

How far downstream is downstream ?

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European Aerospace and Defence Industry

- €137bn Euros turnover
- 20 countries
- 2000 companies
- 80,000 suppliers
- 676,000 employees



Aerospace/Defence and REACH

- The Aerospace/Defence sector fully supports the intent of REACH
- Aerospace is also regulated by EC1702/2003 (EASA) which focuses on product safety
 - Product changes require substantive evidence of safety to maintain airworthiness
 - Alternative materials are being developed, but where not validated, we must prioritise airworthiness
 - Repair of existing products often dependent on materials we do not wish to use in the future
- Changes cannot always be made at short notice

Disruption of existing substance supply is our biggest concern



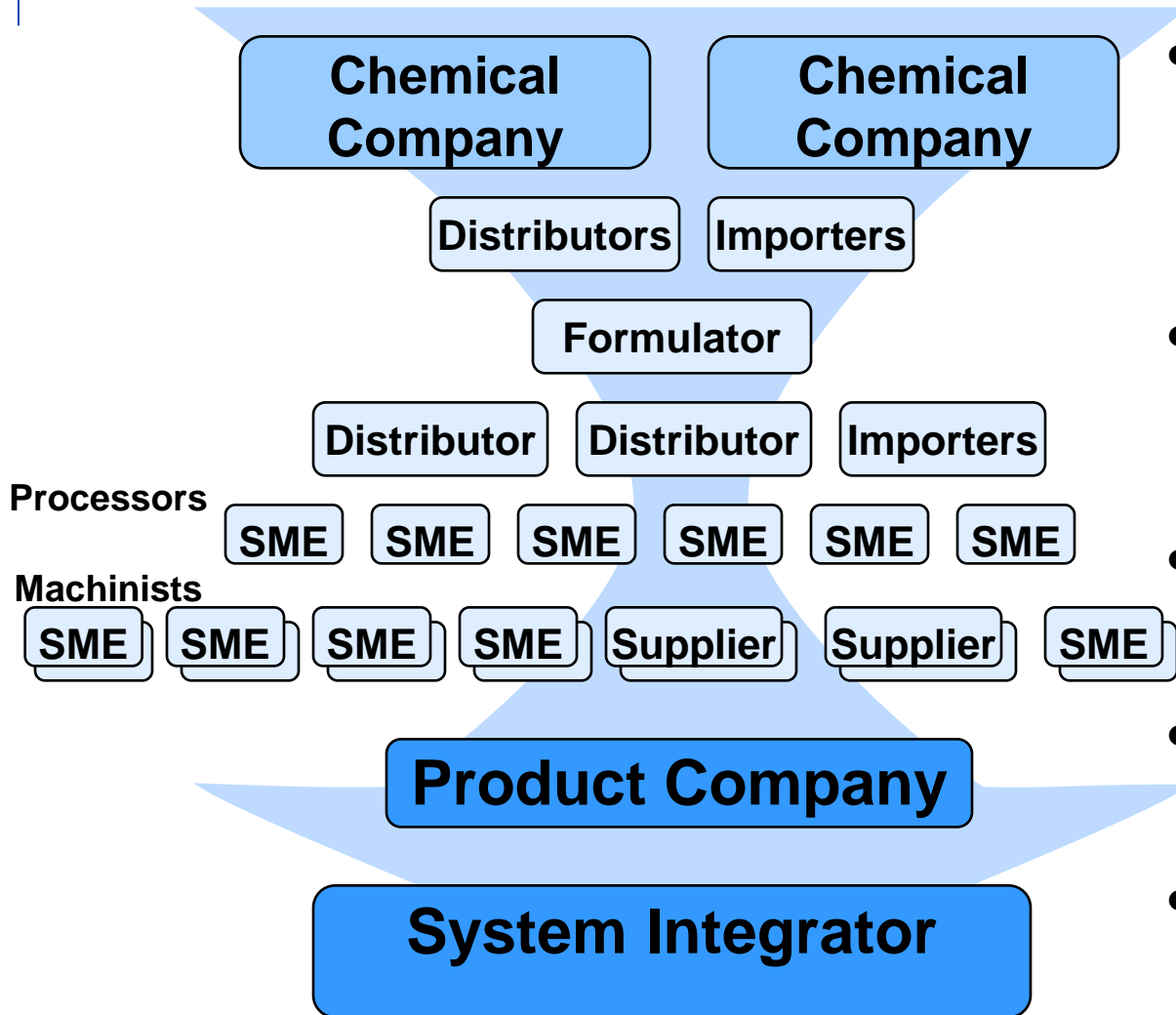
Authorisation Concerns

- Aerospace/Defence have some key concerns regarding REACH
- Aerospace/Defence are dependent on a number of substances that will require authorisation
- Proven and safe alternatives research takes many years, is in progress, but unlikely to be fully successful in the timescale
- Authorisation is a new and complex process
- Supply chain complexity adds many challenges
- There are unresolved risks in the Authorisation process
- Failure is not an option

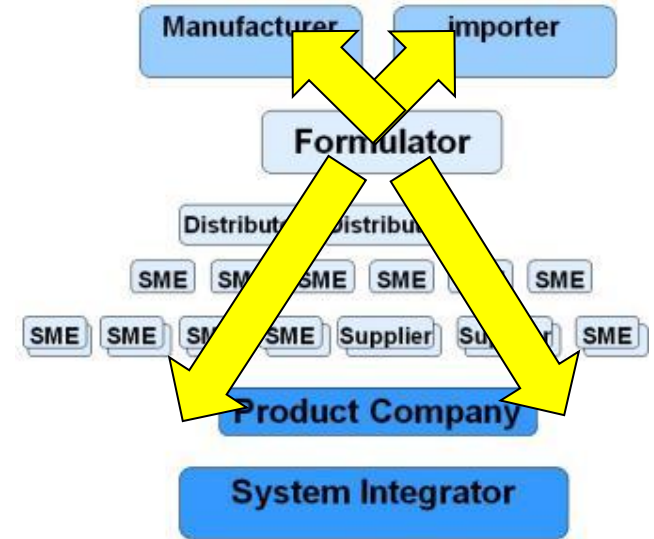
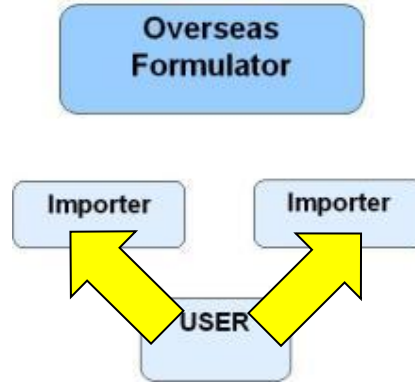
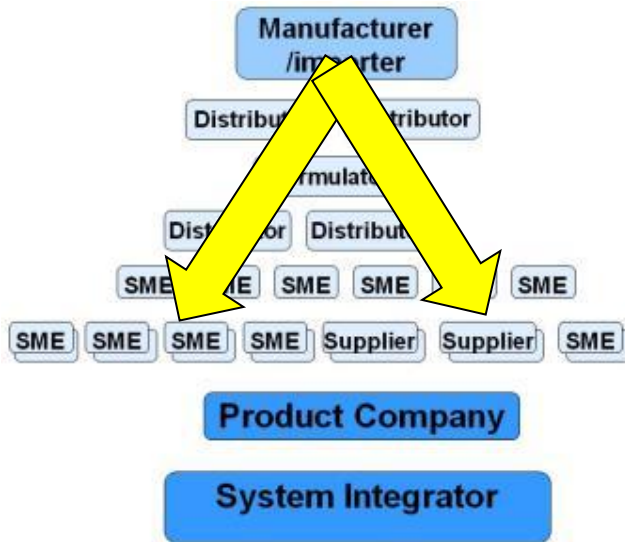
We can only do this once, have no choice, and need time to get it right

How far downstream are we ?





- **Long and Complex Supply Chains, 8 or more layers**
 - Thousands of 1st tier component suppliers
- **Many mid-chain players are small**
 - SMEs & distributors
- **REACH knowledge in mid-supply chain is poor**
- **No visibility from one end to the other**
- **Communication through this supply chain is difficult and slow**



“A” Approach

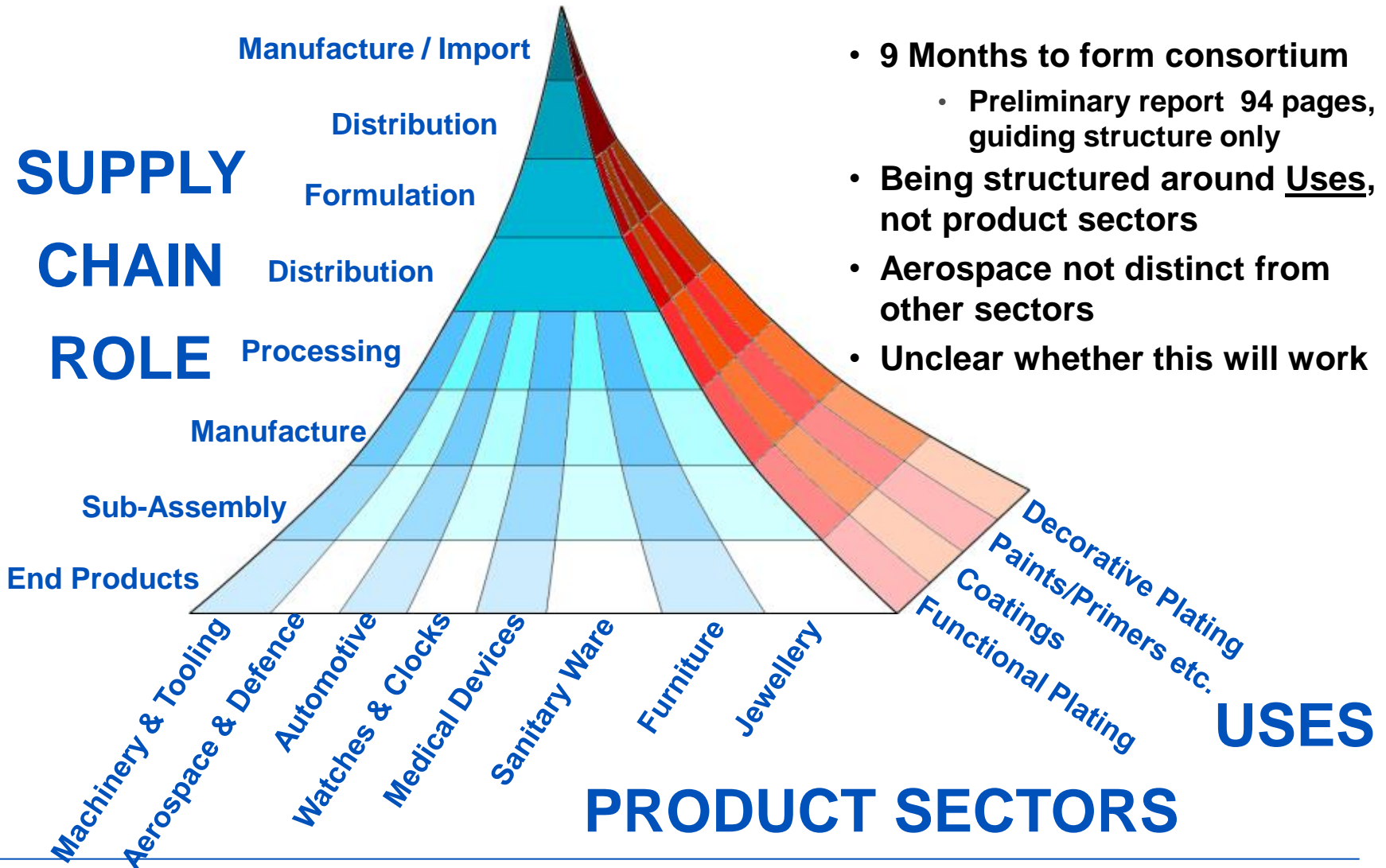
- M/I is Applicant
- Covers multiple industries with different risks & economic drivers
- Aerospace element potentially inseparable from the rest

“V” Approach

- DU is Applicant
- Only Authorises DU and immediate supplier(s)
- Not practical for complex supply chains

Hybrid/Combinations

- Other options depending on supply chain and uses
- Structure and stakeholder management are key
- Engagement and cooperation of M/Is paramount





Concerns expressed by the Aerospace/Defence sector

- There could be Business and supply chain disruption due to:
 - - Non-registration of substances or non coverage of use
 - - Non-authorization of substance uses
 - - Obsolescence
- We must manage the administration and flow of data to be exchanged throughout the supply chain whilst ensuring compliance
- There are significant additional R&T costs, in particular linked to the development/qualification of alternatives and the adaptation of processes to match safety requirements (See concern 6) – Horizon 2020?



How you can help

- If you think you might want to withdraw a substance let us know before you do
 - ▶ **We may be able to help your business case**
 - ▶ **We will need time to find an alternative supplier**
 - ▶ **We may support a potential authorisation application**

- Where we know them, we have contacted our suppliers with our uses for registration, but this may take a while to get back to you.
 - ▶ **Please include our uses or let us know if you are not going to**

- Where we need authorisation we need a lead applicant
 - ▶ **Manufacturers/distributors/formulators can cover all of the downstream uses, we can only cover one upstream supplier's uses**



Summary

- Aerospace/Defence are dependent on many substances, particularly Chromates at this time for safety reasons
- Proven and safe alternatives research takes years, is in progress, but unlikely to be fully successful in the timescale
- Authorisation is a new and complex process
- Supply chain complexity adds many challenges
- There are unresolved risks in the Authorisation process
- We need to know if the supply chain for chemicals and substances we use is going to change

You can help

- 1 **Communicate !**
- 2 **Comunicar !**
- 3 **Communiquer !**
- 4 **Kommunizieren !**
- 5 **Comunicare !**