

# **Recycle My Ride Right**

## **A North American first in industry led environmental management of end-of-life vehicles**

### **BACKGROUNDER**

The End-of-Life Vehicle Industry Standard (ELVIS)

Environmental Management System

#### **The Recycling Industry**

Every year in Ontario about 550,000 passenger vehicles either reach the end of their useful life or are damaged in accidents beyond repair and are retired. The vehicle recycling infrastructure has been in extensive in Ontario and across North America since the advent of the automobile.

End-of-life vehicles (ELV) have economic value. In particular the metal associated with vehicle construction ensures that most ELVs are eventually recycled as scrap metal. It is currently estimated that more than 95% of ELVs are processed to various degrees.

The processing is undertaken by an established automotive recycling industry that recovers materials from ELV in two diverging approaches – the first involves the dismantling of vehicles which results in economic value derived from the sale of recovered, refurbished and reused parts as well as the sale of recyclable commodities. The other relies on pure commodity value of scrap metal.

In either approach the drive to minimize handling costs and maximize the net value of commodities often results in “cutting corners” through poor environmental management practices. Over two thirds of the 550,000 passenger ELV retired annually in Ontario are not managed in a way that keeps pollutants (i.e. fuels, lubricants, mercury switches, lead, anti-freeze, ozone depleting substances/refrigerants etc.) out of the environment.

#### **10 years in the making: Towards an industry standard for environmental management of ELV**

Over the past 10 years there have been a number of programs to provide incentives to retire and properly recycle older vehicles. Each province has typically had its variation of a program provides for consumer incentives for alternate transportation (i.e. transit passes, bicycles etc.) and newer more fuel efficient vehicles in turn for consumer returns of older vehicles for retirement.

Whether British Columbia’s “SCRAP-IT®” Program, Ontario’s Car Heaven , Quebec’s Faites de l’air or Environment Canada’s recently concluded national Retire Your Ride (RYR) program, all have required returned vehicles to be “depolluted”, dismantled, reused and recycled to prescribed environmental standards of some kind.

As part of Retire Your Ride, the Automotive Recyclers of Canada (ARC) worked on behalf of Environment Canada to develop the National Code of Practice for Automotive Recyclers Participating in

the National Vehicle Scrappage Program (“National Code”) – a protocol that automotive recyclers participating in RYR had to comply with in order to be eligible to receive retired vehicles for recycling.

While vehicle retirement programs have been a success in terms of public education, they have only highlighted the fact that the ELV managed through those programs are only a small fraction of the total ELV generated in Canada annually, and that the majority of ELV retired every year are not managed to any environmental standard whatsoever.

Recognizing this reality and the fact that many vehicle components such as fuels, lubricants, oil filters, fuels, mercury switches, ozone depleting substances, tires, and batteries are subject to existing or forthcoming environmental regulations and producer responsibility requirements, OARA and the Canadian Vehicle Manufacturers Association (CVMA) have been working together to develop a holistic approach to ELV environmental management. The objective is to systematically address end-of-life vehicles in their totality and to eventually address 100% of ELV generated in Ontario (and eventually all of Canada) each year.

Developed collaboratively in the Ontario context (but easily scalable in concept and implementation across each of the provinces and territories in Canada), the approach recognizes the existing ELV processing industry as comprised of hundreds of businesses across Ontario. In doing so it sets out an approach that addresses how to bring the ELV processing sector up to a common environmental standard as envisioned in the National Code while concurrently maintaining and enhancing that sector’s economic vitality.

The ELV environmental management system is consistent with the fundamental idea that policies to promote environmental protection should do so in a manner that minimizes the effect on competitive markets – in both the automotive and automotive recycling sectors – while driving optimal environmental outcomes.

OARA and CVMA believe it is important to consider that small corrective adjustments to existing markets offer better economic and environmental results than complicated collective recycling schemes that result in unnecessary market disruptions with attendant unnecessary costs to consumers.