



Korea Automobile Manufacturers Association



ACEA, JAMA, KAMA and CLEPA Position on

'Repair as Produced' in the context of the REACH Regulation

(Status: 31 March 2014)

The automotive industry is committed to the objectives of REACH, which are to protect human health and the environment while guaranteeing the free movement of substances within the internal market, improving the competitiveness of the industry and fostering innovation.

The automotive industry has a responsibility to its customers to support the longevity of their current vehicles by ensuring that these products can be serviced, repaired and maintained in such a manner as to not be detrimental to their function, safety and reliability. Extending the lifetime of a vehicle is essential to reducing costs for consumers, as well as conserving natural resources and energy. The supply of spare parts is also regulated at a national level, e.g. in Germany¹, where a minimum 10 year availability obligation must be fulfilled. For this and other reasons, it is not uncommon for OEMs and suppliers to provide spare parts for vehicles that have been out of production for more than 20 years.

Spare parts for vehicles must meet the performance demands of the original part and function identically with associated systems and components to make sure that the function and safety of the vehicle is not adversely affected. The technical performance defined for these spare parts may be linked to their chemical composition. To guarantee the technical performance of the individual parts and interaction with other components an adverse chemical reaction should be avoided. The geometry of the spare parts needs to be identical to the original part in order for the components to physically fit into the required space. For example, it is not possible to replace the bulbs in high intensity discharge lamps with mercury free bulbs unless the system has been designed to use mercury free bulbs as the size, energy requirements and heat management requirements are incompatible. Interchangeability must be ensured. This issue has been addressed in the End of life Vehicle

¹ Post-contractual fiduciary duty to supply spare parts, German Civil Law Code , Art. 242.

Directive (2000/53/EC) in 2005 with the Council Decision 2005/438/EC. Preconsideration (2) states: “As product reuse, refurbishment and extension of lifetime are beneficial, spare parts need to be available for the repair of vehicles which were already put on the market on 1 July 2003”. Subsequently, all new material restrictions in the ELV Directive have a ‘repair as produced’ exemption for spare parts that were not originally designed to be compliant with the new material restrictions.

A similar balanced approach for vehicle spare parts is also required for substances listed under REACH Annex XIV. To ensure the continued supply of spare parts of the necessary quality and functionality, **the automotive industry proposes that spare parts for vehicles that are no longer in current mass production (legacy parts) be exempted from the provisions of REACH, Article 56, when they contain substances which have been listed in REACH Annex XIV.**



Supply chain structure & spare parts demands

When a vehicle ceases volume production, the part tooling and design drawings either remain under the responsibility of the original component manufacturer (mostly Tier 1 suppliers) or are transferred to an SME in order to continue production of the service parts in smaller volumes. Typically these SMEs are located in the EU and they have very little knowledge of part development and whether substituting certain substances will lead to detrimental effects on performance. These SMEs are also unable to validate any changes to the system or vehicle as a whole, which means that expected functionality cannot not be guaranteed.

According to a study, more than 90 % of spare parts have an annual production volume which is below 0.1 % of the original mass production volume. There are between 1,000 to 4,000 suppliers providing spare parts to individual vehicle manufacturers or Tier 1 suppliers. Due to low demand for spare parts, any additional costs would make this business unprofitable, independent of the size of the supplier.

→ Due to the low demand for spare parts, and the diverse supply chain within Europe, a major impact on small and medium sized enterprises is anticipated.

Technical feasibility of spare parts substitution (Legacy parts)

In addition, uncontrolled substitution of substances can cause changes in function, geometry or thermal durability, etc. In order to ensure road safety while also following Whole Vehicle Type-Approval procedures, modified vehicle components may need to be intensively tested, both as individual parts, and in the assembly together with other associated components. For safety-relevant spare parts such as brakes or airbags a re-validation has to be based on the original vehicle, which in most cases will have ceased production years previously and thus is no longer available. The high number of samples required to perform all necessary testing also has to be taken into account, as it is difficult to reconcile with the fact that the number of available spare parts generally decreases over time.

Finally, spare parts would potentially have to be redeveloped (and tested) several times whenever a new substance is scrutinised under REACH and used in the component.

Suggestions such as the stockpiling of spare parts for decades is equally problematic. Apart from the issue of storage capacity, there is also the problem of physical and chemical ageing. For instance, rubber parts have a limited shelf-life, so it is difficult to ensure functional integrity when sold to the customer. The potential for overcapacity that stockpiling can produce is also inefficient and a waste of resources because obsolete parts would eventually have to be scrapped. It could also potentially inflate the cost of spare parts, as the SME would need to recover any costs related to obsolescence.

Overall environmental impact of spare parts

Used cars are replaced by new cars over time. The statistical average age of a passenger car is 8.2 years². The majority of European cars are removed from the car pool after 13 to 15 years, where they become End of Life Vehicles (ELVs). For a specific model that is no longer produced an ever decreasing number of spare parts is required as fewer vehicles remain on the road.

The environmental impact of spare part volumes can therefore be considered as very low and decreasing over time.

Importance for European SMEs and the environment

A decision from spare parts producers to refrain from the production of spare parts will result in increasing repair and maintenance costs for customers or a decrease of average vehicle lifetime due to non-availability of spare parts. The latter stands stark contrast to the EU resource efficiency strategy.

The alternative solution is the outsourcing of spare parts production to non-EU countries, but this could result in job losses on the EU labour market and would affect the competitiveness of EU companies.

Solutions under discussion to resolve the spare parts problem

1. OEMs / big Tier 1 suppliers apply for authorisation to cover authorised uses for their SMEs.
 - ➔ **General feasibility:** Not permitted. Only users of the substance can apply for authorisation.
 - ➔ However, even if this were possible there are significant disadvantages:
 - i. **Long term feasibility:** This solution does not work after serial production has ceased.

² Average age of passenger cars in 2009, European Environment Agency, 2011, <http://www.eea.europa.eu/data-and-maps/indicators/average-age-of-the-vehicle-fleet/average-age-of-the-vehicle-3>

- ii. **Competitiveness:** Cost differences between EU sources and non-EU-sourced components
 - iii. **Business risk:** Lack of the planning certainty which is crucial for the automotive industry because of the possibility that authorisation may cease at any time or may not be granted.
2. Authorisation timeline for spare parts will be expended to >12 years
→ Other than the arguments above, this only works if the use is authorised, but for several uses (i.e. DEHP in rubber) no application has been made.
 3. Apply the 'Repair as Produced' principle, similar to the EU End of Life Vehicle Directive.

The ELV Directive demonstrates the correct approach under REACH

The practical lessons learned during the initial adoption of the ELV Directive (2000/53/EC) should not be discounted in the adoption of REACH for service parts. We propose that a similar 'Repair as Produced' principle be adopted for the application of REACH to service parts, with the following:

Substances for spare parts that are manufactured after the sunset date, which are used for vehicles that ceased production before the sunset date shall be exempted from the provisions of Article 56, REACH.



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About ACEA, JAMA, KAMA and CLEPA

ACEA, the European Automobile Manufacturers Association, represents the fifteen major European based passenger car, van, truck and bus manufacturers. The automotive sector is an elementary part of the manufacturing industry in the EU. Europe is the world's largest vehicle producer. The auto industry provides high-skilled jobs to 2.2 million Europeans and indirectly supports another 10.7 million families. The ACEA members are:

BMW Group, DAF Trucks, Daimler, FIAT S.p.A., Ford of Europe, General Motors Europe, Hyundai Motor Europe, Iveco S.p.A., Jaguar Land Rover, PSA Peugeot Citroën, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, Volvo Group. www.acea.be

JAMA, the Japan Automobile Manufacturers Association Inc., is a non-profit industry association currently comprised of fourteen manufacturers of passenger cars, trucks, buses and motorcycles in Japan:

Daihatsu Motor Co. Ltd., Fuji Heavy Industries Ltd., Hino Motors Ltd., Honda Motor Co. Ltd., Isuzu Motors Limited, Kawasaki Heavy Industries Ltd., Mazda Motor Corporation, Mitsubishi Motors Corporation, Mitsubishi Fuso Truck & Bus Corp., Nissan Motor Co. Ltd., Suzuki Motor Corporation, Toyota Motor Corporation, UD Trucks Co. Ltd., Yamaha Motor Co. Ltd.

www.jama-english.jp

KAMA, the Korea Automobile Manufacturers Association, is an organization representing the major automakers in Korea: Hyundai, Kia Motors, GM Daewoo, Ssangyong and RenaultSamsung. www.kama.or.kr

CLEPA is the European Association of Automotive Suppliers and has 109 of the world's most prominent suppliers for car parts, systems and modules and 25 National trade associations and European sector associations as members, representing an industry with an annual turnover of 600 billion Euro, more than 3,000 companies, employing more than 5 million people. www.clepa.eu
