MARYLAND DEPARTMENT OF THE ENVIRONMENT

1800 Washington Boulevard • Baltimore MD 21230 410-537-3000 • 1-800-633-6101

Martin O'Malley Governor

Anthony G. Brown Lieutenant Governor Secretary Robert M. Summers, Ph.D.

Deputy Secretary

Shari T, Wilson

January 15, 2010

Ms. Sarah Albert, Coordinator Maryland General Assembly Office of Policy Analysis Library and Information Services Legislative Services Building 90 State Circle Annapolis MD 21401

Dear Ms. Albert:

The Maryland Department of the Environment (MDE) is required under Environment Article §6-905.5 (j) (1) to provide a report to the General Assembly in accordance with §2-1246 of the State Government Article, on or before October 1 of each year, regarding the Department's activities under the Mercury Switch Removal from Vehicles Act ("Act"), signed by Governor Martin O'Malley on May 19, 2009. As this is the first report required under the Act and the law's effective date was July 1, 2009, the following information is a brief overview of the actions MDE has taken to implement this legislation.

All fourteen (14) automobile manufacturers [Chrysler LLC; Daimler EAPP Americas; Ford Motor Company; Mack Trucks, Inc.; Mitsubishi Motors North America, Inc.; Navistar, Inc.; Nissan North America, Inc.; PACCAR, Inc.; Porsche Cars North America; Subaru of America, Inc.; Toyota Motor Sales USA, Inc.; Volkswagen Group of America, Inc.; Volvo Trucks North America; and Motors Liquidation (General Motors)] were notified in July of 2009 about the Act and the requirement for submittal of a mercury minimization plan for approval by MDE by September 30, 2009.

On behalf of all manufacturers except Motors Liquidation, End of Life Vehicle Solutions (ELVS), the contractor for the voluntary National Vehicle Mercury Switch Removal Program, submitted a mercury minimization plan to the Department on September 29, 2009. On October 27, 2009, MDE received a revised mercury minimization plan that included Motors Liquidation. These plans were submitted to comply with Section 6-905.4 of the Environment Article, Annotated Code of Maryland. The Department is still reviewing the plans and provided ELVS comments of a primarily administrative nature on October 30, 2009, evaluating whether the September 25, 2009 Mercury Minimization Plan and the revised October 27, 2009 Mercury Minimization Plan meet the statutory requirements for such a plan. Additional substantive comments on the implementation of the plans may be provided by MDE at a later date. Under the plans that were submitted, ELVS will continue to provide containers, prepaid shipping, and recycling for switches collected by Maryland vehicle recyclers and scrap recyclers, as they have been doing under the voluntary National Vehicle Mercury Switch Recovery Program (NVMSRP).



Ms. Sarah Albert, Coordinator Page Two

At this time, MDE is also contacting automobile recyclers and scrap recyclers by telephone and making selected site visits to advise of the requirements of the Act and to ensure that these companies have the containers and educational materials to complete removal of mercury switches and switch assemblies from end-of-life vehicles in Maryland. As of November 2, 2009, ELVS reports that 104 of the 152 known vehicle recyclers and scrap recyclers in Maryland are participating in the program. These participants have collected 14,257 switches containing 31.37 pounds of mercury. The Department is continuously updating the list of vehicle recyclers and scrap recyclers to ensure fairness in implementation and enforcement of the law.

Current estimates from the Environmental Council of States indicate that there could be a total of 460,598 mercury switches available for removal from end-of-life vehicles through the year 2017. Because the first report on the implementation of the mercury minimization plan by the manufacturers is not due until January 31, 2010, a true capture rate cannot be calculated at this time. However, it should be noted that approximately 3 percent of the estimated available switches have been recovered in Maryland through the NVMSRP. The NVMSRP has had some greater successes in legislated states than in non-legislated states and it is anticipated that Maryland's rate of switch removal will increase with the implementation of the law.

The Department has not received any fees from the manufacturers at this time. Vehicle recyclers and scrap recyclers are required to begin removal of mercury auto switches on December 1, 2009. It is anticipated that the fee of \$1 per switch recovered that must be forwarded to MDE from ELVS, on behalf of the manufacturers, will be delayed since the vehicle recyclers and scrap recyclers will need time to fill the switch containers and return them to ELVS. The maximum revenue, if 90 percent of the available switches in 2009 are actually recovered, would be approximately \$51,000. Revenue may be higher in 2010 because the vehicle recyclers and scrap recyclers are required to remove the switches from vehicles in their inventory as of September 30, 2009, by no later than December 31, 2010. There are no available estimates of how many switches are in this existing inventory. Revenue would be expected to decline each subsequent year through 2017.

If you have questions concerning the Mercury Switch Removal from Vehicles Act or the annual report, please contact me at 410-537-3304 or by e-mail at <u>htablada@mde.state.md.us</u>.

Sincerely,

Arthe

Horacio Tablada, Director Land Management Administration

cc: Jeffrey Fretwell, Legislative Assistant

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Robert M. Summers, Ph.D. Deputy Secretary

January 15, 2010

The Honorable Thomas V. Mike Miller, Jr. President of the Senate State House, H-107 Annapolis, MD 21401 - 1991

Dear President Miller:

The Maryland Department of the Environment (MDE) is required under Environment Article §6-905.5 (j) (1) to provide a report to the General Assembly in accordance with §2-1246 of the State Government Article, on or before October 1 of each year, regarding the Department's activities under the Mercury Switch Removal from Vehicles Act ("Act"), signed by Governor Martin O'Malley on May 19, 2009. As this is the first report required under the Act and the law's effective date was July 1, 2009, the following information is a brief overview of the actions MDE has taken to implement this legislation.

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If you have questions concerning the Mercury Switch Removal from Vehicles Act or the annual report, please contact me at 410-537-3084 or Mr. Horacio Tablada, Director of Land Management Administration at 410-537-3304 or by e-mail at <u>htablada@mde.state.md.us</u>.

Sincerely,

Shari T. Wilson Secretary

cc: The Honorable Maggie McIntosh The Honorable Joan Carter Conway Heather Barthel, Director, Legislation and Policy Horacio Tablada, Director, Land Management Administration

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January 15, 2010

The Honorable Michael E. Busch Speaker of the House of Delegates State House, H-101 Annapolis, MD 21401 - 1991

Dear Speaker Busch:

The Maryland Department of the Environment (MDE) is required under Environment Article §6-905.5 (j) (1) to provide a report to the General Assembly in accordance with §2-1246 of the State Government Article, on or before October 1 of each year, regarding the Department's activities under the Mercury Switch Removal from Vehicles Act ("Act"), signed by Governor Martin O'Malley on May 19, 2009. As this is the first report required under the Act and the law's effective date was July 1, 2009, the following information is a brief overview of the actions MDE has taken to implement this legislation.

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