

HOT ISSUES

Materials, Engineering &
Manufacturing Policy Newsletter
Hot Issues

Issue 15: January 2005

Dear Reader,

Welcome to the latest edition of our Hot Issues Newsletter. We hope you continue to find the newsletter helpful. As always we are happy to consider any suggestions for making it more user-friendly.

Issues in this edition include Climate Change Programme Review and Landfill regulations 2005.

We understand there have been some e-mail problems associated with delivery of the newsletter. We are trying to rectify this, so please bear with us.

We are always grateful for any suggestions for new subjects to be covered in future issues of the newsletter. Ambert Prosper at

Ambert.Prospert@dti.gov.uk will be happy to take these on board.

Alternatively my team would be happy to meet you to discuss issues affecting your sector if you would find this useful. Your first port of call to arrange a meeting should be your relationship manager. Contact details are included in the newsletter should you need them.

Terry Martin

Assistant Director, Influence and Impact Team

Materials, Engineering and Manufacturing Policy Unit.

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HOT ISSUES

Issue: Consultation on the proposed Landfill (England and Wales) Regulations 2005

Main Points:

The Government has launched a consultation on the proposed Landfill (England and Wales) Regulations 2005, which will implement further provisions of the EU Landfill Directive. These Regulations will amend the Landfill (England and Wales) Regulations 2002 and the Landfill (England and Wales) (Amendment) Regulations 2004, but also introduce new provisions.

Council Decision 2003/33/EC established the criteria and procedures for the acceptance of waste at landfills. The consultation seeks views on proposed Waste Acceptance Criteria (WAC) for parameters which the Council Decision specifies that Member States shall set. These are:

- Limit values for monolithic wastes and the physical stability and bearing capacity of wastes
- Limit values for polycyclic aromatic hydrocarbons (PAHs) in inert landfills

The consultation also seeks views on four other issues -

- how certain responsibilities placed on the producer of the waste should be implemented;
- a proposed alternative way of applying the exclusion from the Landfill Directive to the disposal of non-hazardous wet dredgings;
- the proposed implementation date(s) for the ban on landfilling certain non-hazardous wastes and the requirement for all non-hazardous waste going to landfill to be pre-treated
- extending the risk assessment option allowed for in the Council Decision.

Deadline for input: 7 March 2005

The Consultation Document is available on the Defra website at :

<http://www.defra.gov.uk/corporate/consult/landfillregs-rev/index.htm>

Contact us: david.williams@dti.gsi.gov.uk

Issue: Consultation on risk assessment method for industrial installations

Main points:

The Government has launched a consultation on a proposed 'Part A2' risk assessment method - i.e. for industrial installations regulated by local authorities for emissions to air, water and land under Local Authority Integrated Pollution

Prevention and Control.

Defra intend to introduce the scheme from 1 April 2005 to replace the existing standard charging scheme with one that charges industry according to an assessed environmental risk. Such schemes already exist for 'Part A1' installations (regulated by the Environment Agency for air, water and land), and 'Part B' installations (regulated by local authorities for emissions to air only).

Deadline for input: 16 February 2005

The Consultation Document is available on the Defra website at
<http://www.defra.gov.uk/corporate/consult/industinstal/index.htm>

Contact us: david.williams@dti.gsi.gov.uk

Issue: Emissions Trading Scheme

Main points:

The EU Emissions Trading Scheme (EU ETS) is a community-wide scheme established for trading allowances to cover the emissions of greenhouse gases from permitted installations. The first phase of the EU ETS runs from 1 January 2005 to 31 December 2007. Along with a number of other sectors, steel production is captured by the scheme, as are any combustion plants that have an aggregated thermal input of over 20MW.

In December 2004 an update to the UK's timetable for arriving at the final allocation decision was announced. Details of the announcement can be accessed from the link below. A key date within the timetable to be aware of is the publication of revised sector allocations, installation allocations and the new entrant reserve on 7 February. It is hoped that the final allocation decision, which will need to be approved by the European Commission, will be made at the end of March. The UK is continuing to move forward with work on the National Plan on the basis of a total quantity of allowances of 756 MtCO₂.

Further details on the National Plan can be found on the SEPN and Defra sites below.

Deadline for input: Ongoing

Hot links (to further information/consultation documents):

<http://www.defra.gov.uk/environment/climatechange/trading/eu/pdf/revised-fadtimeline.pdf>

<http://www.dti.gov.uk/energy/sepn/euets.shtml>

<http://www.defra.gov.uk/environment/climatechange/trading/eu/index.htm>

Contact us: keith.avis@dti.gsi.gov.uk

Issue: UK Climate Change Programme Review

Main points:

On 8 December the Government launched a consultation on the review of the UK Climate Change Programme, which was published in 2000.

The Consultation Document sets out the progress that the UK has made towards delivering its Kyoto Protocol target, and its national goal of moving towards a 20% reduction in carbon dioxide emissions by 2010 and the longer-term goal to reduce carbon dioxide emissions by some 60 per cent by about 2050. The Consultation Document does not set out firm policy proposals for further emission reductions, but provides an early opportunity for stakeholders to comment on the success of the programme to date and to shape its future. Views are particularly welcome on how current measures are working, ideas for innovative new approaches and views on how to best produce assessments of costs and benefits of existing and potential new measures and how to rank those measures to target those producing the most benefit for the least cost.

The deadline for responses to the consultation is 2 March 2005. The Consultation Document can be accessed from the link below.

Deadline for input: Ongoing

Hot links (to further information/consultation documents):

<http://www.defra.gov.uk/corporate/consult/ukccp-review/index.htm>

Contact us: keith.avis@dti.gsi.gov.uk

OTHER ISSUES

The following are some of the other ongoing issues.

Materials Innovation & Growth Team

The **Materials Innovation & Growth Team** was announced by DTI Minister Jacqui Smith on 17th November 2004 and launched on 26th January 2005 in London at the DTI Conference Centre. Its **key objective is to define a Materials Strategy for the UK that will enable the UK to optimise the benefits new materials developments will offer**. Representatives from the materials producing and using industries, the regions and government aim to secure agreement on a shared vision for the future of an industry that employs over four million people in the UK. The team will be led by Wyn Jones OBE, Chair of British Alcan Aluminium, part of Alcan Inc.

An Advisory Group has been set up to oversee the work of the IGT and 5 Task Groups:

- Science & Technology (S&T)
- People & Skills (P&S)
- Best Practice (BP)

- Assets & Infrastructure (A&I)
- Impact & Policy (I&P)

If you want to participate in any of the Task Groups please contact the appropriate member of the Secretariat Team listed below :-

(S&T + P&S) = Jackie.butterfield@iom3.org

BP = russell.laverick@dti.gsi.gov.uk / james.lingard@dti.gsi.gov.uk / paul.keegan@dti.gsi.gov.uk

A&I = robert.quarshie@dti.gsi.gov.uk

I&P = jan.weston@dti.gsi.gov.uk

You can also keep up to date with progress via the Advanced Materials Forum website www.AMF.UK.COM. Registration to enable you to access this site can be facilitated by Jackie Butterfield, IOM3 (e-mail as above).

To give you a flavour of the kind of areas the IGT will be looking at, it will:

- look at 5, 10 and 20 year time horizons and define what the key materials requirements will be and how these compare with current position.
- survey what the UK capability is now and how it can adapt to meet future requirements.
- ask whether we are optimising existing UK assets and can effect an orderly transition from traditional materials manufacture to new.
- identify gaps and come up with ideas on how they can be filled in relation to skills, and best practice in all aspects of business including technology transfer.
- examine how future UK and EC legislation will impact on materials e.g. emissions, recycling, product stewardship, what infrastructure issues need to be addressed and how the UK measures up against the leading global players.

The Innovation and Growth Teams (IGTs) concept was first announced in the February 2001 White Paper "Opportunity for All" and represented a new approach to the formulation and delivery of policy, bringing together stakeholders, Government and industry to look strategically and identify key issues that would shape the future of a sector and how the UK could best respond to them. Other IGTs have been previously established to look at the automotive, chemicals, environmental equipment and software sectors. The reports these teams have produced have been welcomed by the Government recommending key actions both HMG and the industries involved are currently taking forward. The Materials IGT is the eighth IGT to be launched.

Secretariat : Gerry Miles – gerry.miles@dti.gsi.gov.uk

Narinder Kaur – narinder.kaur@dti.gsi.gov.uk

National Composites Network (NCN)

The National Composites Network is a new and unique £30m Knowledge Transfer Network jointly funded by government and industry that will embrace the entire UK Composites industry and its supply chain.

It will connect all segments of UK composites expertise, fill technology gaps for the future and signpost and facilitate end user access to the most appropriate source of assistance. This will enable the development of a national strategy for developing and enhancing the composites sector in the UK.

The target audience is the entire community of companies, researchers and trade bodies involved in the UK composites industry. The NCN offers various routes to link industry needs with expert resources and public funding, to encourage the productive engagement of interested parties.

The National Composites Network will maximise the development potential of the UK composites industry by networking all UK sources of expertise, setting up regional centres to fill technology gaps and allow access to state of the art technology as well as R&D activity. The first regional centre will be opened on 15 February alongside the Airbus facilities at Filton near Bristol. SWRDA are providing support. Other centre will follow later this year at GKN's site on the Isle of Wight, at TWI's site in South Wales at ECM2 and in Yorkshire on the Advanced Manufacturing Park.

Further information on NCN is available at www.ncn-uk.co.uk

The Technology Programme – supporting research, development and innovation of your business.

Trade and Industry Secretary Patricia Hewitt MP today offered £80million investment to British business for research and development into the latest world-beating innovative technologies.

The announcement comes directly out of the DTI's recently published 5 year - programme 'Creating Wealth from Knowledge' and the DTI's new industrial policy as a champion of science, innovation and technology.

The £80million of funding will be available for companies to carry out Collaborative Research and Development in nine high-priority technology areas:

- Design, simulation and modelling
- Micro and nanotechnology
- Pervasive computing
- Waste management and minimisation
- Smart materials
- Bio-based industrial products
- Energy technologies
- Imaging technologies
- Opto-electronic and disruptive electronic technologies

The £80million funding announced today is available through tow of the DTI's new business support products in the forms of grants for research and development and to promote networks in specific technology areas.

This competition forms part of larger Government funding to support business in their R&D investments. Over the period 2005-2008, a total of £320million of DTI funding is available through a Technology Strategy with an additional £50 million from Defra. Partnership work with other government departments and bodies will increase this amount further.

Further information is available at:

<http://www.dti.gov.uk/technologyprogramme/about.html>

<http://www.dti.gov.uk/technologystrategy/tsbintroduction.html>

Contact us: TechnologyProgramme@dti.gov.uk

Water Framework Directive – Consultation on a River Basin Planning Strategy

The Environment Agency has just published its draft strategy “ Water for Life and Livelihoods” which presents their proposals for River Basin Planning in England and Wales and suggest ways in which we can best work together for the future.

The strategy makes proposals on the following key aspects of the River Basin Planning:

- Better co-ordination of existing water planning;
- Arrangements for working at national, River Basin District and local (catchment) levels;
- Effective participation and consultation;
- Integration of the River Basin Management Plans with other planning activities;
- Success measures (how we judge our success in river basin planning and management)

The deadline for comments is 29 April 2005. The draft strategy is available from the EA website www.environment-agency.gov.uk/rbp

Fourth EU air quality daughter law published

New EU rules aimed at limiting air pollution by the metals arsenic, cadmium, mercury and nickel, plus polycyclic aromatic hydrocarbons have been published in the EU official journal.

The directive is the fourth daughter law passed under the 1996 air quality framework directive. It was agreed politically by the EU institutions last April. Member states must transpose it into national law by 15 February 2007. Defra will issue a Regulatory Impact Assessment in due course.

The directive sets target values, "to be attained as far as possible", for the pollutants. Where the targets are exceeded, member states shall identify pollution sources and demonstrate the application of "all necessary measures not entailing disproportionate costs" to meet them. Governments shall report to the Commission on zones and agglomerations where the target values are exceeded. The first such reports will be required by 30 September 2008

Proposals to implement Directive 2001/95/EC on general product safety (GPSD)

This consultation seeks your views on the draft General Product Safety Regulations 2005 that will implement the 2001 Directive. The Government is also inviting views on the partial Regulatory Impact Assessment, Annex D to the consultation document (Annexes at www.dti.gov.uk/ccp/consultations.htm)

Closing Date 31 March 2005

Access and unfair practices during trade union recognition and derecognition ballots

Draft code of practice covering access and unfair practices during ballots to decide whether a trade union should be recognised or derecognised for collective bargaining purposes.

Further information on this Consultation is available on the DTI <http://www.dti.gov.uk/er/union/cofp-consultation-021204.htm>

Closing date 24 February 2005

Union Modernisation – Consultation on the draft rules and procedures

The Government seeks your comments on the consultation document, which sets out the proposed rules and procedures for the operation of the Union Modernisation Fund (UMF). The Fund is the result of a new power created by the Employment Relations Act 2004 allowing the Secretary of State for Trade and Industry to make money available to help trade unions modernise their operations. Between £5 and £10 million (total) will be made available, spread over a number of years. The DTI held extensive informal consultations with a broad range of stakeholders during the summer, and proposals in the public consultation document are based on feedback from these discussions.

Closing date 3 March 2005

European Commission proposal – GSP

This consultation seeks our views on the draft Regulation for a new EU scheme of generalised tariff preferences, to be negotiated early 2005. It is expected that the Regulation will enter into force on July 2005. Early feedback will assist with the formulation of the UK Government position. The Government is also inviting view son the partial Regulatory Impact Assessment.

Closing date 1 April 2005

Disclosure of Auditor Remuneration

This is a consultation on draft regulations requiring companies to provide more detail about the types of services that they and their associates have purchased from their auditors and their associates, and to ensure that this information is published in one place. The intention is to give shareholders and others information on which to make judgement about whether the provision of non-audit services is a threat to a company auditor's objectivity or independence and to enable users of accounts to make meaningful comparison across companies.

Closing date 24 March 2005

EU Chemicals Legislation – REACH

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a new proposal for regulation of substances, adopted by the European Commission in October 2003 and now the subject of negotiations expected to last into 2006. It has the same scope as existing regulations and will therefore apply to certain minerals and ores, eg, metals, cement. The aims of the regulation are to improve the protection of human health and the environment while maintaining the competitiveness of the EU chemicals industry. One of the features of REACH is that it aims to shift responsibility from public authorities to industry for carrying out risk assessment and the management of risks from substances and to provide safety information on substances and their uses.

The Government carried out a consultation on REACH during March-June this year. A copy of the consultation document and a summary of the responses received are available on Defra's website at <http://www.defra.gov.uk/corporate/consult/reach> Discussions on REACH have been ongoing during the Dutch Presidency and will continue throughout 2005.

In the meantime, detailed scrutiny of the REACH Regulation is continuing under the Dutch Presidency. This scrutiny is currently focusing on the registration provisions of the Regulation.

Contact us : Keith.avis@dti.gov.uk
Robin.Ashman@dti.gov.uk

EU Battery Directive

On 20 December 2004 the EU Council of Ministers reached political agreement on a draft directive on batteries and accumulators. The directive aims to maximize the separate collection of spent batteries and accumulators, and to reduce the disposal of batteries in the municipal waste stream. It sets challenging collection and recycling targets for spent consumer batteries and introduces a partial ban on portable nickel-cadmium batteries. The draft directive further bans the disposal of untreated automotive and industrial batteries in landfill or by incineration, and makes battery producers financially responsible for the end of life management of spent batteries. The dossier will now return to the European Parliament for second reading. For further information on the draft directive visit:

<http://www.dti.gov.uk/sustainability/ep/batteries.htm>

Contact: paul.creary@dti.gsi.gov.uk

Website: www.dti.gov.uk/sustainability/ep/batteries.htm

EU Environmental Liability Directive

The Directive was published in the Official Journal of the European Union on 30 April 2004 and has now come into force. Member States have until 30 April 2007 to transpose the Directive into national law. Transposition in the UK will involve two or three formal public consultations, the first of which is likely to begin around January 2005.

Websites: Environmental Council minutes:

<http://ue.eu.int/newsroom/loadbook.asp?BID=89&LANG=1>

DG Environment site: <http://europa.eu.int/comm/environment/liability/>

European Commission proposals for an eco-design for Energy-using Products (EuP) framework Directive

The European Commission adopted a proposal for a framework Directive on the eco-design of energy-using products, such as electrical and electronic devices or heating equipment, on 1 August 2003. The proposal does not introduce directly binding requirements for specific products, but does define conditions and criteria for setting requirements regarding environmentally relevant product characteristics (such as energy consumption).

The EuP proposals were presented to a meeting of the EC Energy Council Working Group in September 2003 and were discussed by Ministers at the full meeting of the Energy Council on 15 December 2003. Political agreement on a text was agreed at a meeting of the Energy Council at the end of June.

At the same time however, MEPs in the Environment Committee of the European Parliament had been considering their Report on the Commission's text and came up with just under 350 amendments to the original text. A plenary discussion of the Directive took place in May, where the list of amendments was reduced but it was too late for a final text to be agreed with the Energy Council and adopted before the then-current European Parliament was dissolved. The new Parliament is not expected to

undertake a second reading of the proposals until early next year , which means that final agreement on these proposals is now unlikely before March 2005 at the earliest.

Contact: Steven.Andrews@dti.gsi.gov.uk

Website: http://europa.eu.int/comm/enterprise/eco_design/index.htm

EU Integrated Product Policy

As reported in previous issues, the European Commission adopted a Communication on Integrated Product Policy (IPP) on 18 June 2003 that outlined its strategy for reducing the environmental impact caused by products. IPP represents a new approach and puts emphasis on three dimensions:

- Life-cycle thinking - when pollution reduction measures are identified, consideration is given to the whole of a product's life-cycle from cradle to grave;
- Flexible - as to the type of policy measure to be used, working with the market where possible;
- Full stakeholder involvement

The Environment Council reached its formal conclusions on the Commission Communication in October 2003 and the European Parliament produced a Draft Report on 1 March 2004, which is now under consideration.

The Commission has now also established a formal Network with Member States and is holding regular meetings. The purpose of these meetings is to monitor and promote the implementation of the Commission's Communication on IPP. It is also a forum for the Commission to report to Member States and stakeholders on its IPP related activities and for the Member States and stakeholders to report back to the Commission.

The first meeting was held on the 24th of February 2004 and the second on 20th September 2004.

Contact: Steven.Andrews@dti.gsi.gov.uk

Website: <http://europa.eu.int/comm/environment/ipp/ippcommunication.htm>

INDUSTRY SUPPORT

National Metals Technology Centre (NAMTEC)

The National Metals Technology Centre (NAMTEC) was launched in October 2002 following DTI sponsored research, which found overwhelming support for a metals centre of excellence. Funded by the DTI, Yorkshire Forward and Objective 1, NAMTEC aims to increase the global competitiveness of the UK's metals sector by stimulating high technology innovation and research and development.

For further information contact:

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