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1. ALTERNATIVE ID AND PROPERTIES

Our comments are under chapter 7

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A supply chains issue for the ferroalloys and silicon industry

EUROALLIAGES is the European Association of ferro-alloys and silicon producers and represents 95% of ferro-alloys and silicon production in Europe. Its membership includes 23 companies in the EEA, operating 50 plants in 14 countries, with 8000 employees. The cumulative turnover of all EUROALLIAGES Members (EEA and non-EEA) is around €2 billion."
The sector is small but has a strategic importance as supplier of ferro-alloys and silicon to the steel, the aluminium, the chemical and the photovoltaic Industry.

Silicon is recognized as a critical raw material. Silicon is a strategic raw material used in key industrial applications, and in particular in renewable energy (photovoltaic industry) and in electronics devices enabling i.e. improvement of process efficiency and hence resource efficiency.

As a preliminary remark, the application at stake is for formulation of mixtures (pastes) for downstream uses that are exempt from Authorisation, as they are intermediate uses. We note the analysis presented in Section 2.1.2 of the applicant's SEA document where it is explained that although there is guidance exempting from Authorisation requirements the formulation steps that precede the uses of substances in medicinal products, food or feeding stuffs, plant protection products, biocidal products, motor fuels, cosmetic products, food contact materials, medical devices and Scientific Research and Development, similar guidance for formulation preceding intermediate (thus Authorisation-exempt) uses has not yet been issued. In the absence of any confirmation of exemption for the upstream formulation, there is business uncertainty as to whether authorisation for the formulation use is required in this circumstance. Thus, this application for authorisation is understood to have been submitted so as to manage the business risk of this uncertainty.

In its socio-economic analysis, the applicant declares that "They also draw the attention that if an Authorisation for the continued use of CTPht in 2020 was not granted, **they would stop the manufacture and sale of the relevant mixtures**. "

This statement is of major concern to our industry as it would mean interruption of the supply of a key raw material for our Soderbergh and mixed electrodes, **a major component of the furnace**. The use of CTPht in electrodes is considered as an intermediate use, but still a use requiring the supply of CTPht! **Without the transformation of CTPht into Coal Tar Pitch Coke in the submerged electric arc furnace, there is no electric arc, no heat, no smelting, no production !**

The supply of CTPht-based pastes that would come 100 % from non-EU suppliers is not a solution, as there is a risk to not be able to fully satisfy the current and future European needs. Indeed, according to the World Bank report on the "Growing Role of Minerals and Metals for a Low Carbon Future" (June 2017), the low carbon technology requirements, and hence the related demand for metals, are rising rapidly. Solar PV cells are also predicted to become a crucial part of the overall energy mix. The forecasts show also an exponential increase of electric storage batteries demand (1000 %). Ferro-alloys, and in particular silicon, will play a key role in a carbon-neutral economy, their production shall increase and hence the demand for raw materials like CTPht.

In addition, a European/EEA production guarantees the required quality according to the specifications and according to the highest production EHS standards. Should these pastes being transported on long distance, this would inevitably have additional impacts on carbon emissions in the context of climate change (several thousand tons to be transported).
It is also worth to mention that CTPht is a by-product from the distillation of Coal Tar. Should its downstream uses be comprised on the EU territory, this would be against the principles of the Circular Economy.

Many Euroalliages' members are SMEs (30 %). Today's EU regulatory environment is very complex and uncertain. It does not provide the predictability and stability required to develop long-term business plans with enough confidence to encourage investments necessary to remain competitive, in particular in a business where "more fragile" entities such as SMEs face the competition of large companies on global markets, where these companies do not implement equivalent regulations and standards. It is to be also underlined that ferro-alloys and silicon are exchanged on a global level with globally set prices. European companies are price-takers. They are faced with fierce and sometimes unfair competition from third countries (see published anti-dumping cases).

Today, there is no industrial scale alternatives binder for electrodes. Research is continuing but it will take many years before finding a relevant and efficient alternative due to the complexity of the process operating under extreme conditions. The smelting temperature is often far above 1000 °C. These extreme conditions require to have fully reliable equipment and raw materials so as to not only ensure an efficient process but also to ensure that the safety conditions can be guaranteed and hence the life of the workers operating around the furnaces.

The European productions of ferro-alloys and silicon operate under the best available technology and obey the highest EHS standards. To our knowledge, non-EEA competitors still fully use CTPht-based pastes.

We would support the applicant's request for a long review period of 12 years. The longest possible review period is needed to provide business certainty for downstream users in this critical manufacturing sector in the EEA and to ensure that companies have the confidence to continue to invest in EEA facilities. Any shorter review period would increase uncertainty by sending the wrong signals to these critical industries which rely on long term investment planning due to the scale of the investments required".

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APPENDIXES

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