



POSITION: Towards Eco Design of Energy Using Products
Brussels, 24 March 2005

With view to the further proceedings of the European institutions on the draft eco design of energy using products directive (EuP), Orgalime calls upon the institutions to strive for a well-balanced and well-defined proposal, which would integrate environment, growth and jobs for our industry that competes at global markets.

European producers of energy using products particularly consider the following guiding principles and ways forward as fundamental, which must not be lost in the further proceedings:

1. Preservation of 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.

As EuP is a product-oriented directive, a fully harmonised approach cross Europe is vital in order to ensure free movement of energy using products.

Article 95 of the EC Treaty must remain the sole legal base for the EuP proposal.

Orgalime fully supports the Commission’s proposal and Council common position in this area. Amendments 1, 15, 42 and 54 of the draft European Parliament resolution of 16 March 2005 should be rejected.

2. Proper and effective market control as the basis for fair competition amongst European and Non-European manufacturers

Both, the delivery of the expected environmental results as well as a level playing field for manufacturers requires enforcement and efficient and effective market surveillance. The EUP proposal should establish criteria that would 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 future requirements.

Orgalime welcomes the European Parliaments strong stand in this crucial area for ensuring fair competition and supports amendments 16, 17, 25, 26 and 46 of the draft EP resolution. Also, amendments 51 and 53 in our view provide a useful impetus to shape the proposal in a way that would improve the effectiveness of market control.

3. Coherence with existing well established and proven concepts, especially in the area of conformity assessment: No “pre-distribution verification” – no additional administrative burden

EUP being a product related legislation comes into an area where a considerable number of regulation already exists and should in the light of coherence in product related legislation fully fit into well-established and proven concepts, such as the New Approach. This would at the same time facilitate the implementation of the EuP proposal as well as the achievement of quick results and offer the benefit of more competitive products available on the market for consumers.

In particular, **EuP conformity assessment rules** should be fully coherent with rules set in other New Approach directives and respect the acknowledged principle of proportionality.

While not only authorities and industry have more than 10 years experience with the directives under this approach, including the main principle of internal design and production control without the involvement of a notified body (i.e. module A), also a comparisons of accident statistics between the US and the EU in the area of electrical appliances show that the EU has a lower number of accidents and a better rate of improvement than the US, in spite of the US having a model with strong pre-market control. Thus, module A (the manufacturer's self declaration) has proved to be successful in the area of safety.

The European system is based on post-market control by the authorities. A "pre-distribution verification" at the contrary, would lead to costly and uncontrollable bureaucratic procedures opposite to the ambitious Lisbon goals.

Orgalime therefore supports amendments 28, 29 and 56 of the EP draft resolution. However, amendments 18, 27, 33, 36, 39, 40 and 55, if finally adopted, would damage the competitiveness of our industry.

4. Well balanced and workable criteria and procedures for the selection of product groups and the establishment of eco design requirements

Orgalime welcomes and fully supports the European institutions' proposal to **involve stakeholders** in selecting product groups for future implementing measures and the setting of future eco design requirements, either generic or specific.

We also support the **priority** that the Council and the Commission acknowledge to **self-regulatory measures** as a means to deliver quick environmental results.

However, we reject the introduction of "best performing" of being the reference for setting future requirements in the spirit of the **Japanese "top runner" approach** for the following reasons: EUP would establish a *legally binding* framework for *all* environmental aspects of an EUP aiming at *immediately banning* those products that do not comply with an eco design requirement laid down in an implementing measure *from the market*. In addition, we question the interest of society to ask companies to provide the "best performance" of e.g. energy consumption, *no matter what the costs and consequences on functionalities are*. A manufacturer should be encouraged to balance all technical, safety, functional, economic and eco-design aspects to find the best possible mix for the design of a product and by this taking into account the interest of the consumers.

By making the best performing product, the reference model, Europe would risk limiting the variety of technologies and design solutions available for consumers in Europe. In addition, we challenge if a best performing product can be reliably defined.

Finally, we believe that the **establishment of a product list** would immediately disregard procedures that have just been set for allowing a transparent, open and scientific based future oriented approach in line with Better Regulation Principles.

Consequently, we support amendments 7, 19, 34, 35, 38, 52 and ask for the rejection of amendments 21, 37, 40, 41, 44, 45, 47, 48, 49, 50 and 57 of the draft EP resolution.

Conclusion

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 appeals to regulators to take particular account of the key principles outlined in this document.