

OERLIKON - EXPERIENCES OF THE AUTHORISATION PROCESS



EXPERIENCES AT THE PUBLIC CONSULTATIONS

- From the perspective of „Alternatives“ the public consultations were extremely difficult due to the fact that the counterparts (applicants and their supporters as participants) are also high potential customers.
To highlight their position they have to find arguments, test methods etc. to diminish any potential of an alternative.
- To strengthen the position of the applicants they “procured“ undefined samples of alternatives and tested them with inappropriate methods. Neither the samples nor the method was accurate. Presenting these samples and arguments in the public consultation was deceptive and gave the RAC and SEAC Committees a wrong impression.
- Applicants may not have an incentive to substitute before the end of the review period, because they have argued so strongly that these alternatives are not feasible for them in their applications and dialogues

EXPERIENCES AT THE PUBLIC CONSULTATIONS

- A lot information alternative providers have cannot be shared because of NDAs. This will always weaken the case even if some of it is presented in the closed session as there are no possibilities for RAC & SEAC members to assess the validity
- Many comments or arguments raised by applicants during the consultation are hard to address properly during the consultation and there is no process for submitting further evidence after the public consultation. The applicants on the other hand have several opportunities to provide additional information.
- Applications can be very broad in terms of uses and it is extremely difficult for an alternative provider in a consultation to defend their case for all the different possible uses. It can also be very hard to understand which uses are included/excluded.

The public consultations are not balanced and favored the applicants and affected the alternatives in a negative manner

MARKET SITUATION

The level of interest for alternatives was „**medium**“ before the public consultation started; „**high**“ during the public consultation and „**lower**“ than any time before **after** ECHA´s recommendation

The market price for decorative metallized plastic parts dropped down in tendency during the authorization process in the EU.

Conclusion:

- After ECHA recommendation of first 7 years and then 12 years authorization for seemingly similar uses, the level of interest in alternatives is dramatically reduced.
No “pressure“ to change technology
- More time for the market to push alternatives to meet higher performance levels => higher barrier to enter the market
- Reduced probability of further potential customers

=> Prolonged period of investment @ lower revenues

Conclusion

- The uncertainty of the future use of Chromium trioxide pushed the market to find other solutions to **secure** the business
- Especially the automotive industry started to purchase e-plated parts from non-EU countries in a larger scale
- This caused a price reduction for e-plated parts
- Another big hurdle for alternatives to get launched

=> A negative impact for some EU based e-platers or alternative providers; the socioeconomic impact is unknown

OPEN QUESTIONS

- Are other additional environmental aspects (reduced energy consumption, optimized carbon footprint, etc.) of the alternative technologies sufficiently considered in ECHA's decision?
- Why did different applicants for the same type of uses (in this case: plastic metallization) got different authorization periods (7 yrs. vs 12 yrs.)?
- What justifies multiple review reports? This enables an "unlimited" time line and degrades any regulatory impact on the use of Chromium trioxide => "never ending story"
- How does a phase-out strategy look like? Is there one at all?
i.e.: to stop the installation of new Cr(VI) application lines after sunset day

STATUS & CONSEQUENCES

- Even with a rising global interest in environmental friendly technologies these are not pushed by the authorities. Conservative strategies are preferred with long authorization periods.
- Non-EU countries will be faster and much more progressive to replace SVHC´s
- While the EU has repeatedly encouraged everyone to invest in better technologies, the REACH authorization process makes for a difficult business case: it´s less interesting for companies to develop alternatives and spend huge amount of money over years when facing too many unknowns and a resistance from applicants.
- The development, technology acceptance and implementation period can easily expand to 20 years! Only a few affiliated groups can afford these periods („time to market“). SME´s with innovative technologies are often out.
- Still open status of authorization process even after sunset day caused a dramatic price decline which is counterproductive to launch new technologies.

The supply chains for OEMs are secured and already started to purchase chromed parts from non-EU countries in large scale.

Alternatives become more of a back-up rather than developing into an adequate alternative technology.

THANK YOU

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Comments to Authorisation Process on Implementation of REACH

Helsinki
13th + 14th Nov. 2017

COMMENTS TO THE PROCEDURES

Suggestion towards EU:

Regulation of review period by two-road strategy:

- Cover the current market demands by standard technologies + stimulation of alternatives by setting minimum constantly increasing levels during a review period.
- Benefits: acceleration of maturity level of alternative technologies + reduction of serious risks compared to applying a hard switch of technologies.
- Proposal: e.g. 2 % in Year 1 – with doubling of the volumes each year.

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THANK YOU FOR YOUR ATTENTION