



## STATE OF CALIFORNIA AUTO DISMANTLERS ASSOCIATION

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July 24, 2015



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State Water Resources Control Board  
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### RE: Storm Water Strategic Initiative Proposal

Dear Members of the State Water Resources Control Board:

On behalf of the State of California Auto Dismantlers Association (SCADA), I appreciate the opportunity to review and provide comments on the Storm Water Strategic Initiative Proposal to develop a storm water program workplan and implementation strategy.

The State of California Auto Dismantlers Association (SCADA) is the statewide trade association for the professional auto dismantling and recycling industry with approximately 200 members within 6 local chapters and Direct Membership Areas. SCADA was founded in 1959 to serve the members with education, regulatory, and business activities. Our members are recycling facilities that sell used vehicle parts under Standard Industrial Classification (SIC) Code 5015.

Licensed auto dismantlers provide an essential service that directly addresses society's ever increasing problem of what to do with end-of-life vehicles (ELVs). An estimated 1.3 million vehicles will reach the end of their useful lives this year in California, either by determination of their owners or by being declared a total loss by an insurance company. While those vehicles might otherwise end up on the roadside or abandoned in empty lots, licensed dismantlers acquire them and safely convert them into reusable/recycled commodities.

Component parts are tested and examined to determine which can be reused or recycled. Fluids are extracted and properly recycled. The reusable parts are removed, cleaned, catalogued and stored. They are then sold to repair other cars at a savings of up to 80% over the cost of new parts. Recyclable materials are sent to a processor, and manufactured into new products. There are about 1,200 dismantlers licensed by the California Department of Motor Vehicles.

SCADA members support responsible recycling, worker safety, and environmental protection. SCADA promotes the proper handling and disposal of all automotive-related hazardous materials, including gasoline, oil, freon, antifreeze, brake fluid, transmission fluid, batteries, mercury switches, and tires. In 2001, SCADA committed to the industry's premier certification program within the United States. The Partners in the Solution® program was developed to help SCADA members improve regulatory compliance and to motivate facility operators to meet the nation's highest environmental and safety performance standards. This proactive, industry led approach assists members in complying with the complicated set of environmental, safety, and business regulations that face California auto dismantlers.

We appreciate the opportunity to provide comment on the Strategic Initiative, offering the following comments:

### **Guiding Principle #3 – Efficient and Effective Regulatory Programs**

SCADA applauds the SWRCB and staff for incorporating the need to implement efficient and effective regulatory programs as a key guiding principle for the Strategic Initiative. Improving the efficiency and effectiveness of the Water Board's Storm Water Program and associated permits is critically important to ensuring progress on the desired environmental outcomes and ensuring compliance. Importantly, as additional requirements are added over time to manage and treat storm water, it is important to ensure they are efficient and focus on improvements that will have direct and measurable benefits while not placing unnecessary and significant costs on businesses.

In this regard, we would argue that one of the key issues identified for Guiding Principle #2 related to preserving watershed processes for water quality outcomes should also be incorporated as an important consideration for Guiding Principle #3. Specifically, staff has identified storm water permit requirements as needing to focus on water quality outcomes rather than minimum requirements or actions. Further, the Strategic Initiative notes that the lack of focus can result in prioritizing resources for actions with fewer water quality benefits and the need for a more flexible regulatory approach to achieve accountability and water quality outcomes. We couldn't agree more and would argue that these issues not only speak to the challenges associated with preserving watershed processes, but for all of the guiding principles for the Strategic Initiative.

This is particularly important for the auto dismantling industry in the context of the underground economy and the unfair economic disadvantage the bad actors have over those striving to be in compliance – particularly when regulatory, statutory and permit requirements are stringent and do not allow for flexibility to meet the water quality needs in the most cost effective and efficient manner possible.

### **Cost of Compliance**

As discussed with the Board on a number of occasions, the auto dismantling industry faces severe challenges from unlicensed and unregulated operators who can pay more for salvage vehicles because they do not spend money on measures to protect the environment. SCADA appreciates the inclusion of reviewing Industrial and Construction storm water permitting compliance costs; however, we are concerned that the priority is ranked “Low.” This particular proposed effort speaks directly to Guiding Principle #3 that speaks to the importance of implementing efficient and effective regulatory programs. The Proposal even goes so far as to note the importance of ensuring programs are achieving the environmental outcomes of improved water quality, reliable water supply and healthy watersheds while doing so in a manner that is the result of better regulatory efficiencies. In the dismantling industry, the cost of compliance fails to outweigh the benefits of non-compliance in operating illegally outside regulatory purview. Dismantlers are often faced with the challenges of those who do not have the same cost structure because the bad actors choose not to comply, placing the good actors who strive for compliance at a competitive disadvantage because the cost of compliance is quite high.

Cost increases associated with compliance essentially cripple many professional auto dismantlers in California, driving smaller operations out of business, forcing more dismantlers underground as illegal operators, and ultimately threatening water quality as fewer vehicles will be properly processed with fluids and materials managed properly.

### **Numeric Effluent Limits**

We note that the State Board has signaled its intent to promulgate Numeric Effluent Limits (NELs) in the future as water quality based NELs and sector specific technology based NELs for Industrial and Construction storm water permits. Of note, the State Board acknowledged in the development of the new Industrial General Permit (IGP) that it does not have the information necessary to achieve these goals. Specifically, it noted the storm water sampling data that have been collected over the past two decades have been inadequate to define storm water quality differences between various industries, to identify high-risk dischargers, or to assess compliance and the effectiveness of Best Management Practices (BMPs). The Blue Ribbon Panel Report (2006) and other studies concluded that the existing industrial storm water database is too variable and inaccurate to be reliably used for decision-making. In an attempt to resolve this problem, the new Permit increases the frequency of sampling (to create a larger database) and adds training requirements.

For the auto dismantling industry, the sampling requirements in the new Permit represent a huge increase in sampling activity. The requirement for sampling multiple times throughout the year by all dischargers – regardless of being in a Compliance Group – represents a significant increase in cost and time to prepare for sampling, collect and ship the samples, have the samples analyzed at a certified laboratory, and interpret the sampling results. Despite the added sampling requirements in the new Permit, there is no evidence or justification that the specific increase in sampling called

for in the new Permit will provide an adequate database that meets the State Board's goals for the purpose of moving forward with NELs in future permit cycles. In fact, we believe that the new database will probably continue to be too variable and inaccurate to be reliably used for the Board's stated purposes, much less to substantiate the inclusion of NELs in future permits.

In order to make any progress, it is important to provide a credible and reliable storm water database that is widely-accepted and that accurately represents the quality of storm water runoff from an industry, helps define facility compliance, determines which facilities need advanced BMPs or structural/treatment measures, characterizes the applicability and effectiveness of such controls, assists the regional water boards in quantifying TMDL sources, and provides the State Board with high quality data and information that can be used to substantiate the development of sector specific permits and NELs.

### **Source Control**

As auto dismantlers, we are responsible for the end of life management of retired vehicles. In this regard, we are not at the front of the supply chain whereby we can control the manufacturing of vehicles and their many components. Instead, we are left to address the components and fluids within the vehicle and are subject to a multitude of regulatory and statutory requirements in managing vehicles at the end of their life. While the automotive industry has made great strides in developing vehicles with safer chemistries and make up, much remains to be accomplished to help address not only end of life management issues but the fluids and contaminants that directly affect storm water quality.

In this regard, the Department of Toxics Substances Control's (DTSC) Safer Consumer Products (SCP) Program, as alluded to in the Strategic Initiative, presents a great opportunity to look at alternatives to some of the most pressing concerns associated with vehicles – in use and at their end of life – that affect storm water quality. Such an undertaking can help improve storm water quality, lessen regulatory compliance costs associated with end of life management of vehicles, and represent an overall significant cost savings as compared with treatment based management practices.

### **Final Comments**

The un-level playing field associated with the numerous unlicensed, unregulated entities acquiring end of life vehicles and who refuse to comply with environmental and other regulatory requirements is real and significant. This serious competitive disadvantage for SCADA members does not exist for many industries subject to the various projects and efforts the Initiative seeks to undertake. In this regard, we urge the Board to be mindful of the unintended consequences for water quality as it relates to industries like ours that has a high volume of unlicensed, unregulated activity taking place that puts the good actors and water quality in jeopardy.

SCADA thanks you for the opportunity to share our concerns and recommendations. We look forward to working with the State Board and staff on the continued development and implementation of the Initiative. Should you have any questions, please contact Gavin McHugh or Dawn Koepke with McHugh, Koepke & Associates at (916) 930-1993. Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read 'David Street', with a long horizontal flourish extending to the right.

David Street President, State of California Auto Dismantlers Association

cc: SCADA Board of Directors