal T8.  
Maximum value – monumental performance.

**New**



# On the other hand, their Annual Reports announce: the “last company standing selling conventional lighting” – a “cash engine”

- [Philips 2017 Annual Report](#), p20: “The performance of Lamps in 2017 reflected the successful implementation of the company’s last man standing strategy to continue to extract value from the conventional business. A continued reduction of the manufacturing footprint and cost base supports the objective to maintain an Adjusted EBITA margin of at least 16% until 2019.”
- [Signify 2018 Annual Report](#), p24: “2019 and beyond: The performance of Lamps in 2018 reflected the successful implementation of the ‘last man standing’ strategy to continue to extract value from the conventional business,”
- [Signify 2019 Annual Report](#), p28: “Lamps’ focus is on winning market share in key segments and markets to remain the ‘the last company standing’. ... As a **cash engine**, Lamps continues to deliver on its ‘last company standing’ strategy, which resulted in further market share gains and strong free cash flow generation of EUR 222 million in 2019.”
- [Signify 2020 Annual Report](#), p26: “The performance of Conventional Products in 2020 reflected the successful execution of the ‘last company standing’ strategy to extract value from the conventional business. In 2021, Conventional Products will continue to execute its strategy and optimize free cash flow by leveraging the Division’s cost advantage, scale, global footprint and lean manufacturing capabilities while responding to customer demand for conventional products and growing its UV-C lighting business by leveraging its decades-long expertise.”

# Profit margins indicate why they have this priority to sell more Conventional Lighting – they earn 48% more EBITA (EBITDA stands for earnings before interest, taxes, depreciation, and amortization)



Press Release

October 29, 2021

[Link to Signify 2021 Q3 Report](#)

Conventional lighting products (incl. fluorescent) earned 19.4% EBITA margin in the first 9 months of 2021 while Digital products (LED) earned 13.1% over the same time period. That's **48% more margin** earned in Conventional products compared to Digital.

## Digital Products

Third quarter			in millions of EUR, unless otherwise indicated	Nine months		
2020	2021	change		2020	2021	change
		2.5%	Comparable sales growth			12.2%
575	588	2.1%	Sales	1,577	1,715	8.8%
76	76	1.0%	Adjusted EBITA	167	224	34.4%
13.1%	13.0%		Adjusted EBITA margin	10.6%	13.1%	
73	73	0.4%	EBITA	154	212	37.1%
71	72	0.5%	Income from operations (EBIT)	149	206	38.8%

## Conventional Products

Third quarter			in millions of EUR, unless otherwise indicated	Nine months		
2020	2021	change		2020	2021	change
		-13.2%	Comparable sales growth			-5.3%
233	202	-13.3%	Sales	701	642	-8.4%
42	38	-9.2%	Adjusted EBITA	124	124	0.3%
17.9%	18.8%		Adjusted EBITA margin	17.7%	19.4%	
35	32	-8.0%	EBITA	119	121	1.4%
35	32	-8.0%	Income from operations (EBIT)	119	121	1.4%

## Conclusion

- Act 36 also called for mercury lamp content standards, if lamps sold were not consistent with California standards.
- While not explicit in the law, the Committee discussions recognized the market influence of the EU content standards that California used.
- Now that the EU has, in effect, adopted a zero mercury content standard for common fluorescents by 2024, Vermont can again follow the EU's lead.
- Moving to more energy efficient LED lamps will reduce mercury pollution/exposure risks when bulbs break and will also cut electric bills for Vermonters.
- Yet still a need for passage of H.500 to ensure that lamp makers cover lamp recycling costs in section 4a of the bill, as proposed.



Thank you!