



## European Commission's consultation on the Circular Economy

### Trans-Atlantic Business Council's contribution

The Trans-Atlantic Business Council (TABC) welcomes the European Commission's consultation on circular economy and the possibility to contribute to the discussions.

The Trans-Atlantic Business Council is a cross-sectoral business association representing global companies headquartered in the U.S. and EU. TABC works with companies across multiple sectors and policy levels, including the strategic level with the Trans-Atlantic Business Dialogue (TABD), a program that brings together C-suite executives and high-level government officials. TABC stands out as the only transatlantic business organization placed to provide one voice for EU and U.S. companies in the Transatlantic Trade and Investment Partnership (TTIP).

TABC has been very involved in the work of the Transatlantic Economic Council (TEC)'s Roadmap on Raw Materials, in which resource efficiency and recycling are key elements. On these topics, TABC is in a unique position to underline the need for enhanced cooperation and alignment between the EU and the U.S.

*TABC would like to raise the following issues as regards the consultation on circular economy that we consider as essential for an optimal functioning of the circular economy:*

- **International dimension**

Circular economy is not only an EU issue but should be addressed in an international and global framework, encompassing all stages of the product lifecycle: from sustainable and responsible access to raw materials, design, efficient use of resources and energy, to qualitative waste/end-of-life management. The proposals of the European Commission should take this into account, to ensure these issues are tackled efficiently and factoring in the international dimension, as a true circular economy will eventually involve global value chains and global industrial symbiosis.

*Specific issues to consider:*

- The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal;
- Monitoring of "end-of-waste" export flows, including statistics;
- Certification scheme of recycling facilities;
- Technological neutrality of the use of resources, energy, and materials as well as waste management/recovery options;
- Identify best practice and promote exchange between the U.S. and EU;

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- Commitment to promote international standards;
- Recognition of functional equivalent standards to prevent unnecessary duplication.

- **Access to raw materials**

Achieving a circular economy can secure access to secondary raw materials and reduce extraction of and dependence on imports of primary raw materials.

*Specific issues to consider:*

- Secure cost-efficient access to secondary raw materials as a complementary approach to mining and resource-efficient manufacturing and use of materials;
- Facilitate transport and transboundary movement of waste between global network of enterprises active in collection, recycling and final material recovery so that such resources reach quality recyclers for proper treatment;
- Recycling is a key solution to access secondary raw materials, especially critical raw materials. Such processes and treatments should be undertaken using quality criteria and globally recognized standards where available (including assessment, testing and analysis) to support trade and to ensure beneficial environmental, health and safety, and technical performance impacts;
- We believe that one-size-fits-all policy requirements will not be effective in a circular economy model, as markets for secondary raw materials and fiscal advantages such as VAT reduction for certain secondary raw materials will not work for all materials due to their properties;
- The EU should push for the creation of a Single Market of secondary raw materials, instead of having a fragmented approach with 28 different waste management infrastructures;
- Responsible sourcing is another aspect linked to the access of sustainable raw materials. It is important to take into account and give support to existing schemes such as the OECD Due Diligence Guidance or voluntary industry schemes.

- **Product design**

A number of measures are important to promote the circular economy principles in product design.

*Specific issues to consider:*

- Promote or enable the use of economic incentives for eco-innovation and sustainable product design;
- Apply a holistic perspective and full life cycle approach rather than considering isolated resource efficiency aspects only at the end of the life of a product;
- Promote the development of international voluntary consensus standards on sustainable product design;

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- Take into account the lifecycle cost of products, to try to reduce losses during one product lifecycle.
- **Extended Producer Responsibility (EPR) schemes**

*Specific issues to consider:*

- Ensure that the existing requirements are fulfilled in all EU Member States, observing the principle of subsidiarity;
- Implement harmonized minimal operating conditions for EPR schemes with clear and transparent roles and responsibilities of all actors accountable for their part of waste management;
- Undertake actions for consumer information and ensure an effective interplay between the public administration and disposal industry suitable to reach the desired goals;
- The producer responsibility under the existing waste law is already highly exacting. A tightening of producer responsibility—leading to the producer bearing the full end-of-life management costs—would be disproportionate, detrimental to competition, and stand in contradiction to the polluter-pays-principle.
- **Consistency with existing EU legislation**

The consistency with existing EU legislation is part of the enabling factors for a circular economy.

*Specific issues to consider:*

- Consistency of implementation across Member States;
- Avoidance of overlaps and enforcement of existing legislation before creating additional requirements;
- Work towards a coherent EU product policy framework, based on harmonized methodologies and lifecycle approaches;
- A level-playing field is needed for primary and secondary raw materials. There must be also no legal grey areas for secondary raw materials;
- Waste legislation already includes numerous bureaucratic obligations. Additional bureaucratic requirements bring no additional ecological value and constitute burdens on the economy and industry.
- **Funding for R&D**

*Specific issues to consider:*

- Encourage better R&D coordination between regions and Member States;
- Provide better EU funding opportunities and synergies for circular economy innovation projects;

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- Horizon 2020 should support the development of resource-efficient and innovative solutions.

- **Other**

*Specific issues to consider:*

- Promote systemic approach to innovation, i.e. connecting different sectors, value chains and economic activities and applying technological, financial, social, organizational and regulatory innovation;
- Encourage innovation while preserving technological neutrality.

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