ECOLOGY CENTER

117 N. Division
Ann Arbor, Michigan 48104
734.761.3186
734.663.2414 (fax)

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Environmental Protection Agency
Document Control Office (7407M)
Office of Pollution Prevention and Toxics (OPPT)
1200 Pennsylvania Ave., NW.
Washington, DC 20460-0001

Re: Docket ID Number OPPT-2005-0032

On May 13, 2005, the Ecology Center petitioned EPA under section 21 of TSCA to establish regulations prohibiting the manufacture, processing, distribution in commerce, use and improper disposal of lead wheel balance weights. We would like to submit the following supplemental information in support of the petition.

Status of Lead Wheel Weight Phase Out by Automakers

In addition to the manufacturers' status cited in our original petition, the following is to our knowledge the status of manufacturer phase-outs of lead wheel weights in the U.S.:

GM: Initiated phase-out at US assembly plants. Targeted to be completed by end of 2005.[1]
Ford: Initiating phase-out this year at US assembly plants. Targeting 2007 model year for complete phase-out. [2]
Honda: Completed phase-out at US and Japanese assembly plants in 2004 (Both auto and non-automotive divisions).[3]

In Europe, most wheel weight producers have phased out lead weight production as of July 2005. We have verified this for the suppliers Hofman (Germany) and Trax (U.K.). According to Hofman, in 2004 they delivered over 15,000,000 Zinc weights to aftermarket outlets within the EU. In the first 3 months of 2005 they delivered 25 million Zinc weights. The estimated annual production of zinc weights starting in April 2005 will consist of 150 million parts to the OEMs and 300 million to the aftermarket.[4]

Lead vs. Non-Lead Weight Cost

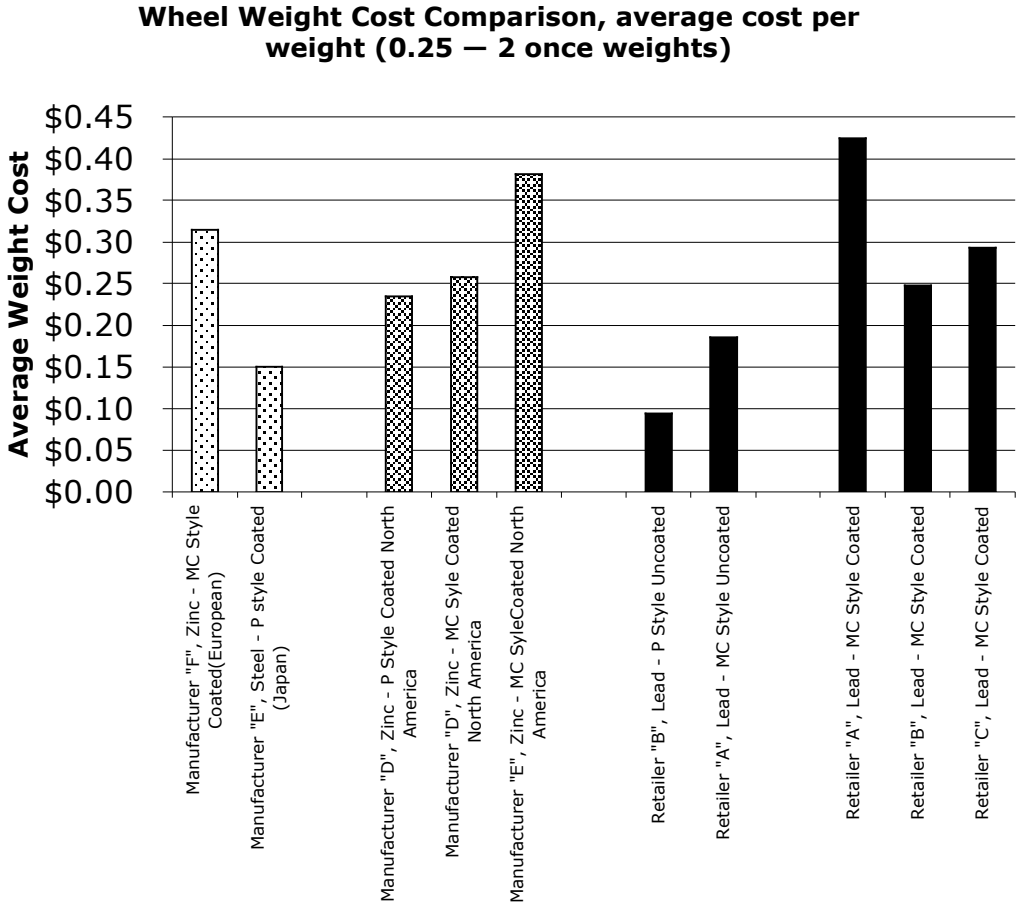
The Ecology Center has directly purchased lead-free weights from most of the major producers of these weights. We have also purchased weights from Hofman and Trax in Europe, as well as, Azuma in Japan. In the chart below we have compared the actual purchase price of the currently

[1] Personal communication with Bada/Hennessey
[2] Personal communication with Ford Motor Company.
[3] Personal communication Honda.
[4] Personal communication Helmut Ringwald, Dionys Hofman,

available lead-free weights to lead weights. The comparison was made using the average per weight cost of weights ranging from 0.25 – 2 ounces (in 0.25 ounce increments) because this is the weight range for which pricing was available for all materials and weight styles. The price differences observed are likely greater with larger weight sizes, but a lack of comparable weights at all sizes prevents a more complete comparison at this point.

The most interesting observation from this data is that when a true apple-to-apples comparison is made, the cost difference between lead and non-lead is very small. In fact, a number of the fleets that we have worked with have found that lead-free weights are actually cheaper then lead weights. This is because, in general, these fleets were purchasing higher quality, coated lead weights in low volumes, resulting in higher prices.

Uncoated lead weights are often times less than $0.10 per weight in the <2.0-ounce size range, but they cause rim damage due to corrosion and can cause worker exposure during handling. Lead-free weights are not only lead-free, but they are also of higher quality. They are all coated and cause fewer corrosion problems. Hence, it is important to note the improved product performance characteristics when comparing prices of lead-free to lead weights.



European Union Review of Road Safety & Fit Issues

As part of the European Union End of Life Vehicle Directive, there is an extensive history of discussion of the issues related to lead-free balancing transition. The European Union Commission recently has again (as of 5/11/2005) rejected claims by the tire industry and others that a delay in implementation of the phase-out in Europe is necessary. To summarize some of these issues I have reprinted below, with permission from Mr. Halle, Trax's most recent letter to the European Union TAC supporting the lead phase-out.

Fax: Rosalinde van der Vlies
21 April 2005

Dear Ms van der Vlies

ELV Directive – balance weights

Thank you for your reply e mail of 21 April.

2 key points:-

1. There are no road safety issues. Lead-free weights have been on the aftermarket now for over a year and fitment tests made over a number of years. The lead-free weights are fit for purpose.

2. There are catastrophic financial repercussions if there is a delay for 1 year which would probably put us out of business.

No safety Issues

I would advise again that there are no problems we have seen associated with the change over to lead-free weights and there is no reason to further delay this introduction. Lead-free balance weights have been on the European market now for over a year and there is no evidence which would require such a drastic change at such very short notice.

We are expert in the matter of balance weight design and fitment and are satisfied that the market has and can readily change over to lead-free balance weights. In our submission as a stakeholder March 2004, we advised that should any safety issues be raised they should be directed to us as experts in this matter. Non have been advised or heard of.

Stakeholder claims

I am concerned at the ignorance of some stakeholders to what testing has taken place and that lead-free weights have been used in the market now for some time with no problems.

For example in their stakeholder submission dated 23 March 2004, CETRO advised *that " ……the use of tin for example, as an alternative does not cover the physical properties required*". This is simply untrue as MIRA (Motor Industry Research Association) in 2002 tested tin weights and concluded there were no problems whatsoever in using tin as an alternative material to lead. Attached you will find a report from Tin Technology Ltd which concludes the confirmation that tin weights **do** have the physical properties required (see "high temperature resistance").

If CETRO had asked us with regard to their concern we could have satisfied them well before 23 March 2004.

Trax position regarding a delay of 1 year

Lead-free balance weights are significantly more expensive to manufacture than lead weights and this, coupled with the very large investment, makes the selling price considerably higher. **The increase in price is around 3 times for a lead-free weight as compared to lead.** If you give the market the choice they will naturally use the cheaper lead which we will not be able to supply as we have changed all our equipment and tooling now over to lead-free weights. This at a very considerable cost and risk to meet the 1st July deadline which is now only some 10 weeks away. Fundamentally we would have completely changed over our business to a product which no one wants to buy.

As we will not be able to supply the lead weights we will most likely be quickly forced out of business as no one will want to buy lead-free balance weights. Trax will be at a total disadvantage to balance weight manufacturers outside of

Europe or those who have not invested or able to make the change over, or who planned to work illegally after the 1st July.

An analogy would be to Direct car companies to change over to electric cars given 5 years notice and then, having spent many billion € to develop and change over all their factories in Europe, to advise, given 10 weeks notice, that you can use "normal" cars for another year. An electric car would be more expensive and would not be sold in any quantities as buyers would happily use petrol or diesel for the advantages of being a cheaper car to buy and not having the inconvenience of needing re-charging every few miles. A car that cost say €15,000 would cost €45,000. Sales of such cars would be very small unless it was compulsory.

The car companies could not react to this. Those foreign manufacturers who had not needed to change for their markets would have an open market with the European manufacturers not having any sales for a year as no one would want to buy the electric cars they have geared up to make. Needless to say they would go out of business as they would only be able to supply cars which the market did not want to buy.

Conclusion

I am sure you would agree that it requires something to have significantly changed to amend a Decision at such short notice and to such detriment to those who have made the very considerable investments and risks to meet the regulations.

If there are any concerns by the tyre industry our company and the industry at large is not aware of them. Almost all car companies have now switched to lead-free weights with no issues outstanding – this was clear from their stakeholder submissions last March.

I would conclude by advising there are no "safety issues" raised by the market and should there be such a concern I am sure we would have heard about it by now. There are no grounds for any further delays in this legislation and I sincerely hope that the committee will understand this and proceed in line with current legislation. The alternative will probably put us out of business.

I have copied this letter widely to encourage the TAC to help understand the matter and to vote to not delay the legislation any further.

Yours sincerely,

John Hallé
Managing Director ros21-4-05 john@traxjh.com www.traxjh.com

Phase-Out Versus Enhanced Recycling

Both EPA and the Tire Industry Association[5] have asserted that the low recycling rate for lead wheel weights is the central problem. The original TSCA petition primarily focused on the ongoing hazards created by wheel weight failure during vehicle use. These hazards are created by improper fit/installation and road hazards. We believe the failure of 13% (estimate from TSCA Petition) of wheel weights during use represents the environmental and public threat.

Overall, we are concerned that EPA and TIA are assuming that lead will continue to a viable balancing technology. The transition to lead free wheel balancing is underway, both globally and in the U.S., and there are no signs of this transition slowing. This transition will make enhancing recycling of lead wheel weights (or even maintaining existing recycling rates) very difficult and ultimately of questionable benefit when compared to the benefits of a complete phase-out.

[5] Modern Tire, June 16, 2005

As noted in our original petition, we estimated that up to 38 million lead free weights entered the U.S. market on new vehicles in 2004 alone. We estimate that near 100% of 2007 model year new car sales will have lead free balancing (steel or zinc). This would account for over 130 million steel and zinc weights entering the market. All of these wheel weights will enter the waste/recycling stream during the average lifespan of a tire (3 years or 44,000 miles). The table below illustrates the growing amount of non-lead weights entering the recycling stream.

Estimated Retirement of OEM Automaker Installed Lead Free Weights (in millions)

Year	New Car Lead Free Weights	Retired Lead Free Weights (OEM Installed)
2004	38	6
2005	69	18
2006	99	34
2007	130	56

Assumptions: 1/6 of tires retired from service each year
2004 estimate from TSCA Petition
2007 estimate of 17 million vehicle sales X 8 weights per vehicle

Our understanding is that currently secondary lead smelters do not have adequate metals separation/sorting technology to deal with a mixed metal (magnetic/non-magnetic), wheel weight stream. Both steel and zinc will present significant contamination problems for lead smelters. Lead smelters primarily handle automotive batteries and wheel weights, which likely represent <1% of their feedstock of recovered lead. We believe that when faced with the need to invest millions in metals separation technology for such a small percentage of their feedstock, secondary lead smelters will simply stop accepting wheel weights.

Because of the variety of lead-free weights and the lack of uniform labeling of such weights, identification and source separation of lead-free weights from lead weights by tire mechanics will be very difficult. For instance, zinc weights are not magnetic and are not easily identified by tire shop mechanics and would require very sophisticated technology to separate pre-smelter. The Tire Industry Association (TIA) has recently stated that less then 50% of its members recycle lead properly. We believe proper recycling from non-TIA members is likely even lower. It is unclear how an industry that has been unable to responsibly manage lead, will be able to develop a sophisticated materials separation system for 3 or more distinct metals or materials.

We strongly question the viability of significantly increasing the recycling rate of lead wheel weights in the face of these obstacles. Recycling of wheel weights is become more difficult regardless of EPA action on this issue. The global automakers have all recognized this problem and their ongoing phase-out of lead weights will assure that in the near term approximately 25% of weight production and weight retirement will be non-lead. Again, absent clear EPA action to require phase-out, recycling will continue to become more difficult with lead stocks being contaminated with steel and zinc.

However, if the market for lead weights is phased out, two things happen. First the inventory of lead on cars will gradually shrink to zero over a 3-6 period as tires in the fleet are changed out. And, second, recycling of wheel weights shift to the well established scrap metals recovery

industry. In general, this network of shredders and materials separation operations is much better equipped to deal with mixed metal streams.

A clear national timeline for phase-out of lead is needed because aftermarket tire retailers have not shown the same leadership that automakers have on this issue. Absent EPA action, OEM produced vehicles with lead-free wheel weights will have these weights removed by aftermarket tire dealers and replaced with lead as soon as the original tires are worn. This is a clear step backward. This does not reduce lead exposure from wheel weights or resolve the lead recycling issue.

Again the real solution to reduce the risk posed by lead wheel weights is to phase out the use of lead in this application.

Sincerely,

Jeff Gearhart

Campaign Director
Ecology Center