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March 24, 2015

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: FCA US LLC (formerly Chrysler Group LLC); Ford Motor Company; Mack Trucks Inc; Mercedes-Benz USA, LLC; 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

For the reporting period of March 1, 2014 through February 28, 2015, a total of 4,710 mercury switches were delivered to the ELVS recycling contractor from Arkansas dismantlers, yielding 10.4 pounds of recovered mercury. Switches were submitted by 25 dismantlers during the period.

Overall, a total of 45,945 mercury switches have been submitted by Arkansas dismantlers, yielding 101.1 pounds of recovered mercury. There are 255 registered dismantlers in Arkansas, 88 of which have submitted switches since the program began.

Mercury Switch Capture Rate

A total of 5,311 switches were recovered in calendar year 2014. The estimated number of switches available for recovery in Arkansas during 2014 was 27,000, resulting in a 2014 capture rate of 19.7%.

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 6,313,000 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 65,000.

For reference, the number of mercury switches that were available nationally for recovery in 2014 was estimated to be 2,612,000 units. In Arkansas 27,000 switches were available for recovery in 2014.

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 mercury 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 mercury pellets and enters them into its database. The pellets are then sent to a retorting facility where the mercury is recycled.

Additional Actions

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.

In 2014 ELVS participated in the Arkansas Automotive Dismantlers and Recyclers Association event as well as a number of regional and national automotive recycling events, some of which were attended by Arkansas recyclers. In 2015, ELVS will continue to attend these kinds of events to encourage recycler participation and mercury switch collection.

Over the course of 2014, NVMSRP member organizations conducted a comprehensive review of the overall progress of automotive mercury switch collection programs in the U.S., including which collection program features have proven to be most effective. The review has been completed and the group is currently considering possible additional steps to enhance switch collections such as increased outreach and communications to recyclers, and the role switch collections could play in complying with certain federal air quality rules. Recommendations are expected in 2015.

Additionally, the Product Stewardship Institute, Inc. conducted a program in Illinois during 2013 and 2014 to assess the impact of switch collection incentives, various educational outreach tools, and additional state actions on switch collections. A final report on that study was released in January of this year, and any recommendations made in the report may be considered as ELVS seeks to improve switch collections in all states. ELVS contributed its expertise to the study.

Program Costs

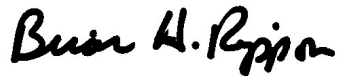
- Bucket Shipment \$ 1,432
- Recycling Fees \$ 1,858
- Bounty \$23,185
- State Fees \$ 4,637
- Website/Educational Material \$ 1,200
- Travel/Personnel/Overhead \$ 4,758

Design for Recyclability

The policies regarding design for recyclability being implemented by automotive manufacturers are described in the attachment, "Automotive Recycling Industry: Environmentally Friendly, Market Driven, and Sustainable." 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.mdssystem.com>.

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

Sincerely,



Brian Rippon
End of Life Vehicle Solutions
Project Manager

Attachment:

"Automotive Recycling Industry: Environmentally Friendly, Market Driven, and Sustainable."