

Updated guidance in relation to the Restriction of the Use of Certain Hazardous Substances (RoHS) in Electrical and Electronic Equipment (EEE) Directive

National Measurement and Regulation Office / Regulatory Delivery Directorate

(Department for Business, Innovation and Skills)

RPC rating: validated

Description of proposal

The regulator published new guidance on the Restriction of the Use of Certain Hazardous Substances (RoHS) in Electrical and Electronic Equipment (EEE) Directive (the Directive). The revised guidance is intended to:

- respond to feedback from industry in relation to challenges in implementing the Directive;
- update references to legislation and take account of legislative changes; and
- provide improved and clearer advice, descriptions and decision support tools.

Impacts of proposal

The assessment states that the Directive covers “*virtually every electronic and electrical product on the market*”, but that engagement with the revised guidance has been limited, with the webpage/document having 269 unique page views or downloads in the three months from publication in February 2016. The regulator expects the rate of engagement to decline over time, estimating that there will be around 1,000 views/downloads in the first year. Based on engagement with industry, the regulator estimates reading the revised guidance will take about 1 hour, at a cost of £31.50 per hour (including non-wage labour uplifts). The regulator estimates that familiarisation with the new guidance will cost £31,500 each year. This is discussed further below

Based on levels of existing compliance, the regulator estimates that 80% of those reading the guidance will already be aware of the requirements of the Directive and experience limited benefits (estimated at about one hour each year, at the same wage rate/cost). The remaining 20%, on the basis of their low level of current awareness, are expected to benefit more as a result of the clearer guidance. The regulator estimates this will save 4.5 hours each year. The regulator estimates the

total annual benefit will be £53,500, with a net annual benefit of £22,030. The extent to which these estimates can be considered robust are discussed below.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This will be a qualifying regulatory provision that will score under the business impact target.

Quality of submission

On the basis that the measure is expected to have a limited effect, the Department has provided sufficient information to support the estimated EANDCB when rounded to the nearest £0.1 million. There are, however, a number of areas that the regulator should improve in further submissions where the expected impacts are more significant. These concerns are, however, unlikely to have a material effect on the estimated EANDCB.

Costs

The estimated familiarisation costs are based on industry feedback. However, the assessment would be improved by including further information on the size of the guidance and the baseline, for example the size of the guidance it is replacing. It is also unclear why the familiarisation costs are considered ongoing. It would appear that the regulator has assumed that every new download/view of the document would incur familiarisation costs. This should be discussed further. However, this would not affect the EANDCB in this case.

Benefits

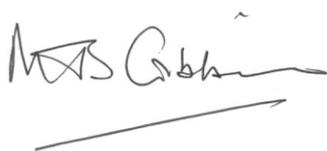
While the RPC accepts the approach is proportionate in this case as the expected impacts are limited, in more significant cases the regulator must provide further justification supporting the assumptions used in order for the benefits to be considered robust. For example, the regulator should explain why it is reasonable to assume that those that have little or no knowledge of the Directive or its requirements would benefit. If they are currently unaware of the application of the Directive to their activities, or have chosen to not familiarise themselves with the requirements, the revised guidance may have no effect on their attempts to comply or willingness to engage. It is also unclear why those with a good understanding of the existing guidance and rules will benefit. For future assessments to be considered robust the regulator must explain why the use of current compliance levels is considered to provide a robust evidence base for the extent to which compliant and non-compliant businesses will benefit.

Departmental assessment

| Classification | Qualifying regulatory provision (OUT) |
|--|---------------------------------------|
| Equivalent annual net cost to business (EANCB) | Zero |

RPC assessment

| Classification | Qualifying regulatory provision (OUT) |
|---|---------------------------------------|
| EANCB – RPC validated ¹ | Zero |
| Business Impact Target (BIT) Score ¹ | Zero |
| Small and micro business assessment | Not required (deregulatory) |



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.