



Automotive Recyclers of Canada Position on Extended Producer Responsibility

Preamble:

The Canadian Council of Ministers of the Environment (CCME) defines Extended Producer Responsibility (EPR) as:

"an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of its life cycle."

The CCME introduced the Canada-Wide Action Plan for Extended Producer Responsibility in 2009 as "a waste management approach" with one of the stated objectives as:

"EPR shifts the expenses associated with product end-of-life management from taxpayers to producers and consumers and reduces the amount of waste generated and going to disposal."

So what happens to EPR when it is applied to items that are not waste and do not go to landfill, or when the taxpayer is not responsible in any way for its disposal?

It begins to look like a solution in search of a problem.

Vehicles are not waste. In virtually all corners of Canada, end-of-life vehicles (ELV) have positive value and flourishing competitive markets to acquire these ELVs. The parts and material (almost exclusively metals) values exceed the cost to acquire and properly process against a regulated standard. Vehicles are widely recognized as the consumer product with the highest recovery and recycling rates because of the end value of the ELV.

Vehicles contain waste (oil, mercury, lead, refrigerant, fuels, tires) that need to be removed and managed at end-of-life. Many of these items are under successful EPR programs as they are waste, and the auto recycler needs to pay to dispose of them.

Automotive Recyclers of Canada Position on Extended Producer Responsibility (EPR)

1. EPR should not be applied to items that have sufficient positive value at end of life to offset appropriate processing standards.
2. EPR should not be applied to items that are not the responsibility of the tax payer to properly dispose of at end of life.
3. EPR options exist on a continuum of policy choices - from Regulated to Voluntary; from Financial to Non-Financial; from Legal Ownership to Shared Responsibility. Should EPR be an appropriate policy option, choices should be made that are the least disruptive to functioning marketplaces with high environmental performance.
4. While Design for Recycling is a notable objective, vehicles are generally not designed in Canada, and safety, lifecycle environmental footprint, and performance are most times of higher priority to manufacturers and consumers. Canada's efforts to impact Design for Recycling decisions need to be driven at a global level.
5. Modern vehicles have a long lifespan - with the median age of vehicles on the road in Canada now exceeding 10 years. The most common method to measure EPR using the recovered weight divided by the weight of the product entering the marketplace, is highly misleading and virtually impossible to interpret, especially in markets with rapidly expanding or contracting product volumes entering the market.. When applied against critical and rare resources, which are by their nature in very small quantities in vehicles, this methodology is even further misleading. EPR measures in tonnes while these high value items exist in grams. Great care must be taken in determining how to measure EPR to drive positive outcomes, rather than generating unintended consequences.
6. Inter-provincial trade in all things automotive is a very open process. It is therefore important that harmonization be sought amongst the Provinces on any EPR programs relating to vehicles. Similarly, it is not responsible for Canada to export its environmental obligations nor to export its resources to the disadvantage of Canadians. Great care must be taken so we are not offloading our obligations and opportunities on the rest of the world.

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