

Consultation response

Consultation response to the European Commission's Batteries Inception Impact Assessment

9 July 2020



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Response to inception impact assessment on Batteries

AmCham EU supports the Commission's ambition to ensure a competitive, circular, sustainable and safe value chain for all batteries on the EU market. Batteries have a critical role to play in supporting decarbonisation and the EU's strategic industrial objectives.

We consider work remains in aligning product policy with the waste framework and Waste Shipment Regulation. The legal status of recycled materials should be clarified to enable the recycling of by-products or waste streams and avoid misclassifications of batteries as dangerous goods. Material sourcing and manufacturing standards should include compliance guidelines for stakeholders.

All Member States must follow common standards for dealing with end-of-life batteries, including collection, similar to Waste Electrical & Electronic Equipment (WEEE) and adapted to different battery types. Local compliance schemes should also be more transparent, eg providing guidance on retrieving recycled materials. For these reasons AmCham EU also supports a Regulation rather than a Directive.

AmCham EU fully supports circularity, but it must not come at the expense of safety in all stages of batteries' lifecycle nor should it jeopardize the decarbonisation potential of batteries during their use-phase. We caution against targets for recycled content which could trigger volatile pricing or supply shortage, as well as hinder innovation and technological development. Legislation should seek to create competition across the European recycling industry, based on market-driven incentives and rewards.

Many strategic sectors would be severely impacted by a phase-out of primary batteries (ICT, medical, appliances). Studies show that a phase-out would not lower emissions and would require billions of consumer products to be redesigned. Products designed for single use (eg medical) should not contain rechargeable batteries and their dismantling information should clearly indicate when batteries are not intended to be removed. Similarly, not all batteries are suited for second life and improving battery longevity can compromise recyclability. The Commission should put forward guidance for manufacturers looking to maximise a battery's lifecycle, considering that prolonging battery life may not always be beneficial due to technology improvements (eg lower cobalt intensity or CO2 emissions).

In re-designing Extended Producer Responsibility (EPR) schemes, AmCham EU believes a clear distinction must be made between "re-use" and second life/second-use batteries. The original producer can only be held responsible for the first use of the battery, its longevity and dismantling. Any new legislative proposal should clarify the interaction between 'take back programmes' and EPR schemes to avoid double payments, as well as provide clear requirements to ensure consumer, repairer and remanufacturer safety.

Further, we believe that policy proposals should be science- and technology-based with clear cost-benefit analyses of the impact on jobs, consumers, innovation and the environment. Measures should reply to an identified market failure and be proportional. Batteries are a highly diverse product group and the EU must remain mindful of technology, use, manufacturing and material differences and prevent a trade-off between standard-setting and industrial innovation. Legislative requirements should not go beyond the measures laid down in REACH, RoHS and EU Regulation 1103/2010. Similarly, any provisions on responsible sourcing should align with existing regulatory frameworks, such as EU Regulation 2017/821 and the OECD 5-step due diligence guidance.

Finally, AmCham EU asks that entire supply chain (producers, treatment and recovery operators) be consulted on follow-up legislation, and that requirements are linked to the right player(s) in the value chain (eg collection cannot be the responsibility of the producer/importer only). Rules on content, sourcing, reusability and end-of-life must take into consideration business adaptation needs and allow sufficient lead time for companies.