



Circularity requirements for vehicle design and management of end-of-life vehicles

COM(2023) 451

Executive Summary

Content of the draft

The automotive industry in Europe has a very large environmental footprint due to its high consumption of resources. This sector alone accounts for almost 19 per cent of total European demand for steel, 10 per cent of total plastic consumption and a significant proportion of demand for aluminium, copper and glass. The switch to electromobility and the increasing use of electronics in vehicles will further increase the demand for copper and critical raw materials. With the proposed regulation, the European Commission hopes to minimise resource consumption and climate-damaging emissions from the vehicle industry. From 2035, annual savings of 12.3 million tonnes of CO₂ equivalents and the creation of 22,100 new jobs are expected, 14,200 of which will be in SMEs. To achieve these targets, the Commission proposes several packages of measures. The first is to increase the recyclability of vehicles through specific design requirements by proposing minimum quotas for reusability, recyclability and recoverability. Rules on certain substances of concern and minimum recycled content should also serve this goal. In order to facilitate the removal and replacement of parts, a corresponding design of vehicles is required. In addition, manufacturers will have to develop a recyclability strategy for each vehicle type and ensure access to information on the removal and replacement of vehicle parts. Extended producer responsibility will be introduced for the disposal of end-of-life vehicles. Other provisions concern the specific collection and treatment of end-of-life vehicles and the export of used vehicles, which are to be distinguished from end-of-life vehicles.

The most important facts in brief

- AK welcomes the basic objective of the proposal as a contribution to the circular economy and climate protection, but considers the measures envisaged for this to be insufficient.
- Although the current draft extends the existing legislation to other vehicle categories, it still excludes certain categories.
- The provisions on the reusability, recyclability and recoverability of vehicles and the associated obligation to collect data are very positive.
- For consumers, the circularity vehicle passport lacks specific obligations for manufacturers, such as guaranteed availability and delivery time of spare parts, the use of standard components or the labelling of a vehicle's CO₂ footprint. Information on the minimum service life of a vehicle is also missing.
- We expressly welcome the specification of minimum recycled content as for plastics and, in the interests of promoting innovation, it should also be standardised for other materials as soon as possible.
- Vehicles should be designed in such a way that as many components as possible can be removed and replaced easily and non-destructively during the utilisation phase.
- The retrofitting of vehicles with combustion engines to battery or fuel cell electric drives remains unregulated.
- The introduction of extended producer responsibility, which can be exercised collectively by producer responsibility organisations, is viewed critically by the AK.
- Effective market surveillance of manufacturers' specifications should be carried out by EU bodies.
- The sanctions to be introduced should be more concrete.
- The AK rejects the transfer of the power to adopt delegated acts to the European Commission to this extent.

AK's position

The main provisions of the planned draft - General Information

With the transition to electric vehicles, the automotive industry is undergoing a fundamental change. This is characterised by an major shift in the environmental footprint of vehicles from the use phase to the manufacturing and recycling phases, as well as the need for significant quantities of critical raw materials. This requires new frameworks and adapted regulations for manufacturers and the waste management industry.

AK generally welcomes the increased focus on recycling and the use of recyclates in production, the improvement in the quality of reused and recycled materials and the increase in collection rates. The extension of the regulations to vehicle categories other than passenger cars, e.g. lorries and buses, can also open up potential that serves to achieve the objectives of the Green Deal.

However, the circularity of vehicle production alone cannot ensure the Green Deal in the transport sector. The desired decarbonisation of the automotive industry must not be limited to improved disassembly, recyclability and reusability of materials. Concrete guidelines for manufacturers on how to reduce the use of resources, the carbon footprint and the dependence of third countries on raw materials over the entire life cycle, starting with the design of a vehicle, are unfortunately missing from the current proposal. The average weight of newly registered passenger cars in the EU increased by 15 per cent to 1457 kg between 2001 and 2020. During the same period, the average length increased from 4.15 metres to 4.3 metres. The electrification of the existing vehicle fleet in the EU by 2050 would lead to a cumulative increase in raw material demand for batteries by a factor of 200 if current production patterns continue. This additional demand for resources cannot be met either through circularity or more efficient production methods. A trend reversal in the automotive industry is essential, but is not evident in this proposal.

AK therefore calls for this regulation to include binding

specifications on vehicle weight and size, as well as smaller batteries, in addition to the cycle orientation, in order to reduce the CO2 footprint and the consumption of raw materials. Other parameters should also be taken into account. All requirements for manufacturers should ensure that basic environmental and social standards are met. In addition, much more attention should be paid on the useful life of vehicles, the extension of which is also important for consumers. For example, information on the minimum service life should already be available at the point of purchase.

Include all vehicle categories

Although the draft regulation extends the existing legislation to other vehicle categories (e.g. L, M, N), some categories are still not included. For example, vehicle categories from the agricultural sector are currently not included in the proposal. AK is of the opinion that a circular economy should encompass all sectors. The exclusion of individual sectors - such as agriculture - is counterproductive in view of the efforts required to realise the objectives of the Green Deal, as such an approach cements the status quo and offers little incentive for innovative approaches in the sectors concerned.

Expand specifications for design and cycle orientation

The proposed regulation does not specify any conditions for the standardised conversion of motor vehicles with internal combustion engines to battery or fuel cell electric drives. It is incomprehensible that fossil-fuelled vehicles with engine damage must necessarily be recycled as end-of-life vehicles. With standardised retrofit kits (E-retrofit.kits), these vehicles can be given a second, emission-free life. This retrofitting is currently still a small niche market, e.g. for vintage cars, refuse collection vehicles and buses, but it has huge growth potential due to the foreseeable fall in battery prices and the rise in fossil fuel prices and must be exploited to reduce CO2 emissions in the Member States. This retrofitting is currently facing administrative hurdles. For example, vehicle owners have to go through an approval process with national authorities, and ve-

hicle manufacturers sometimes refuse access to the engine control software. The proposal, in particular Article 9 and Annex II, should remove these obstacles so that professional providers can have their retrofit kits for specific vehicle models approved as prototypes in a standardised procedure.

Extend specifications regarding the design for easy removal and replacement of certain parts

Article 7(2) of the proposal obliges manufacturers to design vehicles with respect to connecting, fastening and sealing elements in such a way that electric vehicle batteries and traction motors can be easily and non-destructively removed and replaced from the vehicle during both the use and the disposal phase. The restriction of this requirement to electric vehicle batteries and drive motors is incomprehensible. The aim must be to make as many components as possible easy to replace in order to promote repairs. This also applies to vehicles with combustion engines. The provision should therefore be extended accordingly. In this context, it must also be ensured that repairs can be carried out by brand-independent repair and maintenance companies. This must not be made more difficult by the installation of serialised product components. In addition, manufacturers must be obliged to provide the software updates required for the operation of a vehicle for a certain period of time; this should be based on the minimum service life.

Make the cycle pass for vehicles consumer-friendly

Art 13 provides for a circularity vehicle passport for each vehicle, which gives disposal companies and repair and maintenance companies access to the necessary information from manufacturers. AK criticises the lack of cycle-related information and guarantees for consumers, such as the availability of spare parts. This should be added to the proposal or provided for in the environmental passport, which is currently being negotiated as part of the Euro 7 Regulation.

Organise communication platform officially

Art 11 stipulates that manufacturers must set up a platform for communication with the recycling, repair and maintenance companies and can pass on the costs to these companies. AK rejects such a transfer of costs, as it considers the provision of the above-mentioned information to be the responsibility of the manufacturers. For reasons of transparency and simplification, the European Commission should be considered as the provider of this communication platform.

Clear guidelines for extended producer responsibility

AK is critical of the introduction of extended producer responsibility, which, as proposed here, can be exercised collectively by producer responsibility organisations. We refer to our current [position paper](#) on the amendment of the Waste Framework Directive, in which AK has discussed extended producer responsibility in detail and pointed out the associated risks of possible distortions of competition and ecological shortcomings. In any case, the introduction of extended producer responsibility must not be to the detriment of consumers by increasing costs or making it more difficult to obtain repairs in non-brand repair shops. This must be ensured by appropriate rules. However, these are not included in the current proposal for a Regulation.

Definition of end-of-life vehicles

The definition of end-of-life vehicles pursuant to Art 3 (1) (2) in conjunction with Annex I Part A (2) of the proposal also needs to be reviewed. According to this definition, an end-of-life vehicle exists if the market value of the vehicle is lower than the cost of the repairs necessary to restore the vehicle within the Union to a technical condition sufficient to obtain a type-approval in the Member State in which the vehicle was registered before the repair. Article 26(a) of the proposal requires vehicle owners to hand over an end-of-life vehicle to an authorised treatment facility or collection point without delay after being informed that the vehicle meets one of the irreparability criteria set out in Annex I, Part A, points 1 and 2. In the proposed form, these provisions deprive consumers of the possibility to have a repair carried out if it is not considered economically viable. Such a requirement must be rejected for both circularity and consumer protection reasons. In any case, it must remain possible to have vehicles repaired, even if this is considered uneconomical. The obligations of Art 26 may therefore only apply if the vehicle is not to be repaired.

Ensure effective market surveillance

The proposal foresees, on the one hand, the monitoring of collection and recovery under waste legislation by the Member States and, on the other hand, the monitoring of compliance with the circular economy requirements in vehicle production (e.g. recycled content specifications) by the national type-approval authorities and, in particularly justified cases, by the European Commission. It should be noted that the national type-approval authorities are not in a position to monitor the recovery and recycling rates of the major vehicle manufacturers due to a lack of resources. In

addition, experience with exhaust-manipulated diesel cars has also shown that the willingness of national authorities to monitor manufacturers' obligations is very limited. AK is therefore in favour of having this market surveillance of vehicle manufacturers carried out by EU institutions such as the European Environment Agency or the European Joint Research Centre.

More concrete sanctions

Art 48 obliges the Member States to provide for „effective, proportionate and dissuasive“ penalties. AK is of the opinion that the European Commission's proposal should at least provide for a minimum level of penalties in order to give the Member States guidance on the level of penalties and to ensure that no Member State falls below a certain minimum level of penalties. AK points out that the European Commission can impose fines of up to EUR 30,000 per vehicle for infringements in connection with non-compliant vehicles, systems, components or separate technical units within the framework of the type-approval procedure pursuant to Art. 85 of Regulation (EU) 2018/858. This should also be confirmed in the present proposal for the obligations for reuse, recyclability and recoverability in the manufacture of type-approved vehicles in Art 48.

Reduce delegated acts

The proposed Regulation grants the European Commission powers to adopt delegated acts in many places (see, for example, Art. 5 (4), Art. 6 (3) and (4), Art. 7 (3), Art. 9 (7) of the proposal). AK rejects such an approach, which in some cases leads to excessive room for manoeuvre for the Commission and affects more than just insignificant aspects of the Regulation.

Faster implementation

The proposal contains very long implementation deadlines for many provisions. For example, Art. 6 provides for no less than 72 months for the implementation of a recycle content of 25% for plastics. In principle, it is understandable that the European Commission wants to give vehicle manufacturers time to implement the relevant measures. However, given that the European automotive industry itself is calling for shorter product development times, long transition periods are not very favourable.



Contact us!

In Vienna:

Judith Fitz

judith.fitz@akwien.at

Franz Greil

T +43 (1) 501 65 12262

franz.greil@akwien.at

In Brussels:

Florian Wukovitsch

T +32 (0) 2 230 62 54

florian.wukovitsch@akeuropa.eu

Austrian Federal Chamber of Labour

Prinz-Eugen-Straße 20-22

1040 Vienna, Austria

T +43 (0) 1 501 65-0

www.arbeiterkammer.at

AK EUROPA

Permanent Representation of Austria to the EU

Avenue de Cortenbergh 30

1040 Brussels, Belgium

T +32 (0) 2 230 62 54

www.akeuropa.eu

About us

The Austrian Federal Chamber of Labour (AK) is by law representing the interests of about 3.8 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore, the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of AK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant Information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels.