

## **DEALER ALERT**

**To: EHS Coordinator**  
**From: Sam Celly, MS, JD, CSP**  
**Date: February 1, 2015**  
**Ref: Fall in Oil Prices & Hazardous Waste Cost Recovery**

**Background:** California auto dealers are charging for expenses related to management and disposal of hazardous wastes generated during servicing an automobile since 1989. The dealers are allowed to recover the expenses, both direct and indirect, incurred in managing and disposal of wastes generated during servicing automobiles. The used oil haulers who were once paying dealers for oil in the amount of \$0.85 to \$1.00 per gallon are no longer paying. This is the direct consequence of the reduction of the price of crude oil.

**Action Needed:** The costs for disposal vary from dealer to dealer depending upon the nature and size of their operations and their close proximity to a metro area. As of February 1, 2015, waste haulers are known to be quoting prices as follows:

- Used Oil Pickup: No Charge
- Used Coolant Pickup: No Charge
- Used Oil Filter Drum: \$35-45/drum
- Annual Clarifier Sludge Removal: \$1000/cleanup

**California Law on Hazardous Waste Disposal:** California statute on hazardous waste disposal effective 1/1/92 is listed under Title 16, Division 33, Chapter 1, Article 7, Section 3356.1 as follows:

**Toxic Waste Disposal Costs:**

An automotive repair dealer may charge a customer for costs associated with the handling, management, and disposal of toxic wastes or hazardous substances under California or federal law, which directly relate to the servicing or repair of the customer's vehicle. This charge must be disclosed to the customer by being itemized separately on the estimate prepared (pursuant to Section 9884.9(a) of the Business and Professions Code) and on the invoice prepared (pursuant to Section 9884.8 of the Business and Professions Code). In order to assess this charge, the automotive repair dealer must note on the estimate and invoice the station's Environmental Protection Agency identification number required by Section 262.12 of Title 40 of the Code of Federal Regulations.

**Recommendation:** We recommend that in light of the recent price swings in disposal, the dealers evaluate their costs and charge the customers for hazardous waste disposal based on their revised costs. A questionnaire is attached for CSI clients to complete. The completed questionnaire with support documents can be sent to CSI for calculation of charges that should be placed on the service related documents.