

Automotive Industry inputs on EPR on ELV Recycling

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Auto Industry initiatives

- Industry foresaw the issue of recycling of ELVs and carried a detailed study by ICRA in 2007 and Initiated idea for Chennai Demo center set up with Auto cess funds. Wrote specs, helped set unit up, donated 85 vehicles to kick start
- Participates international seminars conferences. Held workshops in India inviting experts from Europe and Japan
- Works closely with Ministry of Road Transport/Central Motor Vehicles Technical Standing Committee to formulate standard AIS 129, which has been cleared and will be promulgated shortly

EPR in automotive recycling in Europe

- Discussions with ACEA, European OEMs, JAMA and Japanese OEMs and participation in international forums reveal need for EPR introduction
- Good infrastructure of dismantling units and shredders
- Governments willing to enforce compliance and shut down units which do not comply.
- EPR system finalized after discussions with all stakeholders/OEMs
- System of authorizing capable units

EPR in practice in Europe

- In Germany, car producers have individual contracts with authorized collection and dismantling facilities. Treatment operators can be contracted take back facility of several OEMs.
- Car producers do not have to physically take back all the vehicles. OEMs accredit collection & dismantling centers.
- Collection and dismantling facilities organized in loose networks, negotiation between the individual car producer and the individual facility. Last owner may bring the car to authorized permitted collection facility or an authorized dismantling facility.
- Business of dismantling ELV, profitable/self sustaining
- Pre-requisite for EPR, the existence of authorized formal dismantling infrastructure

European EPR Model – Shared responsibility

Shared responsibilities of all economic operators



Manufacturers and Importers

- Take back network
- Substance restrictions requirements
- Dismantling information
- Design for sustainability
- Confirmation of recyclability/ recoverability



Last owner

- Deliver ELV at take back site
- Vehicle is complete and free of waste



Treatment Operators

- Take back ELVs
- Environmentally sound treatment
- Achievement and monitoring of the recycling- and recovery quotas



Government

- Licence shredder and dismantlers
- Enforce standards for ELV treatment
- Install registration- and deregistration system

Source : Extracts from ACEA presentation at JAMA-ACEA meet in Tokyo on Mar 20, 2015

EPR Governance:

- **All Models require strong government Involvement:**
 - To enforce a level playing field
 - To enforce environmental
- **EPR can not be run by private sector on its own**
- **Transparency is paramount for effective government oversight**

Source : Mr. Peter Borkey, OECD (Yesterday Workshop)

Indian Reality

- Except Chennai Demo center, no capable dismantling unit
- Small units below regulatory radar dismantle in residential areas used crude unhygienic methods
- A few involved in illegal disposals
- Not a single shredder
- In present location with current practices, units cannot be authorized to deregister vehicles
- Need to relocate units and upgrade practices closing down non compliant units. Encourage new capable units to be set up, to handle huge volume

Auto Industry reassures its commitment to evolve viable EPR suiting Indian reality, drawing on European experience with appropriate changes

Suggestion for way ahead:

- Priority- Relocate and upgrade current informal sector units
- (Government?) Set up recycling parks outside city limits providing common facilities- baling presses, hard flooring, water purification facilities, IT support, dismantling/recycling database, etc. AIS-129 sets minimum standards.
- Financial assistance and loans for relocation from the state. Government need to encourage creation of new dismantling centers along with up gradation of the existing informal sector.

Suggestion for way ahead:

- Worldwide competition, need for constant innovation and new products and compliance with latest regulations impose a huge financial burden on the industry. Suggestions that automobile industry should fund upgradation are impractical.
 - Shared responsibility approach involving all economic operators and not only focusing on the manufacturer
 - The issue may be discussed in the Inter-Ministerial Group Meeting constituted on the ELV under the chairmanship of MoHI (Governing Ministry)
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- Together we can make it work.

Thank you