



Applying for authorisation as a single downstream user

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# Outline

- Why apply as a single downstream user? Pros and cons
- Background to the Grohe application
- Features of and approaches to the application:
- Outcomes and conclusions

## About me

- Economist by training and profession
- 25 years' experience as an applied economist in government, regulation, academia, consultancy ('the economics interface')
- 2 years at ECHA, as SEA coordinator and involved in the design of many aspects of the authorisation process
- ~15 applications for authorisation (a lead author on 8) in 3 years

## Why apply as a single downstream user? Pros

- You can better describe your own your processes and business, in more and better detail (limited scope)
- You can generate your own information and data, use your own methodology
- You can improve your own use conditions
- You can describe a realistic/the actual non-use scenario
- You can tailor your application to your own circumstances
- You can offer a guaranteed demand for importers
- Better detail + less uncertainty = longer review period, fewer conditions

## Why apply as a single downstream user? Cons

- Cost – greater detail requires more internal and external resources
- No cost sharing
- You must generate your own data and information
- Your application manager might struggle for buy-in from other parts of the company
- You might only be a customer for your substance and/or technology
- You only authorise yourself – no upstream uses (e.g. formulation)

## Background to the Grohe application

- Grohe is a world leader in the production of high-end and more mass market sanitary ware – taps, showers, fittings etc
- Worldwide production facilities as part of the LIXIL group
- Many types of surfaces, but 95% hard chrome (chromium trioxide)
- Member of CTAC, ‘functional chrome plating with decorative character’
- Grohe felt they could justify a longer review period than the CTAC-proposed 7 years
- Approached TEI for a ‘quick update’/‘personalisation’ of the CTAC dossier

## Features of and approaches to the application

- Use definitions
- The market for sanitary ware
- The non-use scenario and its impacts
- The review period argumentation

## Features and approaches – Use definitions

- We ‘discovered’ additional use for chromium trioxide in chrome-plating – etching of plastic substrates
- Different alternatives and substitution possibilities – Grohe actively seeking to develop alternative in this use
- Shorter review period required and requested – demonstrates commitment to substitution where feasible (*quid pro quo*)
- Identifying plastic and metal substrates separately allowed us to strengthen arguments in plating AoA
- One way to distinguish application from CTAC



## Features and approaches – The market

- Alternatives to chromium trioxide for metal plating do exist but *very* small portion of the market – ‘black swan’ problem
- No alternatives for plastic plating – compatibility issue for ‘whole range’ supplier like Grohe
- Equivalent testing showed most well-known alternative products to have performance deficiencies – unsuitable for professional market; also manufactured outside EEA – too costly to manufacture inside
- Given performance weaknesses, any deficit of hard-chrome products in the EU would be met by foreign imports, not switch to substitutes
- Note: market analysis appeared in AoA

## Features and approaches – Non-use scenario

- Initial reluctance internally to consider non-use – consultant independence
- Overcome by engaging with senior executives and challenging them on key aspects of the Grohe group's global structure – intelligent scrutiny
- Expansion of non-EEA site identified as non-use scenario – engaged with plant manager to estimate (EEA and non-EEA) costs of expansion
- Constructed formal framework to model the best way to manage supply disruption during expansion
- Result: Genuinely feasible and costed non-use scenario(s) suitable for strategic decision-making

## Features and approaches – Review period argumentation

- Argumentation followed the ECHA guidance closely
- Established and continuing dominance of hard-chrome products
- Critical performance weaknesses of alternatives – imports, not substitution
- Non-use scenario will always be relocation, not substitution
- Costs of closure will always be high
- Risks of continued use are and will be low
- Grohe history of and future commitment to R&D on alternatives
- Implementation would take years and require legacy parts service
- No chance of substitution within the normal period – ‘default’ becomes long review period
- Shorter review period requested for plastic etching – ‘quid pro quo’

## Outcomes and summary

- Authorisation granted for 12 years (plating) and 9 years (etching), as requested
- ‘CTAC update’ became closer to bespoke application
- Multi-faceted and comprehensive market analysis to support infeasibility of alternatives and case for long review period
- Development of genuinely feasible non-use scenarios
- Not the low-cost option; high level of self-dependency
- But high level of confidence in ‘real’ data and analysis of real circumstances



**Thank you**

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