



CCIF Vancouver Meeting Report

**Canadian Collision Industry Forum
Delta Vancouver Airport Hotel, Vancouver
Saturday, April 21, 2007**

"Environment" takes centre stage

"Environmental issues in the collision repair industry are not just about regulations," said Larry Jefferies, CCIF chairman, in his opening comments. "They're about social responsibility, the impact on our communities, our families and our future." This environment-themed CCIF would provide much information and encouragement to be proactive in facing the challenges that come from using and disposing of the chemicals and materials that needed to restore vehicles to pre-accident condition. The heightened level of public consciousness has created an opportunity for collision repairers to demonstrate and even promote their environmentally-friendly business practices.

Automotive Recyclers' Environmental Accreditation Program

Recognizing that the provincial government was unlikely to introduce an accreditation program, the Automotive Retailers Association (ARA) has worked with the province's automotive recycling industry to develop a flexible self-management approach. Speaking on behalf of ARA, Colin McKean explained the key elements of the program that included determining the legal and industry standards, developing a code of practice, an audit process and a training program.

The inexpensive accreditation program was already proving to be a worthwhile step for recyclers to take. With measurable improvements in environmental performance, many recyclers were reporting increased efficiency and profitability, lower bank loan rates and happier staff working in a cleaner environment. Having developed a sound model for British Columbia, there is already interest from the Automotive Recyclers of Canada for expanding the program across the country.

Low VOC Regulations Update

In his capacity as chairman of the Canadian Paint and Coatings Association (CPCA), Brian Edwards outlined the federal government's intention to introduce regulations that will require every collision repairer in Canada to make changes in product use, process and equipment. In 2002 VOC emissions from refinish paints used in the Canadian collision repair industry amounted to 5 kilotonnes. With the introduction of the new regulations, possibly taking effect as early as January 1, 2009, VOC emissions will fall by 40%. The required low VOC products and processes are already in use in California and Europe, so the industry in Canada can be confident that paint and equipment suppliers will be ready to support and guide them through

the conversion process here in Canada. CPCA is working closely with Environment Canada to ensure that industry data is being properly interpreted and that the regulatory process runs smoothly.

Shops Converting to Low VOC Products

Ken Friesen, chair of the Process & Innovation Committee, introduced two collision repairers with experience of the conversion process. Martin von Holst of Streamline Collision Centers, likened the conversion to the Y2K computer scare. "This is not to be feared," said Martin. "It's really an opportunity to take stock of your shop and make it more environmentally friendly." Whatever final implementation date Environment Canada sets, everyone should have a plan and make the decision on when to convert. Martin explained the shop audit process provided by his paint supplier, and how it will enable owners to assess exactly what changes might be necessary to their booth and what other equipment might be required. Once the audit is complete, the conversion date can be decided, based on cost, training availability and other factors. "Just don't leave it until the last minute, though," added Martin. "If you want technical support from your paint supplier to train your staff and provide guidance, they will be ready to schedule the conversion at a time that suits you both, but understand that they won't be able to meet the demand if thousands of shops wait until the last minute."

Arriving last year from Germany, where low VOC products have been in use for some time, Bernhard Rubbert purchased False Creek Collision Plus in Vancouver and soon made the switch to low VOC products. "I was already familiar with waterborne basecoats and the low VOC processes, so it seemed natural to just get on with it," said Bernhard. He explained that VOC reductions are required in three main areas – pre-treatment at the bodywork stage, paint mixing, application and clean up, and in detailing. Bernhard shared his experiences with waterborne basecoats, saying that with wall-mounted air flow systems for increased air movement, there had been no loss in productivity. Colour match was great and his painters loved the products.

Bernhard had some tips on low VOC shop practices, too:-

- ❖ Waste storage – all VOC containing rags must be stored in closed containers.
- ❖ Ground contamination – check around the property for signs of spills or dumping.
- ❖ Air contaminants – Reduce discharge by regular cleaning of spray booth ducting.
- ❖ Use dry, strippable low VOC booth coatings or clean internal surfaces regularly.
- ❖ Cover all containers of gun wash solvents.
- ❖ Ensure all waste solvent containers are closed.
- ❖ Use HVLP spray guns.

Environmental Liability and Due Diligence Strategies

Paul Cassidy of Blake, Cassels and Graydon made clear that it was the responsibility of shop owners to understand the local, provincial and federal laws relating to environmental matters. Penalties for infraction were high fines and sometimes jail. On top of that, government clean-up orders and law suits from affected parties could create crippling costs for any business found to be in breach of environmental regulations.

The key to avoiding these consequences was in practising due diligence and, in case of investigation, being able to prove that due diligence practices are in place. The keys to this were in developing a systematic approach, taking preventative action and dealing with issues promptly. Other fundamentals of due diligence were communication and staff training. Whether these activities were formal or informal, they should be documented and tracked, so that in the case of investigation, a shop can provide proof that, even if it has failed, it is aware of its responsibilities and doing its best to manage environmental issues. The recording and tracking of such details would also support the process of assessing, reviewing and improving environmental management practices in the shop.

With increased public interest in environmental protection, it was possible that regulations would become stricter and that there would be more enforcement. Higher financial penalties and class action suits might also be threats. Industry codes of practice, proactive measures and public relations activities might be steps that progressive industries should take to avoid disruption of business and to demonstrate social responsibility. "My company advises clients on how to establish good environmental management practices and on how to prove due diligence," concluded Paul. "But it's regrettable when we receive the occasional call a year or two later, asking us to defend them in court – regrettable and entirely avoidable."

Environmental Management Costing Practices

Recognizing that there were real costs associated with environmental management in the collision repair shop, ARA and ICBC had agreed a formula for compensation. Paul McFarlane of Boyd Autobody & Glass explained how the calculation was made. Data on environmental management costs was collected from the ARA member shops capable of extracting the data from their accounting procedures (about 50%). This enabled an average cost to be determined. The items taken into account were:-

Solvent recycling, spray booth filters, anti-freeze, cardboard and office paper, protective equipment and WHMIS training.

Paul showed the form used to calculate these costs. His presentation slides with this information will soon be available at www.ccif.net .

British Columbia Update.

Dale Finch of ARA outlined the Collision Repair Industry Agreement that had been developed by ARA and ICBC. The key points of the agreement were:-

- Services should focus on providing safe, quality repairs.
- Total costs should managed effectively on behalf of all ICBC customers.
- Business partners should be compensated fairly, based on achievable, well understood performance standards.
- Business processes should be streamlined on an ongoing basis and accountabilities should be clear.
- Customers should not pay for inefficiencies within ICBC or Industry.

The current agreement between ARA members and ICBC was made in 2005 and runs until March 2008.

Training sessions have been held to help collision repairers achieve high levels of excellence in cycle time and customer satisfaction. Those that reach certain levels may participate in the C.A.R. shop VALET program that enables them to receive a higher rate of compensation.

Collision Repair as a Career Choice

Skills competitions take place for high school students every year across Canada with over 100,000 students participating. The competitions culminate in a national event to select winners from each trade to go forward to the WorldSkills final. Shaun Thorson of Skills Canada said that there were some 4,000 students competing annually in auto body repair, but since 2002 there have been no participants in car painting at the national competition.

Shaun invited CCIF participants to help raise the profile of collision repair trades by supporting their local, provincial and national competitions. By doing so, they would help raise student awareness and interest in auto body repair and painting as a challenging and rewarding career. The specific needs that can be met by CCIF participants were:-

- ☞ Collision repairers to act as judges, as well as participating in technical committees to design projects and establish criteria.
- ☞ Materials, equipment and facilities. The main reason why painting has not been well represented in the skills competitions was a lack of painting facilities.
- ☞ Financial support
- ☞ Support for the WorldSkills Calgary 2009 finals.

There was a sense of urgency, due not only to the strong need for the collision repair industry to attract young people, but because the WorldSkills finals were scheduled to take place in Calgary in 2009. A goal for the industry would be for every district and province to run both auto body and painting competitions in 2008 leading to national champions who would take part in the WorldSkills finals. This would be the best preparation to build confidence and experience that would strengthen Canada's chances when the WorldSkills competition is held on home turf in 2009.

National Accreditation

Jay Perry presented his committee's proposal for a rating method for accrediting collision repair shops. He explained the One Star to Five Star ratings with the lowest level requiring only that the shop be operating legally. Four Stars would indicate that a shop had met all the requirements of the national accreditation standards with an on-site audit. The Five Star designation would be reserved for shops that surpassed the national standards. Jay invited CCIF participants to join his committee and requested comments on the star rating proposal.

In closing CCIF Vancouver, Larry Jefferies invited participants to enjoy the trade show that would run during the reception. All exhibitors were

suppliers of equipment and materials related to the low VOC conversion, so participants would have a one-stop shop for seeing and touching some of the products they might soon be using. Larry also reminded participants of the next great chance to learn and network at CCIF St John's on June 23rd, when the meeting theme would be profitability.

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