

# Mgmt Cttee conf call

30 Oct 2013, 5 pm CET

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## Agenda for the call

1. Welcome and introduction
2. Proposed remuneration scheme
3. Budget 2014, including an overview of the biggest project/budget items
4. Request from Re companies to adjust cost-sharing formula
5. Biocide company LoA request
6. AOB, next meetings/calls, and closing remarks

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# 1. Welcome and introduction

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- Reminder on confidentiality and Competition Law
- Tour de table and apologies
- Approval of the Agenda
- Approval of and status of the actions agreed at the last conference call (18 October 2013)

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# Actions agreed

Table 1. Actions agreed at 18 Oct 2013 Mgmt Cttee conference call.

	What?	Who?	When?
1	Inform ETAP on approved PMC Membership	KR	ASAP
2	Add ETAP + related travel contingency to 2014 Budget proposal	CB	W/c 21 Oct
3	Set-up monitoring mandate and next steps of RCF TF under leadership/coordination of PMC Secretariat	RN	18 Nov
4	Remove TTIP item from Refinables budget and discuss sponsoring with EPMF Board	CB	ASAP
5	Evolve remuneration scheme and present to Mgmt Cttee for approval	GE+CB	30 Oct
6	Update 2014 budget proposal and re-circulate to Mgmt Cttee for discussion/approval	CB	23 Oct
7	Update PMC Assembly meeting agenda and circulate with formal invitation	AR	W/c 21 Oct
8	Send Mgmt Cttee letter to H&H	AR	ASAP
9	Inform accountant on PMC loss due to Pemco's bankruptcy and record loss in respective reserves	CB+Accountant	ASAP
10	Send final reminder to companies who have not yet paid their 2013 invoices with information on next steps (interest rate, risk of exclusion, etc.)	AR	ASAP
11	Review cost-sharing formula and devise alternative formulas for discussion by the Mgmt Cttee	AP+CB	30 Oct
12	Organise/Participate in 30 Oct Mgmt Cttee meeting in Brussels	All	30 Oct

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## 2. Remuneration scheme

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# Proposed scheme

## Salaries

### Yearly review:

- Belgian index

### Ad hoc review:

- Change in responsibilities
- Discretionary

## Bonus

- Each officer will define three working objectives for each calendar year, to be approved by the chairman of the Mgmt Cttee and the President of the EPMF.
- If none of the objectives has been achieved, the employment contract can be finalised by decision of the Mgmt Cttee.
- If less than 70 % of the objectives have been achieved, no bonus will be granted.
- If 70 % of the objectives have been achieved, 50 % of the maximum bonus will be granted.
- If 100 % of the objectives have been achieved, the maximum bonus will be applied.
- When evaluating the level of achievement of each objective, items which are not the exclusive responsibility of the officer (e.g. also engages external service providers, Members, etc.) should be considered.
- The maximum bonus will correspond to one month salary of the relevant officer.

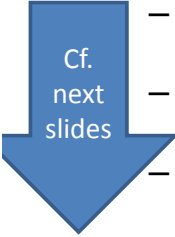
**NOTE:** The officers under consultancy contract have their own fee review system, properly laid down in their contract with PMC; the remuneration scheme applies to those officers having an employment contract with EPMF.

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## 3. Budget 2014

# Background

- 2014 budget prepared and presented to Assembly in Q2 2013: best estimate, with place-holders for Ag and Refinables project
- 2014 budget circulated to Mgmt Cttee for 18 Oct 2013 conf call still unclear as to actual activity versus work of Ag and Refinables projects in particular
- 2014 budget circulated to Mgmt Cttee for 30 Oct 2013 conf call:
  - Includes revised Ag prediction: no place-holders anymore, only one amount remains to be confirmed by Ag WG
  - Includes revised Refinables prediction: assumes all work will be terminated in 2013/Q1 2014 with available reserves
  - Remains unclear as to what portion of the reserves are committed, and format does not allow project-specific decision on invoicing



Cf.  
next  
slides

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## Ag project

### Background

- Registration submitted in 2010:
  - NanoAg not included
  - Testing proposal for soil work
- In preparation for Substance Evaluation it was decided to include nanoAg
- Meanwhile, ECHA approval on TP was obtained and results of this work (+ SSD soil) will be included in the Dossier update

### On-going/Next

- Following weaknesses/gaps remain:
  1. **Freshwater:** no information on speciation (and bio-availability) of Ag under environmentally relevant factors → currently assuming all Ag in freshwater is available and could cause an effect
  2. **Marine water:** equivocal results on the effects of Ag ion on oyster embryo and no SSD derived marine PNEC → could be picked up by authorities to challenge marine PNEC overall
  3. **Microorganisms:** no information to compare Ag ion and nanoAg effects on microorganisms → could be picked up by authorities to challenge overall read-across from Ag ion to nanoAg
  4. **Soil:**
    1. Finalisation+interpretation of Testing Proposal soil toxicity dataset (AECOM + CSIRO + SSD Soil)
    2. (nano)Ag (ion) in soil seems to form complexes with AgS and not be bio-available, however effects in soil organisms still appear → need to know what happens with AgS

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## Ag project: risk assessment refinement research

### Ag WG approved/committed work items

Programme	Research item	Timeframe	Budget per year
<b>2. Marine water</b>	- Oyster embryo study - SSD Marine	<b>~ 9 months</b> Start: Q4 2013 End: Q2 2014	<b>2013: 0 €</b> <b>2014:</b> - Oyster: 22.000 + 5.300 € - SSD marine: 57.200 € <b>TOTAL: 84.500 €</b>
<b>3. Microorganisms</b>	ASRIT test	<b>~ 6 months</b> Start: Q3 2013 End: Q4 2013	<b>2013: 1.740 €</b> <b>2014: 0 €</b> <b>TOTAL: 1.740 €</b>
<b>4. Soil (1)</b>	TP and SSD Soil	<b>~ 3,5 years</b> Start: - in 2010 with AECOM work - in 2011 with CSIRO work End: - 2011 with AECOM work - Q4 2014 with CSIRO work	<b>Paid in 2011:</b> - AECOM: 40.501,84 € - CSIRO: 0 € <b>Paid in 2012:</b> - AECOM: 19.916,56 € - CSIRO: 227.922,16 € <b>Paid in 2013:</b> - AECOM: 0 € - CSIRO: 136.630,75 € <b>Remaining for 2013: ~195.000 € (currency fluctuation)</b> <b>2014: 0 €</b> <b>TOTAL AECOM + CSIRO: ~620.000 €</b>

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## Ag project: risk assessment refinement research

### work items pending discussion by Ag WG

Programme	Research item	Timeframe	Budget per year
<b>1. Freshwater</b>	Understanding /refining speciation and fate of Ag in freshwater	No longer PMC budget item; picked-up by another customer from WCA who is arranging memorandum of understanding between both customers to share research work PMC to ensure: - Research addressed PMC needs - PMC can be involved/informed in research - Cost of freshwater work compares to cost of soil work before swabbing information with WCA's customer	
<b>4. Soil (2)</b>	CSIRO proposal on fate and bioavailability of (nano)AgS in soil	<b>~ 2 years</b> Start: Q1 2014? End: Q1 2016?	<b>2013: 0 €</b> <b>2014: 61.684 €</b> <b>2015: 123.369 €</b> <b>2016: 61.684 €</b> <b>TOTAL: 246.737 €</b>

**Ag reserves by end 2013: ~ 362.983,35 €**

# Refinables project

## Background

- Registrations submitted in 2010: 14 Refinables as SCC intermediates ('light' dossier)
- After update of ECHA Guidance on intermediates, it was agreed to:
  - Check rigorous containment
  - If rigorous containment fails, prepare 'full' dossiers
- In parallel:
  - PMC Members reviewing their waste/by-product/REACH strategy
  - Other metals sectors reviewing their strategy too (PMC Members are members of various consortia)
  - Eurométaux in contact with ECHA to clarify interpretation of rigorous containment in inorganics sector + development of risk assessment for UVCB using information on constituents

## On-going/Next

- Possible overgrouping of certain Refinables → need to validate or redo identification exercise
- Moving from 'light' to 'full' dossiers involves:
  1. Generating missing phys-chem data
  2. Obtaining legitimate access to data on constituents
  3. Producing hazard, exposure, and risk assessment
  4. Reviewing classification (profiles)
  5. Populating (new format + version of) IUCLID 5
  6. Generating (new format of) CSR and ES
- Submission of at least one updated 'full' dossier by end 2013
- Submission of remaining updated 'full' dossiers by end Q2 2014 at latest

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## Refinables project budget items

Programme	Item	Timeframe	Budget per year
<b>1. Identification and 4. Classification</b>	Splitting exercise by Members Defining boundaries and classification profiles by <b>ARCHE</b>	~ <b>6 months</b> Start: Q2 2013 End: Q4 2013	<b>Similar work in:</b> - <b>2011:</b> 83.450, 90 € - <b>2012:</b> 10.620 € <b>2013:</b> 20.000 € out of place-holder of 588.000 € <b>2014:</b> 0 € and use reserves if classification needs to be updated?
<b>2. Phys-chem</b>	Phys-chem tests at <b>Harlan</b>	~ <b>3 months</b> Q4 2013	<b>Similar work in 2010</b> for 13 Refinables, ~ 5 tests/refinable: ~ 80.000 € <b>2013:</b> 40.000 € covered by place-holder of 588.000 € <b>2014:</b> 0 € and use reserves if some Refinables are split and phys-chem testing is needed?
<b>3. Access to data on constituents</b>	Data-sharing agreements with: - <b>Free:</b> Pb, Cu, Ni, Zn, Se/Te, As, B - <b>At cost:</b> Co, Cr, and others to be confirmed	~ <b>3 months</b> Q4 2013 (+ Q1 2014?)	<b>2013:</b> place-holder of 50.000 € covered by place-holder of 588.000 € <b>2014:</b> 0 € and use reserves if additional/higher data-sharing costs apply?

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# Refinables project budget items

Programme	Item	Timeframe	Budget per year
4. Hazard, exposure and risk assessment and 5. IUCLID and 6. CSR + ES	- Environmental work by WCA - Human health / occupational work by EBRC	~ 3 years - Started in 2011 with rigorous containment check - Focus on assessment (approach, IUCLID 5, and CSR+ES) since Q3 2012 - Assessment approach should be finalised in Q4 2013 - Assessment implementation should be done in Q1 2014 - Possible review of assessments in 2014 and 2015 cannot be excluded	<b>Paid in 2011:</b> 325.261,60 € <b>Paid in 2012:</b> 175.607,89 € <b>2013:</b> Paid so far: 86.123,75 € Left in budget from 588.000 € place-holder: 391.876,25 € <b>2014:</b> 0 € and use reserves if review of assessments, IUCLID 5, CSR+ES are needed in 2014?

Ref reserves by end 2013: ~ 724.172,56 €

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## Summary format and proposed invoicing approach

Project profile	N/A	High	Low	Low	High	Low	Medium	Medium
PROJECT	Generic PMC	Ag	Au	PM CN-	PGM	Re	Refinables	Hydrazine
Total reserves (by 30 Sep 2013)	442.993,29 €	404.932,20 €	307.769,77 €	422.147,73 €	2.539.943,08 €	149.423,34 €	758.637,58 €	25.035,43 €
Still committed in 2013 from reserves	67.385,02 €	196.740,00 €	127.950,00 €	329.605,00 €	1.636.208,00 €	22.000,00 €	0,00 €	25.035,43 €
Remaining in reserves (by end 2013)	213.227,50 €	208.192,20 €	179.819,77 €	92.542,73 €	903.735,08 €	127.423,34 €	758.637,58 €	0,00 €
LoA incomes in 2013	403.025,89 €	297.406,90 €	0,00 €	208.114,69 €	204.079,86 €	0,00 €	21.000,00 €	0,00 €
2014 Budget	745.140,26 €	284.305,80 €	117.300,00 €	817.650,00 €	817.650,00 €	9.450,00 €	8.400,00 €	60.000,00 €
Delta	235.500,62 €	-117.197,20 €	27.390,12 €	563.263,94 €	161.702,60 €	-54.261,67 €	-391.918,79 €	60.000,00 €
Invoicing approach	Credit 50% of reserves	Payment holiday	Credit 50% of reserves	Payment holiday	Credit 50% of reserves	Payment holiday	Payment holiday	Invoice total (cf. decision of 20 Nov Hyd TF mtg)

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## 4. Request from Re companies to adjust cost-sharing formula

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- **Background:**
  - Re added to PMC scope in 2008
  - Re companies signed Consortium Agreement including cost-sharing agreement with equal sharing of Generic costs
  - Though subject to 2018, pressure from Re companies to progress their project quicker
  - Agreed to progress their project (simple) in parallel with 2010 registration projects
  - All joint dossiers finalised in 2013, three remain to be submitted
- **Re companies request:**
  - Clarify LoA vs PMC membership and ensure balanced (LoA should not be advantageous compared to PMC membership)
    - *The cost-sharing formula should not result in any Member paying more than what it would have paid to meet its obligations without joining PMC (i.e. via LoA)*
    - Action due Jan 2014, on schedule
  - Adjust cost-sharing formula to move from equal sharing of generic costs to two types of sharing of generic costs:
    - Members involved in projects subject to 'Maintenance only'
    - Members involved in on-going projects
    - To be considered by Mgmt Cttee

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# PMC cost-sharing formula

- PMC intentionally aimed as one Consortium with several projects to maximise efficiency of admin/generic costs
  - Today 49% of Members are interested in at least 3 out of five registration projects of PMC (excluding Refinables) → One Consortium still valid
- PMC's cost-sharing of generic costs:
  - Shared equally among Members
  - Based on principles of fairness, transparency, non-discrimination, and non-profit
  - Used in two directions:
    - To charge Members
    - To reimburse Members (e.g. New Members, LoA, Etc.)
- PMC's cost-sharing of metal-specific costs shared according to:
  - Tonnage bands (weighted following ECHA registration fees proportionality)
  - Number of substances and intermediates in total
  - Members involved in each project (e.g. Ag only Members do not pay for e.g. Au or Re work)

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## Review of principles

- **Fairness:**
  - Bigger companies have more substances but also provide in-house data and expertise/chairmanship
  - Smaller and medium companies agree to share an equal share of the generic costs to compensate for the above
- **Transparency:**
  - Cost-sharing formula in Consortium Agreement
  - Budget approved by all Members on a yearly basis
  - Invoices calculated as per cost-sharing formula available in excel sheet
- **Non-discrimination:**
  - No difference between members, except when it comes to tonnage band (following weight from ECHA registration fees per tonnage band)
  - LoA calculated on the same principles, and PMC membership remains open
- **Not for profit:**
  - Not aimed at generating income; budget is predicted on the basis of needs and charged to the exact amount
  - LoA are not aimed at generating profit for PMC Members

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# Review of numbers/facts

- Au, PM CN- and Re same profile:
  - Small scope
  - No/low classification
  - All due by 2018
- Re accelerated towards registration while Au and PM CN- put on hold
  - **Changing cost-sharing formula for the Re only companies would be unfair to those companies in the Au and PM CN- who have paid same generic costs to Re though their projects were not progressed like Re!**
- 4/45 companies involved in Re only
- 1/45 companies involved in Au only
  - **Changing the formula for 5/45 Members would not be fair for the majority of Members!**
- Cost-sharing used to reimburse Members on incomes. Not many LoA anticipated for Re, but still Re companies (because contribute equally to the generic costs) benefit as any other Member from the generic costs charged in the LoA...
  - **If cost-sharing changes, this would trigger a much less transparent reimbursement scheme where Re companies would actually no longer have a right to benefit from LoA incomes from non-Re LoA...**

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## Proposed way forward

1. Prepare Mgmt Cttee letter to:
  - Clarify application of cost-sharing in its current form (principles, balance across Members, reimbursement of incomes)
  - Confirm that LoA cost will be revised in Jan 2014, on the basis of 2007-2013 experience (and using a final cost prediction for Re project)
2. Circulate letter for approval/comment
3. Send letter to Re companies
4. Inform Assembly on Mgmt Cttee's decision

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## 5. Biocide company LoA request

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### Background

- Mr X speaks on behalf of a consortium of SME involved in biocides composed of Ag and Cu
- Mr X already has a LoA from Cu (100.000 € for all members of the consortium)
- Mr X approached PMC to obtain right to refer to Ag REACH dataset in Ag Biocide dossier
- A Ag Biocide dossier already exists but the Ag TF charges 1.200.000 € for their LoA, deemed too expensive by Mr X & Co.
- PMC announced that LoA for Ag would cost at least 158.000 € and that this would be per legal entity
- Mr X is interested in 'sharing' Ag TF dataset with us and wishes to 'negotiate' Ag LoA cost...

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# Proposed way forward

- Prepare (and circulate for comment/approval) Mgmt Cttee letter to:
  - Request evidence that a second biocide dossier for Ag will be accepted by COM and that Ag TF is aware
  - Clarify that LoA cost remains per legal entity
  - LoA cost allows a copy of CSR and right to refer to Dossier, not a copy of the IUCLID 5 file; if Mr X needs a copy of the IUCLID 5 file, this would be subject to a LtU and a superior cost
- Agree on minimum cost for LtU
  - At least double of LoA price (for the highest tonnage band)?
- Contact Ag TF to check:
  - Ag effects dataset
  - Uses covered by biocide dossier vs REACH dossier

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## 6. AOB, next meetings/calls, and closing remarks

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- AOB?
- Next Mgmt Cttee conf call?
- Closing remarks