

End of Life Vehicles (ELV) Directive

An assessment of the current state of implementation by Member States

(IP/A/ENVI/FWC/2006-172/Lot 1/C1/SC2)

[...]

ITALY

Introduction to ELVs in Italy

The number of registered passenger cars in Italy amounts to 34,667,485; there are 3,637,740 commercial vehicles (i.e. categories N1, N2, N3) in a total of 45,185,101 vehicles. There are several Italian car manufacturers: FIAT, Alfa Romeo, Lancia, Innocenti, Autobianchi. Altogether they are responsible for 51 % of deregistered cars; of these, however, Fiat has by far the largest share (32 %) of the total.

As shown in Table 4, in 2005, 2,862,576 passenger cars were deregistered (of which 15 % were 20 or more years old). Of these, the majority, 42 %, were scrapped; 40 % were deregistered by the public authority for being in breach of paying road taxes for more than 3 years⁶⁰; 11 % were exported (of these, 98,729 (30 %) were exported as second hand cars); and 4 % were garaged (i.e. deregistered for circulation only in private areas). There is no data available on deregistrations of the other category included in the Directive, N1 vehicles.

However, more broadly, within a fleet of 3,637,740 commercial vehicles, 202,756 were deregistered (6 % of the total). Of these, 49 % were cancelled from the public register for not paying road taxes for more than 3 years; 32 % were scrapped; 9 % were exported (of these 11,932 (63 %) were second hand); while another 9 % was deregistered to be used only in private areas (i.e. garaged).

Table 4 - Number of cars and commercial vehicles deregistered in Italy in 2005

| Measures | Cars | Commercial vehicles (N, N1, N2, N3) |
|---|-----------|--|
| Scrapping | 1,228,414 | 65,447 |
| Exports | 324,324 | 18,804 |
| Garaging (use in private areas) | 138,649 | 18,257 |
| In breach of road taxes for more than 3 years | 1,166,350 | 99,772 |
| Other | 4,839 | 476 |
| TOTAL | 2,862,576 | 202,756 |
| TOTAL (net of cars in breach of paying taxes and garaged) | 1,557,577 | 84,180 |

Source: ACI, Istat, 2006

The category 'other' in Table 4 includes mainly abandoned cars or commercial vehicles removed by the police from public areas. This represents a small percentage of total deregistrations, however it is still a considerable number.

Perhaps more important, a very large share of cars deregistered, were found in breach of road taxes payments, and this was considered mostly an indicator of car abandonment. On top of these, until 2005, there was an extensive record of the use of the 'garaging' option; again, there is evidence that this option was in fact used to

⁶⁰ Under this procedure deregistered cars can, if apprehended on the road, be seized by the authorities; but it is likely that many remain in use illegally or have been abandoned.

abandon cars in private properties. On this specific issue, the European Commission sent a reasoned opinion to Italy on 14 December 2004 (C(2004)5023), for this choice being inconsistent with European legislation. Therefore, since 27 April 2006, cars used in private areas will have to be regularly registered. Another indicator of ELVs abandonment (and possibly also garaging) practice in Italy emerges by an analysis of historical series on deregistrations. As we can see from Table 5, the number of passenger cars deregistered in 1997 almost doubled in correspondence with a Law (30/1997) which offered incentives to car owners for scrapping their ELVs (the Law was valid only in the years 1997 and 1998). Although since 2001 the number of deregistrations increased again, compared to the previous decade, they never reached the level they did under the incentives campaign, therefore providing another useful indicator of how, before and after the incentives, many cars were probably not passing through deregistration and were dealt with by an illegal method.

Table 5 - Vehicles deregistration between 1991 and 2005 (excl. cars not paying taxes)

| 1991 | 1993 | 1995 | 1997 | 1999 | 2001 | 2003 | 2005 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1,225,400 | 1,395,441 | 1,094,180 | 2,037,426 | 1,231,480 | 1,784,711 | 1,806,322 | 1,701,469 |

Source: Automobil Club Italy (ACI)

Another element to take into consideration is car crime. Italy has the third highest number of car thefts in the EU, after the UK and France, and there is evidence of a prosperous market of car components and metals. In Italy, a considerable number of cars (97,182) were stolen in 2005 (World Vehicle Documents, 2006).⁶¹

Responsibilities for the implementation of the ELV Directive in Italy are split among three levels: the Competent Authority for the transposition of the Directive is the *Ministero per la Tutela dell'Ambiente e del Territorio* (MATT – ministry for environmental protection and landscape); the monitoring and national reporting is a competence of the *Agenzia per la Protezione dell'Ambiente e per i Servizi Tecnici* (APAT – environment agency); permitting and regional monitoring is a responsibility of Provinces. Some information on transposition and implementation, although very incomplete, is available from the compilation, in March 2006, of the questionnaire on the implementation of Directive 2000/53/EC on end-of life vehicles. No official data on recovery, reuse and recycling have been yet published at the time of writing.⁶²

Information on the progress in achieving reuse, recycling and recovery targets (required under art. 9.2.) has been published for the past seven years by the Joint Trade Association of Reuse, Recycling and Recovery Industries (FISE UNIRE). The collaboration with APAT and the National Observatory on Waste (ONR), part of MATT, ensure that data are quite reliable.

Transposition of the Directive

Italy transposed the Directive with Legislative decree no. 209 of 24 June 2003.⁶³

It includes N1 and M1 categories and three wheel vehicles as categories of ELVs. However, in 2004, 2005 and 2006 (the last was 28 January 2006 (Official Journal C22/6), the Commission sent reasoned opinions to Italy and then referred to the Court of Justice for non-conformity of the national legislation transposing the ELV Directive: in particular, for failing to include the necessary measures to ensure that definitions, scope and enforcement of the Directive are transposed within the national legislation. In particular, the following points have been raised:

- *Definitions*: the definition of ELVs as waste and their treatment is not in line with the Directive;
- *Hazardous materials and components*: it is not clear from the Italian legislation that all dangerous components and materials included in Annex II should be stripped from the ELVs before further treatment;
- *Certificate of destruction*: not ensuring that the *certificate of destruction* is issued only by authorised scrapping centres and that the certificate is a condition for deregistration;
- *Free take back*: the law does not appropriately address the need to ensure that producers meet all, or a significant part, of the free take back provision of the Directive;
- *Depollution*: it does not adequately ensure the depollution and adequate storage of dangerous components of ELVs before treatment;

⁶¹ <http://www.vehicle-documents.it/statistica/AUTO1.pdf>

⁶² Sources within APAT stated Italy will send the implementation report to the Commission in the first quarter of 2007

⁶³ Official Journal 7 August 2003, n. 182 – s.o. n.128/L.

- *Recycling*: it does not adequately ensure that recycling has the priority over other forms of recovery;
- *Information and monitoring*: it excludes certain important provisions of the Directive within the agreements under Art. 10 of the Directive; it does not set a monitoring system for the assessment of the recycling and recovery targets by 1st January 2006 as required; it does not ensure that the appropriate information on vehicles and their components is given to treatment centres; it does not put in place the necessary monitoring and communication systems to ease public authorities and the European Commission's involvement in the process.

In order to address these requirements and to implement effectively the Directive, the Italian government has integrated the transposition Law with a corrective legislative Decree (Dlgs. no.149) on 23 February 2006.⁶⁴

On 2 May 2006, it also published a Decree addressing the minimum technical requirements for treatment and treatment facilities (Art. 6 and Annex I of the Directive).⁶⁵

Moreover, a number of improvements were brought within the existing inadequate monitoring system with a Decree (DCPM) on 22 December 2004,⁶⁶ which institutes a new section for ELVs treatment facilities within the MUD⁶⁷ (the annual environmental statement required under the IPPC Directive)⁶⁸. This will represent the principal tool for monitoring ELVs management operations. Sources within APAT told us that the first set of data coming from the new monitoring mechanism should include, as of 2005, specific data on the number of authorised treatment facilities, their input and output and on the specific type of wastes treated therein. This data should be included in the first Italian implementation report.

Implementation of free take back

The transposition Law (209/2003) requires car manufacturers to be responsible for the creation of a network of retailers or treatment plants for the free take back of vehicles. The Law provides for this requirement to be in place by the end of 2003, for cars on the market since 1 July 2002, and by 1 January 2007 for all ELVs. However, the Law postponed the date by which the Ministry of the Environment had to issue the measures for the free take back of vehicles to 1 January 2006; in practice the requirement for all cars was postponed to 1 January 2007. Indeed, there is no evidence before 2005 of car manufacturers creating the networks required for the implementation of the free take back. In May 2005 car manufacturers, represented by the trade association of Italian car manufacturers (ANFIA) and the trade association of foreign car manufacturers (UNRAE), signed an agreement with the car dealers trade association (FEDERAICPA) and the association of dismantlers and scrap dealers (FISE UNIRE), in order to create a network to facilitate the flow of ELVs and the demand/supply match on the national territory.⁶⁹ The agreement states that producers will pay for the ELV take back, excluding the last owner's costs of transport to the retailer or to the treatment facilities and the administrative costs of deregistration. On 10 November 2006, the above agreement was enlarged to include the national trade association representing recovery and recycling industries (ASSOFERMET). The agreements aim at creating networks that will facilitate the achievement of recovery targets by minimising costs and achieving economic sustainability. By the end of 2006 almost 200 plants were operating within this network – although this is not a large number for a country of the size of Italy. As a support measure, the Government decided to reduce VAT on ELVs treatment operations by 10 %, in line with other wastes.

Implementation/achievement of recycling targets

An analysis shows that in 2000, circa 75 % of ELVs were either reused, recycled or recovered in Italy. This percentage was almost entirely represented by scrap metals, totally absorbed by existing recycling facilities. Moreover, 27,000 tonnes per year of plastic components (only homogenous polymers) were absorbed by existing facilities, which had potential for further expansion (however, there was no capacity available for composite

⁶⁴ Dlgs. 23 February 2006, n.149, 'Disposizioni correttive ed integrative al decreto legislativo 24 giugno 2003, n. 209, recante attuazione della direttiva 2000/53/CE in materia di veicoli fuori uso' <http://gazzette.comune.jesi.an.it/2006/86/1.htm>

⁶⁵ Decreto 2 May 2006 (Gazzetta ufficiale 16 maggio 2006 n. 112) (Art. 231 del Dlgs 3 april 2006, n. 152 - Requisiti relativi al centro di raccolta e all'impianto di trattamento dei veicoli fuori uso non disciplinati dal Dlgs 24 giugno 2003, n. 209) http://www.reteambiente.it/ra/normativa/rifiuti/2302_Dm02Mag_06_vige.htm

⁶⁶ Dpcm 22 dicembre 2004, Approvazione del modello unico di dichiarazione ambientale per l'anno 2005 - cap. 1 sezione veicoli a fine vita o fuori uso.

⁶⁷ MUD, *Modello Unico di Dichiarazione ambientale*

⁶⁸ The new section of the MUD was published before Decision 2005/293/CE on monitoring and control of the ELVs Directive's targets; however sources within ANPA state they will use it for the Decision's purposes as it is a flexible tool.

⁶⁹ On 12 May 2005 an agreement with FISE UNIRE and FEDERAICPA (retailers trade association).

plastics materials). Also, the rubber recycling industry had a capacity equivalent to three times the potential ELVs market (50,000 tonnes per year) of rubber at the time; as well as the glass recycling capacity, which at the time could receive an additional 145,000 tons (ELVs glass being 35,000 tonnes per year). The installed capacity witnesses the existence of an economically sustainable recycling market in 2000 for the above components and materials. Still, most of the 25 % ELVs waste remaining from scrapping, the so called 'fluff' (e.g. seat filling, fuel caps, textiles, gaskets, varnishes), was sent to Germany for recovery. In 2005, still 82 % (247,000 tonnes per year) of 'fluff' was not yet recycled or recovered in Italy. There is still no available energy recovery capacity in Italy, to the detriment of the achievement of the targets set by the Directive. Indeed, FISE UNIRE estimates that if Italy had a fluff combustion capacity, it would have met its 2006 target. However this is an expensive option and in 2005, only 79.4 % of the total ELVs were reused, recycled or recovered:

- **Reuse:** Components and parts (10 % of total ELVs weight or 120,000 tonnes per year) were reused.
- **Recycling:** Hydrocarbons and fluids deriving from pre-treatment (1 % of total weight or 14,000 tonnes per year); Metals (70 % of total weight or 800,000 tonnes per year).
- **Recovery** (energy): none.

On the contrary, the second target, concerning vehicles produced before 1 January 1980, was reached: of these old cars, reuse and recovery is deemed at least at 75 % and reuse and recycling at least 70 %.⁷⁰

More upstream, the real difficulties in Italy appear to be at the pre-treatment level. In 2005 there were 125, reported to become 200 by 2006, permitted facilities. The main obstacle is the nature of treatment facilities in Italy. Indeed, these are constituted mainly by multifunctional treatment platforms, which treat different wastes, such as municipal solid waste, together with ELVs. The economic burden of upgrading such platforms to the environmental requirements of the ELV Directive is a powerful deterrent for most of them, who might decide to switch to other wastes, instead of upgrading. Additionally, there are a vast number of scrapping plants (1,562) scattered on the territory, which are therefore very difficult to licence and monitor. At the end of the treatment cycle, there are only 18 crushing plants for scrap material in Italy; of these 17 treat ELV scrap.

Other issues

No producer and its vehicles have been exempted from Article 8 on component and material standards and Article 9 on the publication of information relative to vehicle design and ways to reuse, recycle and recover. On the latter, all Italian car manufacturers participate in the international consortium called IDIS (International Dismantling Information System), through which they provide dismantling information on a number of their models to dismantling operators. The materials and components listed in Art. 4.2. of the Directive are banned since 1 July 2003; Art. 9 of Decree 209/2003, tables the necessary measures to ensure the transposition this requirement by that date. On the bans, the Italian car manufactures association (UNIRE) told us there have not been issues on their side in implementing the ban of those substances.

Also, linked to ELVs issue, is that of end-of life tyres. On this, with the aim of improving the efficiency of recovery of end-of life tyres, a Decree in April 2006, no.152⁷¹, makes tyre producers and importers economically responsible for the recovery (on an annual basis at least) of a quantity of end-of life tyres equal to the quantity sold in the market. Producers can operate through another economic operator, ensuring that they take all the costs of the recovery of a quantity equal to that sold in the previous year.

⁷⁰ Questionnaire established by Commission Decision 2001/753/EC concerning the implementation of Directive 2000/53/EC on end-of life vehicles, March 2006: http://cdr.eionet.europa.eu/it/eu/elv/envq_ix2w

⁷¹ *Decreto Legislativo 3 aprile 2006, n. 152, 'Norme in materia ambientale, National Official Journal n. 88, 14 April 2006, Supplemento Ordinario n. 96.*