FEM Newsletter

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FEM News

FEM 2023 AUTUMN MEETINGS

FEM will hold its Autumn meeting in Brussels on 20-21 November.

In preparation for the new EU cycle to start next year, our Board of Directors will hold a brainstorming session on Monday 20 November to discuss the development of a new FEM Manifesto, in the same spirit as the **FEM Vision 2025**. The aim is to prepare the next EU policy cycle that will start with the election of a new European Parliament and the nomination of a new team of Commissioners.

In the evening, members will gather for a dinner in the EU quarter area.

On 21 November, we will hold our Executive Committee and General Assembly meetings at FEM headquarters – BluePoint Brussels.

FEM 2024 CONGRESS



The exact date of our 2024 Congress is confirmed! Make sure you book **26-27 September 2024** in your agenda.

We look forward to meeting many of you in 2024 in Istanbul.



ORGALIM SPRING CONVENTION

Orgalim Spring Convention took place on 15-16 June 2023 in Brussels. One of the main outcomes was the historical decision on a new membership fee calculation system for national associations. Doing away with employees as the main metric, the new system is based on the production value represented by each national member association within Orgalim's scope (NACE 25, 26, 27, 28, 32.5 and 33). Associate membership fees (which apply to FEM) were increased by 6% to reflect mandatory salary indexation in Belgium, which is expected at this level in July.



On the policy side, Orgalim is preparing a policy platform to ensure technology industries' collective voice is heard loud and clear in this crucial agenda-setting phase that will shape the next five-year legislative cycle. In his report to the GA, Orgalim's Chair Stefan Brupbacher, CEO of Swissmem, highlighted Orgalim's strong advocacy impact in the first half of 2023 across a range of policy files, from machinery to taxonomy to the data act. To step up momentum going into the next EU legislative term, he emphasised the importance of setting a clear agenda for the 2024 EU elections and continuing the work on reinforcing our internal operations.

In her address, President Rada Rodriguez, CEO of Signify GmbH, shone a spotlight on the competitiveness challenges facing Europe and drew attention in particular to the newly published report of the <u>Task Force 5 of the EU's Industrial Forum</u>. Orgalim has spearheaded this Task Force, and the report – a comprehensive policy blueprint for accelerating the deployment of advanced manufacturing – is a key contribution to the ongoing debate on strengthening Europe's future manufacturing competitiveness.

The next Orgalim Convention will take place on 16-17 November, co-hosted by Orgalim's German members VDMA, WSM and ZVEI.

Task Forces Activities

MACHINERY DIRECTIVE

The FEM Machinery Task Force held two online meetings on 5 April and 2 May, discussing the new requirements of the Machinery Regulation that should be further clarified in future application guidelines as well as the issues on which specific standards to be developed to facilitate compliance. For instance, the new essential requirement on risk of contact with overhead power lines has been discussed not only at FEM level but also with the other impacted trade associations such as CECE and CEMA, within the informal Industry Task Force (ITF). The ITF has already set up several virtual meetings to come up with a common industry interpretation of this requirement, which is currently in its final phases.

As regards other new items in the machinery regulation, the FEM Machinery Task Force listed cases of substantial modification, according to the criteria of the new definition, to help explain what a substantial modification is and what the legal consequences are in such cases. The ongoing collection of these examples is intended to be part of FEM's future contribution to the guidelines on the application of the Machinery Regulation. The next TF meeting is scheduled for 13 July.

In the meantime, the Machinery Regulation is expected to be published in the EU Official Journal in early July and will enter into force 20 days after. It is foreseen that the new regulation will be applicable as of January 2027.

OUTDOOR NOISE

On 5 May, the European Commission published the <u>draft revised Annex III</u> of the Outdoor Noise Directive and initiated a four-week public consultation. Following the release of the draft, the FEM TF Noise convened to discuss the major changes introduced in this version:

- The clause pertaining to the utilisation of old methods for products falling under Article 12, in the event of potential non-compliance arising from the implementation of new methods, has been relocated to the introduction of Annex III.
- The proposed transition period spans 24 months.
- No modifications have been made to the standards concerning FEM equipment, such as MEWPs, Construction winches, lift trucks, mobile cranes, and tower cranes.

FEM actively participated in the European Commission's public consultation by submitting a <u>position</u> <u>paper</u>. The paper expressed appreciation for the alignment of noise measurement standards between the Outdoor Noise Directive and the Machinery Directive. FEM also extended gratitude to the European Commission for incorporating a significant number of its recommendations. Additionally, FEM provided

a comment on previous feedback received from notified bodies regarding a lift trucks-related standard, which FEM believes to be erroneous. In the paper, FEM suggests the inclusion of another specific standard.

The European Commission will hold a meeting exclusively with Member States on 28 June to discuss all the feedback received during the public consultation. The publication of the Delegated Act is expected by the end of summer 2023, and its implementation is slated for Q3/Q4 2023, as per the latest information from the European Commission. Furthermore, in Q4 2023, the European Commission plans to organize another expert group meeting. The FEM Noise Task Force will continue to monitor developments on this matter and actively participate in future advocacy activities.

ROAD CIRCULATION

On 30 March, the European Commission published a <u>proposal for a Regulation on the road circulation</u> <u>of non-road mobile machinery</u>. Following its publication, FEM issued a welcoming statement.

Main aspects of the proposed Regulation:

- **Scope**: The regulation aims to establish technical and administrative requirements and procedures for EU type-approval and the market placement of non-road mobile machinery (NRMM) intended for use on public roads. The scope includes exemptions for small-series vehicles and those exceeding 40 km/h. Towed equipment is also excluded from the regulation's scope.
- Introduction of a forum for exchange of information on enforcement: Industry representatives may be invited to participate as observers.
- **Penalties**: The specific penalties for non-compliance will be determined by the Member States.
- Until 8 years from the date of application, manufacturers can decide to follow national legislation regarding national-type approval of non-road mobile machinery
- **Transition period**: The transition period provided is 36 months.

The FEM Road Circulation Task Force is in the final stages of drafting a position paper on the proposed regulation and closely monitoring legislative developments in this file.

Additionally, FEM is actively participating in workshops organised by contractors appointed by the European Commission to conduct a study on the technical requirements related to the road circulation of non-road mobile machinery.

DIGITALISATION

Artificial Intelligence Act

The Secretariat is currently closely monitoring developments on the Artificial Intelligence Act.

On 11 May, the European Parliament adopted in plenary their <u>report on the Artificial Intelligence Act</u>, setting the stage for interinstitutional negotiations.

Main takeaways:

- AI definition: the definition of 'AI system' was aligned with the definition used by the Organisation for Economic Cooperation and Development (OECD).
- **High-risk AI:** As an extra layer, to be classified as high-risk, an AI system would also have to pose a significant risk of harm to people's health, safety, or fundamental rights. High-risk obligations were made more prescriptive and will include a fundamental rights impact assessment.
- **AI Board**: In the new text, The AI Board is replaced by an AI Office, which would have a mainly supportive role. However, an advisory forum was also proposed, which would include industry representatives.
- **Transition period**: A 24-month transition period is proposed, which sees no changes compared to the transition period initially proposed by the European Commission.

The FEM Digitisation Task Force contributed to the Orgalim 4-column table, which will be used by Orgalim for advocacy purposes during trilogues. The Secretariat will continue to monitor developments on this file.

Data Act

On 21 April, the FEM Digitisation Task Force finalised a 4-column table on the Data Act, which was sent out for outreach to relevant members of the European Parliament and Council, to advocate for the FEM positions on the Data Act during trilogue negotiations.

The Secretariat is closely monitoring the developments on this file and will report to the Digitisation Task Force on major developments.

Cyber Resilience Act

On 24 April, the FEM proposals for amendments to the Cyber Resilience Act were finalised and sent to relevant members of the European Parliament and Council.

Main FEM positions:

- The imprecise definition of "product with digital element" introduces uncertainty for manufacturers and raises the risk of non-compliance. FEM recommends refining the Cyber Resilience Act's scope based on actual risk and providing explicit guidelines for identifying applicable products. FEM suggests aligning with the Radio Equipment Directive Delegated Act to determine a product's cyber risk based on its direct or indirect network connection.
- The given timeframe is inadequate for manufacturers to inform ENISA about active vulnerability exploitation and security-impacting incidents concerning their products with digital elements. The timeframe should align with the revised Network Information and Security Directive (NIS 2). Additionally, the European Commission's proposal for the Cyber Resilience Act lacks details on how ENISA will utilize the received information.
- The European Commission's proposed 24-month implementation timeline is insufficient for various reasons. A minimum of 48 months is necessary to ensure effective industry compliance with the regulation.
- Essential cybersecurity requirements should be reworded in line with the New Legislative Framework. The legislation should include a more comprehensive list of critical products, along with clear definitions, before publication. Additionally, when a critical product is combined with a non-critical one, the conformity assessment of the critical product should be conducted once by the critical component manufacturer, not the assembled product manufacturer containing the critical component.

The Secretariat is closely following developments on the Cyber Resilience Act and analysis of legislative texts, such as the ITRE (Committee Responsible in the Parliament, dealing with Industry, Research and Energy) compromise amendments and amendments proposed by the Swedish Presidency of the Council are provided regularly. Next advocacy actions will be discussed in the Digitisation Task Force.

EU Legislative Issues

RADIO EQUIPMENT DIRECTIVE

In the framework of the Radio Equipment Directive Delegated Act (DA) on cybersecurity aspects, the European Commission proposed postponing the deadline for the delivery of harmonised standards from 30 September 2023 to 30 June 2024. The proposed change is included in a draft Implementing Decision amending the current standardisation request in support of this Delegated Act. The amending Decision was published on 4 May and closed on 1 June.

In parallel with this proposal, the Commission also launched a stakeholder consultation regarding an amendment of the same RED delegated Act targeted at the application date. Concretely, it is proposed to extend the date of application of the DA for 12 months (from 1 August 2024 until 1 August 2025), to provide manufacturers with sufficient time to redesign their products once the standards become applicable. FEM follows developments on this topic via Orgalim which submitted a supportive statement as its feedback to the consultation.

It is expected that at the next radio equipment expert group meeting on 8-9 June, the Commission will announce its decision on the postponement of these deadlines, depending on the feedback received.

STANDARDISATION POLICY

The own-initiative (INI) report on the standardisation strategy was adopted in the Internal Market Committee (IMCO) on 27 March, followed by the approval of the text in plenary on 8 May. The report includes many positive messages and proposals and is broadly in line with industry's views on the EU standardisation system. It welcomes the adoption of a new standardisation strategy, stresses the importance of harmonised standards for the functioning of the internal market and sets out the European Parliament's position on priority issues in the field of standardisation. Specifically, the report displays the European Parliament's willingness to give small businesses and interest groups a role in setting and implementing EU product standards. It also recommends streamlining standardisation: adopting new standards only where there are gaps, repealing common specifications where the EU has opted for harmonised standards, and adding standards developed with international groups to the EU framework. Finally, the report supports the development of awareness-raising and training programmes to promote better understanding of standards and the benefits of standardisation.

CHEMICALS POLICY - PFAS

The competent authorities of five countries (Germany, Netherlands, Sweden, Norway and Denmark) have been preparing a REACH restriction dossier for PFAS, arguing that the persistence of PFAS poses an unacceptable risk to the environment and humans. PFAS, which stand for Per- and polyfluoroalkyl substances, include around 10,000 substances that cover a wide range of uses, including many that are relevant to the materials handling industry. In February, the European Chemicals Agency (ECHA) <u>published</u> a <u>restriction proposal</u> which is the first step of a process that could result in a ban on all PFAS from 2026 onwards.

PFAS include 10,000 substances covering a large number of uses, some of which are relevant to the materials handling industry, such as seals, hoses, hydraulic systems, refrigerants, batteries, fuel cells, hydraulic fluids, oils, paints, semiconductors, fire retardants, electrical insulation, amongst others. A ban would mean that it would become impossible to manufacture or place on the EU market products containing PFAS. The proposed restriction would therefore have a very significant impact on the materials handling sector, which uses many of these components.

Now that a restriction is proposed, ECHA's scientific committees for Risk Assessment (RAC) and for Socio-Economic Analysis (SEAC) will make a scientific evaluation and give an opinion. RAC will form an opinion on whether the proposed restriction is appropriate in reducing the risks to people's health and the environment, while SEAC's opinion will be on the socio-economic impacts. Both committees form their opinions based on the information in the restriction proposal and the comments received during consultations. Once the opinions are adopted, they will be sent to the European Commission who, together with the EU Member States, will then decide on the potential restriction.

A <u>public consultation</u> is now open <u>until 25th September</u>. ECHA is looking for technical and detailed data to determine industry-specific PFAS uses, as well as potential alternative substances. With the appropriate data, ECHA will determine whether our industry's uses qualify for time-limited exemptions from the ban (up to 13.5 years). Without this data, ECHA will assume the impact of this ban on downstream users is minimal and will move forward to restrict their use in our industry by 2026.

The issue has been raised with FEM Technical and Regulatory Committee. A questionnaire has been distributed to gather data from suppliers. This will allow FEM to feed into the consultation and present the impact on the materials handling industry in support of a potential request for exemption for certain PFAS and specific uses.

In addition, FEM, together with CECE, CEMA and EGMF cosigned a joint letter to the European Commission asking additional time to give feedback, as well as the consideration of a derogation in favour of non-road mobile machinery, which has many similarities with the automotive industry. The European Commission took note of the requests but did not give positive feedback.

Publications and Events

EU GREEN WEEK

If you look at the logos of the 1,000+ companies represented by FEM, you will find a bright potpourri of colors and shades. Yet, there is one color that all embrace equally: green 🚏

Ever since its foundation in 1953, our association has worked hard to make the products and process in the materials handling industry more friendly for our planet – without sacrificing capability or competitiveness.

To give one example: Via our regulations and innovations, we have reached the point where a



contemporary industrial truck or aerial platform now emits 95% less particulate matter and 96% less nitrogen oxide than its counterpart did 10 to 15 years back.

With net-zero in sight, we remain strongly committed to continue this path – during #EUGreenWeek and every other week of the year!

EUROBAT ANNUAL FORUM

EUROBAT – The Association of European Automotive and Industrial Battery Manufacturers Annual

Forum - gathered key European battery industry stakeholders in Madrid on 6-7 June.

Our Board Member, Rodolfo Occari, joined fellow experts to explore the role of batteries en route to zero emission mobility!

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TO FEM MEMBERS

FOR ANY ENQUIRY, PLEASE CONTACT:

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