

DRAFT ECO DESIGN OF ENERGY USING PRODUCTS DIRECTIVE ("EuP") Integrating Environment, Growth and Jobs

Dear Member of the European Parliament,

On 15 March 2005, the European Parliament's Environment, Health and Food Safety Committee will vote in second reading on the draft eco design of energy using products directive ("EuP"). Orgalime¹ wishes to draw your attention to this sensitive issue and hopes that you will take the opportunity to shape the present text in a way that integrates all aspects of sustainable development while pursuing the EU's strategy on growth and jobs. Our industry, which employs over 7 million people and is the largest employer in the EU, does play a significant role in this strategy.

This directive will set the future framework for our industry for integrating environmental aspects into the design of a wide and disparate range of energy using products, both, consumer appliances as well as professional equipment. It will go to the core of each manufacturer's competence, the design of his product, and will therefore have a significant impact on the innovation capacities and competitiveness of European engineering companies.

Our industry is active both in the development and export of environmental technologies and in integrating environmental criteria into the design of our own products. In the light of this, Orgalime therefore appeals to you to take particular account of the following aspects when voting on the EuP proposal:

• Competitiveness of European engineering industry

Sustainable development consists of three equally important pillars: environmental, social and economic. The Wim Kok report underlines the importance of not cutting off the economic pillar when establishing the regulatory framework.

This implies simplicity of legislation, clear criteria for selecting products to fall under European regulation and the creation of a level playing field for European business.

Competitiveness is also linked with efficient market control. The EUP proposal should facilitate the task of public authorities and also ensure that conformity of products from third countries can be checked in a proper way for their compliance to the present proposal and its implementing measures, without creating burdensome and costly procedures.

To meet the above goals we ask for your support for amendments 51 (equal to 47 and 50), 59, 69, 114 and 115 (equal to 116) concerning market surveillance.

Amendments 13, 84 and 86 would help implementation in SMEs and thus help their competitiveness. We therefore recommend you to support also these amendments.

¹ Orgalime speaks for 33 trade federations representing some 130,000 companies in the mechanical, electrical, electronic and metalworking industries of 23 European countries. These industries employ some 7 million people and account for 1175 billion euros of annual output, which is a quarter of the EU's output of manufactured products and a third of the manufactured exports of the European Union.

Amendments 72, 124 and 125 regarding the use of the eco label and amendments 62 and 63 regarding conformity assessment would provide further clarity and improve the workability of the draft directive.

On the other hand, Orgalime considers that the following amendments would be against well-established principles of other product legislation and hamper competitiveness through especially unworkable, burdensome or costly procedures. Consequently, we urge you to reject amendments 10, 12, 15, 21, 55, 56, 61, 83, 85, 110, 111 and 119. Amendments 16, 99 and 100 would immediately disregard the established procedures by establishing a product list and should be rejected.

• Safeguard free movement of products in the internal market

One of the major success stories of the European Union is the internal market, which has provided manufacturers with a substantial "home base" where companies could, in particular in the consumer product sector, pass on the benefits of economies of scale to their clients. This offers major advantages both to European companies and to European consumers, in particular by allowing consumers to enjoy a broad choice of competitive products.

Therefore, article 95 of the EC Treaty must remain the sole legal base for the EuP proposal. In particular, article 95 provides the possibility to Member States to go beyond the requirements set at the European level.

Orgalime strongly urges you to support amendment 41, and to reject amendments 17, 26, 27, 36, 58, 101 (equal to 102), 103 and 121.

• Ensure coherence with existing product related legislation

Our industry requests regulators to ensure coherence in product related policy. The EUP proposal comes into an area where products are already regulated, e.g. on safety where the concept of the New Approach is well introduced. The main principles of the EUP should therefore fit into established concepts in order not to create unnecessary complexity and confusion and costly new administrative systems.

In line with this key issue for our industry, **Orgalime requests your support for amendments 62** (equal to 63) and 122.

However, the following amendments would be very damaging to our manufacturers in the EU, as they would be in conflict with already established regulation and administrative procedures: we strongly urge you to reject amendments 8, 12, 15, 18, 65, 66, 74 to 81, 87, 88 and 123.

The Draft committee recommendation on the EuP proposal covers in total 125 proposals for amendments to the Council's Common Position, which in most areas in our view represents a pragmatic compromise between the European Parliament's first reading report and the Commission proposal. Orgalime has elaborated a recommendation for voting on each amendment, which we attach for your kind consideration.

We thank you for your attention to this crucial issue, which will have a major impact on our companies and will be pleased to provide you with any further information you might require.

Yours sincerely, Adrian Harris

Secretary General (electronically signed)

Brussels, 14 March 2005