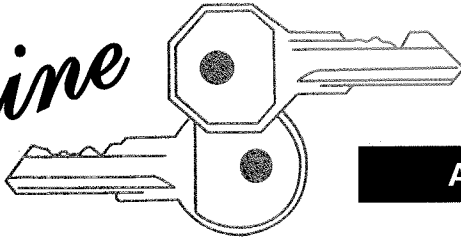


Maine



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TO: Joint Standing Committee on Environment and Natural Resources

RE: LD 1165 – An Act to Create a Fund for Safe Disposal of Hazardous Fluids from Salvage Yards

Good Afternoon, Senator Tepler, Representative Doudera, and Members of the Committee. My name is Tom Brown, President of the Maine Automobile Dealers Association, the state-wide organization of the franchised new car and truck dealerships in Maine, all of which are members of MADA. Franchised dealerships sell and service new and used vehicles, parts and accessories at over 200 locations throughout Maine, employing over 6,000 personnel.

MADA testifies in **Opposition to LD 1165** as drafted. This proposal establishes a Fund to address automobile graveyard owner/operator costs for proper disposal of fluids extracted from motor vehicles, but mandates a State fee of \$100 **only on new vehicle sales**. If the creation of a Vehicle Fluid Waste Fund is necessary, we provide comments on the proposed funding mechanism.

As we understand the data, the national average age of registered motor vehicles is about 13 years – Maine's average has historically been slightly higher. New vehicles are not likely to be sold into automobile graveyards for a substantial number of years, yet are the only source of monies which are mandated to support the Vehicle Fluid Waste Fund. Maine dealerships sell about 60,000 new vehicles per year – this sales level would generate approximately \$6 million per year to this Fund – that is a substantial amount of money. Used vehicles, which are closer to sale into a graveyard, account for 2 to 3 times the sales volume of new vehicles.

LD 1165 proposes to reimburse automobile graveyard owner/operators for their costs in properly disposing of motor vehicle fluids. LD 1165 does not address who sets these costs or whether they are reasonable and remain competitive in the marketplace. It is unclear how much is currently being spent, or reasonably needs to be spent in a competitive environment, to properly dispose of motor vehicle fluids.

The issues of proper disposal methods, appropriate annual costs of such proper disposal, and who and how much is assessed as a reasonable mandated State fee for the Vehicle Fluid Waste Fund are concerns.

Thank you for the opportunity to provide MADA's **Opposition to LD 1165**, as drafted. I would be pleased to try and answer any questions.