

# Impacts of Authorisation on business strategy and substitution: Case of HBCDD

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# Uses Applied For

- Use 1: Production of pellets of Expandable Polystyrene with HBCDD
- Use 2: Production of articles with Expanded Polystyrene.



# The Applicants

13 applicants from 8 companies in a joint application, together representing over 50% of the production capacity and sales of EPS in Europe.

# Our Objective

To ensure a continuous, full supply of FR EPS for building insulation whilst phasing out HBCDD as soon as possible.

# Structure of Consortium

- Steering Committee and Technical Committee where all companies represented
- ReachCentrum as project manager to cover legal, CBI, reporting and financial management needs
- Use of consultants for technical (Peter Fisk Associates) and economic (eftec) support
- Decisions taken on a 2/3 majority

# The Industry in Europe

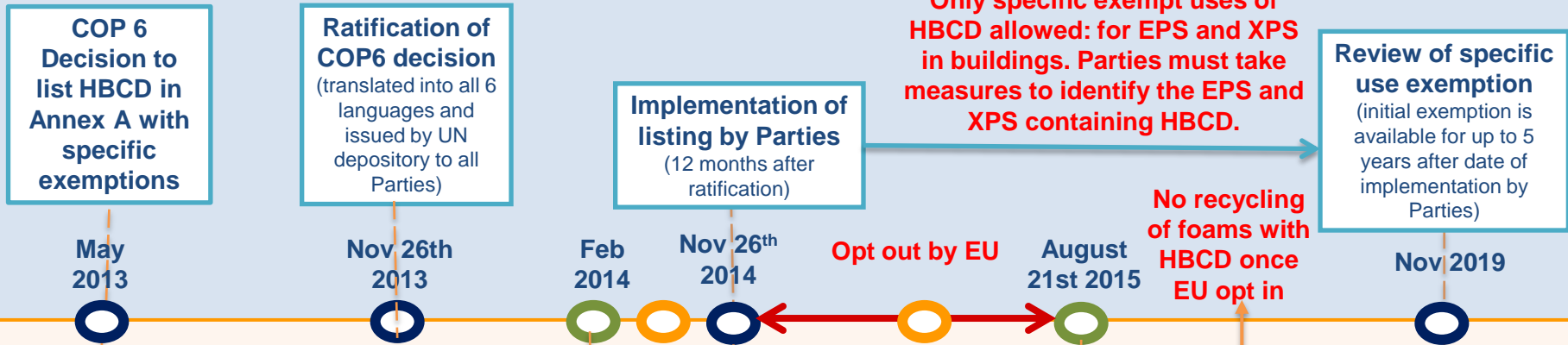
- 3 main suppliers of FR in Europe for EPS
- 13 EPS raw material users making mixtures with 19 plants
- Ca. 600 converter users making articles
- Ca 1'400'000MT/year EPS of which 860'000MT/year is flame retarded with HBCDD.
- Ca. 6'500MT/year HBCDD used for FR EPS. This is about a half of the total demand in Europe.
- Applicants represent 8 companies and 13 plants with more than 50% of the volume

# Why Authorisation?

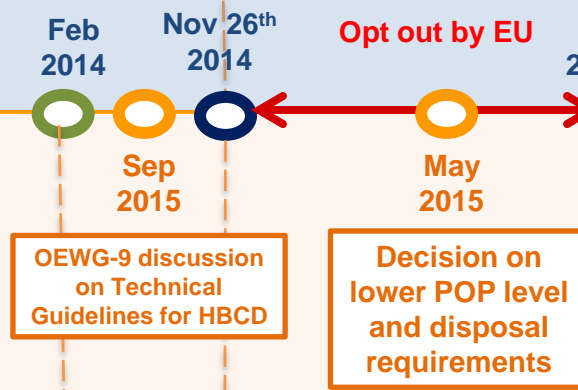
- Current production of new alternative to HBCDD does not offer adequate supply for needs after sunset date of August 21st 2015
- A new plant is being commissioned but (as of today) still does not offer commercial product. The additional full capacity from this plant is needed to be able to allow replacement of HBCDD in Europe.
- Time from commercially available bead until EPS board is at least 6 months and “.....up to one year” (Ref: Chemtura sponsored AMEC report, Public Consultation).

# Complex regulatory situation for HBCDD

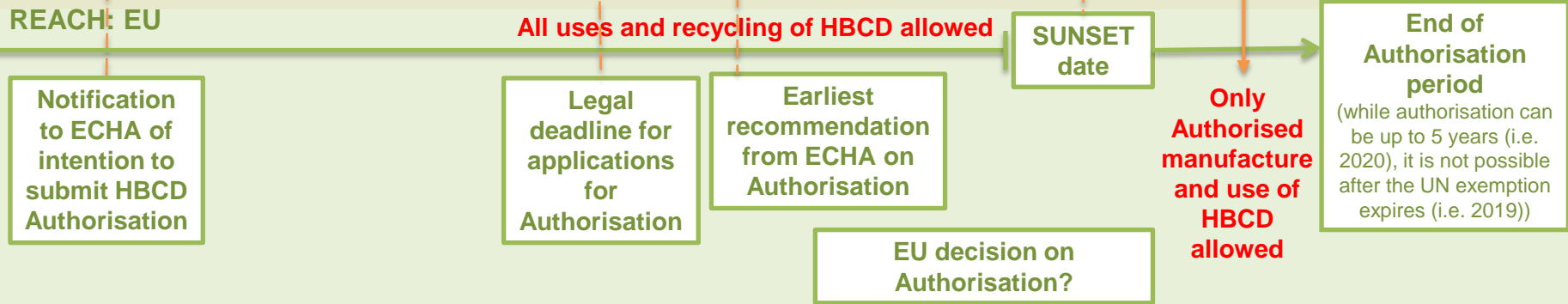
## POP: UNEP Stockholm Convention



## POP: UNEP Basel Convention



## REACH: EU





# Complex business situation for HBCDD users

- Registrants for HBCDD under REACH are the major European suppliers of both HBCDD and the new alternative.....potential conflict of interest.
- Some users have secured volumes of limited alternative and do not see the need for Authorisation
- Applicants in Consortium for AfA are competitors
- Market is confused by the needs of REACH, UNEP and uncertainty over the granting of an Authorisation.
- Additional costs for introduction of the alternative in an industry under pressure.

# Experiences of Authorisation (1)

- Good to have a single focal point within ECHA for our AfA
- PSIS useful but responses to questions were often “do what you think best”.
- Time consuming preparation of dossier and costly submission.
- A lot of paperwork and detailed analysis for what is a “bridging authorisation”. Proportionality needed.

# Experiences of Authorisation (2)

- Frustration at expensive access to CSR from registrants. We developed our own CSR specific to the uses applied for.
- As one of the first PBT materials, we were all on a learning curve. Guidance was not always clear.
  - Differences with RAC on what demonstrates adequate exposure assessment and control for a PBT material.
  - Inclusion of worker exposure, or not.

# Experiences of Authorisation (3)

- Plenty of opportunities to explain (PSIS, written questions, Triologue, comment on draft opinion) but we are still not clear as to what we could have done more.
- Lengthy process. Pressure on industry as sunset date approaches and still no definite decision on Authorisation.

# Impact on Industry (1)

- Authorisation application has been divisive due to positioning of those against and those for
- Some countries/regions are sensitised to HBCDD others not. Hence different market pressures to move to an alternative before the sunset date.
- As the sunset date approaches increasing concern as to impact of availability of alternative, whether Authorisation will be granted and with what conditions, need to clear the channel of HBCDD, recycle and waste management, etc.

# Impact on Industry (2)

- Complexity and lack of clarity with on-going Basel Convention discussions on HBCDD not yet finalised.
- Particular concern as to how to manage packaging recycle streams which may, or may not, be contaminated with EPS foam containing HBCDD.
- How will the recommendation for monitoring of environmental emissions be applied and how will the data be used?
- Additional conditions for Authorisation due to need to comply with Stockholm Convention decision.

# Lessons for the future

- Apply as early as possible
- Decision processes need to be streamlined to allow adequate time for industry to adapt.
- Potential for early screening of application to allow proportionality of information
- Interactions with RAC and SEAC to allow clarity of arguments.