



*to the
Competitiveness Council of the European Union*

Brussels, 23 November 2006

Subject: Impact of REACH on downstream users

Dear Minister,

The European chemicals regulation known as REACH is in the final stage of the legislative process. We, the undersigned, whose members are downstream users of chemical substances, support the Council's Common Position. We ask all Member States and Members of the European Parliament to maintain the Council's Common Position in the second reading.

We would like to draw your attention to two key issues which will have important business impacts for our operations and investments in the European Union. They regard the following amendments adopted by the European Parliament's Environment Committee (ENVI): Amendments 99 and 103 on mandatory substitution of hazardous substances (Article 59.2 and 59.8) and Amendment 38 on notification of substances in articles (Article 7.2).

On the authorisation and substitution of hazardous substances, we support the Council Common Position on Article 59 (paragraphs 2 and 8). We strongly oppose Amendments 99 and 103 of the ENVI Recommendation on mandatory substitution and time limits to authorisation because we believe that they do not take adequate account of risk management measures that our companies implement. Member companies use a limited number of substances of very high concern in our processes and replace very high risk substances with safer alternatives whenever possible – but making the substitution principle mandatory in all cases and in a uniform manner across all uses and sub-uses in highly specialized and often micro-manufacturing processes will not achieve this goal. Enshrining mandatory substitution plans as a pre-condition for authorisation of substances under REACH increases legal and operational uncertainty and thereby risks undermining investment and competitiveness in the EU.

On the notification of substances in articles, our members prefer the Council Common Position on Article 7.2 over the ENVI Committee amendment although we also have doubts as to the workability of the Council approach. We strongly oppose Amendment 38 of the ENVI Recommendation. In particular we disagree with the extension of the notification requirement for substances to “homogenous material of an article” instead of “in articles” as such. We believe that this requirement will generate many technical difficulties and increase the costs for manufacturers to determine concentrations at the homogeneous material level. Moreover, we oppose the additional requirement for notification of substances where exposure cannot be ruled out “during the full life cycle of the article”. This is unworkable as it will require over-notification of exposures that are not only unlikely, but next to impossible to assess. This amendment broadens the scope of the notification requirement in a disproportionate fashion that would increase costs of compliance unnecessarily. Finally the new

Chemicals Agency would have to deal with enormous additional amounts of paperwork some of which may not be of high relevance, but in any case would create significant obstacles to assess the provided information in a reasonable timeframe.

Please do not hesitate contacting us for further information on the impact of REACH on downstream users.

Yours sincerely,



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Managing Director
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Luigi Meli
Director General
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Mark McGann
Director General
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AeA Europe

AeA Europe represents leading European high-tech operations with US parentage doing business of more than €100 billion in Europe. Members employ over 500,000 people in Europe. Member companies are 3M, Agilent, AMD, Avaya, Cadence, Cisco, Citrix, Coherent, Dell, Garmin, GE, Honeywell, HP, IBM, Intel, Lexmark, Lucent, Microsoft, Motorola, National Instruments, NCR, Nortel, RIM, Rockwell, Seagate, Solectron, Sun Microsystems, Symantec, Tektronix, Teradyne, Texas Instruments, Trimble, Tyco, Unisys, UTC, Xerox.

CECED

CECED represents the household appliance industry in Europe. Its member companies employ over 200,000 people, are mainly based in Europe, and have a turnover of about €40 billion. If upstream and downstream business is taken together, the sector employs over 500,000 people. Direct Members are Arçelik, BSH Bosch und Siemens Hausgeräte, Candy Group, De'Longhi, Electrolux Holdings, Fagor, Gorenje, Liebherr, IndesitCompany, Miele, Philips, Saeco, SEB and Whirlpool Europe. CECED's member associations cover the following countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, Turkey and United Kingdom.

EICTA

EICTA, founded in 1999 is the voice of the European digital technology industry, which includes large and small companies in the Information and Communications Technology and Consumer Electronics Industry sectors. It is composed of 56 major multinational companies and 37 national associations from 27 European countries. In all, EICTA represents more than 10,000 companies all over Europe with more than 2 million employees and over EUR 1,000 billion in revenues.

ESIA

The European Semiconductor Industry Association (ESIA), part of the European Electronic Component manufacturer's Association (EECA), represents the European-based manufacturers of semiconductor devices. The semiconductor industry provides key enabling technologies at the forefront of the development of the digital economy. The sector supports over 86 000 direct jobs in a market valued at around €1.6bn in 2005.