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March 12, 2011

Arkansas Department of Environmental Quality
Attention: Ms. Teresa Marks, Director
Mercury Switch Removal Program
5301 Northshore Drive
North Little Rock, AR 72118-5315

Subject: End of Life Vehicle Solutions Corporation Annual Manufacturers' Implementation Report

Dear Ms. Marks,

Arkansas's Code Title 8, Chapter 9, Subchapter 8-9-607 (Mercury Switch Removal Act of 2005) requires vehicle manufacturers to annually report on the implementation of a mercury minimization plan including:

- the number of mercury-added switches collected
- a description of the mercury switch capture rate achieved
- the number of end-of-life vehicles containing mercury switches
- the number of end-of-life vehicles processed for recycling
- a description of how mercury switches were managed
- a description of additional actions that may be implemented to improve the mercury minimization plans in the event that the required capture rate is not achieved
- a description of the amounts paid to cover the costs of implementing the mercury minimization plan
- steps being taken by manufacturers to design vehicles and components for recycling

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; Motors Liquidation Company (formerly General Motors Corporation); 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.

Mercury Switches Collected

For the reporting period of March 1, 2010 through February 28, 2011, a total of 5,245 mercury switches were delivered to the ELVS recycling contractor from Arkansas dismantlers, yielding 11.5 pounds of recovered mercury. Switches were submitted by 35 dismantlers during the period.

Overall, a total of 18,836 mercury switches have been submitted by Arkansas dismantlers, yielding 41.4 pounds of recovered mercury. There are 235 registered dismantlers in Arkansas, 62 of which have submitted switches since the program began.

Mercury Switch Capture Rate

A total of 6,208 switches were recovered in calendar year 2010. The estimated number of switches available for recovery in Arkansas during 2010 was 37,000, resulting in a 2010 capture rate of 17%.

Vehicle / Switch Estimates

ELVS uses the National Vehicle Mercury Switch Recovery Program (NVMSRP) Switch Retirement Model (www.elvsolutions.org/model.html) 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 18,339,000 switches remaining in today's national fleet for collection through 2017. Arkansas's portion of these switches remaining for collection through 2017 is estimated to be 188,000.

For reference, the number of mercury switches that were available nationally for recovery in 2010 was estimated to be 3,669,000 units. In Arkansas 37,000 switches were available for recovery in 2010.

For your convenience, regularly updated collection information is available through our contractor's (Environmental Quality) website, <http://www.eqonline.com/services/ELVS-Mercury-Switch-Recovery-Program/annual-report.asp?year=all>, 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.

Mercury Switch Management

Mercury switches received by ELVS are generally managed as follows:

- Dismantlers remove the switches, extract and place the mercury pellets in the collection buckets that are provided. 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 their 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.

Additional Actions

We believe that compliance assistance and education by ADEQ have improved collection results in the state, and we encourage ADEQ to continue those actions in 2011. Our experience suggests that recyclers benefit from periodic encouragement from the state to ensure that they continue to recover mercury switches. Compliance assistance reminds them that harvesting the switches is legally required.

The goal of ELVS and NVMSRP is to maximize the participation rate, monitor results, and make on-going program improvements as needed to increase the number of switches returned to ELVS. These organizations jointly pursued a variety of actions to increase the number of participants in the program and the number of switches recovered. In 2010, including:

- Steelmakers continued steps to minimize the presence of mercury in auto shred by working with their upstream suppliers and others in the supply chain to assure participation with ELVS in state mercury switch collection efforts.
- ELVS staffed display booths and gave presentations at numerous recycling conventions and trade shows across the country to encourage active participation in mercury switch collection programs. Recyclers from many states, including Arkansas attended these events.

Program Costs

- Bucket Shipment \$ 1,555
- Recycling Fees \$ 2,687
- Bounty \$30,975
- State Fees \$ 6,195
- Website/Educational Material \$ 1,610
- Travel/Personnel/Overhead \$10,000

Design for Recyclability

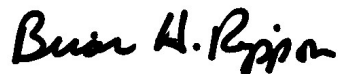
The policies regarding design for recyclability being implemented by manufacturers are described in Attachment A, "Automotive Recycling: Your Car's Afterlife" (new version this year) as well as in Attachments B1 and B2, "Vehicle Recycling Partnership Milestones." Additionally, the participating members of ELVS manage restricted substances through the International Material Database System (IMDS). Information concerning this system can be viewed at: http://www.mdsystem.com/html/en/home_en.htm.

Conclusion

Going forward, NVMSRP member organizations will continue to pursue additional outreach efforts to scrap recycling facilities and vehicle recyclers in Arkansas and provide them with the necessary materials to remove mercury switches.

If you have any questions or comments regarding this report, please contact me at brelvs@yahoo.com or 248-477-7357.

Sincerely,



Brian Rippon
End of Life Vehicle Solutions
Project Manager

Attachments