



Calculation of PMC Letter of Access cost  
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I. INTRODUCTION

This document aims at describing the principles followed by the Precious Metals and Rhenium Consortium (PMC) to calculate the price of a Letter of Access (LoA) and update this price in light of any additional work that may be required to maintain or update a given Registration Dossier.

The content of this document assembles the recommendations of the PMC Legal and Cost-sharing Work Groups, the Chairmen of the PMC technical Work Groups, and the PMC Management Committee.

The purpose of a LoA is to enable a non-Member entity to be a legitimate joint registrant in a Registration Dossier prepared by the PMC. LoA will be available for each substance and intermediate in scope of one of the PMC projects.

An excel file describing the steps followed and the calculations/predictions made is available in an Annex which is an integral part of this document. This Annex is composed of several worksheets including:

- 1<sup>st</sup> Recap of PMC meetings over 2007-2009
- 2<sup>nd</sup> Recap of PMC teleconferences over 2007-2009
- 3<sup>rd</sup> Outline of PMC expenses over 2007-2009 and expenses predictions for 2010-2020
- 4<sup>th</sup> Number of potential registrants and entities having indicated an interest in purchasing a LoA
- 5<sup>th</sup> Distribution of Generic costs for 2007-2020
- 6<sup>th</sup> Distribution of Silver-specific costs for 2007-2020
- 7<sup>th</sup> Distribution of Gold-specific costs for 2007-2020
- 8<sup>th</sup> Distribution of PGM-specific costs for 2007-2020
- 9<sup>th</sup> Distribution of Re-specific costs for 2007-2020
- 10<sup>th</sup> Distribution of Refinable-specific costs for 2007-2020
- 11<sup>th</sup> Cost of a Letter of Access per substance/intermediate and tonnage band in each project

II. REACH REQUIREMENTS

PMC commits to develop a method to calculate the price of a LoA that is fair, transparent, non-discriminatory and not for profit.

**Fairness:** The contribution of legal entities that are Members of the PMC and of those that are not is calculated in such a manner that each potential joint registrant pays a proportionate and comparable price to comply with its joint submission obligations under the REACH regulation. Fairness is ensured by applying the same cost-sharing formula to all potential registrants, in which:

- Generic costs<sup>1</sup> are shared equally among all potential registrants
- Metal-specific costs<sup>2</sup> are distributed as follows:
  - 50% is distributed by applying a weighted approach whereby:
    - Substances in the > 1000 t/a tonnage band have a weight of 1000
    - Substances in the 100-1000 t/a tonnage band have a weight of 100
    - Substances in the 1-10 t/a tonnage band have a weight of 20
    - Substances in the 1-10 t/a and transported isolated intermediates in the > 1000 t/a tonnage band have a weight of 5
    - Any other intermediate in any tonnage band but > 1000 t/a has a weight of 1
  - 50% is distributed according to the total number of PMC substances (excluding intermediates) to be registered by each company

<sup>1</sup> Administrative costs including: PMC Officers (Secretariat & Trustee, Project Manager, and Scientific Manager), IT tools for SIEF communication, insurance, accountancy, legal support, and office, travelling and meeting costs, etc.

<sup>2</sup> Technical costs including: literature search, data-gap analysis, testing strategy, purchase of reference samples, testing programme, CSA/CSR, IUCLID 5 compilation and other *ad hoc* services of PMC's external Consultants and Experts



- 100% of Refinable-specific costs are distributed according to the number of Refinables to be registered by each company which are assigned a weight of 1, no matter whether they are on-site or transported intermediates or the tonnage band in which they are registered

**Transparency:** All predictions and calculations are based on clear, sound and objective hypotheses and assumptions that shall be available upon request

**Non-discrimination:** None of the principles, hypotheses or assumptions used by the PMC aims at excluding or preventing any potential registrant from participating to the joint registration and/or from complying with its obligations under REACH

**Non-profit:** None of the principles, hypotheses or assumptions used by the PMC aims at making profit through the selling of LoA

### III. PRELIMINARY PRINCIPLES

- Membership remains open to any joint registrant, and remains associated to the rights and obligations outlined in the PMC Agreement in place
- Entities purchasing a LoA have no obligation towards the PMC with the exception of those outlined in the LoA contract
- The price of a LoA is reasonably attractive to promote this specific approach towards joint submission<sup>3</sup>
- The LoA is purchased per legal entity and is not valid for any other entity than the entity whose name is on the LoA<sup>4</sup>
- The LoA is purchased for each substance and each intermediate
- A legal entity purchasing a LoA pays its contribution to the Generic costs only once, no matter the number of LoA it is purchasing from the PMC
- A legal entity purchasing a LoA has no co-ownership right on the information contained in the dossier and does not receive a copy of the dossier submitted to the ECHA - only those parts necessary to submit a harmonised set of information to the ECHA are provided to LoA purchasers<sup>5</sup>
- In the event a legal entity wishes to obtain a copy of (part of) the content of the Registration Dossier in order to use it (or not) under REACH or another (legislative) context this legal entity will be charged an *ad hoc* Licence to Use price as per decision of the PMC Management Committee
- There is no reduction or premium applied on a LoA purchased earlier or later in the registration process, respectively
- The price of the LoA is reviewed every year as the PMC expenses predictions are confirmed or refined

### IV. ASSUMPTIONS, HYPOTHESIS AND PREDICTIONS

#### 1. Applied to predict Future Expenses

Expenses are calculated to cover the period of 2007-2020<sup>6</sup>. Confirmed expenses of the period of 2007-2009 are taken as a baseline to make 2010-2020 predictions<sup>7</sup> (cf. 3<sup>rd</sup> worksheet).

- Predicted Generic costs:
  - A yearly increase/decrease is estimated as per PMC workload, Registration and Post-registration objectives applicable to each year (in yellow boxes)<sup>8</sup>:

<sup>3</sup> Therefore preventing the membership of the PMC from becoming unmanageable; there is a need to guarantee a minimum quorum at PMC meetings, a proportionate technical input from Members, and a simplified communication, etc. to limit generic costs and ensure delivery of PMC objectives

<sup>4</sup> Affiliates of the legal entity purchasing a LoA cannot use this LoA

<sup>5</sup> E.g.: Chemical Safety Report (CSR), list of identified uses, joint submission object name and joint submission object token

<sup>6</sup> 2007 corresponds to the creation of the PMC, and 2020 corresponds to 2018 as last registration deadline + 2 years buffer period to assimilate outcomes of last registration period

<sup>7</sup> 2007: 131.831,68 €; 2008: 409.938,62 €; 2009: 814.821,69 €. Hence, an increase of 32% from 2007 to 2008, and an increase of 50% from 2008 to 2009

<sup>8</sup> The PMC's workload will evolve in parallel with the accomplishment of the Registration Dossiers for Ag and the Refinables >> PGM and Re >> Au and PM CN-



- 2010: + 30% 2009 expenses
- 2011: 2011 budget proposal approved at 12 Jan 2011 Assembly meeting
- 2012: + 20% 2011
- 2013-2015: - 25% previous year
- 2016-2020: same annual amount
- Where the budget item is known, the yearly percentage of increase/decrease is not applied but the actual figure is considered (indicated in blue in the excel file)
- Predicted Metal-specific costs: The above yearly increase/decrease percentage not always apply to predict project budgets; Consultants predictions together with Ag project experience are considered instead (also in blue)<sup>9</sup>
- Green lines are added in each budget to potentially cover for:
  - Future costs resulting from the minimum presence and organisation that is required to allow maintenance of PMC's projects and overall success and achievement of REACH obligations<sup>10</sup>. They are calculated as follows:
    - Generic costs: reflected in overall Generic budget prediction (no need for *ad hoc* line)
    - Project specific costs:
      - Ag: 15% of 2007-2012 expenses (in column 2013) + *ad hoc* budget prediction required for further research work (in column 2011)
      - Au, PM CN- and PGM: 10% of 2007-2015 expenses (in column 2016) + *ad hoc* confirmed budget as applicable
      - Re: 5% of 2007-2016 expenses (in column 2016) + *ad hoc* confirmed budget as applicable
      - Refinables: 5% of 2007-2013 expenses (in column 2013) + *ad hoc* budget prediction required for registrations update in light of updated ECHA Guidance on intermediates (in column 2011)
  - PMC Members's participation to meetings and teleconferences<sup>11</sup>:
    - 2007-2009: based on real meetings and teleconferences (cf. 1<sup>st</sup> and 2<sup>nd</sup> worksheets of Annex)
    - 2010-2020: predictions calculated based on expected frequency of meetings by:
      - Generic, Ag, Refinables: multiplying (amount 2007-2009/3)\*Yearly increase/decrease
      - Au, PM CN-, PGM: multiplying (amount 2007-2009)\*Yearly increase/decrease
      - Re: (amount 2007-2009/2)\*Yearly increase/decrease

## 2. Applied to derive the price of a LoA

- The price of the LoA is calculated on the basis of the PMC expenses and predictions and the PMC cost-sharing formula
- The calculation takes account of the responses received to the Survey on Registration Intentions<sup>12</sup> (cf. 4<sup>th</sup> worksheet), and assuming only 80% of these companies will actually purchase a LoA (20% contingency applied as some companies may join the PMC in the meantime or finally decide not to register)
- For the purpose of the calculation of the price of a LoA, LoA purchasers are considered to be "Virtual" Members of the PMC (represented in line LoA of each worksheet)
- The total cost of each project over 2007-2020 is distributed across all potential registrants (real and "virtual" PMC Members) as per the PMC cost-sharing formula:
  - Generic costs are distributed across PMC Members + Entities having confirmed interest in purchasing a LoA (-20% contingency) (cf. 5<sup>th</sup> worksheet of Annex)
  - Metal-specific costs are distributed across PMC Members + One virtual LoA entity assembling all indications of interest in purchasing a LoA in tonnage band and each project (-20% contingency) (cf. 6<sup>th</sup>-10<sup>th</sup> worksheets of Annex)

<sup>9</sup> The level of complexity (associated to the tonnage band, number and type (e.g.: UVCB) of substances involved, potential classifications, and overall data availability) of the metal-specific projects is: Ag > Refinables > PGM > Re > Au > PM CN-

<sup>10</sup> E.g.: inquiries from potential registrants, ECHA, authorities; update(s) of the Dossier(s); requests for additional information/tests as a result of the Evaluation or Authorisation; (ir)regular LoA requests, etc.

<sup>11</sup> Assuming that the time of PMC Members could be charged at a rate of 115 €/h in accordance with the hourly rate of PMC external Consultants (used as objective reference)

<sup>12</sup> Circulated through REACHsuite in December 2009



- In each distribution, the contribution made by a (real or virtual) Member for each substance and intermediate in each project is extracted in a separate table (cf. 11<sup>th</sup> worksheet of Annex)
- Where such an isolated case does not exist or cannot be derived, an *ad hoc* line is added to the cost-distribution at the bottom of the worksheet (usually for intermediates)
- The exact figures resulting from the above calculation are assessed by the Management Committee of the PMC who agrees on min/max ranges and “round” figures to be proposed to potential LoA purchasers as from Summer 2010, following the approval of the above method and the ultimate LoA prices by the Assembly of the PMC<sup>13</sup>

#### V. COST PROPOSALS OF PMC LoA

Table 1. PMC LoA cost proposals

Project / Dossier	Band	Min approved in Jun 2010	Announced 2010 LoA price	Revised 2011 LoA price
Generic	N/A	32.000,00 €	38.500 €	
Ag	Intermediate	100,00 €	125 €	175 €
	1-10	5.500,00 €	6.500 €	9.500 €
	10-100	7.000,00 €	8.500 €	12.500 €
	100-1000	15.000,00 €	18.000 €	26.000 €
	> 1000	103.500,00 €	124.500 €	182.000 €
Au*	Intermediate	1.500,00 €	1.500 €	
	1-10	19.000,00 €	23.000 €	
	10-100	37.500,00 €	45.000 €	
PM CN-*	Intermediate	1.500,00 €	1.500 €	
	1-10	16.500,00 €	20.000 €	
	10-100	34.000,00 €	41.000 €	
PGM*	Intermediate	2.000,00 €	2.500 €	
	1-10	23.000,00 €	30.000 €	
	10-100	46.000,00 €	60.000 €	
Re*	Intermediate	1.500,00 €	2.000 €	
	1-10	15.500,00 €	20.000 €	
	10-100	34.500,00 €	41.000 €	
Refinables	Intermediate	9.000,00 €	10.500 €	22.500 €

\* Amounts will be revised on the basis of the 2012 and 2013 PMC budget forecasts to be discussed and approved in June 2011

#### VI. COMMENTS OR QUESTIONS

Comments or questions on this document or its Annex can be forwarded to Caroline Braibant, Secretariat & Trustee of the PMC, at [braibant@epmf.be](mailto:braibant@epmf.be)

<sup>13</sup> PMC Plenary Meeting held in Hamburg, 18 June 2010; and PMC Plenary Meeting held in Cambridge, 17 June 2011