

Chairman and members of the committee

My name is Loretta Miller. My husband and I have owned and operated Green Meadow Auto Salvage in the Helena Valley for 26 years. I am the immediate past president of the Montana Automobile Dismantlers and Recyclers Association. We are strongly opposed to HB 264.

Many occupations, professions, and industries are regulated and licensed in this state for some reason. The wrecking facilities is one of those industries. In the 60's, Lady Bird Johnson's pet project was to remove the junk vehicles from the side of the roads all over the United States. Montana's legislature laid the ground work for one of the most stringent junk vehicle laws around the nation. We have been the model for many other state programs. The legislature decided it was important that this industry be regulated then for beautification reasons. As times have changed, the concerns with recycling have changed. Although neighborhood decay is still a concern, the environment has become a much larger consideration. This is what troubles me most about Senator Hinkle's legislation.

SB264 allows anybody to have 3 vehicles or fewer on their property without a license as long as the purpose for having these vehicles is to dismantle the vehicles and haul component parts to a recycling facility. How often are these vehicles cycled through the property? If this person is industrious, it is actually possible to dismantle 3 cars a day if they are just high grading the scrap. That industrious person could potentially handle 1000 cars a year. But if we use a more reasonable example and suggest that the scrapper handles 3 vehicles a week that is still more than 150 vehicles a year 3 at a time. Only 3 a month is still 36 a year.

Let me talk for a minute about what is involved in scrapping a vehicle. Before a county graveyard or a steel recycling yard such as Pacific Steel will take a vehicle, all the fluids must be drained. Our wrecking facility license requires that we have a tear down pad and containment bins to protect the ground water from being contaminated. We have to have storm water run-off permits or an exemption in writing. We must have separate Freon collectors for R-12 and R-134a refrigerants. It is dangerous to mix them. The feds think it is important to properly handle the refrigerants. They can impose a \$25,000 fine for releasing Freon directly into the atmosphere.

What is the scrapper doing with the engine oil, the transmission fluid, and the sweet smelling 90 weight from the rear end? Does he have a storm water runoff plan and permit? What is happening to the antifreeze? Is it stored so animals cannot get into it? Antifreeze causes a very slow and uncomfortable death in animals. Do they have a Freon collector or reclaimer? Is the Freon going into the atmosphere? Let's not forget the brake fluid with its heavy metals. Does that scrapper understand the

implications of not properly handling all the fluids in the vehicle? What happens to the mercury in the mercury switches that turn the lights on when the door or trunk lid are opened. Pacific doesn't take tires. Where do they go?

Another requirement of licensed wrecking yards is that we report all the vehicles we process to a new federal system so that the VIN number is killed. This reporting has to be done by everybody in the recycling process. The insurance company if they are involved, the salvage auction, the salvage yard, the crusher all have to report these vehicles to this data base. The salvage yards have to report every car as we get it and then again when we crush it. This is one tool that is used by law enforcement for controlling stolen vehicle rings. This report goes into the federal government monthly with large fines for non-compliance. In Montana, we are required to submit a list of all vehicles we handle on a quarterly basis. What ownership documents are these scrappers getting before handling the vehicle? What is happening to those documents?

Another issue that also needs to be addressed is the income from these vehicles. When the price of steel goes up, the price of car bodies follows suit. Salvage vehicles are the biggest single supply of materials for steel in our country. Presently car bodies are worth \$140 a ton approximately. The average weight of a vehicle is close to a 1 and half tons. Let's round that to \$200.00 for the scrap weight of a vehicle. The average value for a catalytic convertor is \$100.00. We just sold used batteries for \$10.00 each. Aluminum wheels are worth \$10 to \$13.00 each. My math leads me to believe that there is \$300 to \$350.00 in scrap value in each car. If that really industrious scrapper handles 1000 cars a year, that would be about \$300,000 in income that goes through his hands, but you can't get your fingers on any of it. Even the guy that is only handling 3 cars a week is adding \$45,000.00 tax free to his income every year. If the scrapper is selling a few parts here and there besides just the scrapping income, he has a pretty good living that is totally under the table.

A wrecking facility license is an easy license to obtain. The requirements are a fence, meeting zoning requirements, have an environmental acceptable tear down pad, a Freon collector, and a license. The license is also cheap at \$100.00 annually. As with all processes in state government, the process is often times slow. There are more 100 licensed wrecking facilities in the state that have made the commitment to meet the licensing requirements, take care of our environment, and protect their neighborhoods.

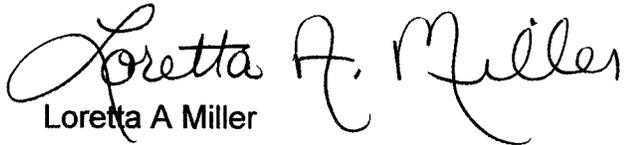
I understand the concept of free enterprise. My understanding is that I have been working the free enterprise system for 26 years. We have been successfully dismantling and scrapping vehicles within the licensing regulations imposed by the State of Montana on wrecking facilities. When scrappers are allowed to play in my game, and not follow the same rules, I think that is unfair competition sanctioned by the

State of Montana. It is also detrimental to the quality of our environment and tax coffers of state government.

I strongly urge you to kill SB264

Thank you for listening to me today.

Respectfully submitted,

A handwritten signature in cursive script that reads "Loretta A. Miller". The signature is written in black ink and is positioned above the printed name.

Loretta A Miller

Owner

Green Meadow Auto Salvage, Inc