

Vehicle Dismantling and Recycling Industry Code of Practice Intentions Paper – October 2005

1. Introduction

The Ministry of Environment (MOE) intends to establish a “code of practice” (minister’s regulation) for the vehicle dismantling and recycling industry under the *Environmental Management Act* (EMA) and *Waste Discharge Regulation* (WDR). The EMA and WDR were brought into force in July 2004. The WDR contains provisions for establishing codes of practice issued by the minister for specified industries, trades, businesses, operations and activities. The intent of this intentions paper is to seek responses and comments from stakeholders and the public on the proposed code of practice.

A code of practice is a legally binding and enforceable set of rules that must be followed – the environmental protection measures and other actions that are expected of the industry by the ministry. A code of practice can also be supported by guidelines and/or “best management practices” (BMPs) that could provide detailed discussion and direction related to practices and procedures. These practices and procedures do not have the force of law, and as such would not be established as regulations under the *Environmental Management Act* or *Waste Discharge Regulation*. Guidelines may be viewed as assistance to persons governed by a code of practice in meeting their legal obligations.

The vehicle dismantling and recycling industry is defined under this legislation as “establishments engaged in wrecking or dismantling vehicles or in recycling or disposing of parts and other waste material from vehicles.”¹

This intentions paper provides a summary of the ministry’s mandate and objectives, background information concerning the vehicle dismantling and recycling industry, aspects of particular environmental concern, the ministry’s intentions and proposed contents of the code, and the avenues for providing comment as the code is developed and implemented by the ministry.

¹ *Waste Discharge Regulation* Schedule 2 (1).

The intentions paper and a response form for providing comments to the ministry, as well as further information and links to related legislation, are posted on the ministry’s website. The information can be accessed by clicking on the address below, or from the Ministry of Environment homepage, by following the *Environmental Protection Division & Environmental Management Branch* links. See: <http://www.env.gov.bc.ca/epdiv/index.html>.

2. Ministry Objectives

The Ministry of Environment provides leadership and support to British Columbians to help them limit the adverse effects of their individual and collective activities on the environment, while fostering economic development and providing recreational opportunities. The ministry’s objectives for the vehicle dismantling and recycling code of practice are to:

- ◆ Prevent pollution of water, land or air;
- ◆ Support waste reduction, reuse and recycling;
- ◆ Foster environmental stewardship based on awareness and practice of Best Management Practices (BMPs) for the automotive dismantling and recycling sector; and
- ◆ Streamline standards and improve monitoring, reporting and compliance with regulations to protect human health and the environment.

The ministry intends the code of practice to provide clear, consistent and appropriate environmental protection standards for the industry – and to delineate the means of ensuring effective monitoring, reporting and compliance with environmental standards.

The code of practice will be implemented as a minister’s regulation under the *Environmental Management Act*, and complement existing legislation, including the:

- ◆ *Environmental Management Act* and associated regulations, including *Waste Discharge Regulation*, *Hazardous Waste Regulation*, *Contaminated Sites Regulation*, *Ozone Depleting Substances and Other Halocarbons Regulation*, and *Spill Reporting Regulation*;

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- ◆ *Water Act and Groundwater Protection Regulation*; and
- ◆ *Drinking Water Protection Act*.²

3. Background Information

The vehicle dismantling and recycling industry diverts significant quantities of waste from the waste stream. However, the industry has potential to cause significant environmental harm through the release of contaminants to the environment. Activities conducted by automotive dismantlers and recyclers can include dismantling (where vehicles are drained of fluids and dismantled), vehicle crushing (for transport to scrap metal recyclers) and parts cleaning.

The industry consists of:

- ◆ **Salvage and holding yards** that store vehicles severely damaged in accidents before they are transported to automotive dismantlers or scrap metal recyclers;
- ◆ **Automotive dismantlers and recyclers** that dismantle vehicles and recycle or reuse parts and fluids; and
- ◆ **Scrap metal recyclers** that receive vehicles from salvage yards, automotive dismantlers, scrap-vehicle pickup services, towing companies or private citizens.

The vehicle dismantling and recycling industry is subject to provincial legislation such as the *Environmental Management Act* (EMA) and its regulations, as well as federal environmental protection legislation (such as the *Fisheries Act*) and municipal or regional district bylaws and business licensing in applicable areas. Waste oil and leachable toxic waste, for example, are defined as “hazardous wastes” under the *Hazardous Waste Regulation* of the EMA, and “a person who produces, stores, transports, handles, treats, recycles, deals with, processes or owns a hazardous waste must keep the hazardous waste confined in accordance with the regulations.”³

² The *Drinking Water Protection Act* is administered by the Ministry of Health.

³ *Environmental Management Act*, Part 2 Section 7(1).

The industry has to a large extent been self-regulated in terms of environmental management. In the 1990’s, the British Columbia Automotive Recyclers (BCAR) and the Automotive Recyclers’ Environmental Association (AREA) developed a certification program for automotive dismantlers and recyclers that includes a code of practice, best management practices and a technical pollution prevention guide. As of the spring of 2005, 56 automotive dismantlers and recyclers were voluntarily enrolled in AREA’s environmental certification program.

The ministry conducted environmental audits of the industry in the Lower Mainland region in 2001 and followed up with environmental audits of the industry in the remaining regions in 2002. These audits found that most of the businesses in the vehicle dismantling and recycling sector had aspects of their operations that were not in compliance with one or more requirements of the *Waste Management Act* and its Regulations⁴ and the industry association’s voluntary environmental certification program.⁵

The results of these audits, in combination with the expressed desire of industry associations to establish a high and consistently followed set of environmental practices for the industry, have led to this initiative to implement a code of practice for the vehicle dismantling and recycling industry.

⁴ The *Environmental Management Act*, proclaimed in July 2004, replaced this legislation.

⁵ *Automotive Dismantlers and Recyclers Compliance Audit – October November 2002*, Ministry of Water, Land and Air Protection Northern BC, and *Automotive Dismantlers and Recyclers Compliance Audit – January-April 2001*, Ministry of Water, Land and Air Protection, Lower Mainland Region.

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4. Aspects of Particular Environmental Concern

With respect to the automotive dismantling and recycling industry, the ministry is concerned in particular with the removal, containment, storage, transport and/or disposal of:

- ◆ Hydrocarbons (e.g., waste oil, gasoline);
- ◆ Air-conditioning refrigerant (i.e., “Ozone Depleting Substances”);
- ◆ Mercury switches and other potentially hazardous wastes such as anti-freeze, brake fluid and windshield-washer fluid; and
- ◆ Contaminated materials (e.g., solvents and solvent sludge, shop rags and other used absorbents) and soils contaminated by hazardous materials.

The ministry is concerned about the potential for contaminants in these wastes to leach into the ground and travel, through surface runoff or groundwater transport, to watercourses with associated potential for impact on human health and/or the environment.

The ministry has established recycling programs for scrap tires and lead-acid batteries intended to address environmental and human health risks posed by these automobile components. The programs include transportation credits designed to assist the movement of scrap tires and end-of-life batteries to approved brokers or processors. The scrap tire program has achieved a capture rate for passenger and light and medium truck tires of over 95%, diverting about 3.8 million “passenger-tire equivalents” per year from landfills and other inappropriate forms of disposal.⁶ The lead acid battery program is meeting the objectives of collecting, transporting, and recycling 98% of all end-of-life batteries. Since the program was initiated in 1991, over 8.2 million batteries have been recovered.⁷

⁶ For more information, see:

<http://www.env.gov.bc.ca/epd/epdpa/ips/tires/index.html>

⁷ For detailed figures and more information, see:

<http://www.env.gov.bc.ca/epd/epdpa/ips/batt/index.html>

5. Ministry Intention for the Code of Practice

The purpose of this code of practice is to increase compliance with the *Environmental Management Act* by requiring all vehicle dismantlers and recyclers to develop and comply with an environmental management system (EMS) plan. An EMS plan will outline the methods by which the vehicle dismantler complies with, or intends to comply with, all applicable environmental protection regulations (e.g., *Hazardous Waste Regulation*, *Ozone Depleting Substances Regulation*). This will assist the ministry in compliance and enforcement activities – resulting in more consistent practices across the industry and an overall reduction in non-compliance with environmental regulations. The EMS plan will also assist other organizations who interact with the vehicle recycling industry by providing readily accessible and audited information on individual businesses and industry practices.

The ministry intends the code to encourage good practices – with intervention by the ministry only as required and appropriate for meeting human health and environmental protection objectives. To this end, the code of practice will support:

- 1. Pollution Prevention:** development of “Best Management Practices” (BMPs) for the industry – environmental standards and actions that provide direction on how responsibilities for protection of human health and the environment can be met;
- 2. Environmental Stewardship:** initiatives and processes that foster good environmental stewardship among establishments engaged in vehicle dismantling and recycling (e.g., industry-led training and pollution prevention planning processes); and
- 3. Compliance monitoring:** for good environmental and human health protection practices.

It is important to note that ministry staff will continue to conduct compliance audits and take appropriate enforcement actions for contravention of requirements set out in the *Environmental Management Act*, its regulations and the code of practice.

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6. Proposed Contents of the Code

6.1 Interpretation and Application

The code will apply to auto salvage and holding yards and businesses that may receive, dismantle, recycle and/or reuse used automobiles as defined in the *Waste Discharge Regulation*.⁸

6.2 Environmental Management System (EMS) Plan

The code will require every vehicle dismantler and recycler to have a current “Environmental Management System (EMS) plan” – or belong to an association that has such a plan – and to comply with the contents of the plan. This is consistent with the Environmental Management System (EMS) concept, developed and promulgated by the International Organization for Standardization (ISO) as a method for coherent environmental management and reporting.⁹

The EMS plan will have to address the management of identified materials with potential to harm human health or the environment during the receiving, removal, storage, transportation and disposal of end-of-life vehicles and their parts. The plan will have to include management practices to be used during both normal operating conditions and in emergency situations.

The ministry is proposing to include the following materials in the list of those which must be addressed in the EMS plan:

- ◆ Ozone depleting substances – R12, HFC, 134A and other products in air conditioning units – listed in the *Ozone Depleting Substances and Other Halocarbons (ODS) Regulation*;
- ◆ Oils, brake fluids, fuels (e.g., gasoline, diesel, propane) and other hydrocarbons, including solvents;

⁸ The industry is listed in Schedule 2 of the Regulation and defined as “establishments engaged in wrecking or dismantling vehicles or in recycling or disposing of parts and other waste material from vehicles.”

⁹ An EMS plan in the context of the vehicle dismantling and recycling industry is particularly relevant to ISO standards 14000 and 14001. See www.iso.org and www.iso14000.com for more detailed information.

- ◆ Anti-freeze;
- ◆ Lead and lead-acid batteries;
- ◆ Used tires;
- ◆ Mercury switches; and
- ◆ Windshield washer fluid.

Note that all waste relevant to the vehicle dismantling and recycling industry identified under the *Spill Reporting Regulation*, and waste defined as Dangerous Goods under the *Transportation of Dangerous Goods Regulation*, should be identified and addressed in an EMS plan.

The EMS plan will have to address how management of these materials complies with applicable rules and regulations, including:

- ◆ The *Environmental Management Act* and *Waste Discharge Regulation*;
- ◆ *Hazardous Waste Regulation*;
- ◆ *Ozone Depleting Substances and Other Halocarbons Regulation*;
- ◆ *Contaminated Sites Regulation*;
- ◆ *Spill Reporting Regulation*;
- ◆ *Water Act* and *Groundwater Protection Regulation*; and
- ◆ *Drinking Water Protection Act* (administered by the Ministry of Health).

6.3 Plan Registration and Registration Fee

Vehicle dismantlers and recyclers will be required under the proposed code to register with the director (as per the *Waste Discharge Regulation*) **either**:

(a) a statement that an EMS plan has been prepared in accordance with the provisions of the code, the business location(s) where the plan is applicable, and the location(s) where the plan may be viewed; **or**

(b) a statement that the vehicle dismantler and recycler is a member of an association that has prepared a plan and will follow the terms of this plan, the name of the association, and where the plan may be viewed or a copy of the plan made.

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A fee of \$100 will be required for registration of an EMS plan, with a plan having a term of up to five years. Once registered, plans would have to be updated to maintain currency with regulations and practices, and monitoring efforts reported – as described in the following section (6.4). The ministry is considering fee options for individual businesses that have indicated in writing to the ministry that they are operating under a plan registered by an association (and who are noted by the association as currently operating under the terms of the plan). In such cases, the association could pay a collective registration fee, or an individual registration fee for each business could be required.

6.4 Monitoring and Reporting

A. EMS plan prepared by individual businesses

An individual vehicle dismantler and recycler (that is not operating under an EMS plan prepared by an association) will be required under the code to:

(1) Publish a report 2 years after the date the vehicle dismantler registered under the code, and every 2 years thereafter, describing:

(a) How the materials listed in the code were managed in accordance with the EMS plan,

(b) Efforts taken by the establishment to reduce environmental impacts resulting from the management of these materials, and

(c) The results of a review by a qualified independent party of the contents of the business's EMS plan and their adherence to the plan (including the name of the independent party and a statement of accuracy from the individual or organization); and

(2) Post the report on the internet or have the report available at the regular place of business of the vehicle dismantler for viewing and copying by the public.

B. EMS plan prepared by an association on behalf of more than one business

An association that has prepared a plan on behalf of more than one vehicle dismantler and recycler will be required under the code to:

(1) Publish a report 2 years after the code comes into force, and every year thereafter, describing:

(a) The common (or generic) elements of the EMS plan prepared by the association, as well as any elements that apply to specific businesses or sectors of the vehicle dismantling and recycling industry that may be operating under the plan,

(b) How many members of the association were audited for compliance with the plan and the results of those audits,

(c) How the materials listed in the code were managed in accordance with the plan by each of the members audited, and

(d) Efforts taken by each of the members audited to reduce environmental impacts resulting from the management of these materials; and

(2) Post the report on the internet or have the report available at the regular place of business of the association and each of its members for viewing and copying by the public.

Note that if an association ceases active operation and provision of support for the EMS plan (e.g., auditing a reasonable percentage of members for compliance on an annual basis) during the term of the plan, businesses would then be held responsible for preparing and registering plans on an individual basis (see Sections 6.3 and 6.4.A above). The timeframe for requiring individually registered EMS plans in such a situation would have to be explicit and reasonable.

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6.5 EMS Plan Review and Revision

Under the code, a vehicle dismantler and recycler, or association acting on behalf of more than one vehicle dismantler and recycler, will be required to:

- (1) Update the plan, as required, to maintain currency with regulatory requirements and industry practices;
- (2) Review and revise its EMS plan 6 years after the code comes into force and every 5 years thereafter; and
- (3) Post any revised plan(s) and required reviews on the internet (so that the most current plan is clearly accessible for public review), and/or have the current plan under which the business or association is operating available for review by an authorized inspector or official, and for viewing and copying by the public.

6.6 Powers of the Director

The director, consistent with powers under the *Waste Discharge Regulation* (under the *Environmental Management Act*), may require amendment to an EMS plan by providing written notice to a vehicle dismantler and/or recycler, or association that has prepared a plan on behalf of more than one vehicle dismantler and/or recycler.

Failure to comply with the code of practice is an offence under the Environmental Management Act and is liable to a fine of up to \$200,000.

6.7 Transition Period

Vehicle dismantlers and recyclers will have a period of one year following enactment of the code to comply with provisions requiring preparation and registration of an Environmental Management System plan.

7. Providing Comment on the Proposed Code of Practice

The ministry is intending to finalize and implement the code of practice for the vehicle dismantling and recycling industry in the spring of

2006. Comments regarding the ministry's proposed intentions are being solicited and will be carefully considered in development of the code.

This intentions paper, and a response form with questions based on the proposed contents of the code, have been posted on the ministry's web site, see: <http://www.env.gov.bc.ca/epdiv/index.html>.

Those interested are invited to submit comments on the proposal – using the instructions and questions provided on the response form. Individuals or organizations may also make written submissions to the ministry without following the format set out in the response form – as desired. Submissions will be compiled and summarized, without specific attribution, by an independent contractor. A consultation summary report will be posted on the ministry website. Following review of comments and submissions, the ministry will complete legal drafting of the code of practice for legislative review and implementation.

Comments received will be treated with confidentiality by Ministry staff and contractors when preparing consultation reports. Please note that comments you provide and information that identifies you as the source of those comments may be publicly available if a Freedom of Information request is made under the *Freedom of Information and Protection of Privacy Act*.

Comments to the ministry should be made on or before December 15, 2005.

If you have any questions or comments regarding the consultation process, review the information posted on the ministry website, or contact Cindy Bertram of C. Rankin & Associates, who has been contracted to manage consultation comments, at:

Email: cindybertram@shaw.ca

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Thank you for your time and comments!