

Brussels, 22 June 2009

## Proposal for a Directive of the European Parliament and of the Council on industrial emissions (Integrated Pollution Prevention and Control) (Recast) COM (2007) 844 final

The European Parliament voted in its first reading the 10<sup>th</sup> of March 2009 on the Industrial Emission Directive –recast of the current IPPC directive. This proposal aims at regulating emissions and pollutants in the EU through the use of permits granting to single operators.

Although we share and understand the environmental objectives of such a proposal, the variety of industry involved under this directive (from metal and small surface treatment to large combustion plants, from textiles to refineries) calls for a balanced approach that would benefit not only industry and its competitiveness but also protection of environment and human health.

We are in particular very concerned to see that the proposal strongly reinforces the requirements and burdens placed on the manufacturing sector in a way that is neither proportionate, nor takes any account of the economic reality that our industry which employs over 11 million people and whose member companies are for the most part SMEs (>90%) includes faces today. We believe that it is time that regulators take due account of the impact that progressively more stringent and ever changing regulation is having on our companies, if they want the EU to remain an attractive base for our industry. Our companies today need to be able to focus their investment on keeping their skilled personnel for the time when the economic recovery arrives.

We therefore very much hope that the Council will see fit to take account of our comments which we detail hereafter.

### **1. Maintain flexibility/role of The BREFS**

The European Parliament backed the proposal of the Commission to strengthen the application of Best Available Techniques (BAT) compared to current legislation and therefore making emission limit values associated with BAT binding, except by derogation in exceptional cases only.

Although the European Commission has invoked the fact that that the current IPPC directive has not always been implemented correctly in all the Member States, this lack of flexibility to take into account the technical characteristics of an installation and the local environment raised a significant degree of concern within our industry. Most of our operators' network is composed of small and medium size companies which would have to face costly measures without delivering significant benefits for the environment.

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*Orgalime, the European Engineering Industries Association, speaks for 35 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 11.1 million people in the EU and in 2008 accounted for some €1,885 billion of annual output. The industry not only represents more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union.*

As already mentioned, it is important that competent authorities are able to deviate from emission levels associated with BAT when this is justified. This process must not be considered as derogation, but **a deviation** subject to clearly documented justifications.

We urge the legislators to review their position on this very important issue and ask them to approve compromise amendments 1 and 16.

## **2. Extension of the scope of the directive**

The Commission's proposal to extend the scope of the directive to those small combustion plants and operators has been backed the European Parliament in its first reading plenary session, except for hospitals. If this is further confirmed in the legislative process, it will generate unnecessary bureaucratic burden for those industries but also costly investments, with again very limited impact on environmental benefits.

Furthermore, taking into account that the same type of companies outside the Union will not be submitted to such stringent provisions, many SMEs installed in the European Union will have to make strategic choices for their businesses, with consequences at all level of society.

We ask the legislators to reconsider their position on this issue and to set the scope of the directive to its current version.

We therefore ask the representatives to reintroduce and support amendment 54 and to reject compromise amendment 35.

## **3. European Safety Net (ESN)**

The European Parliament has introduced into the discussions over the revised IPPC, the concept of a European Safety Net with emission limit values as minimum requirements which cannot be exceeded. The idea behind this concept is to avoid distortion of competition between member states and to guarantee a level playing field for all operators in Europe. For the moment being, the present concept of the ESN contradicts with the principles of an integrated approach and sufficient flexibility for permitting, which are core elements of the existing IPPC directive. The current structure of the ESN would probably also complicate permitting unnecessarily, which is against the target of better regulation and less administrative burden. Furthermore, it is critical for the legal protection of the enterprises and for their competitiveness to know well in advance whether the flexibility margins offered in this ESN are viable from an operator point of view. In order for the ESN to work in practice, however, legislators would yet have to iron out these shortcomings.

The European Parliament and the Commission agreed that the emission limit values under the ESN will have to be discussed in comitology procedure 12 months after the publication of a BREF. It is important for industry to be involved in the decision process while setting up emission limit values for the ESN. To reach a system that brings benefits for all parties involved and that is technologically achievable, there is a need for close co-operation between all stakeholders.

In any case, we ask legislators to maintain flexibility in BAT-based permitting in the final recast industrial emissions directive.

## **4. Protection of soil**

Introducing provisions for soil in the framework of the IPPC directive would lead to conflicting double legislation, going against the principles of the better regulation strategy. In the IPPC directive, there are already measures to prevent and reduce pollution at source (both for soil and groundwater).

There is therefore no need at all to include further provisions on the obligations related to the activities of contamination prevention measures, as these are already covered in the permit conditions of the existing IPPC directive.

We therefore ask the representatives to support amendments 2, 9, 29 and 30 and to reject compromise amendment 4, 5, 7, 10, 11 & 12.



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*The European Engineering Industries Association*

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