

GM Backs Out Of Mercury Cleanup Deal For Clunkers

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WASHINGTON (AP) — As hundreds of thousands of clunkers head to the scrap yard, General Motors has dropped out of a partnership that collects toxic parts from recycled automobiles to prevent mercury pollution.

Participants in the environmental program told The Associated Press the timing of GM's departure could undermine their work. The government's "cash-for-clunkers" program will lead to trade-in and recycling of an estimated 750,000 vehicles, some of which contain mercury switches.

GM said its new company is not a member of the partnership because it no longer makes vehicles with mercury switches and is not responsible for the older vehicles. The old company, which is still under bankruptcy court supervision, said it is reviewing agreements involving the former company and declined to comment.

Roughly 36 million mercury switches were used in trunk convenience lights and antilock brakes in vehicles built in the 1980s and 1990s. More than half of them are in GM vehicles built before 2000.

Mercury released into the air can accumulate in plants, fish and humans. Children and fetuses are vulnerable to the effects of the toxic metal, which can damage the development of the nervous system.

The auto industry partnership, called the End of Life Vehicle Solutions Corp., or ELVS, was created in 2005 to prevent mercury emissions from being released into the environment when vehicles are crushed and shredded. It works closely with the National Vehicle Mercury Switch Recovery Program, which the Environmental Protection Agency helped form with automakers, the steel industry and environmentalists in 2006.

The program, which is scheduled to run until 2017, has recovered 2.5 million switches and disposed of nearly 5,600 pounds of mercury. General Motors, prior to its bankruptcy, was the group's largest participant and informed the partnership of the change last week.

Mary Bills, the partnership's executive director, said GM has not paid its dues since filing for bankruptcy. Its annual bill is \$700,000 to \$1 million, a substantial portion of the program's funding. Without GM's payments, the organization may be forced to scale back or cease operations, making it more difficult for recyclers to dispose of mercury recovered under the \$3 billion "cash-for-clunkers" program and other recycled vehicles in the future, she said.

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"We're surprised that GM, who wants to have this great, green image, would do this," Bills said.

General Motors Co., 60.8 percent owned by the U.S. government, emerged from Chapter 11 bankruptcy protection last month under a plan in which its best-performing assets were sold to form a new company. The former company, now called Motors Liquidation Co., is a conglomeration of GM's liabilities and underperforming assets that remains under court supervision.

GM spokeswoman Sharon Basel said GM's former entity remains a member of the partnership. The new automaker, however, "has never produced vehicles with mercury switches and has no mercury switch responsibility under the terms of the bankruptcy court order," Basel said.

Tim Yost, a Motors Liquidation spokesman, declined to comment about the partnership, saying the old company has been analyzing its nearly 500,000 contracts and agreements, "including this one."

ELVS manages programs to collect and dispose of the mercury switches, providing white storage buckets to recyclers to collect them. Thirteen automakers participate, including Chrysler Group LLC, Ford Motor Co. and Daimler AG, and the companies' fees are based on market share and their portions of the switch population.

Fifteen states require automakers to set up a collection system to recycle the switches. Most of them also require recyclers to remove the switches before a vehicle is shredded. Thirty-four states conduct voluntary programs. Maine has its own program.

Bills said it was unclear how they would continue service in the 34 states without more funding.

In a letter Friday, Bills told the 15 states with auto industry requirements that the ELVS board would "continue to recycle any GM switches that arrive at our waste contractor in our collection buckets as long as funds permit." If the organization remains unfunded for the GM costs, "we will no longer be able to accept GM switches for recycling," she wrote.

The 15 states with the requirements for automakers are Arkansas, Illinois, Indiana, Iowa, Louisiana, Maryland, Massachusetts, New Jersey, North Carolina, Rhode Island, South Carolina, Texas, Utah, Vermont and Virginia.

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