



## Automotive Recyclers of Canada

June 16, 2007  
Tokyo, Japan

## Canadian Environment

- Total Area = 9,984,670 km<sup>2</sup> (2nd)
- Population = 32.9 million (36th)
- Density = 3.5/km<sup>2</sup> (219th)
- GDP per capita = \$35,200 (7th)
- 1 Cdn \$ = .94 US; 0.71 Euros; 110 Yen
- 10 provinces and 3 territories under a federal government

## Canadian Environment

- Average age of cars is 8.6 years
- 19 million vehicles on the road
- Average growth per year of 1.8%
- The current vehicle scrap rate is 5 to 6% or 1 - 1.2 million vehicles per year

## Canadian Environment

- Environmental issues are mainly provincial
- Justice issues are mainly federal
- Licencing issues are provincial or more likely municipal
- Insurance is provincial and sometimes government run

## Auto Recyclers of Canada

- Umbrella group of 7 provincial associations
- 420 direct auto recyclers (2000 total in Canada)
- Process 80% of ELVs that go to an auto recycler (but only 50% of all cars go to an auto recycler)
- Budget = \$25,000 per year
- Funded by member levy, advertising, sponsorship, ARA agreement

## What does ARC do?

- Share information - among recyclers, related industries, government
- Communicate - website, newsletter, directory, email
- 2 meetings per year - ARA and regional host
- National lobbying - airbags, mercury switches, R2R, licencing, scrappage

## Used parts industry

- Used parts industry is sustainable
- 6 systems to sell parts - Allied, EDEN, QRP, Proji-Comm, RCO, Car-Part.com
- 4 inventory management systems - Hollander, Powerlink, Pinnacle, Checkmate
- There are 150 insurers (10 represent 80% of the market)
- Three provinces have government run auto insurance

## Used parts industry

- Use of recycled parts is 6.4% of the total estimate
- Dollar value of recycled parts used is \$170 million from Insurance sources.
- Increasing that % is a priority of insurers every where - policies, technology, direct intervention
- For most progressive recyclers, 95% of sales are of used parts, 5% are scrap/cores

## Used parts industry

- Access to quality salvage remains challenging
  - Auctions dominate
  - Internet based global buying
- ELVs are getting difficult to find
  - Historic scrap prices
  - Inconsistent licensing places an unfair burden on the legitimate industry
- Insurers want to buy more parts, but they don't want to sell us their cars

## Certification

- Licencing is handled provincially or municipally
- Ontario with 35% of the vehicles - \$25 and a letter from your municipality
- BC with 8% of the vehicles - Environmental Code of Practice regulation to process ELVs and totals
- Vehicle scrappage programs could kickstart a national certification or Best Practice process

## ELV Treatment

- Canada does not have an ELV strategy and there are no indications that they would like to implement one.
- Five manufacturers (GM, Ford, Chrysler, Honda, Toyota) produced 2.5 million vehicles - 12% of manufacturing GDP and a \$13 billion trade surplus
- Co-operation and voluntary agreements are big with the Canadian governments
  - mercury switches, total loss branding, airbag re-use, Canada wide standards - - certification next?

## ELV Treatment

- Regional product stewardship exists for used oil, tires, CFCs
- National product stewardship program in development for mercury switches
- Market based system exists for batteries, parts, hulks, cores

## ELV Treatment

- Used oil heating furnaces are allowed
- Antifreeze and windshield washer fluid can be reused on site
- Airbags can be resold and need not be deployed before crushing
- Auto shredder residue is not treated as a hazardous waste, it is used as a day cover for landfills

## New Initiatives



## CAR Magazine

- 15,000 copies
- Produced in cooperation with Collision Repair Magazine
- Educate claims economy, government and general public on what we do
- First phase of an aggressive program to educate the public about Auto Recycling

## Car Heaven

- Early vehicle retirement program
- In cooperation with the Clean Air Foundation
- \$1,000 incentive from GM or a tax receipt from a charity
- CAA Pyramid Award, Canadian Eco Award
- Named in the 2007 Federal Budget
- Demonstrates to the public what we do!
- Tied to national licencing/certification initiatives

## Thank You

Steve Fletcher  
Automotive Recyclers of Canada