



Brussels, 19 JUN 2008
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Opinion

Title **Impact Assessment on: Proposal for a Commission Regulation implementing Directive 2005/32/EC with regard to ecodesign requirements for simple set top boxes**
(draft version of 27 May 2007)

Lead DG **DG TREN**

1) Impact Assessment Board Opinion

(A) Context

The Eco-design Directive 2005/32/EC provides the framework for developing implementing regulations on energy-using products. Setting standards for set top boxes (STB) are among implementing measures that were given priority in the directive and were also supported by the Council and the Parliament. The directive sets out a range of conditions for the development of an implementing measure. These include i.a.: least costs over life-cycle, minimum number of products placed yearly on the market, impact on consumer prices and business competitiveness, impact on administrative burden, improvement of environmental performance over the life cycle of the product.

The proposed implementing measure is closely linked to the one on standby and off-mode¹.

(B) Positive aspects

The IA report follows the requirements set out in the directive.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: Given the scale of expected impacts, the impact assessment needs to upgrade its appraisal of savings to be yielded and expected economic impacts, including effects on administrative burden. Furthermore, the impact assessment should provide clear evidence that the proposed timeline for implementation will deliver the identified saving potential. The interaction with the other policy instruments, such as the implementing measure on stand-by/off mode or the WEEE/RoHS directives needs to be clarified. Finally,

¹ See IAB opinions D(2008) 3784 of 7 May 2008 and D(2008) 4696 of 6 May 2008

the issue of scope (simple vs. complex set top boxes) should be discussed in more depth.

Specific recommendations:

(1) The IA report should clarify savings to be yielded. The IA provides market data on product stocks and sales flows showing a peak in demand between 2012 and 2014 and a sharp decrease afterwards. The savings potential therefore appears to be directly correlated to a very short timeline for implementation and for compliance. The IA, taking into account the time needed for the measure to enter into force², and the fact that by the year 2020 SSTBs will no longer be used, should ascertain that the proposed timeline is appropriate to deliver the objectives initially set out by the directive. If this is not the case, the proposed timeline for implementation should be brought forward. Furthermore, the IA report presents overall energy savings that result both from a horizontal implementing measure on stand-by/off-mode losses and from this implementing measure on set top boxes; these are broken down by measure (2/3 and 1/3 respectively). The IA report should follow this approach when assessing benefits (such as CO₂ reductions or financial savings), to allow for an easier comparison of costs and benefits of the measure on set top boxes.

In particular, the IA should identify (and, if possible, quantify) the savings triggered by the automatic power down requirement. Additionally, the report should present a sensitivity analysis of the number of hours STB are assumed to be used per day, and ensure that assumptions employed correspond with available information e.g. on use of free time.

(2) The IA needs to provide a rationale for excluding more advanced set top boxes. From the IA report it seems that more advanced set top boxes would meet the necessary conditions to be subject to an implementing measure. The IA report should therefore explain why these require a separate implementing measure and discuss how this may affect the business concerned, in terms of clarity of requirements, conformity testing and administrative costs.

(3) The analysis of economic impacts needs to be upgraded. For this purpose a better overview of the market needs to be added. The IA report should include more detailed information on what percentage of the market (which producers, domestic or importers) would already meet the proposed standards, which producers would meet it rather easily and which with difficulty. That would allow for checking whether there are indeed no negative effects on particular groups of producers, e.g. SMEs. Although it is mentioned that only marginal costs for manufacturers will occur, it would be useful to discuss costs (including redesign, testing needed, adjusting technology), as they might in fact have an effect on the price of SSTBs and on the competitiveness of some producers (especially SMEs) and/or affordability for consumers. Adding a table that demonstrates the costs and benefits in terms of the stock and flow of products under the implementing measure would be advisable. Additionally, the total administrative costs for producers and for public authorities (for conformity checks) need to be assessed in the IA by use of the EU Standard Cost Model and presented in the Executive Summary.

(4) The environmental impacts of set top boxes should be made clearer. Since the directive requires an analysis of all environmental impacts, and not only energy efficiency/CO₂ emissions, these should be shown clearly in the IA (and not only by referring to the background study). The IA would also need to clarify what will be the impact of applying WEEE/RoHS directives, and what additional requirements might be included in the implementing measure. Since the IA report refers to lack of data and to the fact that set top boxes would be a temporary solution, it needs to make clearer whether non-introduction of the recycling requirements now would de facto exclude doing it in future.

² According to the information on p. 17, about 18 months is needed for re-design and manufacturing of new devices in addition to the time required for adopting, translation, scrutiny process and notification to the WTO.

solution, it needs to make clearer whether non-introduction of the recycling requirements now would de facto exclude doing it in future.

(D) Procedure and presentation

The IA should be a self-standing document: key assumptions from background studies need to be included in the main text, in particular where they have a bearing on the final policy choice.

2) IAB scrutiny process

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