



## AUTOMOTIVE RECYCLERS *of* WASHINGTON

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January 7, 2008

Lionel Klikoff  
Department of Ecology  
PO Box 47600  
Olympia, WA 98504-7600

Dear Mr. Klikoff:

On behalf of the vehicle recycling industry in Washington State, the Automotive Recyclers Association of Washington (the Washington State association for auto recyclers) wish to make the following comments regarding the Department's proposed general industrial stormwater permit. Federal law requires auto recycling firms with any stormwater discharge to be covered by the General Industrial Stormwater Permit.

The vehicle recycling industry is very concerned about several elements of the new draft permit because almost every vehicle recycler in Washington State is a small business. Vehicle recyclers have been recycling vehicle parts for over 80 years, long before it was popular for the general public to recycle. Washington vehicle recyclers currently recycle over 500,000 end-of-life vehicle per year in Washington State. We provide jobs, pay business and payroll taxes, we have many business regulations with which we must comply, we must be licensed by the State of Washington, we must comply with many environmental regulations, and we don't get any tax breaks or special considerations from the state or federal governments. We fund our entire business activity by selling used vehicle parts and by recycling end-of-life vehicles. This industry is rapidly becoming unprofitable, and more than 40% of the vehicle recyclers in Washington State have gone out of business in the past 8 years. When our industry becomes unprofitable and goes out of business, what will Washington State do to recycle the 500,000+ end of life vehicles per year that contain over 1 million gallons of used oils, 10 million pounds of lead-acid batteries, over 1 million gallons of waste gasoline, mercury switches, and many other hazards, in Washington State? Who will protect the environment from these wastes? What will the cost be to the environment if the recycling and reuse now provided by this industry are lost? What will the cost be to taxpayers to collect and process these end-of-life vehicles if this industry is lost?

It is extremely important for the Department of Ecology to not focus only on its stormwater permit without also considering the much broader environmental issues in order to avoid other dramatic, costly and very harmful environmental impacts.

The proposed new permit will impose many new costs on small vehicle recycling firms.

- It increases the number of stormwater samples we must take as compared to the current permit. This will increase our costs by over \$250 per year
- It increases the number of visual inspections we must conduct per year. This will again increase our costs.

- It requires that someone from our firm attend a training class. We don't know how long that class will be or what it will cost.
- It reduces the benchmark levels for several of the metals we encounter in dealing with the end-of-life vehicles we recycle. As we understand it, the Department is setting this level with the intent that 50% of the permittees will exceed these new lower benchmark values unless they take additional actions. We have no information on how much more this might cost small vehicle recycling firms to meet these new, lower standards.
- Each small vehicle recycler faces the potential of tens of thousands of dollars in new costs due to this proposed permit to pay a professional engineer to prepare a facility report if we are unfortunate enough trigger into a Step B correction action.

We are very concerned that this draft permit is very unfair to small businesses like vehicle recyclers, and we are strongly urging the Department to make modifications to this permit to provide fairness to small business and comply with the requirements of the Small Business Fairness Act – RCW 19.85.

The Department prepared a Small Business Economic Impact Statement for this draft permit that indicates this new permit will cost small businesses 10 to 30 times more per employee than for a larger business. How does the Department expect small businesses to survive under this permit when their costs are 10 to 30 times higher than for larger firms? This clearly demonstrates this proposed permit is unfair to small firms. The small business economic impact statement:

- Fails to consider the added sampling costs.
- Fails to consider the added visual inspection costs.
- Fails to consider the lowered benchmarks which the Department indicates will mean fifty percent of the current permittees will exceed, requiring them to take additional actions to meet the new benchmarks.
- Fails to consider the tens of thousands of dollars in new costs for an engineering report for a small firm that unfortunately triggers a Step B corrective action plan.

We believe the Department's small business economic impact statement greatly understates the economic impacts of this draft permit as well as understates the disproportionately greater cost impacts on small firms, and should be redone.

Maybe the Department thinks our industry can simply increase what we charge for our used parts to pay for these new costs. If we increase our costs for used vehicle parts, many of our customers will decide to buy new parts instead, and our sales will go down, seriously threatening the survival of our businesses. Many of those now out of business in our industry are victims of this very situation.

The impact of increased costs due to this proposed permit will be very significant for the vehicle recycling industry. For every \$100 in increased costs, it requires the business to generate an additional \$2000 in sales. A \$10,000 cost – such as an engineering report required by a Step B corrective action – would require the vehicle recycler to generate an additional \$200,000 in sales. That would require a 30% to 60% increase in sales for the average small auto recycling firm in Washington State, which in most cases is not possible. This would result in destroying the small vehicle recycling firm, especially those in rural communities.

We are asking the Department to make the following revisions to its proposed permit:

- Do not require additional sampling as compared to the existing permit. The Department has not demonstrated additional sampling will improve stormwater quality.
- Do not lower the benchmarks for many of the metals. The lowering of the benchmarks is not based on scientific water quality data.
- Provide an option for small firms that unfortunately trigger a Step B corrective action plan, and instead of requiring an engineering report, provide technical assistance through the Department to help the small firm to meet the stormwater benchmarks.

These are essential actions the Department needs to take to meet the requirements of the state's Regulatory Fairness Act, RCW 19.85, to not impose excessive and disproportionate costs on small firms that could easily result in huge spin-off negative environmental impacts like the closure of more vehicle recycling firms.

One final item, the Department of Ecology prepared a special stormwater permit guidance manual for the vehicle recycling industry, DOE document 94-146 updated in January 2006, that provides stormwater BMP selection guidance for vehicle recyclers. This guideline was based of the Stormwater Management Manual for Western Washington but is designed specifically for vehicle recyclers. There are other similar manuals for other industries like log sort yards. Please ensure that these manuals are included as approved manuals for provision S3-A(3)(a)(iii). This may be best done by including them in an appendix document to the permit.

We, the Automotive Recyclers of Washington, are ready to work with the Department to make changes to this proposed general industrial stormwater permit to minimize the excessive and disproportionate cost impacts on small vehicle recycling firms and to protect the continued operation of the vehicle recycling industry in Washington State while also protecting the state's environment. Please feel free to contact us.

Sincerely,

Don Phelps  
President

cc: Governor Gregoire  
Senator Rockefeller  
Representative Campbell  
Director Manning