



## EPEE NEWS HEADLINES

## KEY ITEMS

**Debate over EU level air-conditioning and refrigeration sector standards** 2  
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**"F for forgotten?" Report** 2  
 MIPIGGS and Chris Rose published a further report entitled 'F for Forgotten? Why Potent Industrial Greenhouse gases deserve more attention' at the beginning of June 2002, which makes a specific mention of EPEE.

**Denmark: signing of HFC Phase-out measure imminent** 3  
 EPEE has sent a letter to the Danish Environment Minister objecting to the revised draft Order proposal on HFC phase-out in May 2002. In the letter EPEE asks the minister to reconsider the proposal and his intentions to sign it given EPEE's objections together with those of the Commission and the various Member States to the earlier notified proposal.

**Austria: Government response awaited** 3  
 A response is still awaited to the comments sent by the Commission and the five Member States (Italy, Spain, Belgium, France, and The Netherlands) on the notified Austrian Proposal on HFC phase-out. The standstill period within which the Austrian government can respond to these comments runs until 24 July.

**Switzerland: Commission prepares observations** 3  
 The European Commission has confirmed that it intends to prepare observations on the Swiss proposal notified through EFTA and the WTO. The same set of observations will be used in both cases. The Commission has started to draft its response during the first week of June, with a view to sending it to the Member States for comments by mid-June 2002.

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## Debate over EU level air-conditioning and refrigeration sector standards

A heated debate has taken place over the last month on standards, in particular the standard (EN378) on safety and environmental requirements for refrigeration and heat-pump systems. The Multisectorial Initiative on Potent Industrial Greenhouse Gases (MIPIGGS) published a report entitled 'The Capture Of Standards by the F-Gas Industry', which accuses HFC-producers of 'fixing' the standardisation process against the use of hydrocarbons within the standardisation agency CEN, using the example of the discussion on the revision of the standard EN378 as an example.

The report claims that HFC producers lost the political battle in Europe but are winning on the standards front because of the dominant presence of HFC-industry representatives within CEN. It further states that there is "industrial domination of secretive product standards committees", which EPEE believes is blatantly incorrect.

EPEE responded to the claims stating that the revised draft of the standard does not exclude the use of any type of refrigerant, but it sets clear, technically feasible, requirements, addressing the risks associated with the intrinsic properties of each fluid, and providing guidance on minimising environmental impact. The new revised standard follows the latest technological progress and clearly allows the use of flammable refrigerants for air conditioning and heating for human comfort, subject to strict safety requirements. It is, therefore, inaccurate to state that the standardisation process would prevent the sale of HC-based products. Quite the opposite: the revised standard extends the scope for use of flammable refrigerants.

The issue has received further public attention through a parliamentary question put by John Bowis MEP (Conservative, UK) to the Commission in the European Parliament Environment Committee on 4 June 2002. Mr. Bowis asked the Commission if it was aware of the upcoming vote in the CEN committee on standard EN378 'which could result in the exclusion from the market of hydrocarbons, a course of action which would have net environmental dis-benefits.' The Commission's answer echoed a recent statement from the UK Government that the standards process is independent of government. The official informed the Committee of the real state-of-play of the discussions on EN 378 which is in fact far from finalisation as MIPIGGS had stated and that a 6-month public consultation process is mandatory before the revision can be finalised.

### "F for forgotten?" Report

MIPIGGS and Chris Rose published a further report entitled 'F for Forgotten? Why Potent Industrial Greenhouse gases deserve more attention' at the beginning of June 2002. In the Report:

- The UNEP is accused of promoting HFCs as replacements for CFC and HCFC and making negative judgements about the viability of HFC alternatives;
- To head -off F-gas pollution, the author suggests a cap on gas production, halting the construction of new factories to produce HFCs, the setting of phase-out dates, the systematic use of HFC alternatives, and the promotion of substitution technologies for all F-gases;
- The report calls on the UNEP to classify HFCs as a transitional not

medium to long term replacement for CFCs and HCFCs, to acknowledge that HFCs are developing into a growing climate problem, stop referring the HFCs as the preferred alternative and orientating funding, policies and advice towards a phase-out model (à la Denmark and Austria) rather than a US model of HFC promotion and usage;

- Companies and trade associations such as the Alliance and EPEE are charged with incorrectly promoting HFCs as part of the solution to meet the environmental goals of climate change. Further the booming growth in the use of car air conditioning 'threatens to lock in massive levels of HFC -use' into daily life;
- It is concluded that potent industrial Greenhouse (such as HFCs) are largely ignored by the media and environment groups and are being promoted by the UNEP and the US government in 'a perverse mis-application of the Montreal Protocol'. Most attention is dedicated to carbon dioxide emissions. The F-gases industry has turned the Montreal implementation to its own advantage and 'the result has been a failure to challenge the direct culpability of industrialists and politicians for greenhouse pollution by F-gases.'

The report can be consulted at: <http://www.mipiggs.org/Full.doc>

### Denmark: signing of HFC Phase-out measure imminent

EPEE has sent a letter to the Danish Environment Minister objecting to the revised draft Order proposal on HFC phase-out in May 2002. In the letter EPEE asks the minister to reconsider the proposal and his intentions to sign it given EPEE's objections together with those of the European

Commission and the various Member States to the earlier notified proposal.

Denmark released its new draft Statutory Order on certain industrial greenhouse gases proposing to phase-out HFCs for public consultation on 19 April 2002. Comments to the proposal were requested by 1 June 2002 and the Environment Minister Hans-Christian Schmidt is expected to make a final decision in June 2002. The Order should take effect on 1 July 2002 or, alternatively, one month after the date of its entry into force.

### Austria: Government response awaited

A response is still awaited to the comments sent by the Commission and the five Member States (Italy, Spain, Belgium, France, and The Netherlands) on the notified Austrian Proposal on HFC phase-out. The standstill period in which the Austrian government can respond these comments (you will recall in the Danish case the Danes have never responded) runs until 24 July.

### Switzerland: Commission prepares observations

The European Commission has confirmed that it intends to prepare observations on the Swiss proposal notified through EFTA and the WTO. The same set of observations will be used in both cases. The Commission has started to draft its response during the first week of June, with a view to sending it to the Member States for comments by mid-June 2002.

The Swiss fluorinated gases phase-out proposal was notified to the Commission

(under the EFTA agreement) in late March 2002. The standstill period ends on the 19 June 2002. In addition, Switzerland notified the proposal to the Committee of Technical Barriers to Trade (CTBT) of the WTO and the deadline for comments was 19 May 2002.

### Norwegian Climate Change plan: next steps on HFC tax

The Norwegian Parliamentary Committee on Energy and Environment will adopt recommendations on the Bondevik Government's White Paper on climate change (released on 22 March 2002) on 12 June 2002. The Parliament will then discuss the proposal on 18 June 2002 in plenary session. It is likely that the plenary will adopt the recommendations made by the Committee, which represents all relevant parties. On the basis of the parliamentary discussions, the Ministry of Environment will follow-up with a concrete proposal for the Autumn 2002 state budget negotiations. Should the Parliament adopt the White Paper and the proposal for a tax on imports of HFCs and PFCs, the government envisages drafting a concrete proposal for legislation in 2003. The government will also take into account proposed legislation at the EU level.

In its White Paper the Government recommends the introduction of taxation on imports of HFCs and PFCs at a tax rate similar to that of the CO<sub>2</sub> tax on fuel oils. The tax should come into effect from 1 January 2003. According to the White Paper, the Government will also consider a refund scheme for HFCs and PFCs that are delivered to reception centres when taken out of use. A refund system would promote the re-use and destruction of these gases, and thus provide the same incentive as a tax on emissions.

### Amendments to the EP draft report on ECCP first phase communication

Some three amendments have been tabled to the section of the draft Hulthen Report that touches on the Future F-Gases legislation. Two of them, from the Rapporteur Hulthen and the Green political group, are almost identical in wording. These amendments would change the wording continuing to welcome the Commission's intention to submit a proposal for a framework directive on fluorinated gases 'but regrets that the Commission opts to focus simply on initiatives for containment and recycling of such fluorinated gases, despite the fact that phasing them out for new equipment is feasible for a growing number of applications'; The draft report stated that phase-out was 'simple to achieve for many applications.'

The amendment by Karl Heinz Florenz (German Christian Democrat) removes all reference to alternatives and phase-out. It states "[The European Parliament] welcomes the Commission's intention to submit a proposal for a framework directive on fluorinated gases aimed at reducing emissions across all sectors, through containment and monitoring of these gases and marketing and use restriction for certain new applications".

The Environment Committee will vote on the amendments and the draft report on Tuesday 18 June 2002.

### WEEE/RoHS Council update

The Council has not yet made a formal decision on the Parliament's Second Reading position on the WEEE and RoHS proposals. The Environment Working group of the Council has only examined the text

once in recent weeks. The discussions were preliminary in nature and no real consensus emerged. It is expected that the matter will not appear on the group agenda again until July 2002. The final resolution of this dossier (and a possible consultation period) will, therefore, fall under the Danish Presidency. This delay is fairly normal given the 'technical nature' of the dossier and the sheer volume of the amendments to the Common Position.

### 6EAP formally adopted

The 6th Environment Action Programme was formally adopted at the European Parliament's mini Plenary Session of 30 May. The wording on the fluorinated gases remained the same as the one agreed at the first meeting in conciliation. The wording on Article 5 states: "(c) encouraging the development of more environmentally sound and technically feasible alternatives aiming at reducing emissions, including the establishment of Community measures, phasing out the production where appropriate and feasible and reducing the use of industrial fluorinated gases HFCs (hydrofluorocarbons), PFCs (Perfluorocarbons) and SF<sub>6</sub> (sulphur hexafluoride) [...]".

### The EU ratifies Kyoto in time for Johannesburg

After last minute national ratification by Italy and Greece, on 29 and 30 May respectively, the EU ratified the Kyoto Protocol on 31 May 2002. This means that the Protocol will come into force before the World Summit on Sustainable Development in August/September 2002. The EU, through Margot Wallström, Commissioner for Environment, urged third parties and

especially the US to ratify the Protocol as soon as possible.

Japan also ratified the Kyoto Protocol on 4 June 2002. Russia is expected to ratify by the end of the year, which would give the Protocol the necessary 55 percent. Until now, 70 nations have ratified the treaty and a further 40 nations have signed but not ratified yet.

### ECCP meeting in June to further discuss F-Gases legislation

The next meeting of the Commission ECCP Working Group on 'Fluorinated Gases' will be held on 27 June to discuss the forthcoming legislation. The meeting will focus on containment. The provisional agenda suggests four items for discussion: general provisions on containment; the preliminary results of the regulatory impact study on containment; the specific case of containment in mobile air conditioning; and next steps to be undertaken and the study on the business impact of potential marketing and use restrictions.

The Working Group will be divided into two sessions. A meeting with representatives of the Industry sectors affected by the future legislation and a meeting with representatives from the Member States.

### DTI sponsored Report lists EPEE as effective trade association

A Trade Association Forum report on Trade Association Effectiveness at the European Level makes for interesting reading, as EPEE is listed as an example of an effective organisation together with other associations such as the European Vending Association, The European Mortgage Federation and the

European Information and Communications Technology Industry Association (EICTA).

Key factors that make EPEE effective are:

- the direct and active membership of companies;
- a rapid and efficient decision making structure combined with an effective secretariat;
- forming alliances with other European, international or national industry associations -some of which have already been accepted as associate members;
- participating at an early stage in the European and national regulatory and legislative decision making process by promoting the understanding of the environmental and societal benefits of HFCs as refrigerants.

The Trade Association Forum encourages the development and sharing of best practice among UK trade associations and promotes the role of effective trade associations to government, industry and the wider public. It is funded by its members, with support from the Confederation of British Industries (CBI) and the UK Department of Trade and Industry (DTI).

The report is available at:

<http://www.taforum.org/attach.pl/156/53/TAF%20European%20Representation%20Report.pdf>

### UNFCCC Subsidiary Body discusses emission reduction

The UNFCCC Subsidiary Body for Scientific and Technological Advice meeting in Bonn in early June reopened discussions on available and potential ways and means of limiting emissions of hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), including their use as replacements for ozone-depleting substances. In an initial

discussion, several Parties stressed the importance of the IPCC and the Technical and Economic Assessment Panel (TEAP) of the Montreal Protocol in providing information on this matter.

India spoke of how reduction in the use of HFCs and PFCs could affect developing countries' economies. The US said actions undertaken to reduce HCFs and PFCs must not undermine the phase-out of ozone-depleting substances. Switzerland favoured a draft decision outlining actions for presentation to COP-8. The EU noted that despite the current low contribution of HFCs and PFCs to total greenhouse gas emissions, efforts are necessary to avoid significant growth in these emissions.

An informal group continued the discussion (which at the time of going to press were not complete). A consensus was emerging on a two stage process to take the issue forward. The first stage was based on the IPCC and TEAP coming up with information on the choice of different technologies. This initial work would be followed up by a study to decide next steps.

### Environmental signals report from the EEA

On 23 May, the European Environment Agency published its third edition of Environmental signals reports entitled 'Benchmarking the Millennium'. The report points to positive overall trends across the European Union. Of particular interest, it reports on a reduction of emissions greenhouse gases in the EU on a linear path towards the Kyoto targets.

In the climate change chapter, the report states that although total greenhouse gas emissions in the EU have decreased by 3.5% between 1990 and 2000, this progress

entails differences between countries such as Germany and the UK, which are below their linear target Kyoto path whereas most EU Member States are significantly above this path.

The report also notes that attempts to control greenhouse gas emissions vary between sectors. It lists increases from transport and HFC emissions (1% of total emissions) as particular problems. The report states that HFC emission from industrial processes have increased by 66% as a result of the expanding use of these chemicals as substitutes for ozone-depleting CFCs, which were gradually phased out in the 1990's.

Nevertheless, the report concludes that on average the EU is using energy more efficiently today.

### TABD mid year meeting overview

The Trans Atlantic Business Dialogue held its Mid-year meeting on 6 June in Brussels. The joint statement by the Refrigerants Sector welcomed the Commission proposal to reduce F-gases emissions as one of the first steps of the Commission's Climate change policy.

The Group stated that balance must be exercised in any efforts to minimise emissions. The groups noted 'that f-gases provide societal beneficial payback when responsibly applied. Hydrofluorocarbons (HFCs), for example, can offer beneficial health, medical, safety, environmental, technical, economic, and energy efficient characteristics in many applications'.

In its joint statement, the Refrigerants Sector raised concerns over the Danish, Austrian and Swiss proposals, which, if implemented, would ban or restrict the use of HFCs,' the group believes that 'to restrict or remove HFCs from the market place would deny consumers a safe, non-flammable, non-toxic, non-ozone depleting, economical, technically acceptable and environmentally friendly refrigerant option.' The TABD Refrigerants Sector group believes these proposals are unreasonable, disproportionate and undesirable examples of the pursuit of measures, which are in direct conflict with open and free markets between the EU and US.

The Refrigerants Sector believes EU refrigerants regulation should be coordinated on an EU level and that such regulation should avoid evaluating refrigerants solely on the basis of their global warming potential but rather on a full spectrum of environmental benefits and liabilities. It also added that regardless of the type of refrigerant, each refrigerant should be properly managed.

The statement requests that the EU Commission and the US Government intervene to the greatest extent possible in the Danish, Austrian and Swiss unilateral action which erects obstacles and barriers within the global market. These three initiatives need to be brought into conformity with European and American policy away from the refrigerants used, and toward Life Cycle Climate Performance (LCCP) where refrigerants are applied.

**U P C O M I N G E V E N T S  
C A L E N D A R****J u n e**

- 18 **Steering Committee Meeting** (closed)
- 19 **Deadline for comments to the Swiss proposal as notified to EFTA**
- 24-25 **Environment Council**

**J u l y**

- 24 **Extended standstill period for Austrian proposal ends**

**A u g u s t**

- 26-28 **Zero Leakage – Minimum Charge Conference, Stockholm, Sweden**
- 26 – 4 **World Summit on Sustainable Development, Johannesburg, South Africa**

**S e p t e m b e r**

- 5 **Strategy Development Group meeting** (closed)

**Please submit items for EPEE NEWS and the UPCOMING EVENTS  
CALENDAR to [secretariat@epeeglobal.org](mailto:secretariat@epeeglobal.org)**