



European  
Automobile  
Manufacturers  
Association

# ACEA Position Paper Evaluation of End-of- Life Vehicles Directive



January 2020

## EXECUTIVE SUMMARY

The European Union's current End-of-Life Vehicles (ELV) Directive (2000/53/EC) has significantly improved the way in which motor vehicles are recycled and disposed of. Since its implementation almost two decades ago it has been contributing to achieving circular economy goals, in line with the objectives of the European Commission's recent communication on the European Green Deal.

Any amendments or changes proposed by the Commission as part of the review of the ELV Directive should aim to support and strengthen the existing system, and not create new legal obligations nor disrupt the smooth functioning of the current scheme. This review should also be used as an opportunity to ensure that overlapping regulations are brought within the scope of the ELV framework.

Indeed, the European ELV recycling process is one of the most advanced and effective systems for the recycling of complex consumer products around the world. Over the last 20 years, this successful collaboration between stakeholders from across the whole EU value chain – ranging from vehicle manufacturers to recycling companies – has delivered significant achievements, such as:

- Cost-free take-back of vehicles for customers.
- Reuse and recycling rates of at least 85% for some of the most complex consumer products.
- No more abandoned end-of-life vehicles in Europe.
- A high number of authorised treatment facilities (ATFs) with certified environmental requirements in Europe.
- The use of hazardous substances has been either stopped or minimised to the technical limit.
- The EU has become a global driver for innovation in ELV treatment technologies, such as post-shredder processes.
- We now see the proper recycling/recovery of many different material streams, including the ones of negative value.
- The provision of comprehensive dismantling information for the recycling industry by means of the International Dismantling Information System (IDIS).

While the auto sector has already made significant progress, the European Automobile Manufacturers' Association (ACEA) is fully committed to further support reasonable measures within the broader scope of the EU circular economy and thus welcomes the Commission's initiative to review the current ELV Directive.

However, it is important to underline that this review should not lead to new legal measures that could jeopardise the overall success of the existing system. Instead, the review should focus improving the implementation and enforcement of current legislation in the member states, while reinforcing the progress already made by all stakeholders in the value chain.

## **EXTENDED PRODUCER RESPONSIBILITY (EPR) SHOULD LOOK AT ALL STAKEHOLDERS IN THE VALUE CHAIN**

As part of the ELV Directive, all economic operators must set up systems for the collection, treatment and recovery of end-of-life vehicles (ELVs). Vehicle manufacturers take responsibility for the substitution of hazardous substances and for the cost-free delivery of all ELVs to authorised treatment facilities (ATFs), ie dismantlers and/or recyclers. ATFs organise the take-back, ensure the environmentally sound treatment of ELVs and make sure that recycling and recovery quotas are met and monitored.

Based on this regime, the take-back and treatment of ELVs is generally a self-sustaining business model. The value of an ELV sufficiently covers the cost of all necessary treatment steps throughout the entire recycling value chain. This includes automotive and industrial batteries that are collected together with the ELV.

It is the legal obligation of a vehicle's last owner to not abandon it at the end of life, but to hand it over to an ATF, where it must be processed in an environmentally sound manner. ACEA does not support schemes that would financially incentivise the last owner or economic operators to fulfil their legal obligations. Such measures would be counterproductive as they would financially reward the fulfilment of a legal duty instead of penalising legal misconduct.

## **BETTER ENFORCEMENT OF EXISTING LEGISLATION NEEDED TO SUPPORT CORRECT ELV TREATMENT**

The success of the European ELV recycling system is not only driven by technological solutions, but also depends on economic factors, particularly on the rate of ELVs that end up at ATFs. However, due to insufficient enforcement of the existing legal provisions by authorities, a considerable number of ELVs are currently treated by unauthorised operators. These illegal recycling activities prevent legal operators from accessing valuable resources, thereby not only jeopardising their business model but also the overall legal basis of the recycling value chain.

ACEA believes that better implementation and enforcement, through the surveillance of ATFs by competent authorities, is needed to ensure a level playing field and to bring an end to these illegal practices. Today, ATFs must obtain a permit from, or have to be registered by, the competent authorities, as stipulated by article 6.2 of the ELV Directive. In the future, however, this should be complemented by a EU-wide, harmonised system/database for the registration and de-registration of vehicles, covering all member states.

Better enforcement should also include an obligation for the last owner to provide a Certificate of Destruction (CoD) to complete the de-registration of a vehicle. The only entity with the power to issue such a CoD should be an ATF. This method of enforcement could be further strengthened by

obliging the last owner to keep paying insurance fees and/or vehicle taxes until the CoD is submitted to the competent authorities. Good examples of how such procedures work can already be found in the Netherlands and the Czech Republic.

## **EXCELLENT LONGEVITY AND RECYCLABILITY OF VEHICLES**

### **Added value of material-specific recycling targets is questionable**

The European Green Deal, with its circular approach, prioritises the reduction and reuse of materials before recycling. It has always been the automobile industry's goal to design vehicles that not only can be used as long as possible, but also are reusable, repairable and recyclable to the highest possible degree. The success of our industry's approach is demonstrated by the fact that the average age of an ELV, according to national authorities, is 14 to 20 years, which is much higher than many other consumer products.

Increasing the longevity of vehicles is actively supported through the comprehensive remanufacturing programmes of ACEA's member companies. These programmes exist for engines, transmissions and electronic components for instance. Moreover, dismantling and further reuse is possible for a significant number of parts, which is supported by detailed dismantling and treatment information provided by manufacturers via IDIS and other systems.

Looking at where we stand today, the automotive recycling chain already delivers outstanding results. The average recycling rate of >85% for passenger cars is proof of environmentally-sound vehicle design and the strong ELV processes in place, especially knowing that cars are some of the most complex consumer products placed on the European market. An additional 10% of the remaining materials, which are not easily recyclable, are energetically recovered – resulting in an overall reuse and recovery rate of about 95%. Indeed, not more than 5% of inert vehicle materials end up in landfills.

In the industry's view material-specific recycling targets will not provide any improvement with regard to the overall quota, nor for the environment. Moreover, it is important to recognise that both the measurement and monitoring of material-specific quotas will be methodologically and technically very challenging and economically questionable. Consequently, new legal requirements for changes in design will not facilitate more dismantling or recycling, but instead will only increase the economic cost of the material or the part.

ACEA believes that a vehicle must be considered as one single product, because customers buy vehicles as a product for its complete functionality with all its characteristics. In addition, the recycling industry treats vehicles holistically, since treatment and recycling of an entire ELV is a profitable business. Changing this approach to assess every single material stream individually may lead to incorrect conclusions, as the valuable material fractions in any case exceed the negative fractions and thus subsidise the entire process.

## MANDATORY TARGETS FOR RECYCLED PLASTIC CONTENT ARE NOT MEANINGFUL FOR VEHICLES

The use of plastic materials supports innovation in vehicle design and performance. Plastics provide useful solutions to make vehicles lighter and to deliver enhanced safety applications, such as seatbelts and airbags. In this regard, the decision to use of one or more plastics in a part is always driven by functionality considerations. Using composites and filled plastics is often essential, since pure plastics cannot always fulfil the advanced technical and safety requirements.

Automobile manufacturers are keen to incorporate feedstocks from waste into new plastic parts, provided that this is technically feasible and economically reasonable<sup>1</sup>. In fact, there are already many parts in serial production that use recycled plastics, eg wheel arch liners, engine covers and carpets. ACEA members will keep exploring new possibilities to increase the content of recycled plastic in automotive parts and reduce the use of virgin material. Being part of the EU Circular Plastics Alliance<sup>2</sup>, ACEA already voluntarily committed to using high levels of recycled content.

However, setting fixed targets for recycled plastic content in new automotive parts would not be helpful. Because recycled plastic can only be used as a substitute if recyclers can guarantee that recyclates have the exact same technical and quality properties as virgin material. Moreover, supply of recycled content must be guaranteed throughout the whole production period of a part or the entire vehicle, this in order to avoid production coming to a halt. If that is not the case, it becomes technically impossible for manufacturers to meet any quota.

Finally, a level playing field must be guaranteed for all market operators. A shortage in supply of recyclates, triggered by – for instance – increased demand from other sectors, must not lead to artificial price hikes.

## MATERIAL RESTRICTIONS SHOULD REMAIN WITHIN THE FRAMEWORK OF THE ELV DIRECTIVE

Since 2000, the ELV Directive has helped to successfully stop and limit the use of hazardous substances in motor vehicles. This was possible because product- and industry-specific aspects were accounted for in Annex II of the Directive, such as physio-technical limits, duration of the development cycles and type approval dates. However, restrictions on substances in vehicles are increasingly regulated by a growing number of separate pieces of legislation, eg RoHS, REACH and the POP Regulation. These regulations partially overlap, or even contradict each other, having

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<sup>1</sup> [https://www.acea.be/uploads/publications/ACEA-CLEPA\\_position\\_paper\\_EU\\_plastics\\_strategy.pdf](https://www.acea.be/uploads/publications/ACEA-CLEPA_position_paper_EU_plastics_strategy.pdf)

<sup>2</sup> [https://ec.europa.eu/growth/industry/policy/circular-plastics-alliance\\_en](https://ec.europa.eu/growth/industry/policy/circular-plastics-alliance_en)



different scopes, diverging exemptions as well as dates of introduction and review that are not aligned.

Given the positive track record of the current system, ACEA believes that the regulation and restriction of hazardous materials in motor vehicles should remain within the scope of the legal framework of the ELV Directive. Existing processes could be further improved by including socio-economic aspects for the evaluation and assessment of exemptions under Annex II.

For example, focussing on very small amounts of lead in highly-specialised applications could lead to disproportionate burden and cost, while delivering only limited environmental benefits. Furthermore, taking a risk-based approach (as is the case under REACH) instead of a hazard-based one would help to improve the overall effectiveness of the ELV Directive. To ensure coherence between the ELV Directive and the REACH Regulation, ACEA recommends that Annex II is introduced as a sector-specific Risk Management Option (RMO) for material restrictions under REACH, comparable to the procedure for RoHS.



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## ABOUT THE EU AUTOMOBILE INDUSTRY

- 13.8 million Europeans work in the auto industry (directly and indirectly), accounting for 6.1% of all EU jobs.
- 11.4% of EU manufacturing jobs – some 3.5 million – are in the automotive sector.
- Motor vehicles account for €428 billion in taxes in the EU15 countries alone.
- The automobile industry generates a trade surplus of €84.4 billion for the EU.
- The turnover generated by the auto industry represents over 7% of EU GDP.
- Investing €57.4 billion in R&D annually, the automotive sector is Europe's largest private contributor to innovation, accounting for 28% of total EU spending.

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