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REGULATORY SCRUTINY BOARD OPINION

**Proposal for a
DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Directive 2014/53/EU on the harmonisation of the laws of the Member States
relating to the making available on the market of radio equipment**

{COM(2021) 547 final}
{SWD(2021) 244 final}
{SWD(2021) 245 final}
{SWD(2021) 246 final}



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB

Opinion

Title: Impact assessment / Charging and unbundling of mobile phones and similar devices

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

This initiative concerns a focused revision of the Radio Equipment Directive (2014/53/EU) to harmonise charging of mobile phones and similar equipment. It also envisages to introduce unbundling, which is the sale of the phone without the charger.

In 2009, the mobile phone industry voluntarily agreed to move towards a “common charger” for mobile phones. This considerably mitigated the fragmentation of charging technologies.

Following the expiration of this memorandum of understanding (MoU), the sector concluded a new voluntary agreement in 2018. However, this was not considered satisfactory in view of the EU’s policy objectives. Based on a 2014 evaluation of the initial MoU and other studies, this impact assessment examines different options for future policy action in this area.

(B) Summary of findings

The Board notes the useful additional information provided in advance of the meeting and the commitments to make changes to the report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

- (1) The report does not sufficiently explain the links and coherence with other closely related policy initiatives, in particular the upcoming eco-design initiative on the universal external power supply. It is not sufficiently clear that its scope does not include regulating chargers.**
- (2) The rationale for some elements of this initiative is not sufficiently convincing.**
- (3) The report does not sufficiently analyse some of the impacts. It does not demonstrate the proportionality of the options, given their sometimes limited or negative impacts.**

This opinion concerns a draft impact assessment which may differ from the final version.

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(4) The options do not specify clearly how they would improve consumer information. They also remain vague on the way to ensure that imposed standards stay in line with technological developments and do not prevent innovation.

(C) What to improve

(1) The report needs to clarify the relationship and coherence between this initiative and other upcoming initiatives. In addition to the eco-design initiative on the universal external power supply, this also concerns the upcoming eco-design and energy labelling initiative on smartphone and tablets. The report should explain and justify the scope of this initiative in relation to the others. For this initiative, it should particularly clarify that it does not regulate chargers and that it does not introduce a common charger.

(2) The report should present a more convincing and coherent rationale for the harmonisation of the charging connector in devices and for unbundling. It should not use consumer preferences as the main argument for the harmonisation of the connector and ignore them when it comes to their preference for bundling. It is not clear why the report considers the ongoing market evolutions towards unbundling insufficient. The report should take into account that consumer preferences are not homogeneous, which is reflected in their buying behaviour. It should justify why it considers some of these revealed consumer preferences as problematic. It should also provide evidence on the problems related to current business models that privilege proprietary solutions over interoperability.

(3) The options should indicate more precisely how they would improve consumer information on interoperability and charging performance. The report needs to explain how new information requirements will be aligned with existing and potentially new information requirements of the related initiatives (see above). The report also needs to discuss possible options on transition periods and analyse their merits.

(4) The report should better explain how the options are future proof. It should be more specific on how the imposed standards will be kept up to date. It should be specific on what USB power delivery standard it will include, as the newest standard supports higher power use than described in the report.

(5) The report should analyse the impacts on competition and innovation in more detail. It should justify why it considers the risk for creating non-tariff barriers to be limited. The analysis of the social impacts needs to include the cost for consumers of replacing adapters (e.g. to HDMI or for headphones) when the charging connector for their preferred brand is changed.

(6) The comparison of options should better analyse the proportionality of the options. It should better justify why the preferred option contains measures with limited or negative impacts. In particular, the harmonisation of the charging connector in the devices would have limited benefits for consumers, combined with negative economic and environmental impacts.

(7) The key limitations and the potential risks of the methodology used should not only be covered in the methodological annex but should also be taken into account when the results of the analysis are presented in the main report. Sensitivity analysis should be used to deal with key uncertainties, such as the proportion of consumers who choose to purchase a

charger when they buy an ‘unbundled’ phone.

The Board notes the estimated costs and benefits of the preferred option(s) in this initiative, as summarised in the attached quantification tables.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DG may proceed with the initiative.

The DG must revise the report in accordance with the Board’s findings before launching the interservice consultation.

If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.

Full title	Impact assessment report on an amendment of the Directive 2014/53/EU of the European Parliament and the Council with respect to the charging and unbundling of mobile phones and similar radio equipment
Reference number	2016/ENER/040
Submitted to RSB on	18 May 2021
Date of RSB meeting	16 June 2021

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

<i>I. Overview of Benefits (total for all provisions) – Preferred option</i>		
<i>Description</i>	<i>Amount</i>	<i>Comments</i>
<i>Direct benefits</i>		
Environmental benefits	GHG emissions: 184 ktCO ₂ e yearly Material use: 2606 tonnes yearly e-waste: 980 tonnes yearly	Incentivising the unbundling of EPS (specific objective 4) brings the biggest influence as regard to the reduction of the extraction of resources, manufacture, transport, use and disposal of the chargers.
Consumer benefits	EUR 246 million yearly	The harmonisation of the connector at the device (specific objective 1) end and interoperability of fast charging communication protocol (specific objective 2) will bring a reduction of the purchases of standalone EPS and cables.
Economic benefits	EU Manufacturers: EUR 22 million yearly Retailers and Distributors: EUR 457 million yearly.	Worldwide industries are affected negatively
<i>Indirect benefits</i>		
Safety of products on the market	Not quantifiable	Reduction of purchases of standalone cables and EPS will indirectly reduce the quantity of dangerous products on the market.

II. Overview of costs – Preferred option

	Citizens/Consumers		Businesses		Administrations	
	One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
Direct costs	N/A	N/A	<p>For manufactures who already use USB Type C in the products in scope: N/A</p> <p>For manufactures who do not use USB Type C in the products in scope: Costs to redesign the charging circuitry of the equipment (mitigated by a transition period)</p> <p>For manufactures who currently use proprietary fast charging protocols not compatible with USB PD or not supporting fast charging at all, around 20% of the volumes of the total market: 30 million EUR (0.6 EUR per device)</p>	N/A	N/A	N/A
Indirect costs	N/A	N/A	<p>For manufactures who do not use USB Type C in the products in scope: Loss of royalties for which, unfortunately, data could not be gathered.</p> <p>By the combination of the measures, there will be a loss of turnover by worldwide industries of 367 million EUR yearly compared to the baseline</p>	N/A	N/A	N/A