

ENVIRONMENTAL LAW COMPLIANCE IS A KEY CONTINUING NEED FOR COLLISION CENTERS

WHITE PAPER



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The world of auto repair requires a lot of knowledge, hard work, problem-solving skills and effective time management to produce positive outcomes—both for customers and facilities. These needs are even more apparent for collision centers, which take on some of the most difficult and complicated repair jobs. Fixing cars after major accidents means approaching each job as a unique and involved task that requires plenty of critical thinking and technical know-how.

Of course, the responsibilities of a collision center don't start and end with repairing a customer's automobile. There are a wide variety of regulatory compliance needs that must also be addressed to ensure a facility can maintain regular operations and provide high-quality service to clients. A lack of oversight in this area can lead to a wide variety of negative consequences, including costly fines and the need to make significant adjustments to workflows, as well as the potential closure of the entire facility.

Beyond financial penalties and other serious complications, which are faced by every type of company in a regulated industry, keeping up with relevant rules is especially important for collision centers for two reasons: the many potentially hazardous materials they handle on a regular basis and the speed with which state and federal laws can change. Consider how recent regulatory changes in California can potentially impact collision centers there.

CA HAZARDOUS WASTE LAW CHANGES ONE EXAMPLE OF HOW COLLISION CENTERS NEED TO ADAPT

California already has some of the strongest regulatory protections in the country and has a reputation for fostering an especially broad and powerful regulatory environment. It also has been recognized several times in the past as a bellwether in terms of similar regulations being

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established in other states. Even if your business doesn't operate in California, understanding regulatory changes in that state is important for predicting future changes closer to home.

Recent, major fine increases for improper disposal of hazardous waste in California are especially relevant for collision centers. Working with severely damaged automobiles means handling a wide variety of hazardous materials, where spills and leaks are common and proper protocols for cleaning up such substances are vital, both to keep employees safe and follow relevant rules. Collision centers must also dispose of all waste properly to ensure they successfully complete their regulatory responsibilities and avoid major financial consequences.

The state legislature approved legislation that was signed into law by Gov. Jerry Brown near the end of 2017 that almost tripled fines for improper disposal of hazardous waste. The previous per-day, per-violation cap for

disposal-related fines was \$25,000, an already high amount for many individual collision centers, and even their parent companies. Now, regulators in California can assess penalties as high as \$70,000 per violation, per day. Just a few violations—even when rectified within a few days—can create significant, six-figure fines for collision centers.

It's more important than ever before for collision centers in California to recognize the power of environmental laws and the sharply increased penalties that come along with a lack of compliance. Consider the case of a chain of 57 dealerships and repair centers in California that ran afoul of hazardous waste storage and disposal laws in locations across the state. The problems in maintaining compliance led to a multi-year investigation across several jurisdictions and, ultimately, a \$3.38 million settlement with state regulators, including a \$2.1 million fine.

While businesses outside of the Golden State don't have to contend with this recent and substantial fine increase,

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they must have a similarly high level of compliance with their local regulations and remain abreast of potential changes that could similarly raise the stakes. They can face similar consequences, up to and including a substantial settlement agreement with the relevant authorities, even if the financial penalty isn't quite as large.

How can collision centers prioritize hazardous waste regulation compliance in an effective, manageable and ultimately successful way?

FINDING THE RIGHT PARTNER FOR YOUR ENVIRONMENTAL LAW COMPLIANCE NEEDS

Managing the many requirements of hazardous waste disposal compliance is a difficult proposition for a single collision center. For chains, the dispersed nature of operations and potential to operate in different states—which does follow Environmental Protection Agency regulations and individual state plans—makes such

efforts even more complicated. A knowledgeable, experienced partner can make a world of difference in terms of navigating detailed and variable regulatory environments and finding the best subcontractors to handle and dispose of waste around each and every location. While there are many providers of such services in some markets, quality and capability are by no means assured.

Decision-makers have to look for providers who are willing to work with their business's unique needs and develop effective, customized strategies for effective hazardous waste management. Support is another major factor to consider. A great partner can provide an around-the-clock contact point to address any emergent, unforeseen issues, as well as successfully handle the many diverse streams of hazardous waste and other regulated materials that collision centers deal with on a daily basis. It will also help facilitate continuous, customized and effective training for staff, a critical element of effective, total compliance that creates the best outcomes possible.

From risk minimization to effective hazardous waste disposal, invoice verification and consolidation to compliance tracking, **Quest is here to help your collision center prosper.**

Quest is ready to help collision center chains just like yours succeed when they commit themselves to a high degree of environmental compliance, whether they operate in one state or many. With subcontractor relationships across all 50 states, Canada and Puerto Rico—and a rigorous auditing and monitoring process for each provider—we make sure your business only works with the most effective and dependable local partners. Our customized solutions and provision of 24/7/365 access to account management teams mean we provide truly individualized

and effective responses to the many different regulatory issues collision centers face, an approach supported by our customized online reporting and offering of full visibility into sustainability data.

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To get in touch, call us at 877-321-1811 or email solutions@questrmg.com.

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