



Calculation of PMC Letter of Access cost
Date: 7 March 2010

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). The content of this document assembles the recommendations of the PMC Legal and Cost-sharing Work Groups¹, the Chairmen of the PMC technical Work Groups², and the PMC Management Committee³.

The purpose of a LoA is to enable a non-Member entity to appear as 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:

- 1st Recap of PMC meetings over 2007-2009
- 2nd Recap of PMC teleconferences over 2007-2009
- 3rd Outline of PMC expenses over 2007-2009 and expenses predictions for 2010-2020
- 4th Number of potential registrants and entities having indicated an interest in purchasing a LoA
- 5th Distribution of Generic costs for 2007-2020
- 6th Distribution of Silver-specific costs for 2007-2020
- 7th Distribution of Gold-specific costs for 2007-2020
- 8th Distribution of PGM-specific costs for 2007-2020
- 9th Distribution of Re-specific costs for 2007-2020
- 10th 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 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 costs⁴ are shared equally among all potential registrants
- Metal-specific costs⁵ are distributed following two approaches:
 - 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

¹ Discussed at face-to-face meeting held in Brussels, on 2 February 2010

² Discussed at teleconference held on 15 February 2010 at 3 pm CET

³ Discussed at face-to-face meeting held in Brussels, on 24 February 2010

⁴ 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.

⁵ 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



- 50% is distributed according to the total number of PMC substances (excluding intermediates) to be registered by each given legal entity

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 submission⁶
- The LoA is purchased per legal entity and is not valid for any other entity than the entity whose name is on the LoA⁷
- 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 purchasers⁸
- 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 2007-2020⁹. Confirmed expenses of the period of 2007-2009 are taken as a baseline to make 2010-2020 predictions¹⁰ (cf. 3rd 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)¹¹:

⁶ 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

⁷ Affiliates of the legal entity purchasing a LoA cannot use this LoA

⁸ E.g.: Chemical Safety Report (CSR), list of identified uses, joint submission object name and joint submission object token

⁹ 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

¹⁰ 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



- 2010: + 30% 2009
- 2011: + 10% 2010
- 2012: - 15% 2011
- 2013-2015: - 50% 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 applied to predict project budgets; Consultants predictions together with Ag project experience are considered instead (also in blue)¹²
- 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 obligations¹³. They are calculated as follows:
 - Generic costs: reflected in overall Generic budget prediction (no need *ad hoc* line)
 - Project specific costs:
 - Ag: 15% of 2007-2012 expenses (in column 2013)
 - Au, PM CN- and PGM: 10% of 2007-2015 expenses (in column 2016)
 - Re and Refinables: 5% of 2007-2016 or 2013 (respectively) expenses (in column 2016)
 - PMC Members's participation to meetings and teleconferences¹⁴:
 - 2007-2009: based on real meetings and teleconferences (cf. 1st and 2nd 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 LoA¹⁵ 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 Intentions¹⁶ (cf. 4th 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)
- For the purpose of the calculation of the price of a LoA, LoA purchasers are considered to be:
 - Virtual Members of the PMC who each pay a share of the Generic costs
 - One unique virtual Member of the PMC, with interest in several materials (and their associated tonnages) that are in the scope of activity of the PMC, who pays a share of the applicable Metal-specific costs
- 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. 5th 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. 6th-9th worksheets of Annex)

¹¹ 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-

¹² 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-

¹³ 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.

¹⁴ And that the time of a 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)

¹⁵ The cost of LoA for Complex PM Refinables has not been addressed in this exercise as the cost-sharing of costs related to the PM Refinables Project will be discussed at the next PM Refiners meeting on 21 April 2010

¹⁶ 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. 10th 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 PMC¹⁷

V. COST PROPOSALS OF PMC LoA

Table 1. PMC LoA cost proposals (for approval by the Assembly of the PMC)

Project / Dossier	Band	(Public) Cost of LoA - range		(Public) Cost of LoA - final
		Min	Max	
Generic	N/A	31.000,00 €	37.500,00 €	35.000,00 €
Ag	Intermediate	125,00 €	150,00 €	150,00 €
	1-10	6.500,00 €	8.000,00 €	7.500,00 €
	10-100	8.500,00 €	10.500,00 €	10.000,00 €
	100-1000	18.500,00 €	22.500,00 €	20.000,00 €
	> 1000	129.500,00 €	155.500,00 €	140.000,00 €
Au	Intermediate	485,00 €	600,00 €	600,00 €
	1-10	7.500,00 €	9.000,00 €	8.500,00 €
	10-100	14.500,00 €	17.500,00 €	16.000,00 €
PM CN-	Intermediate	1.200,00 €	1.500,00 €	1.500,00 €
	1-10	17.000,00 €	20.500,00 €	18.500,00 €
	10-100	35.000,00 €	42.000,00 €	38.500,00 €
PGM	Intermediate	650,00 €	800,00 €	800,00 €
	1-10	8.500,00 €	10.500,00 €	9.500,00 €
	10-100	18.500,00 €	22.500,00 €	20.000,00 €
Re	Intermediate	900,00 €	1.500,00 €	1.500,00 €
	1-10	11.000,00 €	13.500,00 €	12.500,00 €
	10-100	24.500,00 €	29.500,00 €	27.500,00 €

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

¹⁷ PMC Plenary Meeting held in Hamburg, 18 June 2010