

Desk Statement

Parties Reach Tentative Agreement on National Auto Mercury Switch Recovery Program

Representatives from the vehicle manufacturers, steelmakers, vehicle dismantlers, vehicle shredders, environmental community, states and the US EPA have reached agreement on a statement of principles detailing the elements of a national program for recovering mercury switches from scrap cars and light trucks before they are shredded for recycling. The parties are now working to complete a formal agreement.

Historically, mercury light switches were used in autos for convenience lights (under the hood or in the trunk) and in anti-lock braking systems. Automakers have phased out the use of these mercury switches in new vehicles. When retired vehicles are recycled, however, the mercury from unrecovered switches can be released to the environment.

The national program would include a commitment by automakers to provide information regarding switch removal and to take responsibility for collection, transportation, and recycling of the switches. Auto dismantlers and others who recover switches would submit them to the program for proper management. Steelmakers and those who produce steel scrap for steelmaking use would promote participation in the program and also act to ensure mercury switches are removed. Automakers and steelmakers would create a fund in support of implementation of the program and for incentives for participation to those removing switches.

**National Mercury Switch Recovery Program
Statement of Principles for Agreement**

March 7, 2006

Final Version

1. The parties are committing to create the National Mercury Switch Recovery Program (NMSRP). They agree that recovery of mercury switches prior to crushing and shredding of end-of-life vehicles is the most effective way in which to reduce mercury which otherwise would be emitted into the environment.
2. The NMSRP is a collaborative program involving the vehicle manufacturers, steelmakers, vehicle dismantlers, vehicle crushers, auto shredders, brokers, environmental community, state representatives and the US EPA.
3. The goal of the NMSRP is to significantly reduce air emissions of mercury from steel making facilities that utilize auto shred by substantially reducing the number of mercury-containing switches in scrap automobiles before they are crushed and shredded for recycling.
4. Vehicle manufacturers will have the lead responsibility for providing information, education, and outreach regarding switch removal. They are responsible for collection of switches and transporting them to retorters for proper recycling or disposal and will assume liability for the switches once they are collected. They will also establish a database to track switch recovery by program participants and help evaluate overall program performance.
5. Participating dismantlers and others processing end-of-life vehicles will recover mercury switches and submit them to the Program.
6. Steelmakers will strongly encourage their suppliers and others in the supply chain to support and participate in the NMSRP. In anticipation of EPA's proposed steel industry Area Source and other regulations (e.g. Iron and Steel MACT rule) that will require steelmaking facilities to reduce mercury in scrap feedstock by developing and implementing scrap work practice standards, individual steelmakers will take steps consistent with such regulatory requirements and the NMSRP to minimize the presence of mercury in auto shred. These steps include notifying relevant suppliers that such individual steelmakers, pursuant to the program, intend to utilize in their respective operations, to the maximum extent possible, scrap from which mercury switches have been removed and to adapt their respective purchasing practices to that end.
7. All organizational participants in the NMSRP will support implementation of the Program through public endorsements and by encouraging their members to participate.
8. The US EPA will take the NMSRP into serious consideration when developing an area source regulation for Electric Arc Furnaces (EAFs) and other relevant regulations.

9. The vehicle manufacturers and steelmakers will create a three-year, \$4 million dollar implementation fund in support of the Program. They each will contribute half of the funding and no additional funding for this fund is required or contemplated. The fund will support the implementation of the NMSRP through incentive payments to those recovering switches.
10. Aggressive mercury recovery goals and programmatic performance metrics have been identified for the Program. Performance will be assessed on a regular basis by all of the participating parties. Participants will work to continuously enhance the Program's performance on an ongoing basis.
11. In each state where the NMSRP is being implemented, the parties to this agreement will work collaboratively to develop an implementation plan that will provide for regular evaluation of progress and mid-course corrections to improve performance.
12. The NMSRP will be implemented until 2017 based on estimates that 90% of the vehicles containing mercury switches will be retired by that time. If the mercury switch issue becomes an insignificant contribution to the environment before that time, the program may end. If the mercury switch issue continues to be significant after that date, the program may be extended.