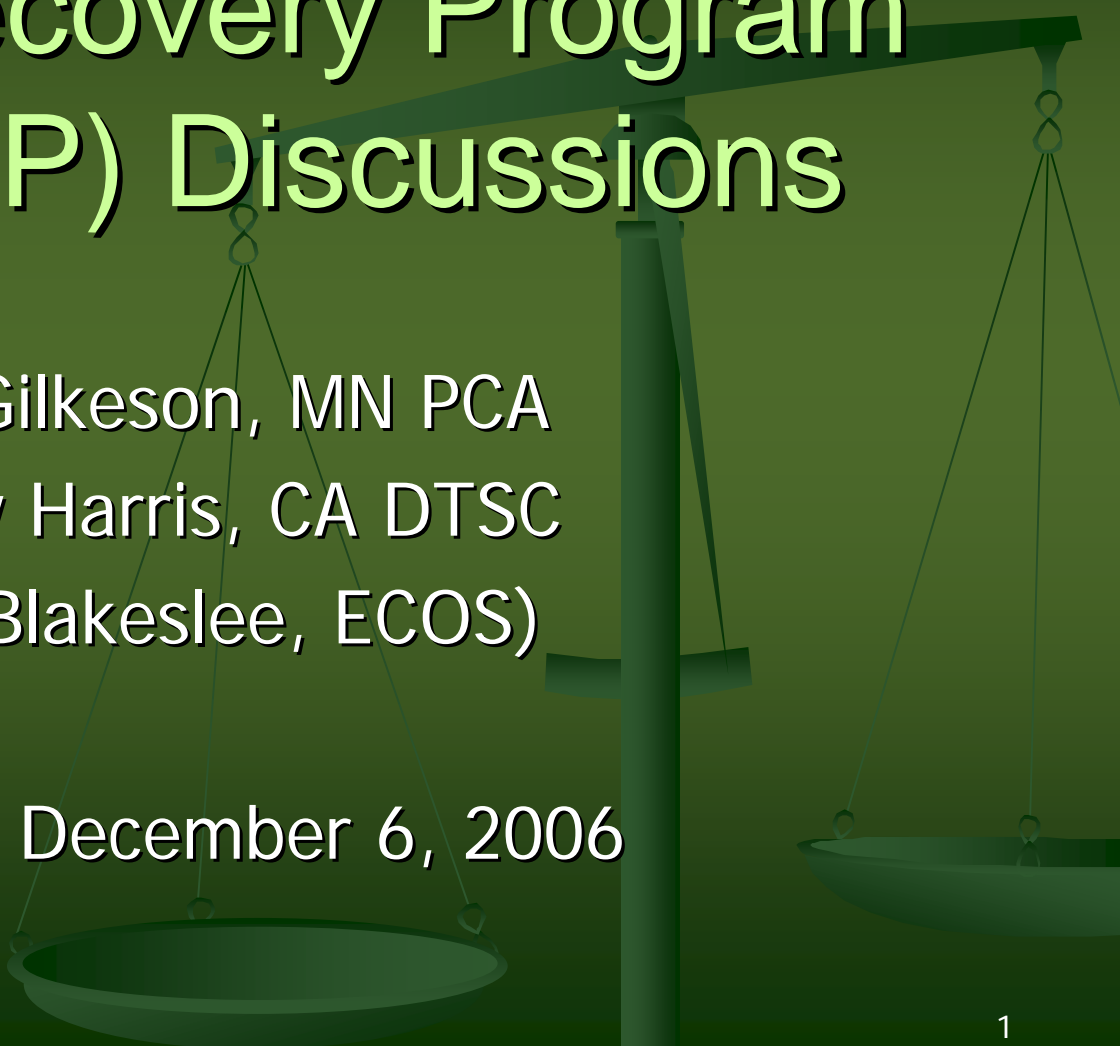


National Vehicle Mercury Switch Recovery Program (NVMSRP) Discussions



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NVMSRP MOU

- Parties
 - Vehicle manufacturers, steelmakers, vehicle dismantlers, vehicle shredders, environmental groups, ECOS, U.S. EPA
- Signed August 11, 2006
- Effective September 12, 2006

NVMSRP Goal

- Significantly reduce air emissions of mercury from steel making facilities that utilized auto shred by substantially reducing the number of mercury-containing switches in scrap automobiles before they are crushed and shredded for recycling

NVMSRP Background

- Steel industry uses more than 14 M tons from scrap vehicles
- Mercury containing switches in certain cars through end of MY 2002
- Estimate 67 M Hg switches remain in older cars (~80 Metric tons mercury)

NVMSRP Process



- Deadline set - Two meetings
- Mediated Discussion
 - Right parties at table with ability to make decisions
 - Mini assessment of bottom lines prior to 1st meeting
 - Participants worked from “framework” document
 - Mediator balanced individual and collective interests
- Principles document released after second mtg
 - Held parties to framework, but extensive negotiations continued on final full agreement

NVMSRP Agreement

- Vehicle manufacturers (through ELVS)
 - Recruit dismantlers, provide info, storage/shipping containers
 - Collect, transport, recycle, and dispose
 - Database – publicly accessible to track participation and progress
- Participating Dismantlers
 - Remove mercury switches prior to crushing
 - Send in buckets with switches
 - Receive incentive payment where eligible

NVMSRP Agreement



- Steelmakers
 - Encourage suppliers to participate
 - Utilize scrap from which Hg switches have been removed
 - Adopt purchasing practices
- Autos/Steel
 - Create fund for implementation/incentives
 - Fund directed by ECOS, Enviros, ARA, ISRI

NVMSRP Agreement



- U.S. EPA
 - Take NVMSRP into serious consideration in area source regulation for EAF's, and other MACT and area source rules as appropriate
- Other organizational participants
 - Provide support
 - Assist in outreach
 - Track progress and improve program

NVMSRP – States' role

■ States

- No legally binding obligation on any entity
- National framework sets the minimum - not to replace or weaken existing state programs
- Indicate state requirements
- Help identify dismantlers
- Assist in outreach
- Implemented on state-by-state basis

NVMSRP Drivers

- Autos - Legislative pressure from States and Steel-NGO coalition
- Steel - EPA's Proposed Area Source Rule for EAFs; other rules
- States: ECOS Resolution 04-7 established bottom line for states in national program; responsible for regulating merc/switches
- EPA: Seeking early action, voluntary framework
- Other parties - interest in removing the most switches sooner than under law/rule
- Implementation Fund - \$4 million/3 years

Implementation Fund Details

Goal: Provide financial incentive for switch recovery to jumpstart program and offset some initial costs

Who paid: Yards removing and submitting switches to ELVS collection program

Who eligible: Yards in states without other mandated, voluntary, triggered incentives

When: Any light switch, assembly, or ABS submitted on/after September 12, 2006

How much: \$1/pellet or assembly; \$3/ABS

More information:

- <http://www.epa.gov/mercury/switch.htm>
- Automakers (11 companies) operate switch collection/recycling aspect of program via “End of Life Vehicle Solutions” or ELVS; <http://www.elvsolutions.org>
- ECOS is clearinghouse for states, contact john.gilkeson@state.mn.us and/or maryb@sso.org
- Others work thru their nat’l associations, e.g., steel groups, national ARA, ISRI, etc.