



March 11, 2019

Senator Michael Dembrow
Chair
Committee on Environment and Natural Resources

Re: Senate Bill 792

Dear Chairman Dembrow and Members of the Committee:

The Automotive Recyclers Association (ARA) represents the interests of over 4,500 professional automotive recyclers across the United States and in 17 countries internationally. ARA is dedicated to the efficient removal and reutilization of genuine original equipment manufacturer (OEM) automotive parts.

On behalf of the professional automotive dismantlers operating in the state of Oregon, ARA would like to express appreciation to Speaker Kotek and her office for organizing stakeholder meetings over the past several weeks to discuss industry concerns with Senate Bill 792. As originally introduced, SB 792 would remove the exemption that licensed automotive dismantlers currently have from solid waste management regulation by the Department of Environmental Quality. ARA strongly objected to and continues to object to removing this exemption. The motor vehicles purchased by automotive dismantlers and the genuine, recycled OEM automotive parts harvested from those vehicles are NOT solid waste and should not be treated as such.

ARA appreciates Speaker Kotek acknowledging this concern and proposing modifications to the legislation. After reviewing the two proposed amendments, ARA is supportive of version SB 792-2 that would leave the exemption from solid waste regulation untouched and establish additional access to and inspection of automotive dismantling facilities. The remainder of ARA's comments are specific to proposed language included in SB 792-2.

With regards to the proposed fee increase for issuance or renewal of dismantler certificates, from \$800 every three years to \$500 every year, ARA is very concerned about the impact this would have on the many small, family-run automotive dismantling facilities in the state. This increase is more than doubles the amount dismantlers are currently paying and has the potential to put some dismantlers out of business. Should such an increase move forward, ARA would like to suggest that this increase in state funding be dedicated to the inspection of illegal dismantling, which remains a real problem in the state and is not addressed anywhere in this legislation.

Members of the Committee may be interested to know that in the neighboring state of California, a Task Force was established in September 2016 between the Department of Motor Vehicles, Department of Tax and Fee Administration, the California Environmental Protection Agency (CalEPA), the Department of Toxic Substances Control (DTSC), the State Water

Resources Control Board (SWRCB), the Department of Resources Recycling and Recovery (CalRecycle), and the State Air Resources Board (ARB), to investigate the occurrences of unlicensed and unregulated vehicle dismantling. To-date the California Vehicle Dismantler Industry Strike Team (VDIST) has prosecuted nearly 1,000 cases of illegal dismantling and legislation has been introduced to continue the Task Force until 2023. Illegal dismantling in Oregon has the potential to represent millions in uncollected sales tax, millions of unaccounted for tires and millions of gallons of unaccounted for hazardous fluids. ARA would like to see that addressed in the legislation.

Another area of concern that ARA has with proposed amendment 792-2 relates to the proposed fire response plan and inspection. How will such inspections be scheduled and who is to conduct them? What will the response plan entail, how will that be submitted and to whom? ARA looks forward to discussing this area of the proposal further.

As stated earlier in these comments, ARA is encouraged to see that removal of the exemption for automotive dismantlers from solid waste management regulation is not part of this proposed amendment. However, there are two instances where the solid waste regulation section of the state statute, ORS 459.205, is referred to in the amendment. ARA would like to ask for clarification about those references or see those removed entirely.

ARA believes adamantly that the motor vehicles purchased by its members and the recycled OEM automotive parts that are sold by automotive dismantlers every day to consumers, repair facilities and insurance companies are NOT solid waste. We sincerely appreciate the collaboration between industry stakeholders on this issue and look forward to continuing the discussion.

Sincerely,



Sandy Blalock
Executive Director