



February 19, 2024

The Honorable Brian Feldman
Chair, Senate Education, Energy, and the Environment Committee
Annapolis, Maryland 21401

SB 532: Commission to Advance Lithium–Ion Battery Safety in Maryland
Position: Favorable with Amendments

Chair Feldman:

The Alliance for Automotive Innovation¹ (Auto Innovators) is writing to share our perspective on SB 532 and to request an amendment that ensures automakers are a part of these important conversations.

Passenger vehicles are the most recycled consumer product, with 95% of retired passenger vehicles processed for recycling every year². Innovative technologies and vehicle advancements, like Li-ion batteries, require a coordinated, proactive approach from industry and other stakeholders to ensure end-of-life uses are properly managed.

Our collective members established an industry framework to reuse, repurpose and recycle components of electric vehicle batteries and ensure batteries do not become landfill waste when reaching the end of their useful life. The shift to an all-electric vehicle future will result in a significant rise in demand for EV batteries. Many of the materials needed to build EV batteries aren't yet produced domestically. A domestic circular economy, including battery recycling, offers an opportunity to reduce U.S. reliance on other nations for critical minerals used in EV batteries, while bolstering national energy security.

Our "[Lithium-Ion EV Battery Recycling Policy Framework](#)" is designed to decrease reliance on mined materials, reliance on foreign economies, environmental impacts, transportation of goods, and the overall cost of the vehicle due to access to raw materials. This framework will also provide a safety net to capture outlier EV batteries (orphaned batteries) that have fallen outside of use cases and, importantly, during unforeseen market fluctuations.

Core Exchange with a Complete Vehicle Backstop

¹ From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. Active in Washington, D.C. and all 50 states, the association is committed to a cleaner, safer and smarter personal transportation future.
www.autosinnovate.org.

² <https://www.autosinnovate.org/initiatives/energy-and-environment/automotive-recycling>

This policy is referred to as a “Core Exchange with a Complete Vehicle Backstop”. For EVs still in service, if a battery (or any module or cell) is replaced before the vehicle reaches end-of-life, a core exchange program as detailed by the EV battery supplier or vehicle manufacturer will be used for the replacement battery (or any module or cell). The entity removing the battery will be responsible for ensuring that the battery (or module or cell) is transferred to a qualified facility to be properly refurbished, repurposed, or recycled.

For EVs reaching end-of-life, a dismantler who removes the lithium-ion battery from the vehicle is responsible for ensuring the battery is properly reused, refurbished, or recycled. In circumstances where an end-of-life EV is unwanted, and no parts are removed (i.e., a “complete vehicle”) by a licensed dismantler, the vehicle manufacturer shall be responsible to accept the vehicle and ensure that it is properly dismantled and the lithium-ion battery is properly reused, refurbished, or recycled.

Why a Complete Vehicle Backstop is an Appropriate Policy?

Traditional extended producer responsibility (EPR) schemes are appropriate for negative recycling value products, limited secondary life opportunities, and/or natural resource-intensive recycling technologies.

We are already witnessing the domestic battery supply chain’s quick adaptation to market dynamics due to the positive value of recovered materials, secondary life market opportunities, and awareness and demand for a domestic supply chain.

Requested Amendment

SB 532 proposes a format for important discussions concerning lithium-ion battery recycling. We think it is critical for the automakers who are manufacturing electric vehicles to have a seat at the table to share our perspective and to work constructively with the state to ensure the best policy outcomes.

We respectfully request the following amendment in Section 1(b) to the list of proposed members: “*one representative of the Alliance for Automotive Innovation.*”

Thank you in advance for your consideration of our views. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Sincerely,



Josh Fisher
Director, State Affairs
Alliance for Automotive Innovation