



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

UEAPME's priorities for the second reading of REACH (Registration, Evaluation and Authorisation of Chemicals)

UEAPME welcomes the integration in the Common Position of the principles of the OSOR system, which contribute to rendering the registration and evaluation of substances more manageable for SMEs. However, we remain seriously concerned with some aspects of the Common Position and their potential negative impact on SMEs.

It is important to remember that the European SMEs in the chemical sector have limited financial resources when compared to multinationals, and are prevailing downstream users of chemical substances they buy from multinationals. Their position in the supply chain as downstream users is a particularly difficult one, as they need to have access to test data in order to survive. Since multinationals today compete directly with SMEs in the same markets, the non-disclosure of data can be used to acquire new market shares and exclude many SMEs.

In view of the beginning of the second reading of the REACH Regulation, UEAPME thus raise concerns regarding the following aspects of the Common Position:

OSOR SYSTEM AND OPT-OUTS

- Although both the Council Common Position and the Parliament text **recognise the principle of compulsory access to data**, the Parliament nonetheless **introduces an excessive and legally unclear number of exceptions (opt-outs)**. **These opt-outs weaken the principle of compulsory access**. An “extensive” interpretation of their scope of application could lead to the exclusion of many SMEs from the European and international markets. (Amendments 382 to Art. 10, and 379 to Art. 23 in European Parliament amended text; Art. 11 of Common Position).

UEAPME supports the definition of opt-outs included in the Common Position. However, UEAPME asks that any request for opt-out should be submitted to the European Agency for decision as a compulsory requirement for both vertebrates and non-vertebrates. This would favour transparency in the market and limit unjustified exceptions to the compulsory data-sharing system. (as proposed by the European Parliament in first reading).

COST-SHARING

- Additionally, unlike the Parliament's amended text, **the Common Position does not foresee a system of equitable and proportional sharing of costs**, thus giving producers and additional unfair advantage (Art. 30 of the Common Position). **UEAPME supports the introduction in the text of a system of proportional cost sharing (as voted by the parliament in first reading and presented by Mr. Sacconi in his draft recommendation for second reading).**

SUBSTANCES IN ARTICLES

- UEAPME supports the Common Position's text on substances in articles (art.7), which requires the registration of substances whose release is an intended function, and the notification of substances whose release is not an intended function only for substances subject to authorisation.

REGISTRATION OF SPECIAL USES BY SMES

- UEAPME considers the protection of specific uses of substances of the utmost importance for SMEs. The competitive advantage of SMEs and their ability to innovate often depend on the discovery and commercialisation of special uses for chemical substances. **UEAPME believes that the regulation should foresee a simplified procedure for SMEs that decide to register a special use directly to the Agency.** The European Agency would check whether the test data regarding the special use already exist, or charge the Member State of origin to carry them out. This solution would protect the industrial secrecy of companies while ensuring the protection of health and environment and avoiding the unnecessary duplication of tests. This procedure has been voted by the European Parliament in first Reading (amend. 169, to Art. 35 bis), but is not present in the Common Position. **UEAPME supports the Parliament's decision in first reading to introduce a special procedure to register substances for SMEs.**

LIBERALISATION OF TEST DATA

- **UEAPME is very critical** of the decision by the European Parliament **to postpone the deadline for the liberalisation of test data from 10 to 15 years (amendment to art. 23)**, against the original Commission proposal, which liberalised tests after 10 years. The cession of data after 15 years represents an additional threat to the survival of SMEs, and unnecessarily contributes to reinforcing the dominant position of multinationals in the market. **UEAPME supports the Common Position's proposal to liberalise test data after 10 years.**

UEAPME believes that it is important to inform both companies and institutions through the publication of detailed guidelines regarding the application of REACH, and help SMEs to comply with the Regulation in view of its entry into force.

Brussels, July 2006