



EReg Topic Group III - Vehicle end-of-life Final Report

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Date	<i>24 July 2009</i>
Version No.	<i>Final V1.0</i>

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2. THE TOPIC GROUP

The End of Life Directive (2000/53/EC) has been in force since 2004 to de-register vehicles and ensure they are dismantled to current environmental standards. This applies to vehicles in category M1 and N1.

However, current problems/ bottlenecks with the implementation of the Directive are:

1. Public acceptance of new procedures;
2. Continuation of other methods of notifying scrapping;
3. Illegal operators may still exist; and
4. Difficult to enforce against the owner.

The Vehicle end-of-life Topic Group was one of eight EReg Topic Groups that were set up following the EReg Annual Conference 2008 in Malta. The purpose of the Topic Groups was to discuss problems, share best practice and to put forward solutions and proposals, which could be used by all EReg members.

To achieve this, the Topic Group has held a meeting in Sweden (Stockholm) on 14 and 15 October 2008, to discuss the problems and to explore the best practices in Europe. The aim of the workshop was to look at ways to increase the lower than expected number of Certificate of Destruction's (COD) that were issued throughout the Member States.

To achieve this goal, the Topic Group has:

- Exchanged experiences of the implementation of the End-of-life Vehicles Directive;
- Identified best practices;
- Identified issues that have caused difficulty in achieving successful implementation in the respective countries;
- Exchanged details of how different registration authorities have dealt with these issues and assessed whether these would be open to other registration authorities; and
- Highlighted issues that remain and suggested possible solutions.

Members of the Topic Group were:

Richard Kitchen	DVLA, United Kingdom
Mark Dorgan	DVLA, United Kingdom
Lynette Rose	DVLA, United Kingdom
Claudine Balesse	DIV, Belgium
Markku Kärkkäinen	AKE, Finland
Simon Galliano	MVTC, Gibraltar
Barbara Plak-Nowicka	Ministry of Infrastructure, Poland
Eugen Alexandrescu	RAR, Romania
Kjell-Åke Sjödin	Transportstyrelsen, Sweden
Bertha Udding	RDW, the Netherlands

3. EXECUTIVE SUMMARY

The Topic Group meeting on 14 and 15 October 2008 session concentrated on the main areas that seemed to be more problematic. The Group also discussed wider European issues.

The following issues were identified by the Topic Group as areas for improvements:

- Public awareness
- Enforcement
- Incentives

It was widely accepted that the **public awareness** of the Certificate of Destruction (COD) process was the main problem experienced by Member States.

In addition, it was evident that there was little or no **enforcement** undertaken. The Member States at the meeting agreed that, at the moment, education was the best way forward.

Another conclusion was that the vehicle owner would be more likely to follow the correct procedure if there was a **financial incentive**. Although not widely used throughout the Member States, it has proven successful where it has been used in Finland and Sweden.

In conclusion, it seemed that the Dutch model was the most successful because:

- They were responsible for both the issue of the COD and licensing of the vehicle dismantler;
- Enforcement was effective due to the level of penalties which acted as a deterrent;
- The public were fully aware of the process to follow and who they needed to contact.

In addition, the Topic Group has formulated several recommendations on public awareness, enforcement and incentives that other Member States can benefit from. The Topic Group also formulated a recommendation on the potential use of EUCARIS as a notification tool to inform a registration authority that a vehicle had been dismantled in another country.

4. CURRENT PROCESS

Each country has given an overview of their processes. A more detailed description is attached in the annexes for the respective countries.

United Kingdom

The requirements of the End of Life Vehicles Directive was reflected into UK domestic legislation in 2003 and has been in force since 2004.

The Certificate of Destruction (CoD) system generally works as follows:

- an Authorise Treatment Facility (ATF) receives a vehicle from the last owner or holder of the vehicle.
- When the ATF agrees to destroy the vehicle it issues a COD to the last owner (within 7 days) and notifies DVLA.
- Where the VIN details match those on the vehicle database, the vehicle record is updated (either electronically or manually) with a marker that de-registers the vehicle.

The number of CoD's issued is far lower than was expected when the scheme was implemented although we were seeing an increase year on year: 687,000 in 2006; and 886,000 in 2007.

The UK will reverse a CoD under particular circumstances. These include:

- ATF error – providing DVLA is notified within 6-8 weeks of the issue of the CoD, and providing there is no application in the system for a vehicle registration certificate from a new keeper.
- a new keeper has inadvertently purchased a de-registered vehicle. These are exceptional cases and are dealt with by Policy. The CoD will only be reversed providing the vehicle history indicates the vehicle has not been to an ATF and following a DVLA Local Office inspection which confirms the identity.

The Netherlands

The Directive had been implemented successfully.

The holder of a vehicle delivers their vehicle to a RDW (Dutch Registration office) licensed company. This company will destroy the vehicle and report the destruction to the RDW. After destruction a COD is issued to the holder of the car.

The licensed company has the obligation to report the destruction to the RDW. The RDW would de-register the vehicle and send an electronically message back that the COD can be issued.

It is in the interest of the vehicle owner to de-register the vehicle correctly. If this was not done correctly then the owner would have to pay taxes and must maintain the insurance.

There is an exception to issue a COD for M1 category of vehicles, which are older than 15 years. These can be reported directly to the RDW that the vehicle has been personally destroyed.

After the COD is issued it is only possible to register the vehicle once it has been inspected by the Dutch Authorities. This is not necessary when an error is made or has occurred in the data's exchange.

Finland

The Finnish Car Recycling Ltd. was responsible for maintaining a system for the collection, recycling and destruction of all end-of-life-vehicles in Finland. There are 190 authorised collection facilities.

The vehicle owner delivers the vehicle to be treated at an authorised treatment facility. The facility must identify the vehicle and check that the person is authorised to scrap the vehicle. The facility issues a COD to the owner and the Finnish vehicle register is updated as an end-of-life removal and it was no longer possible to re-register the vehicle.

Sweden

BIL Sweden was responsible for 99% of new motor vehicle sales and co-ordinated the end of life vehicles for producers.

The scrapping process can be explained as follows: owner takes car to dismantler; dismantler issues reception certificate; Swedish Registration Authority notified; Registration Authority issues COD. The vehicle was considered de-registered once the reception certificate was issued.

Sweden registered about 351,000 new vehicles in 2007. 37% of the vehicles in traffic were older than 10 years. There were 228,000 CODs issued in 2007.

Sweden had around 350 car dismantlers. In 2001 a car-scrapping premium was introduced but this was removed in 2007, which has coincided with a drop in the scrapping rates. There doesn't appear to be a reason for this drop so a working group has been set up to investigate.

Sweden had adopted a common reporting procedure, which made it easier for dismantlers and the Authorities to provide the correct information simply and quickly. However there remained dismantlers that did not provide reports.

5. ISSUES & PROBLEMS

The main problem faced by Registration Authorities was public reluctance to take the vehicle to an authorised treatment facility and that it was difficult to enforce against the owner.

Other problems experienced were:

- ATF not following the correct procedures.
- Little enforcement undertaken.
- Illegal operators still exist (driven by the high price of scrap metal).
- Difficult to enforce against the owner.
- Many of the cars decommissioned from traffic have been abandoned
- People take their cars to unofficial waste collectors
- Small used car importers do not participate in the Finnish COD facility.
- Need of enforcement to oblige all the car dealers to pass all end of life vehicles through agreed centres of destruction.
- Number of COD issued increases each year but not enough.
- The public has no up to date information.
- Difficulties to encourage the keeper to do the right thing.
- De-registered vehicles could be re-registered in another Member State. Need for exchange of information.
- Vehicles being dismantled in another country and no notification sent to the Registration Authority that holds the vehicle record.
- Mutual recognition of CODs – need to exchange samples of CODs by Member States.

6. DISCUSSION ITEMS

The discussion items within the Topic Group focused on the main areas that seemed to be more problematic: Public Awareness, Enforcement and Incentives. In addition, the Topic Group also discussed wider European issues.

A. Public Awareness

It was widely accepted that public awareness of the Certificate of Destruction (COD) process was the main problem experienced by Member States. Special attention needed to be given to this area in order to inform vehicle owners to do the right thing.

A general discussion followed that looked at what was done in each country.

UK

- Forms/website – vehicle registration certificate guidance notes, leaflets and website have been updated to increase prominence of the COD requirements.
- Branded press advertisements – professionally designed adverts had been made available to ATFs that contain logos of the government agencies responsible for end of life vehicles. This should provide the public with a “trusted route” for scrapping vehicles.
- Roadworthiness failure notice – the annual road worthiness test is an event that sometimes prompts a person to scrap their vehicle, especially if their vehicle is deemed unsafe. Information on how to scrap the vehicle will be added to information page.

Finland

- A message was enclosed with every car tax reminder on how to scrap the vehicle.
- Finland operated an incentive scheme whereby the owner got a voucher to use when purchasing a new car (details of the scheme appear under the Incentive section).

The Netherlands

- Information can be downloaded from a government portal
- National newspapers – adverts are taken out to provide an explanation of the COD process
- Badging the companies – each treatment facility has a RDW badge on its premise so the public knows that it is authorised to dismantle vehicles. This has increased public confidence.

Sweden

- Provide COD information to buyers of all cars
- Brochure, leaflets
- Websites
- Advertisements in local/national press
- Swedish car inspection site where the roadworthiness test is conducted
- There was good awareness of the incentive scheme. This required a deposit to be secured at the time of purchase, which could be ‘cashed in’ when the last owner of the vehicle decided to scrap it.
- A majority of vehicle owners know what should be done.

Further considerations was being given to raising awareness at certain events in a vehicle’s life, in particular when a vehicle is notified as being off road e.g. after being off the road for 2 years because it may be unlikely that these would be put back on the road. There may be an opportunity here to remind the vehicle owner what to do if/when they decide to scrap the vehicle.

B. Compliance/Enforcement of the COD Issue

It was evident that there was little or no enforcement undertaken against an ATF or the last holder/owner of a vehicle. Instead, existing enforcement activity targeted illegal operators. Everybody agreed that, at the moment, education was the best way forward. However, it was an issue that needed to be looked at.

UK

- **Educating ATFs** – The introduction of the regime meant that many ATF’s were required to change their processes and culture. Each ATF registered on the system had been issued with step-by-step instructions. There was a concern that many ATFs appeared to be stockpiling CoD’s before processing them. There were also a high proportion of notifications that do not match records on the DVLA vehicle register.
- **Working Group** – this had been established with representative bodies of the scrapping industry. The Group looked at problem areas and worked together for mutual benefits. This had improved the relationship between government and the industry with both parties moving forward to achieve common goals.
- **Joined up government** – DVLA is working together with other Government Departments.
- **Difficult to target evaders** – the sharing of enforcement powers between Government Departments was seen a handicap to effective enforcement.

The Netherlands

- RDW has a wide range of powers to tackle non-compliant ATFs.

- Joint operations with police and other enforcement agencies to tackle serious vehicle crime.
- Yearly site visits to ensure correct procedures are followed.
- Penalties were severe; first violation attracted 6-week suspension; second violation attracted 12-week suspension; and third violation resulted in business closure.

Sweden

- Dialogue very important between industry and registration authorities. This has proved to be very successful.
- Difficult to conduct any enforcement because of a combination of resource issues and domestic legislation.
- Consideration was being given to writing to treatment facilities reminding them of their legal obligations.

Finland

- Local Environment Agency responsible for enforcement.
- Resource was being directed at educating treatment facilities. There was concern about vehicles being stolen for scrap value. Similar thing happening in UK.

C. Incentives

This could be seen as a way to increase the COD issue rate. The vehicle owner would be more likely to follow the correct procedure if there was a financial incentive. Although not widely used throughout the Member States, it has proven successful where it has been used in Finland and Sweden.

The group felt that it was important that any incentives should be linked to reducing CO₂ emissions and not funded by the Authorities. A successful example of this was done in Finland where the Finnish Car Recycling Ltd had a campaign to encourage consumers to re-cycle their old vehicles and invest in a new energy efficient vehicle. When an owner took their car to a treatment facility, they got a discount voucher to be used when buying a new or used low emission car (500 Euro for a new car, 200 Euro for a used car). The campaign lasted five months and doubled the number of CODs issued.

Sweden also had an incentive scheme from 2001 to 2007. This was funded by new car buyers placing a deposit in a central account, which would fund the dismantling of a vehicle at the end of its life. This was stopped in 2007, and out of the remaining funds they introduced a special payment to incentivise the scrapping of cars registered before 1989 (mainly cars without a catalyst) which must have been in traffic up to 1 year before 2007. This generated about 25,000 scrapped vehicles over the course of a weekend.

There were no incentives provided in UK or the Netherlands. *[Since the meeting a number of Member States, including the United Kingdom, have introduced scrappage schemes to stimulate the car industry and associated trade.]*

D. European Issues

Although Member States dismantled and issued CODs for foreign registered vehicles it was apparent that this information was not shared with the originating registration authority. To address this, the Group discussed the potential of using EUCARIS as a notification tool to inform a registration authority that a vehicle had been dismantled in another country. It was suggested that this might be something that Topic Group 1 (Data Sharing) could look at.

The process might work along the following lines:

- UK dismantler informs DVLA of issuing a COD for a Dutch vehicle;
- DVLA (via EUCARIS) informs RDW; then
- RDW vehicle record updated with COD notification.

In addition, it might be possible to include a COD field on EUCARIS vehicle enquiries. If this field was completed then the vehicle should not be registered elsewhere within the Member States.

It was recognised that there may be a need to update the Directive to make it a legal obligation for authorities to notify another authority when a COD has been issued.

7. RECOMMENDATIONS

A. Best Practice

It seemed that the Dutch model was the most successful because:

- They were responsible for both the issue of the COD and licensing of the vehicle dismantler;
- Enforcement was effective due to the level of penalties which acted as a deterrent;
- The public were fully aware of the process to follow and who they needed to contact.

The following is a list of best practice that was identified during the Topic Group. Colleagues in other Member States might find this useful in order to increase the COD issue rate.

B. Public Awareness

- There should be greater targeting of vehicle life events where a vehicle owner might be considering getting rid of the vehicle e.g. declaring the vehicle out of traffic, failing a roadworthiness test, etc.
- Encourage badging of approved dismantlers. This would provide public confidence that the vehicle would be properly processed in line with environmental standards and that the registration authority would be notified.
- Re-enforce the message that if the owner does not dispose of the vehicle using the correct procedures then they will continue to be responsible for car tax and insurance.

C. Enforcement

- Most effective where an authority has full responsibility for the issue of the COD and the licensing of the dismantler.
- Those authorities that do not have full prosecution powers should consider using partnership working with other government agencies in order to maximise the effectiveness of enforcement powers.
- Use scrap notifications on vehicle registration certificates as a source of intelligence for target enforcement operations against suspect treatment facilities/or unauthorised scrap dealers.

D. Incentives

- Needs to be linked to influencing the purchase of low CO2 emission vehicles e.g. voucher issued towards purchase of a low emission vehicle.
- Targeted at removing older/higher-polluting vehicles from the road.
- Should not be funded by governments.
- Incentive should not be a cash payment so as to avoid criminal activity being encouraged.

E. European issues

- EUCARIS could offer solution to cross border COD notifications. Refer to Topic Group 1 to take forward.
- Scrap volumes – Sweden had set up a working group to analyse the problem of lower than expected COD figures. They have agreed to keep the Group informed of outcomes.

This list is not exhaustive and the Group would welcome comments and/or recommendations from those countries that did not attend the event.

8. ANNEXES



"Belgium Paper.doc"



"Finland Paper.pdf"



"Netherlands
Paper.pdf"



"Poland Paper.doc"



"UK Paper.doc"