



## **EuRIC Position on the revision of the End-of-life Vehicles (ELV) Directive**

7 November 2019

EuRIC, the European Recycling Industries' Confederation is pleased to share comments on the revision of Directive 2000/53/EC (ELV Directive).

### **Issues for the recycling sector**

Every year, end-of-life vehicles (ELVs) generate between 7 and 8 million tonnes of waste in the European Union which should be treated in an environmentally sound manner. The ELV Directive, its ambitious targets of 95% recovery coupled with the requirements laid down to ensure proper ELV recycling, has profoundly shaped the ELV recycling industry which has made very significant investments throughout the recycling process (from depollution to the recovery of complex materials) to achieve it.

The most significant issue for the whole ELV recycling industry is the around 4 million vehicles of unknown whereabouts per year in Europe, compared to 6 to 7 million ELVs treated in compliance with the ELV Directive<sup>1</sup>. This deprives authorized treatment facilities (ATFs) and ELV recycling facilities (shredders and post-shredder installations) from ELVs which should be treated in an environmentally friendly way in accordance with the ELV Directive and results in net economic losses for compliant treatment and recycling operators, given the uneven playing field in which compliant facilities operate.

EuRIC via its European Shredder Group (ESG) represents ATFs and the vast majority of ELV recycling facilities (shredders and post-shredder installations) which recycle ELVs in Europe. EuRIC fully supports the goals of the ELV Directive and calls for measures aiming at strengthening its enforcement, linking the ELV Directive with the objectives of the Plastics Strategy and adapting it to the challenges posed by new types of cars progressively entering the market. Among the various challenges these cars pose at recycling stage are the difficulty to meet the existing recovery targets of 85% and 95% given the increase of composite materials which are currently very difficult when not impossible to recycle under technically and economically viable conditions.

Last but not least, EuRIC strongly supports the inclusion of binding recycled content for plastics in cars to pull the demand for technical plastics and incidentally boost eco-design and correct the failure of the markets to reward plastics' recycling huge environmental benefits.

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<sup>1</sup> [https://ec.europa.eu/environment/waste/elv/pdf/ELV\\_report.pdf](https://ec.europa.eu/environment/waste/elv/pdf/ELV_report.pdf)



## **Key requests by the recycling industry**

The revision of the ELV Directive is the right opportunity to implement urgently needed measures to solve practical challenges linked to the Directive. EuRIC therefore proposes the following measures:

### **1. Well-framed financial incentives for the last holder to deliver a vehicle to authorized treatment facilities in exchange of a CoD**

The certificate of destruction is the cornerstone of the ELV Directive. The issue linked to “ELV whereabouts” is rooted in the uneven enforcement across Europe of the certificate of destruction (CoD). It is hence absolutely vital for the ELV recycling industry to ensure that the CoD is properly enforced. Incentives have a key role to play to achieve such a goal. The revised ELV Directive shall require the setting up of incentives to improve the enforcement of the CoD. Incentives can take the form of a refundable tax paid by the owner of the vehicle on an annual basis alongside with existing taxes paid on an annual basis. This extra tax can only be refunded, as an incentive, to the last owner of the vehicle when delivering the vehicle for proper treatment at its end-of-life. Incentives can also use existing obligations with which each owner of a vehicle has to comply with, such as insurances’ premium.

Among the different types of incentives available to enforce the CoD, as listed in the comprehensive study made by the French Environmental Protection Agency<sup>2</sup>, and without ruling out any of them, EuRIC strongly suggests to consider **an incentive system based on an insurance premium** which is straightforward to enforce since a car insurance is mandatory all over Europe for car owners. Alike in Czech Republic, to de-register a car, a valid CoD or proof of sales or export will have to be provided. If the car is not validly de-registered, the insurance cannot be terminated and a penalty has to be imposed (insert reference, in CZ Republic that penalty is around 1950€). Such a simple framework incentivizes legal operators and sanctions illegal ones since the latter won't be in a position to provide the CoDs or proofs needed to validly deregister a car. In addition, it can be implemented in complement to other incentives based for example on refundable tax or fees’ schemes.

### **2. Improve registration and de-registrations systems**

**EuRIC recommends to implement a harmonized vehicle registration and de-registration system within the EU.** Currently, each Member State maintains its own system and for example, national vehicle registration authorities are not obliged to report on export or import of used vehicles within the EU. However, information on export/import of used vehicles is necessary to validate reported numbers on treated ELVs in Member States and to prevent loopholes contributing to unknown ELVs’

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<sup>2</sup> BILAN MONDIAL DES DISPOSITIFS INCITATIFS VISANT A ORIENTER LES VEHICULES HORS D'USAGE (VHU) DANS LES FILIERES DE TRAITEMENT AUTORISEES



whereabouts. Equally, de-registration systems have to improve as well since improperly treated ELVs pose a significant risk to the environment.

### **3. “Clear & easy way to implement” distinction between used cars and ELVs**

A distinction between used cars and ELVs could be easily made once a car has passed a roadworthiness test or a technical control. This system has been recently introduced in Italy with the effect that only a car which has passed such a roadworthiness test can be exported to another country. EuRIC strongly recommends such an obligation to be included in the ELV Directive to distinguish ELVs from used cars and prevent this substantial loophole or at the least, to include proper definitions into the ELV Directive framework.

### **4. Improvement in the information exchange about the fate of temporary de-registered vehicles**

EuRIC strongly supports that temporary de-registrations must be accompanied by information about the fate of the vehicle to prevent abuses. For example, in Sweden, there are currently 5.5 million vehicles registered out of which 1.2 million are temporarily de-registered. Such a high proportion of temporarily de-registered vehicles is not realistic and weakens the enforcement of CoDs. Furthermore, not distinguishing between final and temporarily de-registered vehicles causes uncertainty and leads to statistical gaps, especially when different authorities do not have the necessary data and cannot determine the ELV whereabouts.

### **5. Emphasize the important role of insurers in case of total loss**

Insurance companies should play a more important role in the enforcement of the ELV Directive. When a car accident results in a “total loss” of the vehicle as declared by an insurance company (such as totally destroyed vehicles) the vehicle shall be automatically classified as an ELV to contribute to a better enforcement of the ELV Directive.

### **6. Tackling illegal online sales of valuable spare parts from ELVs cars which have been declared total losses, scavenged cars etc.**

E-commerce platforms are increasingly used to sell the most valuable spare parts from ELVs. In some instances, spare parts sold on online market platforms originate from illegal activities (scavenging or from depollution made by non-ATF-companies). These platforms negatively impact ATFs and car recycling facilities deprived from valuable spare parts and caring about environmental protection. It is hence absolutely crucial to oblige e-commerce platforms to require that sellers are ATFs or that the spare parts originate from an ATFs by providing their valid ATF registration number and contact details<sup>3</sup>. This enables enforcement authorities to quickly check the origin of the spare

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<sup>3</sup> See for example : <https://atfpro.co.uk/ebay-elvs-and-environmental-permits/>



parts sold online and hence fight more efficiently against illegal online sales of spare parts.

### **7. Minimum target of post-consumer recycled content of plastics in new cars to foster the demand for recycled plastics from ELVs**

EuRIC strongly supports to include a minimum target of post-consumer recycled content of plastics in new cars to foster the demand for recycled plastics from ELVs in order to convert the linear supply chain to a circular material flow model. Plastics recycling companies represented by EuRIC recycle thermoplastics from cars (PE, PP, PS, ABS, etc.) meeting the same mechanical requirements a virgin polymers and market them to car manufacturers. On the other hand, major car manufacturers are already sourcing recycled plastics to manufacture car components using plastics. In line with the Plastics Strategy, it is vital to scale up plastics recycling in terms of quantity and quality from cars by securing long-term demand through binding recycled content for thermoplastics used in new cars. EuRIC proposes to set a target for post-consumer thermoplastics in new cars of 25% by 2025, 30% by 2030 and 35% by 2035. The recycled content target shall be calculated on the basis of the total weight of thermoplastics used in each car. Such a target would also contribute to incentivize post shredder treatment of auto shredder residues (ASR) which would enhance recycling and reduce the carbon impact of making new vehicles.

For more information, please contact: [euric@euric-aisbl.eu](mailto:euric@euric-aisbl.eu)

***EuRIC - The European Recycling Industries' Confederation*** is the umbrella organisation for recycling industries. Through its Member Federations from 20 EU & EFTA countries, EuRIC represents across Europe over:

- *5,500+ companies generating an aggregated annual turnover of about 95 billion €, including large companies and SMEs, involved in the recycling and trade of various resource streams;*
- *300,000 local jobs which cannot be outsourced to third EU countries;*
- *Million tons of waste recycled per year (metals, paper, glass, plastics and beyond) from different streams such as commercial I& industrial or household waste, WEEE, ELVs, etc.;*

*Recyclers play a key role in a circular economy. By turning wastes into resources, recycling is the link which reintroduces recycled materials into the value chains again and again.*