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"Achieving Mercury Reduction in Products & Waste: Coordinating National and Local Government Initiatives"
Portland Maine, May 23 – 25, 2005

Session: "Reducing & Collecting Mercury Auto Switches & Other Mercury Components of Cars", May 24, 9:45 am.

"Justification for Mercury Switch Removal Legislation in the States"

Presented by:

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Abstract

The "Partnership for Mercury Free Vehicles" (PMFV) is a recycling industry group which includes the Steel Recycling Institute (SRI), a unit of the American Iron and Steel Institute (AISI), the Automotive Recyclers Association, the Institute of Scrap Recycling Industries (ISRI), the Steel Manufacturing Association as well as several non-government organizations. The mission of the PMFV is to develop and promote a comprehensive solution to removing mercury from vehicles before they are recycled.

- Over 14 million vehicles were recycled in 2004 in the U.S.
- Over 14.2 million tons of iron and steel recovered from end of life vehicles out of a total recovery of 76.2 million tons from all sources.
- Approximately 250 million vehicles are currently on the road.
- Many U.S. model vehicles manufactured in the United States prior to 2002 may contain up to two mercury lighting switches (with 1 gram of mercury per switch).

- Most foreign manufactured vehicles discontinued the use of mercury switches over 10 years ago

- The primary responsibility for implementing and funding a mercury recovery plan should lie with the vehicle manufacturers.

The Partnership for Mercury Free Vehicles has developed model legislation that would impose a mandatory removal program - placing the responsibility with the vehicle manufacturers. Such a vehicle manufacturer focused program in each of the states would reduce the quantity of mercury in the environment by:

- Removing mercury from vehicles in commerce and end-of life vehicles in the state.
- Creating a collection and recovery program for mercury switches removed from vehicles in the state.
- Establishing a system to store the mercury collected and recovered from vehicle components in the event that environmentally appropriate management technologies are not available.
- Compensating vehicle recyclers and dismantlers for their portion of the costs they will incur in removing mercury switches before processing the vehicles for recycling, and supporting the appropriate government department in each state by covering a portion of the cost of administering the recovery program.
- Designing future vehicles for maximum environmental protection and recyclability at the end of their useful lives by implementing a Design for Recycling® Program which includes phasing out the use of mercury in future vehicle models.

STATE ACTIVITIES

The legislation is based on the model legislation developed by the Partnership for Mercury Free Vehicles that requires automakers to take responsibility (including financial) for the removal of mercury switches from end-of-life vehicles prior to shredding:

- **Alabama –** *Pending*
- **Arkansas** - Success
- **California -** *Pending*
- **Connecticut** - *Pending*
- **Illinois** – *Pending*
- **Indiana** – *Pending*
- **Louisiana** – *Pending*
- **Maine** – *Success*
- **Massachusetts** – *Pending*
- **Minnesota –** *Targeted*
- **New Hampshire** – *Targeted*

- **New Jersey** – *Success*
- **New York** – *Pending*
- **North Carolina** – *Pending*
- **Pennsylvania** – *Pending/Success* (*voluntary program)*
- **Rhode Island** – *Pending*
- **South Carolina** – *Pending*
- **Texas** – *Pending*
- **Washington** - *Pending*
- **Wisconsin** – *Targeted*

Steel Recycling Institute

04/27/05

Justification for Mercury Switch Removal Legislation in the States

The "Partnership for Mercury Free Vehicles" (PMFV) is a recycling industry group which includes the Steel Recycling Institute (SRI), a unit of the American Iron and Steel Institute (AISI), the Automotive Recyclers Association, the Institute of Scrap Recycling Industries (ISRI), the Steel Manufacturing Association as well as several non-government organizations. The mission of the PMFV is to develop and promote a comprehensive solution to removing mercury from vehicles before they are recycled.

All steel made in North America contains scrap steel, which typically consists of construction and demolition ferrous debris, appliances, cans and containers, and shredded steel from end of life vehicles. This scrap is obtained from all 50 states through a variety of sources such as scrap processors, curbside collection; drop off centers and vehicle shredding facilities.

Our most current figures from 2004 indicate that over 14 million vehicles were recycled that year in the United States. This equates to over 14.2 million tons of iron and steel recovered from vehicles out of a total recovery of 76.2 million tons from all sources. It should also be noted that approximately 250 million vehicles are currently on the road.

A typical vehicle weighs approximately 3000 lbs. of which about 2000 lbs. are iron and steel, including the steel cage and side impact beams that protect American families in their vehicles.

The vehicle scrap, while being very desirable to the steel manufacturing process because of its high quality, has increasingly been a problem for our manufacturing facilities because of mercury contamination, which is attributable to certain automotive and vehicle applications.

The steel industry is acutely aware of mercury contamination in vehicle scrap, and recognizes that the predominate source is mercury switches. Many U.S. model vehicles manufactured in the United States prior to 2002 may contain up to two mercury lighting switches (with 1 gram of mercury per switch). These switches are for lighting either the trunk or hood or both. Some vehicles also contain a mercury switch in the anti-lock braking system (with 2.4 grams of mercury per switch). Most foreign manufactured vehicles discontinued the use of mercury switches over 10 years ago. These mercury switches represent a significant portion of the mercury used in manufacturing consumer products in the U.S. during this time period. EPA is currently considering regulations to reduce mercury emissions from steel manufacturing facilities. If these requirements are imposed on the steel industry at "the stack", the cost of attempting to remove mercury will be prohibitive ($540 to $900 per pound) and would require major expenditures on technology, which has not proven to be effective. For these reasons, the

PMVF recognizes that the most cost effective and fair way to address this serious problem facing the steel recycling industry is to remove the mercury switches from end-of-life vehicles before they are processed for recycling back into new steel.

The primary responsibility for implementing and funding a mercury recovery plan should lie with the vehicle manufacturers. The financial burden should not be the responsibility of dismantlers, shredding operations and certainly not of the end user - - the steel industry, or in other words, the recycling side of vehicle disposal.

The steel industry first requested that vehicle manufacturers stop using mercury switches over 10 years ago. It was only recently (2002) that the practice has been stopped (by domestic manufacturers) however a significant number of vehicles manufactured prior to 2002 have mercury switches and will be recycled over the next 8 to 10 years. In addition, new automotive applications of mercury, including high intensity discharge (HID) headlamps and background lighting in automotive displays, are currently being introduced in both foreign and domestic vehicles.

The automakers have stated that it is not their responsibility to manage the hazardous materials they designed into their products. They believe that recyclers should bear the cost of removing, collecting, transporting, storing, and recycling or disposing of the hazardous mercury components in vehicles. Automakers have not proposed, or supported, any comprehensive program to recover mercury from vehicles in the existing fleet of approximately 250 million vehicles nation-wide and continue to introduce new uses of mercury in vehicles despite mercury's known health and environmental hazards.

As a result of the automakers' continued decisions to use mercury in automotive applications, significant challenges have been created for the industries involved in end-of-life vehicle recycling. While automotive recyclers can play a part in removing mercury from automobiles, they should not bear the financial or regulatory burdens of such a recovery and collection system. Automakers must be responsible for the design choices they make; thus they must take financial and organizational responsibility for the collection and recovery of mercury from automobiles. Placing a regulatory mandate on the end users of vehicles scrap (steel manufacturers) is unfair and misplaced. We strongly believe that the burden must be placed on the industry that has caused the problem in the first place - - the vehicle manufacturers.

A mandatory (legislative) removal program - - placing the responsibility with the vehicle manufacturers is the viable and preferred option. The Partnership for Mercury Free Vehicles has developed model legislation that would accomplish just that. The first such mandatory program was passed and instituted in Maine. Additional laws based on the model were signed into law earlier this year in New Jersey and Arkansas. Similar legislation is being considered in at least 13 other states. Such a vehicle manufacturer focused program in each of the states would reduce the quantity of mercury in the environment by:

- Removing mercury from vehicles in commerce and end-of life vehicles in the state.
- Creating a collection and recovery program for mercury switches removed from vehicles in the state.
- Establishing a system to store the mercury collected and recovered from vehicle components in the event that environmentally appropriate management technologies are not available.
- Compensating vehicle recyclers and dismantlers their portion of the costs they will incur in removing mercury switches before processing the vehicles for recycling, and supporting the appropriate government department in each state by covering a portion of the cost of administering the recovery program.
- Designing future vehicles for maximum environmental protection and recyclability at the end of their useful lives by implementing a Design for Recycling® Program which includes phasing out the use of mercury in future vehicle models.

Steel manufacturers have a choice of the type of scrap that they use in their process. When that choice is between mercury free scrap vs. mercury-contaminated scrap, the answer is clear. The members of SRI, including the steel mills through out the U.S., will not knowingly violate federal or state regulations, nor will they spend millions of dollars to clean up the scrap when they have the option to use clean material. It stands to reason that if steel mills stop using vehicle shred, scrap yards may stop taking vehicles for processing or will process it and sell it over seas.

With steel being America's most recycled material, and the engine that drives the recycling of America's most recycled product - - the automobile, it is imperative that we protect this infrastructure from contaminants. If this cannot be guaranteed, the best recycling infrastructure in America - - the recycling of automobiles, will continue to be jeopardized.

Placing a regulatory burden on the end users (the steel industry) of vehicle scrap is not an acceptable option. Placing the burden on those who caused the problem in the first place - - vehicle manufacturers is more appropriate.

STATE ACTIVITIES

A brief update on where we are in the states with regard to the model legislation developed by the Partnership for Mercury Free Vehicles that requires automakers to take responsibility (including financial) for the removal of mercury switches from end-of-life vehicles prior to shredding:

- **Alabama –** Discussions are under way exploring the possibility for introduction of a bill similar to the one passed in Arkansas. The Alabama coalition has already checked with the automobile dealers association and they have indicated

that they will remain neutral relative to any introduction of mercury switch removal legislation.

- **Arkansas** - - Bill has passed both the Senate and House. Governor signed the bill into law on March 8.

- **California** – A bill based on the model and the Arkansas law was introduced in the House. The bill was favorably passed out of the House Committee on Environmental Safety and Toxic Substances on April 26.

- **Connecticut** – Bill has been introduced and was amended in committee to more resemble our model bill. Legislature failed to act in time for this session.

- **Illinois** – Representative Karen May after a fair amount of back and forth activity pulled the bill from further consideration. While the number of representatives expressing support for the bill has considerably increased over the past month, not enough signed on to give the bill a chance for passage. There is still time in the legislative session and that time will be given to generating more support for the bill. The bill is currently being held in the rules committee. Consideration is currently being given to introducing a similar bill in the Senate.

- **Indiana** – An attempt was made to pass some sort of bill (without our input) that failed. A representative Brown is pushing for a mercury switch study in HB 1033, which appears to be a very broad environmental bill. In addition, there seems to be some reluctance in the Senate (Senator Gard) with even doing a study. The full Senate and House have until COB to act on this issue. The outcome remains uncertain.

- **Louisiana** – A bill, based on the Arkansas law, has been introduced at the request of the auto dismantlers' association in the state.

- **Maine** – The first state to pass a mandatory program 3 years ago. A recent independent study was conducted to determine the effectiveness of the program. Initial results indicated an acceptable recovery rate. An amendment is pending before the state legislature that would raise the current $1 per switch incentive. That amendment has favorably cleared committee and is expected to make it through the legislative process by the end of May.

- **Massachusetts** – Bill has been introduced.

- **Minnesota –** A voluntary program was passed by the legislature. The bill started out based on our model but was significantly watered down. No incentives or bounties. Not a mandatory program. This voluntary program is to be reviewed by the state agency on the environment to report back to the Senate on its effectiveness in the near future.

- **New Hampshire** – Although our bill was defeated in Committee here two years ago, legislative efforts are underway to address the issue. The form of the legislation is still unclear

- **New Jersey** – A bill based on our model was signed into law on March 23.

- **New York** – Bill has been introduced.

- **North Carolina** – Bill based on our model has been introduced in the House. It has favorably passed one Committee and is expected not to have any problems as it moves through the legislative process.

- **Pennsylvania** – Bill based on our model was introduced in the Senate on March 29 with broad bi-partisan support. Primary sponsors include the Republican Chairman and ranking minority member of the Environment Committee. Industry and NGO support has been lined up. Timing on action is yet to be determined. **See *voluntary program below*.**

- **Rhode Island** – Bill has been introduced but it is not our model. This bill calls on the automakers to institute a voluntary removal program (as recommended by a state Commission). If they cannot show real results after a certain time frame (collection rate threshold), than a mandatory program with bounties/incentives may be implemented. Another bill, similar to the New Jersey bill (see above) has just been introduced by the Deputy Senate Democratic leader, the Democratic (Majority) leader and the Environment Committee Chair

- **South Carolina** – Bill based on our model has been introduced and is moving through the legislative process.

- **Texas** – Two versions of the bill have been introduced. Both are based on the model and follow closely the provisions of the bill passed in Arkansas. Hearing in the House took place on April 5.

- **Washington** – Bill has been introduced in both the House and Senate. House bill was reported out of authorizing committee, but failed to be reported out of appropriations committee before the legislative deadline. Hence, the House bill is dead. The Senate bill was reported favorably from the authorizing committee. It by-passed the appropriations committee and was sent to the Rules Committee. It was reported favorably by the Rules Committee and passed the Washington State Senate 35-13. Ten Republicans voted with the majority Democrats, one Democrat voted with the minority Republicans. The bill has been sent to the Washington State House of Representatives for action. We believe there were enough votes in the House for passage however the Speaker of the House refused to let the bill come up for a vote. The bill is essentially dead for this session and will have to be re-introduced in the next.

- **Wisconsin –** A 'disincentive" program, funded by an EPA grant (soon to end) for enforcement of storm water permits, is in place. Not considered to be effective. Negotiations are underway between WI DEP and the automakers to extend the program. Autos have offered between $360,000 and $480,000 for a 3-year program. Discussions are also under way by some stakeholders to consider introduction of bill for a mandatory program.

Pennsylvania Voluntary Program

Pennsylvania DEP in partnership with SRI, ISRI, AERC Recycling Solutions, Bethlehem Apparatus Company, the Clean Air Council and the Pennsylvania Automotive Recycling Trade Society (PARTS) is launching a voluntary mercury switch recovery program. The 2 year program, funded entirely ($350,000) by PA DEP, is up and running. PARTS conducted 3 "role out" regional training sessions for their members (dismantlers) during March and the Clean Air Council is currently conducting at least 6 training sessions in the 6 DEP regions in the state for auto dismantlers.

For questions, clarification or additional information please contact:

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