

Feedback Stichting Auto Recycling Nederland/ARN on

Proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles

Note: The translation has been made after the feedback was submitted in Dutch. ChatGPT was used for this purpose.

General

A well-thought-out piece that adds a lot of ambition on top of the current directive. It will truly be a big step to get all stakeholders in the Netherlands to comply with this. This will not be any easier for other countries. What also stands out is the difference in the impact of the measures: retrieving missing vehicles results in 30% more correctly processed vehicles in Europe. In this proposal, better definitions of a car wreck, improved rules regarding export and supervision, more data exchange between member states, and registration authorities have been considered in this regard. However, what we still lack are clearer rules regarding an alternative escape route for vehicles. In some member states, vehicles can be suspended indefinitely, causing them to (permanently) disappear from the radar. The impact of this, in our view, is very significant. The impact of other measures is relatively small from this perspective. How can this proposal also address the issue of unlimited suspension of vehicles, so that this leakage is prevented?

Expansion of the scope

The expansion of the scope includes a large number of new vehicle categories. It is noticeable that the vehicle categories L1e and L2e (two- and three-wheeled mopeds) are not included in this proposal. Given the number of vehicles in these categories on Dutch roads compared to, for example, the L5 category, the question arises: why are both mentioned categories not included? The O category also includes caravans and trailers where the environmental impact, as well as the proposed measures (depollution and intake), will be minimal. Existing ATF's (Authorized Treatment Facilities) are not equipped and do not seem willing to accommodate this 'alien' group. We advocate for more in-depth research for the O category, even more so than N2 and N3.

Questions and comments with reference to pages:

Explanatory Memorandum: 3. Results of ex-post evaluations, stakeholder consultations and impact assessments, 'Cover more vehicles' page 12:

How were the costs of the 'preferred option' of EUR 66 per vehicle placed on the market determined/calculated? The approach within different EU countries varies significantly; an amount is, in any case, an average. We argue against mentioning specific amounts because this will differ significantly per member state, especially in the treatment of end-of-life vehicles. These amounts will later take on a life of their own.

'Member states authorities are expected to face limited costs associated with monitoring and enforcing': How should we interpret this? The role of the government in monitoring activities of companies in the automotive recycling chain and producers will certainly not decrease. The impact on enforcement is significant. There is a risk that enforcing authorities may later restrict their activities based on this text. We advocate for adjusting or removing this text.

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'Consumers may face an increase in new vehicles of approximately EUR 39 per vehicle': How is this calculated? Here, too, there are significant variations in practices within the EU. We argue against specifying amounts because this will vary significantly per member state, and the mentioned amounts may lead to discussions. These amounts will later take on a life of their own.

Page 25 under (18):

'Acknowledging the importance of global value chains in the automotive sector, the Regulation should allow for sourcing the secondary raw materials from outside the Union': On page 5, it is indicated that this Proposal must solve key problems for the current market, including (under ii) underdeveloped EU market for secondary raw materials and iii) barriers to the functioning of recycling markets, ensuring the functioning of the recycling market in Europe/the Netherlands. The proposal does not specify how the EU/member states support and build the market for secondary raw materials. The world remains the source for recycled material, as mentioned on page 25. We lack measures. We advocate for measures that allow the European recycling industry to gain a more competitive position in this regard.

Page 27 under (26)/ Article 4(3):

'This strategy should be based on proven technologies, which are available or in development at the time of applying for the vehicle type approval': The extent to which technologies are available in sufficient capacity may vary per member state. There is a risk that manufacturers, for example in the Netherlands, will gather evidence showing that advanced recycling processes are indeed possible, while this may not be the case in other countries. We advocate for including ensuring sufficient capacity of recycling technologies in the implementing act announced in Article 4(3) for verification.

Page 44, Article 3 Definitions:

(15) and (16): We advocate for making a distinction in responsibility within the treatment of an end-of-life vehicle. The current definition encompasses all activities under one responsibility, whereas, in many cases, these activities are carried out by different actors in the market, each with a different market orientation. The distinction could be made as follows:

- *Authorized Treatment Facility*: All activities (depollution, dismantling, compacting) where the vehicle remains recognizable and identifiable until the moment of shredding.
- *Authorized Shredding Facility*: Activities after which the individual vehicle's identifiability disappears due to shredding.

The reason for this distinction is to monitor the vehicle throughout the chain until the shredding moment. This is especially important when activities are performed by different parties in the chain. The certificate of destruction could then possibly be issued by the authorized shredder, or at least when a vehicle goes to the shredder. This ensures that potential reuse of the vehicle is not blocked (too good to scrap).

(16): In the treatment definition, 'cutting' is also mentioned for M1 and N1 vehicles. We advocate for prohibiting cutting if dismantling and shredding do not take place at the same location, to ensure the recognizability and identifiability of the end-of-life vehicle.

(17) 'shredding': Add to the definition: 'in order to separate metals from non-metals.'

Definition of manufacturer is missing: The manufacturer is mentioned multiple times with obligations. We advocate for including a definition, possibly in line with type approval regulations.

(35) Economic Operators: Insurance companies are mentioned here, but they are not mentioned in the rest of the proposal regarding responsibilities. Insurance companies play a key role in handling damaged and total loss vehicles. We advocate for allowing the release of technically total loss vehicles (by insurance companies) only to certified ATF's. For economically total loss vehicles, the vehicle's history should be preserved when exporting and re-registering the vehicle in another member state, which is not currently the case.

Page 59, Article 20(a):

- This article can lead to confusion; after further clarification by the committee to STIBA/EGARA, it appears to refer to negative costs per waste stream rather than a negative value stream compared to all revenues and costs of the entire end-of-life vehicle. This is currently insufficiently defined. We advocate for better and clearer description to avoid different interpretations or potential disputes. Additionally, we argue for including the cost calculation methodology per member state, as it can vary significantly depending on available technologies, economic, and geographical conditions.
- Furthermore, we advocate for adding that these cost calculations must be based on sound business practices, such as representative benchmarks, which may vary by country.

Page 60, Article 21 Fee modulation:

We are against using differentiated rates for the recycling fee based on the mentioned indicators for several reasons:

- Using the recycling fee as an incentive is counterintuitive. The amount is so low that it does not proportionately align with various other incentives and is insufficient to encourage sustainable purchasing behavior.
- Highly complex and practically infeasible or very expensive to implement.

- Vehicles have a lifespan of 20 years; how to estimate this at the time of market placement?
- Discussions with producers about the contribution amount based on complicated theoretical calculations.
- Incomprehensible for the vehicle owner.

Page 60, Article 22 Cost allocation:

Paying costs in the Netherlands for end-of-life vehicles processed elsewhere in Europe: It is logical that there is a settlement for import and export. However, we find this proposal impractical for the following reasons:

- Predicting cost differences in the treatment of end-of-life vehicles in other countries in the amount of your fee is challenging. Costs will vary significantly per country.
- What to do with countries where many new cars are sold but few original vehicles are processed? Similarly, how to finance and predict this?
- High administrative costs to keep track of this.
- Communication between license plate systems in EU countries must be in order, which is currently not the case.

An alternative could be organizing it as it is done in the Netherlands (for 30 years). An annual recycling fee is determined based on the expected costs for that year. The costs for that year are paid from the income. There is no need for a large reserve or fund, and there are no issues arising from changes in technologies and regulations over time that may also affect the processing costs of a vehicle. We advocate for a mandatory cost-sharing system with budget calculation for expected costs per year.

Page 62, Article 23, Section 2(c):

'Ensure collection of waste parts from repairs of vehicles': As we understand it now, this implies that producers will be responsible for all garage/repair waste during the vehicle's use phase. This is illogical and disproportionately expensive:

- The market already organizes this effectively.
- The producers of parts for repairs are often not the same as the producers/importers of vehicles. How will funding for this work, and will parts producers also assume producer responsibility?
- How to handle materials with a positive value?

The argument that this was already in the current directive does not automatically mean it was or is a good idea. This has not been implemented in the Netherlands. We advocate for a careful reconsideration of this point.

Page 62, Article 23, Section 4(c):

- 'Collection points' should not exceed a number of 8 vehicles (a truckload). There is no need to leave end-of-life vehicles at collection points for one year with a well-functioning network of Authorized Treatment Facilities (ATFs). We advocate for adjusting this point accordingly.

Page 62, Article 24, Section 2:

Authorized Treatment Facilities may charge fees for intake if essential vehicle parts are missing. What are 'essential vehicle parts'? A description is necessary to prevent unnecessary disputes between the last owner and the ATF. Does this mean the consumer can remove the battery themselves?

Does 'essential parts' mean that the vehicle must be able to be driven on the road to the ATF? In other words, can fees be charged for picking up end-of-life vehicles? We advocate that the dismantling of an electric battery from a car (end-of-life vehicle) should only be performed by trained and certified companies. The dangers seem to be downplayed based on the current article. It cannot be the case that a last owner can do this themselves.

Page 63, Article 27:

The obligations for ATFs in this article are broader than the current obligations under the end-of-life vehicle directive. The implementation varies widely among different member states. How will countries and ATFs within those countries catch up? In other words, we advocate for closely monitoring how the differences between countries do not become even greater than they already are. Specifically for the Netherlands, the current enforcement capacity is insufficient to ensure compliance in the market. Therefore, we also advocate for prescribing periodic auditable quality systems for ATFs, in addition to a licensing system.

Page 64, Article 28:

- 2.(b): What to do with these end-of-life vehicles if you are not allowed to accept them? This creates illegal detours.
- End-of-life vehicles may not be mixed and shredded with packaging and electrical and electronic devices. We advocate for clarification: End-of-life vehicles must be shredded separately, and the Automotive Shredder Residue (ASR) must be transported and processed separately from other shredder residues. For example, plastics must be processed separately to achieve a demonstrable closed loop. Additionally, the traceability of the recycling percentage of specific plastic streams from cars is impossible without separate processing.

Page 66, Article 3:

The requirements set for 'removed parts and components' should also apply to sellers on online platforms. Online platforms will need to establish control mechanisms to hold professional part sellers accountable.

Page 66, Article 33:

To encourage reuse, dismantle parts at licensed businesses (ATFs). We advocate that the last owner must deliver the vehicle complete to the ATF (including essential parts; see Article 24, Section 2) to

ensure the business case for an ATF. If this does not happen, the purchase price can be adjusted accordingly.

Page 71/72, Article 45:

- What requirements are imposed on national systems to make this work? The differences between countries are currently significant. A uniform system would aid in the implementation of this.
- The proposal to exclusively use MOVE-Hub and not EUCARIS may lead to higher costs and longer implementation times. Of all existing platforms, EUCARIS is currently the only platform in Europe used by all vehicle registration authorities and the only platform connecting all national vehicle registers in Europe. EUCARIS already facilitates the exchange of (technical) vehicle (status) data, the exchange of the certificate of destruction, and messaging for the exchange of Certificates of Conformity (CVOs) with manufacturers. This existing exchange of CVOs is a promising starting point for expanding with vehicle information about the identity of parts and batteries. Customs in several member states are already connected to the rest of Europe in this way. It would be beneficial for the EC to engage in discussions with member states about the existing possibilities to prevent higher costs and longer implementation times.

Page 73, Article 46, Section 3:

- How often must the member state conduct such inspections on exports?
- Regarding Inspections: The goal of inspecting at least 10% of companies in the chain is very low, and a quantitative goal for the number of inspections is not efficient. We advocate for a more proactive approach based on risk-oriented enforcement, combined with knowledge exchange with other PROs who often already visit these companies. Additionally, companies certified by independent entities would require less oversight. Therefore, we propose that, for ATF's, a quality system subject to periodic audits should be prescribed alongside a licensing system.

Article 31, Section 3 (Safety Components):

We recommend that parts and components, assessed against objective criteria (yet to be developed), deemed safe for reuse should be allowed for such purposes. ATF's should be able to demonstrate through independent audit systems that parts have undergone proper evaluation.

Annexes

Annex VII PART F, Section 5 (Glass Recycling): Glass must be removed and recycled. We advocate for clear definitions of 'equivalent quality', specifying criteria for assessing equivalent quality.