

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AND THE
ALLIANCE OF AUTOMOBILE MANUFACTURERS
ESTABLISHING THE
MICHIGAN MERCURY AUTOMOTIVE
'SWITCH/SWEEP' PROGRAM
July 1, 2004**

This Memorandum of Understanding (MOU) between the Michigan Department of Environmental Quality and the Alliance of Automobile Manufacturers is entered into to establish a statewide mercury switch collection program for end of life vehicles. The purpose of the program is to collect and recycle mercury containing switches found in automobiles to ensure they are safely removed before vehicles are shredded, crushed, or smelted; and that the mercury is therefore, not released to the environment. This agreement outlines the goals of this program and the responsibilities of participating parties.

I. Parties:

- A. The Michigan Department of Environmental Quality (MDEQ).
- B. The Alliance of Automobile Manufacturers (Alliance) is a trade association of nine car and light truck manufacturers including BMW Group, DaimlerChrysler, Ford Motor Company, General Motors, Mazda, Mitsubishi Motors, Porsche, Toyota, and Volkswagen.

II. Definitions:

- A. The term "motor vehicle recycler" includes any motor vehicle salvage yard, dismantler, recycling operation, and scrap processor in Michigan who purchases or receives annually six or more uncrushed motor vehicles for the purpose of selling parts and/or scrap metal.
- B. The term "Michigan 'Switch/Sweep' Program" refers to the program established under this MOU for the collection and recycling of automotive mercury switches.
- C. The term "team" refers to the MDEQ, the Alliance, and the Project Manager. Project input will also be sought from other stakeholders, project partners, and program participants.
- D. The term "switch" refers to mercury switches used or found in automotive applications that contain mercury, including convenience lighting and anti-locking braking system (ABS) sensors.

III. Roles and responsibilities:

A. The MDEQ will:

1. Provide the Project Manager with the names and mailing addresses of motor vehicle recyclers having storm water permits for the purpose of soliciting their participation in this initiative.
2. Work with the program participants, county clean sweep sites, and others to address regulatory barriers to switch collection, transportation, and recycling.
3. Work with the Alliance and the Project Manager to identify and address other barriers to program operation and offer assistance as appropriate in implementing this initiative.
4. Establish a MDEQ 'Switch/Sweep" Web site that prominently displays program information, participants, and success data reported by the Project Manager.
5. Identify and utilize, where available, federal and state grants available to provide funding for the Michigan Clean Sweep programs for disposal/recycling of mercury-containing switches found in automobiles.
6. Draft and distribute any agreed to communication documents that have the signatures of State of Michigan representatives.
7. Serve as point of contact for interested stakeholders.
8. Participate in a joint evaluation of the project, including an assessment of the reliability and accuracy of reported switch recovery efforts.

B. The Alliance will:

1. Provide a Project Manager to establish, implement, and oversee this Switch/Sweep Initiative for the duration of this agreement, which is until September 30, 2006.
2. Work with the Project Manager and program participants to develop, produce, and distribute educational materials (brochure[s], fact sheet[s], and video[s]), and provide them to the motor vehicle recyclers. This material will cover all aspects of the program including location and removal procedures for mercury convenience light switches and ABS sensors.
3. Provide funding for supplies and transportation to the MDEQ approved disposal/recycling sites.
4. Draft and distribute any agreed to communication documents that have the signature of the Alliance or the Alliance member representatives.
5. Participate in a joint evaluation of the project including an assessment of the reliability and accuracy of reported switch recovery efforts.

C. The Project Manager will:

1. Include information about mercury switch recycling in newsletters, mailers, and other correspondence to motor vehicle recyclers identified by the project team.
2. Provide containers and pre-paid mailers to motor vehicle recyclers for switch storage.
3. Coordinate the transportation of switches from motor vehicle recyclers to other collection points mutually agreed to by the MDEQ, the Alliance, and the Project Manager. These would primarily be the Clean Sweep recycling facilities.
4. Collect and quality assure data on the number of vehicles processed and the number of switches recovered by each motor vehicle recycler participating in this initiative.
5. Report data regularly at six month intervals and also prepare an annual report to the MDEQ and the Alliance by January 15, 2005, and each year thereafter on the number of vehicles processed, number of switches recovered, and pounds of mercury recycled or otherwise properly managed. The annual report shall also address whether any additional strategies should be recommended to achieve the goal(s) described in Section IV.

IV. Goals, Evaluation, and Timelines:

- A. The goal of this program will be to inspect, and when present remove mercury switches from at least 80 percent of the total number of motor vehicles processed in Michigan each year.
- B. To determine whether this goal is attained, the tracking process will have a quality assurance plan. Parties will determine if participating facilities are adhering to program guidelines for removing mercury convenience light switches and ABS sensor switches. This determination will be made through site visits, audits, or other appropriate means. The Alliance, in consultation with the MDEQ, the Project Manager, and other stakeholder input will calculate the total number of automotive switches retired annually in Michigan, and use this figure to calculate the mercury switch recovery success.
- C. In an effort to quickly capture the largest amount of switches, initial program recruitment will first target and enlist facilities that process the largest amounts of vehicles. The total percent of recyclers participating in this initiative may be smaller than 80 percent, yet still capture the majority of switches.

D. The parties shall commence their respective duties and responsibilities on or before, the time of signing this agreement. The goal will be to launch the Michigan Automotive 'Switch/Sweep' Program beginning August 1, 2004. The 'Switch/Sweep' program will continue through September 30, 2006.

V. Primary Contacts, Project Managers:

Within ten (10) days of the effective date, the MDEQ, the Alliance, and the Project Manager shall each designate a key representative or point person responsible for the purposes of overseeing the implementation of this Memorandum.

VI. Evaluation:

The MDEQ shall receive an annual progress report to assist in determining whether this Memorandum shall remain as the preferred governmental strategy for managing mercury switches or if an alternative approach is warranted.

At the end of the second year, the MDEQ and the Alliance will review the progress and performance of the Mercury/Switch Sweep Program to evaluate whether the program is functioning as intended. If the review indicates that the program has not achieved a reasonable measure of success in collecting and recycling switches, the Alliance, in cooperation with the MDEQ, may investigate the use of other methods of promoting the removal and safe recycling or disposal of mercury convenience and ABS switches that are estimated to remain in the Michigan vehicle fleet. This Memorandum shall remain in effect until September 30, 2006, or until superseded by another agreement consistent with achieving switch recycling goals stated in Section IV.

In witness thereof, the parties sign their names as evidence of their approval of this Memorandum of Understanding.

For the Alliance of Automobile Manufacturers:

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Date

For the Michigan Department of Environmental Quality:

Steven E. Chester, Director

Date