

Joint statement on repair in the proposed regulation on circularity requirements for vehicle design and on management of end-of-life vehicles

Vehicles have long been considered a best practice for repairability. This is no coincidence but owed to strong and consumer-friendly regulations such as the Motor Vehicle Block Exemption Regulation, ensuring a level playing field and fair competition between manufacturers and independent aftermarket businesses. Yet, with changing technology and markets, this repairability is on the decline: reports of non-dismantlable design, unavailable spare parts or repair services, as well as challenges to repairability emerging through the increase of electronic components in vehicles show that early obsolescence is increasing in newer vehicles.¹

88% of Europeans own a car in their household.² Given the strong reliance on vehicles, as well as their high cost, automotive longevity is a major social issue. Unrepairable vehicles jeopardise consumers' right to repair, drive up repair and maintenance costs, or even force them to prematurely replace their vehicle. Expensive repairs put financial pressure on insurers, which in turn may lead to increases in premiums for consumers to maintain coverage and service quality.³

Repairable vehicles are also crucial for the European economy: The offensive competitive strategies of non-European manufacturers preventing repair and reuse challenge the business models of the entire automotive aftermarket ecosystem, such as repair and maintenance businesses, and spare parts distributors.

Finally, extending vehicles' lifetimes through repair and reuse is key to reducing resource use and supporting the European Union's independence from critical raw material imports. Due to their size and widespread ownership, vehicles constitute a major consumer of primary raw materials, including critical raw materials. This becomes even more important amidst the ongoing electrification of mobility, as the production of electric vehicle batteries requires larger amounts of critical materials.⁴ Battery electric vehicles (BEVs) offer significant advantages compared to other passenger car drive types, including lower greenhouse gas emissions, reduced air pollutants, and greater energy efficiency. By improving battery circularity, these advantages could be enhanced even more.⁵

The signatories welcome the publication of the proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles and call for stronger provisions for repair and reuse to strengthen consumers' choice, local jobs and businesses, and European strategic autonomy, as well as ensure compliance with the waste hierarchy and reduce environmental strain. The Regulation must promote modular design strategies for vehicles, ensure the long-term availability of relevant spare parts and software updates at fair and non-discriminatory prices, address anti-repair practices, and guarantee access to repair information. In particular, considering their importance in terms of cost, material use and vehicle functionality, the Regulation must also ensure the repairability of electric vehicle batteries.

¹ HOP- Stop planned obsolescence, "Accelerated Vehicle Obsolescence. Alert on a sector in transition", April 2024. https://www.halteobsolescence.org/vehicles-obsolescence-disposable-cars/.

² Ipsos, Mobility Barometer, 2023.

https://www.ipsos.com/sites/default/files/ct/news/documents/2023-02/infographie_europassistance.pdf.

³ See for instance: https://www.fleeteurope.com/en/financial-models/germany/article/car-insurance-20-germany-due-expensive-repairs?a=FJA05&t%5B0%5D=Insurance&curl=1.

⁴ Pipitone E, Caltabellotta S, Occhipinti L., "A Life Cycle Environmental Impact Comparison between Traditional, Hybrid, and Electric Vehicles in the European Context". Sustainability. 2021; 13(19):10992. <u>https://doi.org/10.3390/su131910992</u>.

⁵ EEB, ECOS, and DUH, "Policy brief: What is the environmental impact of electric cars?", February 2023. <u>https://eeb.org/library/policy-brief-what-is-the-environmental-impact-of-electric-cars/</u>.

Ensure the repairability of electric vehicle batteries

The battery constitutes a large part of a BEV's material footprint, as well as economic cost: it represents between 30 and 40% of the vehicle's value.⁶ Widespread design practices that prevent the repair of electric vehicle batteries therefore not only lead to unnecessarily high levels of resource consumption, but also create additional costs for consumers, and harm industries such as insurance or independent aftermarket services.

While most of the historical European manufacturers still allow the dismantling and replacing of their battery modules for now, the pressure exerted by non-European manufacturers could well challenge this practice. The use of resins and thermal interface material in the battery, for example, seals the modules together and prevents their replacement in case of failure.⁷ The EU Batteries Regulation currently fails to address these issues. Consequently, this regulation must step in to fill these gaps.

• Article 7.2 should not only require the replaceability, but also **the repairability of EV batteries** to avoid that units have to be replaced at whole, leading to higher cost of repair and environmental impacts. The lead time of Article 7.2 should be reduced from 72 to 36 months.

Repairable design and access to spare parts for vehicles

The European Union is able to improve the durability and repairability of products, as shown by the Ecodesign Directive and the European Regulation on smartphones and other electric and electronic devices.

The availability of spare parts is necessary for repair. Contractual practices of European manufacturers usually make parts available for a minimum of 10 years, however, some non-European manufacturers tend to neglect after-sales service and impose very long delivery times for parts, or even do not supply them at all. Since there is currently no regulatory requirement for manufacturers, importers or authorised representatives to supply spare parts, a minimum requirement should be introduced to prevent these practices from becoming widespread in the European market.

Further, any design practices that make it more difficult and time-consuming to access parts also prevent reuse, repair and remanufacturing at an affordable price and within an acceptable time. These include the use of giga-casting, which produces sealed giga-parts in place of several hundred original parts. European legislation must guard against these practices to enable repairers, remanufacturers and the entire aftermarket automotive ecosystem.

- To allow for replacement of key parts as listed in Part C of Annex VII, the provisions in Article 7.1 should be extended as follows: parts should be *repairable*, replaceable and removable, both *during the use phase* and the waste phase, and parts should be removable *by repair and maintenance operators* in addition to authorised treatment facilities. The lead time of Article 7.2 should be reduced from 72 to 36 months.
- Practices such as giga-casting must not contravene the repair, reuse or remanufacture of vehicles' parts. Maximum replacement times or the number of steps required for the replacement of certain parts (disassembly depth) should be set for key parts.
- Ensure the availability of spare parts: For the parts covered by replaceability and removability requirements, *spare parts should be made available at non-discriminatory prices from the date of placement on the market and for 20 years* after the date of end of placement on the market to independent repair and maintenance operators.
- To ensure an open and competitive repair market, it should be further specified that *common repairs should be possible to be completed with Class A tools* according to EN45554, and more *complex repairs with Class B tools*, thus minimising the need for brand-specific tools which restrict competition.

 ⁶ Guillaume Guichard, Amélie Laurin, "Voiture électrique : l'enfer de la réparation des batteries", Les Echos, 21 novembre 2023.
⁷ HOP- Stop planned obsolescence, "Accelerated Vehicle Obsolescence. Alert on a sector in transition", April 2024. https://www.halteobsolescence.org/vehicles-obsolescence-disposable-cars/.

Access to software updates

As vehicles are becoming more and more connected, their dependence on operating systems is growing. This creates the risk of software obsolescence: if updates to these operating systems are stopped, the lifetimes of vehicles could be cut significantly short, despite the hardware being perfectly functional.

• **Software updates should be guaranteed for at least 20 years**. As the average lifespan of a vehicle currently is 19 years, we recommend including a minimum regulatory maintenance and update period from the date of placement on the market and for a period of 20 years after the date of end of placement on the market for operating systems of vehicles. As a comparison, smartphones, which have an average lifespan of 4 years⁸ have their software maintenance obligation set at a minimum of five years by Ecodesign Regulation (EU) 2023/1670.

Addressing anti-repair practices

Anti-repair practices such as part pairing are becoming a major barrier to independent repair and are therefore detrimental to an open and competitive repair market, hindering consumer choice. It allows manufacturers to establish a de facto monopoly on repairs and spare parts, thereby increasing the cost of repair and leading to early obsolescence.⁹

- Software techniques that impede the repair of vehicles or vehicle components *should therefore be banned*. We propose to ban the use of any contractual, hardware, or software techniques that impede independent repair.
- Repair and maintenance operators should be able to deregister or decouple a part from the VIN of a vehicle, to re-register it for installation in another vehicle, and to use multi-brand diagnostic tools to activate digitally coded parts and components. This is an essential interoperability measure to enable technical interventions on vehicles by all operators, including independent ones.

Access to information for independent operators and consumers

Non-discriminatory access to information is crucial in enabling an open and competitive aftermarket and should not render independent repair more expensive. The information required for the dismantling, reuse, remanufacturing, refurbishing and repair of parts and components should be made available to independent operators. Particular attention should be paid to electronic parts and components, given their complexity and software dependency.

- Article 11 should provide the access to information on repair, remanufacture and refurbishment, fully free of charge, from the date of placement on the market and during at least 20 years after the date of end of placement on the market.
- A *repairability score should be introduced for BEVs*¹⁰ to support consumers in making an informed choice and to encourage manufacturers to improve their practices. While the signatories believe that the repairability and durability index is a useful lever, it cannot replace the introduction of stringent requirements, as described above, regarding design and availability and costs of spare parts. To be effective, the index must very clearly distinguish the best-performing products. The score should not promote repairability that does not exceed legal requirements, meaning that simple compliance with minimum requirements must correspond to the minimum score.

⁸ According to the Fnac Darty Sales Barometer: <u>https://www.fnacdarty.com/7eme-barometre-du-sav-fnac-darty/</u>.

⁹ HOP- Stop planned obsolescence, "Accelerated Vehicle Obsolescence. Alert on a sector in transition", April 2024. https://www.halteobsolescence.org/vehicles-obsolescence-disposable-cars/.

¹⁰ We propose introducing a repairability score only for BEVs for the following reasons: considering that the sale of new internal combustion vehicles (ICVs) will be phased out 2035, so the development of a methodology for a new index for this period of time would be ineffective. Further, if an index was introduced for all types of vehicle engine types, this might run the risk of misleading comparisons between electric and internal combustion vehicles (ICVs). Considering the different technologies, their repairability is difficult to compare, but would be presented by the same index and scale, which could likely be confusing to consumers.

About the signatories

Right to Repair Europe	The Right to Repair Europe coalition represents over 180 organisations from 29 European countries. It includes environmental NGOs and repair actors such as community repair groups, social economy actors, spare parts distributors, self-repairers, repair and refurbishing businesses, and any citizen who would like to advocate for their right to repair. For more information, please visit: www.repair.eu
HOP - Halte à l'obsolescence programmée	HOP is a consumer and environmental advocacy NGO, campaigning for the extension of product lifespans since 2015. It has contributed to the adoption and implementation of repairability and durability indexes, as well as the French repair bonus. In 2024, HOP published a report that alerts on the accelerated obsolescence of vehicles. For more information, please visit: www.stopobsolescence.org
European Environmental Bureau (EEB)	The EEB is Europe's largest network of environmental citizens' organisations, standing for environmental justice, sustainable development and participatory democracy. It represents over 185 members in over 40 countries. For more information, please visit: www.eeb.org
ECOS - Environmental Coalition on Standards	ECOS is an international NGO with a network of members and experts advocating for environmentally friendly technical standards, policies, and laws. We ensure the environmental voice is heard when they are developed and drive change by providing expertise to policymakers and industry players, leading to the implementation of strong environmental principles. For more information, please visit: <u>www.ecostandard.org</u>
Environmental Action Germany (Deutsche Umwelthilfe – DUH)	DUH is a recognized German environmental and consumer protection organization, which has been campaigning for resource conservation and consumer interests since 1975. DUH is politically independent, non-profit and it campaigns on a national and European level. For more information, please visit: www.duh.de/englisch
iFixit Europe	iFixit is a global community of people helping each other repair things. A wiki-based website with over 100,000 repair guides translated into 12 languages is combined with a sales platform for tools and spare parts, creating a repair solution that helps millions of repairers every month. Repair is iFixit's mission - a way to fix the world, one broken device at a time. For more information, please visit: www.ifixit.com
The Restart Project	The Restart Project is a people-powered social enterprise that believes every product should be repairable, and that repair and reuse should be accessible and affordable for everyone. They run and support community repair events where people teach each other how to repair their broken and slow devices. They use the data and stories they collect to help demand better, more sustainable electronics for all. For more information, please visit: <u>https://therestartproject.org/</u>
Insurance Europe	Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents all types and sizes of insurance and reinsurance undertakings. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. For more information, please visit: www.insuranceeurope.eu
Fédération Internationale de l'Automobile (FIA) European Bureau	The FIA European Bureau, based in Brussels, is a consumer body comprised of 66 Mobility Clubs that represent over 40 million members from across Europe. The FIA represents the interests of our members as motorists, riders, pedestrians, and passengers. We work to ensure safe, affordable, clean and efficient mobility for all.
FIGIEFA	FIGIEFA is the international federation of independent automotive aftermarket distributors. Its members represent retailers and wholesalers of automotive replacement parts and components and their associated repair chains. FIGIEFA's aim is to maintain free and effective competition in the market for vehicle replacement parts, servicing and repair. For more information, please visit: www.figiefa.eu
MOBILIANS	MOBILIANS is the leading association of business leaders in the automotive trade and repair and mobility services: cars, motorcycles, bicycles, commercial vehicles, scooters, etc. Our professional organization represents nearly 180,000 local businesses and 560,000 jobs throughout France. MOBILIANS defends the individual and collective interests of road mobility professionals, and supports them as their businesses evolve. It deploys a forward-looking approach to sustainable development and the promotion of individual and shared mobility, in collaboration with all stakeholders. For more information, please visit: www.mobilians.fr