MARYLAND DEPARTMENT OF THE ENVIRONMENT

1800 Washington Boulevard • Baltimore MD 21230

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Martin O'Malley Governor

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

March 25, 2013

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

The Honorable Joan Carter Conway, Chair Senate Education, Health and Environmental Affairs Committee Miller Senate Office Building 2 West Wing 11 Bladen Street Annapolis MD 21401-1991 The Honorable Michael E. Busch, Speaker House of Delegates State House, H-101 Annapolis MD 21401-1991

The Honorable Maggie McIntosh, Chair Environmental Matters Committee House of Delegates House Office Building, Room 251 6 Bladen Street Annapolis, MD 21401-1991

Dear President Miller, Speaker Busch, Chairs Conway and McIntosh:

As required in Environment Article §6-905.5(j) (1) of the Environment Article, <u>Annotated Code of</u> <u>Maryland</u>, I am enclosing a copy of the report on the Department's activities under the Mercury Switch Removal from Vehicles.

If we can provide you with any additional information, please contact me or Mr. Horacio Tablada, Director of the Land Management Administration, at 410-537-3304 or via e-mail at <u>htablada@mde.state.md.us</u>

Sincerely,

Robert M. Summers, Ph.D. Secretary

Enclosure cc: Horacio Tablada, Director, Land Management Administration Heather Barthel, Director, Legislation and Intergovernmental Affairs



Collection of Mercury Switches and Mercury Switch Assemblies from Vehicles

September 1, 2011 – August 31, 2012

Prepared by: Land Management Administration

Prepared for: The Maryland General Assembly

September 2012



MARYLAND DEPARTMENT OF THE ENVIRONMENT 1800 Washington Boulevard | Baltimore, MD 21230 | <u>www.mde.state.md.us/recycling</u> 410-537-3314 | 800-633-6101 x3314 | TIY Users: 800-735-2258 Martin O'Malley, Governor | Anthony G. Brown, Lt. Governor | Robert M. Summers, Secretary





Department of the Environment

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2011 ELVS MANUFACTURERS' IMPLEMENTATION REPORT		

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Background

In the 2009 session, the Maryland General Assembly passed House Bill 1263, concerning mercury switch removal from end-of-life vehicles. This bill became law on July 1, 2009.

The impetus for the law was concern that processing scrap metal from motor vehicles was causing releases of mercury to the environment from mercury-containing switches. The law requires removal of mercury-containing switches from end-of-life vehicles by vehicle recyclers and by scrap processing facilities. Manufacturers of vehicles with mercury switches are required to develop and implement a "mercury minimization plan" that will assist entities required to remove mercury-containing switches from vehicles. Following are the relevant sections of the Environment Article, Annotated Code of Maryland: Section 6-904 (Findings), Section 6-905 (Definitions), Section 6-905.4 (Mercury minimization plan), Section 6-905.5 (Mercury switches or mercury switch assemblies), and Section 6-905.6 (Violations and penalties).

Section 6-905.5(j) of the Environment Article, Annotated Code of Maryland, requires the Maryland Department of the Environment ("Department" or "MDE") to submit a report to the General Assembly by October 1 of each year on the implementation of the law. The report is to include information on:

- 1. The number of mercury switches and mercury switch assemblies recovered from vehicles;
- 2. The capture rate of switch recovery achieved;
- 3. The number of switches projected to be recovered;
- 4. The amount and use of funds paid into the State Recycling Trust Fund for the administration of the law; and
- 5. Any recommendations to improve the provisions of the law or to increase the capture rate of mercury switches from vehicles.

This document is submitted in fulfillment of the requirement of Section 6-905.5(j) of the Environment Article, Annotated Code of Maryland. This report covers the period from September 1, 2011 through August 31, 2012.

Overview of Mercury Switch Collection Program

Under Maryland law, vehicle manufacturers that sold vehicles containing mercury switches in Maryland must develop a mercury minimization plan. The plan ensures that manufacturers will be responsible for removal and collection of mercury switches from end-of-life vehicles before the vehicles are processed at vehicle recycling and scrap processing facilities. Processing includes intentionally flattening, crushing, bailing or shredding. The plan is required to include information on the location of mercury-containing switches in vehicles by make, model, and model year; information on the safe and environmentally responsible removal and handling of mercury-containing switches; a plan for implementing and financing the removal, collection, and recovery of mercury-containing switches; payments to vehicle recyclers for each mercury-containing switch collected in accordance with the mercury minimization plan; and maintenance of appropriate record-keeping systems associated with implementation of the plan. Vehicle manufacturers that installed mercury-containing switches have established a nationwide collection program for automotive mercury switches. This program is being implemented by the End of Life Vehicle Solutions Corporation (ELVS), an entity created by a consortium of motor vehicle manufacturers. The ELVS website (<u>www.elvsolutions.org/index.htm</u>) states that ELVS was created by the automotive industry to promote the industry's "environmental efforts in recyclability, education and outreach, and the proper management of substances of concern."

Automobile manufacturers are relying on the ELVS mercury switch collection program to serve as the core of the Maryland approved "mercury minimization plan" that the manufacturers were required to develop and implement under Maryland law. Under the program, ELVS provides vehicle recyclers and scrap processors with specially designed containers for collection, temporary storage, and shipping of mercury switches removed from end-of-life vehicles. Pre-paid shipping is included with containers that are provided to program participants.

ELVS has developed educational materials that identify which vehicles have mercury switches, where the switches are located on the vehicles, and how the switches should be removed. These educational materials are provided to program participants, and are also made available on the ELVS website (www.elvsolutions.org/index.htm).

Maryland participants are eligible for bounty payments from ELVS of \$4.00 per mercury light switch or mercury light switch assembly and \$6.00 per mercury-containing antilock braking system (ABS) unit, provided the switches are delivered to ELVS in accordance with requirements specified in the program plan. The plan also provides for a payment from ELVS to MDE of \$1.00 for each mercury switch delivered to ELVS in accordance with the plan.

ELVS submitted its mercury minimization plan for review by MDE on September 27, 2009. On October 27, 2009, ELVS submitted a revised plan that addressed issues arising from the General Motors bankruptcy and reorganization. The Department reviewed the plan and provided ELVS with written comments on October 30, 2009. ELVS provided MDE with a revised plan on November 23, 2009 and MDE approved the plan on January 25, 2010.

As of August 31, 2012, ELVS had enrolled 164 of a possible 168 participants from Maryland in the collection program. Not all of these are unique entities, however. It appears that for business purposes, some participants are operating under multiple names at the same location. The number of unique participants enrolled includes 127 vehicle recyclers and 14 scrap processing facilities.

Report of Required Information

This section of the report presents information required by Section 6-905.5(j) of the Environment Article, Annotated Code of Maryland, to be reported to the General Assembly. The information is presented in the order it is listed in Section 6-905.5(j).

• Number of mercury switches and mercury switch assemblies recovered from vehicles:

From September 1, 2011 through August 31, 2012, a total of 12,468 mercury switches, yielding 27.71 pounds of mercury, were delivered to the ELVS recycling contractor from Maryland vehicle recyclers and scrap processing facilities. This is an increase of 66.89 percent compared to the previous twelve months (7,471 switches). From January 1, 2012 to August 31, 2012, a total of 8,221 mercury switches, yielding 18.27 pounds of mercury, were delivered to the ELVS recycling contractor from Maryland. Appendix A: The 2011 ELVS Manufacturers' Implementation Report required from vehicle manufacturers, details collection activities for CY 2011. Note that there is a lag between the time that participants remove switches from vehicles and the time that the switches are delivered to ELVS because it takes time to accumulate enough switches to fill the collection/shipping container. Containers must be shipped within one year of beginning collection, regardless of the number of switches collected.

	Number of	Pounds of Mercury
Calendar Year	Switches Collected	Collected **
2012 ^ (projected)	12,332	27.40
2012 *	8,221	18.27
2011	11,011	24.47
2010	5,509	12.24
2009	10,052	22.34
2008	4,625	10.28
2007	860	1.91
TOTAL **	40,278	89.51

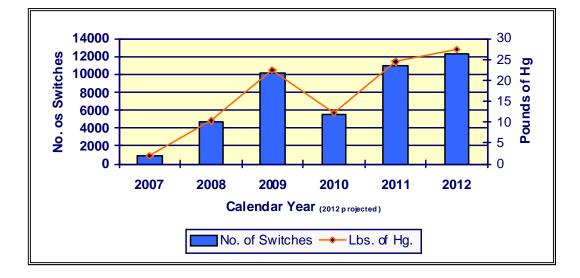
Data from 2007 - 2012 is presented in the following table and chart:

 $^{\wedge}$ 2012 projected switches equal to 8,221 \div 8 x 12.

* 2012 data for period January 1, 2012 through August 31, 2012, period covered by report.

****** Per ELVS, 450 switches = 1 pound of mercury.

• Actual total through August 31, 2012. 2012 projected <u>not</u> included in Total.



Month-by-month	data (on t	he	number	of	switches	turned	in	to	ELVS	from
September 1, 201	l throu	ıgh A	Aug	ust 31, 20)12,	, are show	n in the	fol	low	ing tabl	le:

	Number of
Month-Year	Switches
Sept-2011	1,069
Oct-2011	808
Nov-2011	1,052
Dec-2011	1,318
Jan-2012	1,352
Feb-2012	1,692
Mar-2012	783
Apr-2012	1,408
May-2012	1,329
Jun-2012	917
Jul-2012	434
Aug-2012	306
TOTAL	12,468

• Capture rate of switch recovery achieved:

ELVS uses the Switch Retirement Model developed by the National Vehicle Mercury Switch Recovery Program (NVMSRP) Measurement Committee to identify switch populations and estimate mercury switch retirement rates through 2017. The NVMSRP was developed through a collaborative effort involving the U.S. Environmental Protection Agency, states, environmental organizations, and several industry sectors. More information on the NVMSRP is available at www.epa.gov/mercury/switchfs.htm.

The Switch Retirement Model uses historic information on vehicle sales by state, estimates of vehicle scrappage rates as a function of vehicle age, and information on the average number of mercury switches per vehicle to estimate the number of switches expected to be in vehicles scrapped each year, by state.

The model estimates the total number of mercury switches installed in vehicles manufactured before automobile model year 2003 to be 169,185,000 in vehicles sold in the United States. The 2002 model year was the last year that mercury switches were installed in vehicles. Most of the vehicles manufactured prior to 2003 containing these switches have already been taken out of service. The model estimates that 14,935,000 mercury switches nationally will be taken out of service from 2012 through 2017. The number of mercury switches available for collection from vehicles taken out of service in Maryland from 2012 through 2017 is estimated at 215,000. The model estimates that 44,000 mercury switches were available for collection from vehicles taken out of service in Maryland in calendar year 2012.

The following table presents detailed estimates for switches available for recovery, by year, as estimated by the Switch Retirement Model:

Maryland Mercury Switch Model

	Soronnogo	No. Switches in Operation	No. Scrapped	2007 Switches	2008	2008 Switches	2009 No	2009 Switches	2010	2010 Switches In	2011 No	2011 Switches In
Year Model	<u>Scrappage</u> <u>Rate</u>	<u>as of 7/06</u>	<u>2007</u>	<u>In</u> Operation	<u>No.</u> Scrapped	In Operation	<u>No.</u> Scrapped	<u>In</u> Operation	<u>No.</u> Scrapped	<u>Operation</u>	<u>No.</u> Scrapped	<u>III</u> Operation
1973 & OLDER	20.2	21,818	4,407	17,411								
1974	20.2	2,485	502	1,983	3,918	15,476						
1975	20.2	2,328	470	1,858	375	1,482	3,426	13,533				
1976	20.2	3,541	715	2,826	571	2,255	455	1,799	3,097	12,235		
1977	20.2	5,058	1,022	4,036	815	3,221	651	2,570	519	2,051	2,886	11,400
1978	19.3	6,318	1,219	5,098	1,030	4,068	822	3,247	656	2,591	523	2,067
1979	18.5	7,687	1,422	6,265	1,209	5,056	1,021	4,034	815	3,219	650	2,569
1980	17.7	4,186	741	3,445	637	2,807	542	2,266	458	1,808	365	1,443
1981	16.9	4,465	755	3,711	657	3,054	565	2,489	480	2,009	406	1,603
1982	16.1	5,205	838	4,367	738	3,629	642	2,987	553	2,434	470	1,964
1983	15.2	8,546	1,299	7,247	1,167	6,080	1,028	5,052	894	4,158	769	3,389
1984	14.5	15,242	2,210	13,032	1,981	11,051	1,779	9,272	1,567	7,705	1,364	6,341
1985	13.6	20,847	2,835	18,012	2,612	15,400	2,341	13,059	2,103	10,957	1,852	9,105
1986	12.9	34,873	4,499	30,375	4,131	26,244	3,805	22,438	3,411	19,028	3,063	15,964
1987	12.1	32,462	3,928	28,534	3,681	24,853	3,380	21,473	3,114	18,359	2,791	15,569
1988	11.4	41,449	4,725	36,724	4,444	32,280	4,164	28,116	3,824	24,292	3,522	20,770
1989	10.6	56,526	5,992	50,534	5,761	44,773	5,418	39,356	5,077	34,279	4,662	29,617
1990	9.9	46,336	4,587	41,749	4,425	37,323	4,255	33,069	4,001	29,067	3,750	25,318
1991	9.2	48,654	4,476	44,177	4,374	39,804	4,219	35,585	4,057	31,528	3,815	27,713
1992	8.5	42,356	3,600	38,756	3,566	35,190	3,484	31,706	3,361	28,345	3,231	25,114
1993	7.8	53,606	4,181	49,425	4,201	45,224	4,161	41,063	4,065	36,998	3,922	33,076
1994	7.3	66,074	4,823	61,250	4,778	56,473	4,800	51,672	4,754	46,919	4,645	42,274
1995	5.6	47,409	2,655	44,754	3,267	41,487	3,236	38,251	3,251	35,000	3,220	31,780
1996	4.6	38,912	1,790	37,122	2,079	35,044	2,558	32,485	2,534	29,952	2,546	27,406
1997	3.4	13,580	462	13,118	603	12,514	701	11,814	862	10,951	854	10,097
1998	3.1	14,115	438	13,678	465	13,213	608	12,605	706	11,899	869	11,031
1999	2.5	22,655	566	22,089	685	21,404	728	20,676	951	19,725	1,105	18,620
2000	2.3	8,317	191	8,125	203	7,922	246	7,677	261	7,416	341	7,075
2001	1.8	9,551	172	9,379	216	9,163	229	8,934	277	8,657	294	8,363
2002	1.7	29,114	495	28,619	515	28,104	646	27,458	686	26,771	830	25,942
	Total	713,713	66,016	647,697	63,102	584,595	59,909	524,687	56,333	468,354	52,745	415,609
Note: Switches available f subtracting inaccessible switc	-	Switches Newly										
end of life vehicle exports, and do not enter the recycling strea	lost or stolen vehicles which	Available in MD for Collection:	61,000		51,000		51,000		51,000		48,000	

	<u>Scrappage</u>	2012 <u>No.</u>	2012 Switches	2013 <u>No.</u>	2013 Switches <u>In</u>	2014 <u>No.</u>	2014 Switches <u>In</u>	2015 <u>No.</u>	2015 Switches <u>In</u>	2016 <u>No.</u>	2016 Switches <u>In</u>	2017 <u>No.</u>	2017 Switches
Year Model 1973 &	<u>Rate</u>	Scrapped	In Operation	Scrapped	Operation	Scrapped	Operation	Scrapped	Operation	Scrapped	Operation	Scrapped	In Operation
OLDER	20.2												
1974	20.2												
1975	20.2												
1976	20.2												
1977	20.2												
1978	19.3	2,721	10,747										
1979	18.5	519	2,050	2,585	10,212								
1980	17.7	291	1,151	233	919	2,249	8,883						
1981	16.9	324	1,279	258	1,021	206	815	1,959	7,738				
1982	16.1	397	1,568	317	1,251	253	998	202	797	1,724	6,811		
1983	15.2	654	2,735	552	2,182	441	1,742	352	1,390	281	1,109	1,600	6,320
1984	14.5	1,173	5,168	997	4,170	842	3,328	672	2,656	536	2,119	428	1,691
1985	13.6	1,612	7,494	1,386	6,107	1,179	4,929	996	3,933	794	3,139	634	2,505
1986	12.9	2,698	13,266	2,348	10,918	2,020	8,898	1,717	7,181	1,451	5,730	1,158	4,573
1987	12.1	2,507	13,062	2,208	10,855	1,921	8,933	1,653	7,281	1,405	5,876	1,187	4,689
1988	11.4	3,157	17,613	2,836	14,777	2,497	12,280	2,174	10,106	1,870	8,237	1,590	6,647
1989	10.6	4,294	25,323	3,849	21,473	3,457	18,016	3,045	14,972	2,650	12,322	2,279	10,042
1990	9.9	3,443	21,874	3,172	18,703	2,843	15,860	2,553	13,306	2,249	11,058	1,957	9,100
1991	9.2	3,575	24,138	3,283	20,855	3,024	17,831	2,710	15,121	2,434	12,686	2,144	10,542
1992	8.5	3,039	22,075	2,848	19,227	2,615	16,613	2,409	14,204	2,159	12,045	1,939	10,106
1993	7.8	3,771	29,305	3,546	25,759	3,323	22,436	3,051	19,385	2,811	16,574	2,519	14,055
1994	7.3	4,481	37,793	4,308	33,484	4,052	29,433	3,797	25,636	3,486	22,149	3,212	18,938
1995	5.6	3,146	28,634	3,035	25,598	2,918	22,680	2,744	19,936	2,572	17,364	2,362	15,003
1996	4.6	2,521	24,884	2,464	22,421	2,377	20,044	2,285	17,759	2,149	15,610	2,014	13,597
1997	3.4	858	9,239	850	8,389	830	7,558	801	6,757	770	5,987	724	5,262
1998	3.1	860	10,170	864	9,306	856	8,450	837	7,613	807	6,806	776	6,030
1999	2.5	1,359	17,261	1,346	15,915	1,353	14,562	1,340	13,222	1,309	11,913	1,263	10,651
2000	2.3	396	6,678	488	6,191	483	5,708	485	5,223	481	4,742	469	4,273
2001	1.8	385	7,978	447	7,532	550	6,982	545	6,437	547	5,890	542	5,348
2002	1.7	882	25,060	1,153	23,907	1,339	22,568	1,647	20,921	1,632	19,289	1,640	17,649
	Total	49,063	366,546	45,372	321,173	41,627	279,546	37,973	241,573	34,117	207,456	30,436	177,020
	Switches Newly Available in MD for												
	Collection:	44,000		41,000		38,000		34,000		31,000		27,000	

To determine the capture rate (CR) in Maryland for the reporting period September 1, 2011 through August 31, 2012, the number of switches available during this period was calculated as follows:

September 1 through December 31, 2011, the number of switches available was 48,000 x (4/12) = 16,000

January 1 through August 31, 2011, the number of switches available was 44,000 x (8/12) = 29,333.

Therefore, the CR from September 1, 2011 through August 31, 2012 is:

 $\frac{Number of Switches Turned In}{Number of Total Switches} = Capture Rate \text{ or } \frac{12,468}{45,333} = 0.2750 \text{ or } 27.5\%$

As mentioned above, there can be a significant lag time before a switch that has been removed is turned in for recycling. Also, economic concerns related to the recession may have reduced the number of switches available as vehicle owners keep vehicles in operation longer. There may be some uncertainty in the model's estimate of the number of switches available because the model assumes that a vehicle that was purchased in Maryland will be scrapped in Maryland. That does not take into account such factors as vehicles being taken out of state by persons who relocate, and trade-in vehicles being sent out of state by new car dealers. However, this could be happening in other states as well, resulting in vehicles originally purchased elsewhere being scrapped in Maryland.

• Number of switches projected to be available for recovery:

The NVMSRP Switch Retirement Model, available on the ELVS web page at <u>www.elvsolutions.org/NVMSRP Switch Retirement Model_V2_Feb_10.xls</u> provides the following estimates for number of end-of-life vehicle mercury switches available in Maryland through 2017:

Year	Estimated No. Switches Available from Vehicles Scrapped in Maryland
2007	61,000
2008	51,000
2009	51,000
2010	51,000
2011	48,000
2012	44,000
2013	41,000
2014	38,000

Year	Estimated No. Switches Available from Vehicles Scrapped in Maryland
2015	34,000
2016	31,000
2017	27,000
Total	477,000

• Amount and use of funds paid into the State Recycling Trust Fund:

For State Fiscal Year 2012 (*i.e.*, July 1, 2011 through June 30, 2012), MDE has been paid \$6,442 by ELVS. As stated in the manufacturers' mercury minimization plan, ELVS pays the State the \$1.00 required under the statute only upon receiving proper paperwork from program participants. The switch recovery plan MDE approved includes the statement "ELVS will further authorize the payment of \$1 for each *form verified* (emphasis added) mercury convenience light switch or mercury containing ABS assembly to the Maryland Department of the Environment."

The limited funds received are being applied toward program staff costs and outreach activities. These expenditures include mailings to vehicle recycling facilities, and staff contacts by phone and in person with regulated facilities.

In State FY 2012, \$46,169.83 was charged for mercury switch recovery program activities. Details on these expenditures are provided in the following financial statement.

MERCURY AUTO SWITCH ACTIVITY

July 1, 2011 to June 30, 2012

A.	Beginning Balance 7/01/11	\$0.00
B.	FY 2012 Cash Receipts	
	Mercury Vehicle Switch Payments from ELVS	\$6,442.00
C.	Total Receipts Available FY 2012 (A+B)	\$6,442.00

FY 2012 Expenditures

D.

Salaries and Wages	36,053.70
Technical and Special Fees	0
Communications	28.30
Travel	0
Utilities	0
Motor Vehicle Operations and Maintenance	0
Contractual Services	0
Supplies and Materials	0
Equipment	0
Grants	0
Fixed Charges	0
Subtotal	36,082.00
Indirect Costs (27.98%)	10,087.83
Total Expenditures	46,169.83

E. Balance for Mercury Switch Activities June 30, 2012

(\$39,727.83)

Highlights of MDE Activities

During the period covered by this report, MDE performed outreach activities to inform vehicle recyclers and scrap processing facilities of their obligations to remove and collect mercury switches from end-of-life vehicles. Outreach activities included direct mailings to members of the auto recycling industry, telephone calls, and site visits.

On February 16, 2012 a letter was sent to 67 Maryland vehicle recyclers and scrap processing facilities that were not registered with ELVS. The purpose of that letter was to:

- remind participants of the requirements of the law;
- alert participants concerning the deadline of December 31, 2010, for completion of the inventory requirements under the law; and
- provide participants with information to help them comply with the law's requirements.

The letters included a "Frequently Asked Questions" document providing additional information on program requirements and implementation.

In addition to telephone calls, Internet searches, and letters, MDE made 112 site visits to vehicle recyclers and scrap processing facilities to gather information on program implementation, provide compliance assistance, and when necessary issue Site Complaints for non-compliance with the Environment Article, Annotated Code of Maryland Section(s) 6-904, 6-905, 6-905.4, 6-905.5, and/or 6-905.6. Inspections focused on: the removal of mercury switches from end-of-life vehicles; proper record keeping, and the proper storage and shipping of mercury switches to ELVS. As a result of the outreach, 164 of 168 vehicle recyclers and scrap processing facilities are registered with ELVS. Additionally, 4 Site Complaints were issued for failure to register with ELVS and 1 Site Complaint was issued to a registered facility for failure to remove the mercury switches in inventory prior to December 31,2010, and failure to maintain electronic records.

Implementation Challenges

Payment to the State by vehicle manufacturers of \$1.00 per switch recovered, as mandated in the statute, is a concern because the manufacturers are only making payments for switches accompanied by ELVS-required paperwork that is completely and correctly filled out. As a result, the State received only \$6,442 in payments in FY 2011. Additionally, some program participants may not consider the burden of filling out the ELVS paperwork worth the bounty of \$4.00 or \$6.00 per switch that ELVS will reimburse for properly documented switches. Also, since the switch bounty is considered income for tax purposes, some participants are forgoing the bounty so as not to further complicate their tax filings. The Department will remain focused on this concern with efforts made at the time of inspection to reiterate the need to complete all paper work that is expected by ELVS upon receipt of mercury switches.

An observation from site visits is that participants are frequently slow to turn in switches they have collected. The Department's outreach efforts will continue to encourage the timely shipment of switches once the collection buckets are approaching "full, or approaching the "one year Universal Waste Rule limit" for having the mercury switches on site.

The electronic record-keeping requirement of the statute continues to be a difficult requirement for some facilities. While many of the vehicle recyclers and scrap processing facilities are large with sophisticated inventory control, others are small operations with limited computer capability.

Future Activities

The Department will continue outreach activities, concentrating on site visits to ensure vehicle recyclers' and scrap processing facilities' compliance with Maryland's mercury switch recovery law. The highest priority will be on facilities who have never returned switches via the ELVS program. The Department's goal is to conduct 15 site visits a month. Enforcement action will continue to be taken against facilities that fail to comply with the law.

Appendix A

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EUS end of life vehicle solutions

P.O. BOX 3282 Farmington Hills, MI. 48333-3292

January 31, 2012

Ms. Hilary Miller Program Manager Technical Services and Operations Program Land Management Administration Maryland Department of the Environment 1800 Washington Boulevard - Suite 610 Baltimore, MD 21230-1719

Subject: End-of-Life Vehicle Solutions Corporation "Manufacturer's Annual Implementation Report"

Dear Ms. Miller,

The Annotated Code of Maryland Section 6-905.5(G) Mercury Switch Removal from Vehicles, Chapter 713 requires vehicle manufacturers to report annually to the Maryland Department of the Environment on the progress of their mercury minimization plan including:

- the number of mercury switches collected
- · a description of the capture rate achieved
- a description of actions that may be implemented to improve the plan if a capture rate of at least 90% for the previous calendar year is not achieved
- the number of end-of-life vehicles containing mercury switches
- a description of how the mercury switches were managed
- a description of the costs of implementing the program

This report is provided by End of Life Vehicle Solutions Corporation on behalf of its member automotive companies. The participating members of ELVS are: Chrysler Group 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 Inc.; Subaru of America, Inc; Toyota Motor Sales USA, Inc.; Volkswagen Group of America, Inc; Volvo Cars of North America; and Volvo Trucks North America. This report also includes switches from the former MLC (old GM).

Mercury Switches Collected

A total of 11,011 mercury switches were delivered to the ELVS recycling contractor from Maryland dismantlers during calendar year 2011, yielding 24.2 pounds of recovered mercury. There were 138 registered dismantlers, 32 of which submitted switches.

Mercury Switch Capture Rate

The estimated number of switches available for recovery in Maryland during 2011 was 48,000. The number of switches collected (11,011) yields an annual capture rate of 23% (11% for 2010).

Vehicle / Switch Estimates

ELVS uses the National Vehicle Mercury Switch Recovery Program (NVMSRP) Switch Retirement Model (<u>www.elvsolutions.org/model.html</u>) approved by the U.S. EPA and program partners to estimate mercury switch populations. The model was developed to identify switch populations and estimate mercury switch retirement rates through 2017. Therefore, the model focuses on mercury switch counts rather than vehicle counts.

The model estimates that the national total number of mercury switches historically manufactured in vehicles to be 169,185,000. Most of the vehicles containing these switches have already been scrapped, with an estimated 14,935,000 switches remaining in today's national fleet for collection through 2017. Maryland's portion of these switches remaining for collection through 2017 is estimated to be 215,000.

For reference and according to the model, the number of mercury switches that were available nationally for recovery in 2011 was estimated to be 3,404,000 units. In Maryland 48,000 switches were available for recovery in 2011.

For your convenience, regularly updated collection information is available through our contractor's (Environmental Quality) website, <u>http://www.eqonline.com/services/ELVS-Mercury-Switch-Recovery-Program/annual-report.asp?year=all</u>, portions of which are now downloadable into Excel. This web-based data tracking system is part of ELVS' commitment to data accessibility, and will be available at least until 2017.

Processing of Vehicles

ELVS does not have data on the actual number of end of life vehicles processed. Our estimate is based on data from the 2011 Ward's Motor Vehicle Facts & Figures. According to Wards, the number of vehicles retired from use nationally in 2010 (the latest year given) is 10,534,000. The total registrations for Maryland for 2009 (again, the latest year given) are 4,483,598 out of 239,061,943 registered nationally. We estimate approximately 197,565 end of life vehicles were processed in Maryland in 2010 (10,534,000*(4,483,598/239,061,943)). This does not include end of life vehicle imports or exports from the state or the effect of recessions. We realize that the number of vehicles retired annually varies year to year depending on many conditions. Our estimate is therefore based on the best available data.

Improvement Actions

During 2011, ELVS launched two special studies to increase our understanding of actual mercury switch availability. These studies are examining how many potential vehicles with switches leave or enter a state's recycling population to be processed, or sold as whole, salvage, parts, or junk vehicles. The studies also attempt to determine if the number of switches assumed by the ELVS switch availability model is accurate, and if it is not, identify and address discrepancies in the original model assumptions to estimate a more accurate switch population. These studies will be completed in early 2012 and the findings may be applied to switch population estimates for Maryland, possibly leading to adjusted capture rates that indicate greater success in collections than previously calculated.

ELVS has also asked the U.S. Environmental Protection Agency to participate in a joint mailing in 2012 to companies registered in our program, encouraging their continued participation and switch collections.

Mercury Switch Management

Mercury switches received by ELVS are generally managed as follows:

- Dismantlers remove the switch assemblies and place them in the collection bucket, or extract and place the mercury pellets in the collection buckets. ABS assemblies with multiple pellets are returned as units.
- Once the buckets are full, the dismantler contacts EQ Industrial Services, Inc. which pays for the shipping of the buckets to its facility in Michigan.
- EQ records the number of pellets and enters them into its database. The pellets are then sent to a retorting facility where the mercury is recycled.

Program Costs

The total implementation cost for the program including bounties, bucket charges, and program maintenance was \$49,456 for calendar year 2011.

We look forward to a steady increase in the number of switches returned to ELVS for recycling in 2012. If you have any questions or comments regarding this report, please contact me at brelvs@yahoo.com.

Sincerely,

Bun H. Rippon

Brian Rippon End-of-Life Vehicle Solutions Project Manager