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Via email: <u>REACHextension@defra.gov.uk</u>

Consultation Coordinator Defra 2nd Floor, Foss House, Kings Pool 1-2 Peasholme Green York YO1 7PX

UKPIA Response to Defra Consultation on Extending the UK REACH Submission Deadlines

Dear Sirs,

UKPIA represents the eight main oil refining and marketing companies operating in the UK. The UKPIA member companies – bp, Essar, Esso Petroleum, Petrolneos, Phillips 66, Prax Refining, Shell and Valero – are together responsible for the sourcing and supply of product meeting over 85% of UK inland demand, accounting for a third of total primary UK energy¹.

UKPIA welcomes the opportunity to respond to the consultation on extending the UK REACH submission deadlines.

Our detailed responses to the questions posed in the consultation document are given in Attachment 1.

Yours faithfully,

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Dr Andrew Roberts Director – Downstream Policy

CC:	Michael Duggan	BEIS
	Simon Stoddart	BEIS
	Mike Mackay	BEIS

¹ BEIS Digest of UK Energy Statistics (DUKES) 2021 Tables 3.2-3.4.



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Attachment 1

UKPIA Response to Defra Consultation on Extending the UK REACH Submission Deadlines

Q1. Would you like your response to be confidential

The response is not considered confidential.

Q2. What is your name?

Andrew Roberts

Q3. What is your e-mail address?

andy.roberts@ukpia.com

Q4. Are you responding as an individual or on behalf of an organisation?

Organisation

Q5. What type of organisation are you responding on behalf of?

- Industry association
- Other

If you answered 'Other', please state your organisation type.

UKPIA has a potential role to play as in coordinating a Substance Information Exchange Forum (SIEF) for petroleum substances as described under Regulation (EC) No 1907/2006 Article 29².

Q6. If you are responding on behalf of an organisation, what is the name of the organisation?

UK Petroleum industry Association (UKPIA)

Q7. For organisations that have legal responsibilities as part of UK REACH, what is your role within UK REACH? (Select all that apply)

- Not applicable
- Other, please specify

See response to Question 5.

Policy Options

Q8. What is your preferred option:

• Option 1

Please explain the reasons for your answer.

UKPIA strongly supports Option 1 extending all of the current submission deadlines for each tonnage band by three years, giving submission dates of October 2026, October 2028 and October 2030.

UKPIA understand from the details provided in the consultation document that the design of the proposed alternative registration model is currently only in the early stages of

² Regulation (EC) No 1907/2006.

development and will require operational (e.g. IT system development) and legislative changes to implement the model. This creates a high level of uncertainty around the legislative requirements, in particular around provision of SIEF functionality and data sharing. This uncertainty would have to be resolved before industry will be prepared to put in place resources to provide SIEF functionality and data access, in particular for new registrants.

The submission deadlines should therefore be extended for as long as possible to provide sufficient time for:

- 1. Development and performance testing of the alternative registration model (including development of user guidance).
- 2. Legislative changes to allow implementation of the model.
- 3. Substance Groups to establish arrangements for provision of SIEF functionality.
- 4. The SIEF to build capacity and negotiate access to data, often with data owners outside (and possibly not represented in) the UK.
- 5. The SIEF to develop charging proposals for access to data.
- 6. Compilation of dossier submissions and entry into the UK REACH IT system.

UKPIA is working on the assumption that UK companies that previously or continue to hold registrations in EU REACH would be able to negotiate access to data for a nominal administration fee from existing EU entities providing SIEF functionality. New registrants (companies who have not previously held registrations under EU-REACH), including importers of substances and/or mixtures from the EU/EEA are likely to be charged for data access. (See also response to Questions 19 and 20).

UKPIA believes the "Do Nothing" option is likely to lead to the failure of UK REACH, resulting in considerable delay before the UK has a workable chemicals safety policy. A "Do nothing" scenario would be detrimental to the UK chemical industry and its supply chains, as duty-holders will materially not have sufficient time to prepare and submit dossiers for all the substances present in their companies' portfolios due by the first registration deadline.

Q9. Do you think the reduced submission timeline for substances in the 100 tonnes or more bracket under Option 2 provides sufficient time to comply with the deadline?

• No.

Please explain the reasons for your answer.

As set out in the consultation document, the priority within UK REACH is currently for registration of:

- 1. Substances manufactured or imported in quantities of 1000 tonnes or more per year.
- 2. Substances that are carcinogenic, mutagenic, or toxic for reproduction (CMRs) and manufactured or imported in quantities of 1 tonne or more per year.
- 3. Substances that are very toxic to aquatic organisms (acute or chronic) and manufactured or imported in quantities of 100 tonnes or more per year.
- 4. Candidate list SVHC substances as of 31st December 2024 (although UKPIA note this is given as 27th October 2024 under Option 2).

These should remain the priority, with the capacity of the entities providing SIEF functionality, substance groups and registrants limited by available resources. A phased

approach is therefore appropriate, allowing additional time to secure access to data and dossier compilation for the two lower tonnage categories.

Option 1 would also allow industry time to implement any learnings that may come about from the first wave of submissions. If there is only a one-year gap, there will not be time to establish and implement best practice.

Q10. Do you think the reduced submission time for substances in the 1 tonne or more bracket under Option 2 provides sufficient time to comply with the deadlines?

• No.

Please explain the reasons for your answer.

See response to Question 9. In addition, UKPIA has concerns that the cost of data access for substances manufactured or imported in quantities of 1 ton or less may be prohibitive, as the cost of generating the data will have been orders of magnitude higher on a volume basis, with this cost also spread over fewer users³.

Q11. To what extent do you think Option 1 impacts on the regulatory aims of UK REACH in achieving a high level of protection of human health and of the environment?

Please explain your answer below.

Extension of the data submission deadlines by three years as proposed under Option 1 is unlikely to have significant impact on the regulatory aims of UK REACH in achieving a high level of protection for human health and the environment, as substances registered under the transitional regime have already been registered under EU REACH. This has been acknowledged in the Defra UK REACH: Article 1 Consistency Statement.

In addition, the information on chemicals generated by the registration process over more than 10 years of EU REACH compliance has made businesses better informed to understand the controls needed, resulting in improved risk management, with relevant information passed down supply chains via safety datasheets to ensure safe use. UKPIA believes the regulatory aims would be strengthened by active engagement between the UK REACH Competent Authority and ECHA, as covered by the EU-UK Trade and Cooperation Agreement⁴.

Q12. To what extent do you think Option 2 impacts on the regulatory aims of UK REACH in achieving a high level of protection of human health and of the environment?

Please explain your answer below.

Again, extension of the data submission deadlines for the three tonnage bands as proposed under Option 2 is unlikely to have significant impact on the regulatory aims of UK REACH in achieving a high level of protection for human health and the environment, as substances registered under the transitional regime have already been registered under EU REACH. In this respect Option 2 offers no material benefits over Option 1.

³ The assumption is made here that low volume substances are more specialised and therefore have fewer uses.

⁴ The <u>EU-EUK Trade and Cooperation Agreement</u> Annex TBT-3 Chemicals, Article 7: Cooperation.

Deadlines for Compliance Checks

Q13. Do you agree with the government's proposal to move the current dates for compliance checks until after the submission deadlines in either Option 1 or Option 2

• Yes.

Please explain the reasons for your answer.

The deadlines for selection of 20% of dossiers for compliance checks should be amended to dates after the relevant submission deadlines to ensure a sufficient number of dossiers have been submitted with the required data to enable compliance checking.

Q14. Do you have a view on what the revised dates for compliance checks should be?

Please explain the reasons for your answer.

Based on the assumption that at least 20% of dossiers will be submitted before the submission deadlines, UKPIA believes it would be feasible to set revised timings for dossier selection for compliance checks on 31st December in the year following the submission deadline. However, these timings may require further amendment should further delays be experienced in completion of dossiers due to circumstances beyond the control of registrants, in particular, issues with access to data.

Impact Assessment (IA)

Q15. To what extent do you agree or disagree with the government's assessment of the impacts on human health and environmental protections in paragraphs 38-40 and paragraph 44 of the IA?

Please explain the reasons for your answer.

UKPIA agrees with the government's assessment of the impacts on human health and environmental protection in paragraphs 38-40 and paragraph 44 of the IA. Substances registered under the transitional regime have already been registered under EU REACH. Information on these substances is publicly available on the EU REACH database and continues to be made available to users in GHS compliant Safety Data Sheets.

Again, the regulatory aims would be strengthened by active engagement between the UK REACH Competent Authority and ECHA, as covered by the EU-UK Trade and Cooperation Agreement – this has not been identified in the IA as a further risk mitigation option.

Q16. To what extent do you agree or disagree with our risks and assumptions in paragraph 47- 48 of the IA?

Please explain the reasons for your answer.

UKPIA agrees with the majority of the risks and assumptions identified in paragraphs 47 and 48 of the IA. However, risks associated with access to data are understated significantly – these include:

- Access to data is denied these risks are likely to be higher when UK registrants are seeking access from non-UK data owners or where the data owner cannot be identified.
- Access to data must be negotiated on a commercial basis costs may be prohibitive for registrants of low volume substances and new registrants with no previous data access.

• In some cases, proprietary information is required to place substance data in context, for example, details of manufacturing processes. Such information may not be forthcoming for registrants in competition with the data owners.

The cost of data access should be kept under review – the cost estimates made in the IA are based on unsupported assumptions and the UK Government has no means to support access to data, in particular for non-UK data owners.

Q17. To what extend do you agree with the public sector impacts in paragraph 45 of the IA?

Please explain the reasons for your answer.

UKPIA notes that the IA states that the real-life implications for the public sector from changes to timings of data availability due to amended submission dates are expected to be negligible. This statement appears based on successful implementation of an alternative registration model and completion of substance dossiers by the submission dates, with both of these requirements being far from certain. Therefore, UKPIA does not agree with the statements made in paragraphs 41 and 45 of the IA (see also response to Question 18).

Q18. To what extend do you agree with the business and consumer impacts in paragraph 42 of the IA?

Please explain the reasons for your answer.

UKPIA does not agree with the projected business and consumer impacts identified in paragraph 42 of the IA; these involve too many assumptions.

Of particular importance is the lack of a legal basis for provision of SIEF functionality as described by Article 29 of the REACH Regulation (EC) No. 1907/2006 (as amended)² and sharing of data as described by Article 30, which are not covered by <u>The REACH etc.</u> (Amendment etc.)(EU Exit) Regulations 2019, UKSI 2019 No. 758 or subsequent amendments. Key points are as follows:

- The REACH etc. (Amendment etc.)(EU Exit) Regulations 2019 UKSI 2019 No. 758, transpose the principle of data sharing between an existing "previous" registrant and a new potential registrant under Regulation 3 Schedule 1 Paragraphs 24 and 25. However, under Paragraph 26, Articles 28 to 30 of the EU REACH Regulation are omitted.
- Article 28 of the EU REACH Regulation is effectively replaced with the provisions identified under Regulation 4 Schedule 2 of The REACH etc. (Amendment etc.)(EU Exit) Regulations 2019 UKSI 2019 No. 758 (as amended).
- Although the principle of data sharing has been recognised, there appear to be no
 provisions under the combined REACH etc. (Amendment etc.)(EU Exit) Regulations for
 setting up a UK equivalent of the EU SIEFs established under Article 29 of the EU
 REACH Regulation, or for data and cost sharing as described under Article 30 of the EU
 REACH Regulation.

Coordination of registrations and brokering of data access is critical for potential registrants in UK-REACH. Failure to mandate the forming of an EU SIEF-like body to handle the registration process by agreeing the data package, a lead registrant and to manage sharing of data, could lead to a 'free-for-all, as the principle of 'one substance, one registration' (OSOR) is not enshrined in UK legislation. We believe strongly that this would be best served by additional legislative measures describing provision of EU SIEF-like functionality and the formation of UK consortia for joint registration; these should also cover cost sharing arrangements for access to data and funding of any additional testing.

From a UKPIA perspective, the lack of clarity around provision of SIEF functionality and data access are a significant issue for our member companies and is preventing development of pragmatic and cost-effective options to provide these services. The continued lack of clarity and the absence of a legal basis on which these can be provided will inevitably lead to unnecessary costs and administrative burden for data holders, potential registrants in UK-REACH and the UK Competent Authority.

Q19. For substances that your company / the companies you act on behalf of have joint data ownership of under EU REACH:

On average, what percentage of the price of generating a full dataset do you expect your company / the companies you act on behalf of to be charged by the EU consortium?

• Do not know.

UKPIA is working on the assumption that UK companies that previously or continue to hold registrations in EU REACH would be able to negotiate access to data for a nominal administration fee (<£500 per substance?) from existing EU entities providing SIEF functionality. However, practices differ from one SIEF or consortium to another. In some cases, being a member of the EU REACH consortium will allow free access to the EU data, but for others UK REACH registrants that have not previously held an EU REACH registrant will be charged the full access cost. For petroleum substances, the Concawe licence fees average around €20k.

New registrants (companies who have not previously held registrations under EU-REACH), including importers of substances and/or mixtures from the EU/EEA, are likely to be charged for data access, but this is a commercial matter between UK registrants and the data owners or EU entities providing SIEF functionality and able to broker data access.

20. For substances that your company / the companies you act on behalf of does not own data under EU REACH:

On average, what percentage of the price of generating a full dataset do you expect your company / the companies you act on behalf of to be charged by the EU consortium?

• Do not know.

Again, UKPIA is working on the assumption that UK companies that previously or continue to hold registrations in EU REACH would be able to negotiate access to data for a nominal administration fee (<£500 per substance?) from existing EU entities providing SIEF functionality. However, practices differ from one SIEF or consortium to another. In some cases, being a member of the EU REACH consortium will allow free access to the EU data, but for others UK REACH registrants that have not previously held an EU REACH registrant will be charged the full access cost. For petroleum substances, the Concawe licence fees average around €20k.

New registrants (companies who have not previously held registrations under EU-REACH), including importers of substances and/or mixtures from the EU/EEA are likely to be charged for data access, but this is a commercial matter between UK registrants and the data owners or EU entities providing SIEF functionality and able to broker data access. UK Importers may well be exposed to significant costs where non-UK based suppliers do not appoint a UK-based Only Representative due to low volumes or high costs and the

importer (in some cases with no previous experience with EU REACH registrations), has then to seek registration and access to data for dossier completion.