

EU LEGISLATION UPDATE

DECEMBER 2006



INFORMATION

EU institutions adopt rules on new regulation of Chemicals

At the end of December, the EU institutions adopted the final text of the REACH regulation which creates a single regulatory framework managing the Registration, Evaluation and Authorisation of Chemicals (hence REACH) 40 existing legislative acts. The regulation will cover both existing and new chemicals and will require producers and importers of chemicals to show that substances are safe before they can be placed on the market, a task currently undertaken by authorities. The process from now will be as follows:

- The registration: producers and importers will have to obtain relevant information on chemical substances produced in or imported to the EU market in quantities greater than 1 tonne per year and submit a technical dossier containing information on the substance and information on how to effectively manage the risk entailed by its use. If the quantity is above 10 tonnes per year, they will also have to submit a Chemical Safety Report to document the safety assessment of the substance.
- The evaluation: the regulatory authorities will then decide on proposals for further testing and assess whether information provided by industry complies with the requirements. For selected substances – where a risk to health or the environment is suspected - the evaluation will provide a mechanism to require industry to obtain more information. Evaluation may also lead to the conclusion that action should be taken under the restrictions or authorisation procedures.
- Authorisation: may then be required for substances of very high concern (carcinogens, mutagens, substances toxic to the reproductive system, and substances which are persistent, bio-accumulative and toxic, very persistent and very bio-accumulative or of equivalent concern).
- Restrictions: may also be applied if the use of a substance poses an unacceptable risk to health or the environment. Restrictions can be decided either for the use of a substance in certain products, the use by consumers or even for all uses (complete ban of a substance).

It is expected that about 1500 substances - of 30,000 anticipated to be covered by REACH - will be subject to authorisation on the grounds that they pose a “very high risk” including. These will certainly include

- CMRs (substances that are carcinogenic, mutagenic or toxic to reproduction), category 1 and 2,
- PBTs (substances with persistent, bio-accumulative and toxic properties),
- vPvBs (substances that are very persistent, very bio-accumulative).

Authorisation for some of the CMR substances will be granted if the producer or importer can show that risks from the use in question can be adequately controlled – i.e if scientists can agree on a "safe threshold" below which a substance does not create negative effects to the human body or the environment. For other CMR substances and substances with persistent, bio-accumulative or toxic properties (PBT, vPvB substances), where adequate control is not possible, an authorisation will only be granted if no safer alternative exists and if the socio-economic benefits of the use of the substance outweigh the risks. However, the use of certain dangerous chemicals will also be acceptable if appropriate risk management measures are implemented, such as the use of provision of good ventilation or protective clothing.

The Regulation calls for the European Chemicals Agency to be established in 2007 which will manage the technical, scientific and administrative aspects of REACH and ensure consistency at Community level in relation to these aspects. The Agency shall provide the Member States and the Institutions of the Community with the best possible scientific and technical advice on questions relating to chemicals covered by the Regulation.

FIVA will work with the authorities to ensure that this new system does not impact upon FIVA's members' activities.

New European car emission standards agreed

The EU institutions have provisionally agreed the next generation of emission limits on passenger car by setting new Euro 5 standards for fine particles, hydrocarbons and nitrogen oxides (NO_x), and tougher Euro 6 standards for NO_x. Agreement was only possible once the European Council accepted the Parliament's proposed timetable and the Parliament had accepted the Council's preferred preferred NO_x emission level of

- Euro 5 NO_x limit of 60 milligram per kilometre for petrol cars and 180 mg/km for diesel cars – to come into force in 2009
- Euro 6 NO_x limit of 60 and 80 mg/km respectively for petrol and diesel vehicles to come into force in 2014

The institutions also agreed that sport utility vehicles over 2.5 tonnes should be subject to car emission standards rather than those for heavy goods vehicles from 2012.

Road pricing a step closer for the UK

A UK Government-commissioned study has concluded that the UK must put in place nationwide road pricing to counter traffic congestion and start reducing vehicle carbon dioxide emissions. The report claims that road pricing could halve congestion by 2025 and result significant environmental and economic benefits totalling Euro E41bn. The UK already has in place congestion charging schemes in London and a few other cities and some local authorities are about to start trials – but while opinion polls show that the majority of users oppose road pricing, the policy trend is certainly moving toward accepting the need for nationwide UK road pricing.

Germany agrees diesel filter tax breaks

The German Government has approved tax incentives for particle filters on existing diesel cars allowing owners fitting a filter from 1 January 2006 to pay Euro 330 less in annual motor tax –

vehicles without filters will pay around Euro 20 extra. To qualify, filters must cut emissions to 5 milligrams per kilometer which is the planned EU legal standard for new cars from around 2008.

Ireland to link car tax to CO2 emissions

The Irish government has suggested that it will make the CO2 emission output of cars determinant on the annual car tax from 2008. The proposal which is currently open for consultation also proposes to make car emission labeling mandatory.

Poland may abandon a similar car tax/CO2 emission link

The Polish Government has suggested that it may abandon its plan to shift the car registration tax system to one based on annual circulation taxes. This follows Poland's recent decision not to impose higher registration tax rates for older cars - a decision taken under legal pressure from the European Commission on the grounds that it creates a barrier to imports.

Poland's previous government had tried to link the registration tax to vehicles' engine size and Euro emission norm in 2004, but its Parliament to reject the plan. Following elections last September, the new government tabled a virtually identical plan on the grounds that it would help reduce the number of second-hand cars being imported by Poles.

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The FIVA Legislation Commission members are: Horst Bruning (Chairman), Tiddo Bresters (the Netherlands), Andrew Burt, (UK), David Davies (UK), Marek Gacek (Poland), Zoltán Gárdos (Hungary), Dage Groop (Finland), Adalberto Gueli (Italy), Peeter Henning (Belgium), Maik Hirschfeld (Germany), David Hurley (UK), Winfried Kallinger (Austria), Jim Krier (Luxembourg), Victor Papadopoulos (Cyprus), Patrick Rollet (France), Svend Aage Tholstrup (Denmark), Zdenek Ruzicka (Czech Republic) and Carla Fiocchi (Secretariat). Andrew Turner of EPPA works with the Committee.