



COMMISSION OF THE EUROPEAN COMMUNITIES

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Recommendation for a

COUNCIL DECISION

**AUTHORIZING THE COMMISSION TO NEGOTIATE AN AGREEMENT ON CO-
ORDINATION OF LABELLING PROGRAMMES FOR ENERGY-EFFICIENT OFFICE
EQUIPMENT**

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. Introduction

1. Improving the efficiency with which energy is consumed is a central theme of energy policy within the European Community. Improved energy efficiency reduces energy consumption, thereby reducing the use of finite energy resources as well as the dependence on energy resources imported from outside the Community. There is also a corresponding reduction in the generation of pollutants associated with energy production and use, including emissions to the atmosphere of carbon dioxide (CO₂), the major cause of the greenhouse effect. Because of the particular importance of electricity in the energy sector, with electricity generation accounting for about 35% of total primary energy use and about 30% of man-made CO₂ emissions to the atmosphere, the Council adopted a Decision on 5 June 1989 establishing a Community action programme for improving the efficiency of electricity use, the PACE⁽¹⁾ programme. This Decision calls for the management of actions within the Member States, with the Commission playing a coordinating role and, where appropriate, leading its own actions. Under the PACE programme a number of different actions are being pursued, selected so as to achieve the biggest impact in terms of electricity savings with respect to the cost and effort of achieving these savings.
2. Since efficient use of energy reduces the emission of pollutants to the atmosphere, it has been hailed as the single most important policy area in attaining the Community's objective of stabilizing CO₂ emissions to the 1990 level by year 2000, as decided by a combined Energy/Environment Council on 29 October 1990. In addition, within the United Nations Framework Convention on Climate Change a new Protocol to reduce CO₂ emissions beyond the year 2000 is at present being drafted. The present proposal will contribute to the objective of reducing CO₂ emissions.
3. The importance of improved energy efficiency in achieving CO₂ emission reductions was strengthened by the Council Decision of 29 October 1991 establishing the SAVE⁽²⁾ programme, to give a new impetus to the promotion of energy efficiency in the Community. This programme sets out the kind of actions to be pursued, which include initiatives in all energy consuming areas of the economy, (homes, buildings, the transport sector, industry, etc.), and the methods to be adopted for their promotion, (information, voluntary agreements, legislation on standards, training, promotional campaigns, etc).

⁽¹⁾ OJ N° L 157 of 9.6.1989, p. 32 - the acronym is from the name in french: Programme d'Action Communautaire Visant à Améliorer l'Efficacité de l'Utilisation de l'Electricité

⁽²⁾ OJ N° 307 of 8.11.1991, p. 34 - Specific Actions for Vigourous Energy Efficiency

4. The Commission considers that a continuation of the SAVE programme, which will expire on 31 December 1995, is necessary because of the essential contribution of an improvement in the rational use of energy resources to the Community's strategy to stabilize CO₂ emissions at the 1990 level by the year 2000. Therefore the Commission adopted on 31 May 1995 a proposal for a Council Decision concerning a multi-annual programme (SAVE II)⁽³⁾ for the continuation and strengthening of the SAVE programme. The new SAVE II programme will fully incorporate the PACE programme, continuing the labelling and standardization actions in the area of electricity using equipment.
5. One of the first area of actions under the PACE programme is office equipment (computers, monitors, printers, copiers and fax machines), because it is one of the fastest growing sectors in terms of electricity consumption in the Community. The present office equipment power load in Europe is around 10 GVA, equivalent to 10 large power plants, growing at a rate of 20% per year, this means that every year, 2 more large power plants will be necessary for office equipment. The office equipment sector consumes about 50 TWh per year. Savings of 40% in this sector can be achieved quite easily, resulting in savings of 20 TWh per year, or about 1% of all electricity consumption in the Union. This will result in avoided CO₂ emissions of 8 million Tons per year.
6. To evaluate the actual power load of office equipment, the potential savings, and the best ways to achieve them, a study group⁽⁴⁾ was set up in January 1993 under the leadership of Prof. Roturier of University of Bordeaux. The study recommended in the final report that the Commission should consider and implement a Community-wide programme to reduce significantly energy demand in the rapidly growing office equipment sector and achieve the potential savings indicated above. The study also concluded that the programme could be more successful if based on collaboration with USA and Japan programmes, if possible.
7. The study pointed out that it is extremely difficult to define maximum power consumption limit values for office equipment, due to the variety of configurations and models available, and to the fast evolution of technology. A technology has been developed recently to power them down to "low power mode" every time they are not performing a task which requires full power : after a predetermined period of inactivity the equipment can drop to a low power or "stand-by" mode where the power consumption is dramatically reduced. Personal computers requiring up to 250 Watts in active mode can be powered down to 30 Watts or less. The savings achievable are large because users tend to leave their equipment on all day regardless of the actual use, which in most cases is only a fraction of the working day. The technology is already fully developed and the associated cost is relatively small. Moreover, reduced heat emission reduces the air-conditioning load thus inducing further energy savings.

⁽³⁾ OJ N°

⁽⁴⁾ Study for the Commission of the European Communities on Energy Efficient Office Technologies in Europe (OT3E); (Final Report January 1994)

II. Background of the Proposed Co-ordination of labelling programmes

8. Discussions on possible actions in improving efficiency were started in 1993 with European manufacturers, members of the study group and representatives of national energy agencies. In general manufacturers welcomed the Commission interest in improving efficiency in office equipment, with energy efficiency and environmental friendliness seen by several manufacturers as an additional selling point in an intensely competitive market. During discussions the idea of launching a voluntary labelling programme emerged; this would allow manufacturers to fix a quality label to those products which meet certain energy efficiency criteria; the key criterion chosen was maximum power consumption in "stand-by" mode.
9. Some manufacturers also drew attention to the need to avoid a proliferation of national labelling schemes, some of which were already emerging, albeit on a voluntary basis. In particular, reference was made to national environmental labelling schemes, affecting both equipment and packaging. Whilst the role of environmental initiatives was recognised, the need for schemes to be reasonable, to use justifiable criteria and to be harmonised as far as possible was emphasised. The office equipment market is a worldwide (global) market; harmonisation of environment and energy requirements, standards and labels is very important to manufacturers: different standards covering the same subject, e.g. energy efficiency, will add to their costs and administrative burdens.
10. During discussion of possible actions, reference was made to the US Environmental Protection Agency (EPA) Energy Star programme. This is a voluntary programme and its goal is to achieve substantial energy savings in office equipment. The manufacturers taking part in the programme sign a Memorandum of Understanding and commit themselves to producing equipment with stand-by mode to satisfy the power requirement in stand-by mode. Manufacturers who have signed the Memorandum of Understanding can use the Energy Star logo on equipment which qualify.
11. In Japan, an advisory committee was set up in 1994 by MITI (Ministry of Industry and Foreign Trade) to prepare guidelines for a voluntary programme for energy efficient office equipment. MITI was interested in exploring possible collaborations with the USA and the European Community for energy efficiency programmes for office equipment and decided that their guidelines would be in line with the requirements of a common programme, if the cooperation would be established.
12. Following the discussions with study group experts and manufacturers, the Commission services explored the possibility of a collaboration for a voluntary labelling scheme. Preliminary contacts were established with EPA and MITI officials during 1994; both EPA and MITI showed interest to establish collaboration for an office equipment labelling programmes based on the same standards and same logo. Furthermore all three parties suggested that the EPA Energy Star Programme could represent a good guide for the European and Japanese programmes, given the fact that many manufacturers worldwide were already taking part in the programme.

13. The proposal for a co-ordination of labelling programmes was then presented to the SAVE/PACE Advisory Committee, where positive reactions were expressed by Member States' representatives. Manufacturers welcomed the proposal and expressed again the desire to have a single worldwide label and to avoid to create a new European label. There was also general agreement on the power levels of the EPA Energy Star programme, and in their view it should provide the basis for the new co-ordination of programmes given its successful acceptance by several manufacturers.

III. An Agreement on Co-ordination of Labelling Schemes

14. During the preliminary discussions between the Commission services, EPA and MITI it emerged that a single "worldwide" labelling programme was extremely difficult to establish, but the same result could be achieved by means of three programmes based on identical standards, testing methods and assessment procedure, and using the same label or logo for the purpose of designating qualified products. Each programme would be based on a voluntary agreement between manufacturers and the organization in charge of the implementation and administration of the programme in each of the three geographical areas. These three organizations, defined as "management entities", would be: the Commission of the European Communities, the United States Environmental Protection Agency and the Japanese Ministry of International Trade and Industry. The voluntary agreement would be based on guideline (or memorandum of understanding) prepared by each of the three management entities; the power levels, the testing procedures, and the general rules, common for all three programmes would be described in the guideline. Manufacturers would be able to take part in the programme by registering with one (or more) of the three management entities, and committing themselves to produce one or more models which complied with the guideline.
15. The proposed agreement between the European Community, the United States Government and the Japanese Government provides for co-ordination of three separate energy efficiency labelling programmes for office equipment. The agreement defines the principles of the co-ordination, the common rules for the three programmes, the use of the logo and the establishment of a joint committee to update the common technical requirements to permit rapid adaptation to technological evolution. It is proposed that the co-ordination should be implemented by an exchange of letters between the three management entities. The co-ordination will initially concluded for a period of five years. The co-ordination may be extended in future to other organizations, representing different countries if they would be willing to follow the principles outlined in the document.
16. The co-ordination of the three separate programmes has the sole objective of maximizing energy savings and associated environmental benefits by stimulating the supply of and demand for energy-efficient office equipment. Harmonization of individual labelling programmes is essential to avoid imposing high compliance cost on manufacturers, due to different power levels, test methods and assessment criteria. Moreover harmonization would be good for international trade, because avoids creating potential barriers. In addition, by adopting the same standards and label, albeit on a voluntary base, in the three major production areas (Europe, United States and Japan), a stronger message will be conveyed to manufacturers and therefore the individual programme effectiveness will be enhanced. Harmonization of the label will also maximize the demand for more efficient equipment. The same label would be present world-wide and would receive a much larger publicity and therefore consumers would be more aware of it, instead of being confronted by a variety of different labels.

IV. Specific Areas of Agreement

17. Each of the three management entities should establish and administer its own voluntary labelling programme for energy efficient office equipment (personal computers, monitors, printers, fax machines and copiers); the three separate programmes would be based on the same basic requirements and specifications; each of the three management entities would be responsible for its own programme. Each of the three parties could develop and establish other environmental labels for office equipment, such as the European Community "Eco-label", as defined in the Regulation 880/92/EEC⁽⁵⁾.
18. The collaboration would be based on the principle that harmonizing individual programmes for energy efficient office equipment would maximize the effects of individual programmes on the supply of and demand for such equipment.
19. Each voluntary programme should be based on guidelines prepared by each of the three management entities; the power levels, the testing procedures, the assessment procedures and the general rules, common for all three programmes, would be described in the guidelines.
20. Manufacturers would be able to take part in the programme by registering with one of the three management entities, and committing themselves to produce one or more models which comply with the guidelines. In all three programmes, the manufacturers participating would be allowed to self certify their products. The manufacturer would be responsible for assessing the conformity of its products bearing the label or logo.
21. A manufacturer's registration with one (or more) of the three management entities would be recognised by the other management entities and therefore it could utilize the logo on products sold in any of the three markets. Each of the three management entities would accept a manufacturer's claim that a product complied with the common requirements.
22. The use of a common label in all three programmes to indicate qualified products would maximise the programmes impact on the demand and supply of energy efficient products. Therefore, as long as the requirements of the individual programmes were identical, it would be desirable to use a single logo to designate qualified products. The Energy Star Logo, which is a service mark of US EPA, would be the most appropriate logo for the co-ordination. EPA would notify the World Intellectual Property Organization, under the Paris Convention, to protect the logo world-wide. EPA would authorize the two other management entities to use the Energy Star logo for the office equipment covered by the agreements. Each party would use its best efforts to oversee proper use of the logo in its jurisdiction. This consists of notifying EPA and the programme participant of its misuse the logo and, if corrective action is not taken, terminating its participation in the programme. Any legal enforcement of the Energy Star logo would be undertaken by EPA.

⁽⁵⁾ OJ N° L 99 of 11.4.1992

23. The three parties intend to work together in future on any changes of their programmes so that harmonization would be continued. The three parties will create a joint committee to supervise the progress of the co-ordination. Any proposed changes to the co-ordination of programmes, including possible changes to the technical requirements must be agreed by all three parties. The joint committee should meet at least once a year to evaluate the progress of the co-ordination and ensure that the reciprocity provisions were maintained. Other organizations, representing different countries, may join the co-ordination if they would be willing to follow its principles.
24. The co-ordination will last for a period of five years. Any party could withdraw from the agreement, in this case a period of transition must be envisaged; in the case that the coordination of programmes would be terminated, only EPA will retain the use of the Energy Star Logo.

V. Advantages of Co-ordination based on Energy Star Programme

25. EPA has been running the Energy Star programme in the USA since 1993 and the programme has been very successful in terms of market coverage. All major manufacturers, including several Europeans, quickly joined the programme especially after the Executive Order which committed the United States Federal Administration (the largest buyer of office equipment in the world) to buy only labelled equipment. This programme has become de facto the "international programme", because almost all the major European and Japanese manufacturers have joined the programme to be able to sell in the US market; although European manufacturers already produce compliant equipment, the programme has not received much support in Europe. Some national administrations and large private organisations have shown interest in energy saving office equipment and in particular in the Energy Star programme.
26. The various possibilities associated with the choice and ownership of the logo for the co-ordination were carefully evaluated :
 - Accept the EPA proposal to use under authorization the Energy Star logo, which is a service mark of EPA and EPA will maintain the ownership. The only problem associated is if the collaboration should fail: EPA would retain the exclusive use of the logo. This would be no worst than the present situation, with the advantage that during the time that the European Commission had collaborated, it would have had an active role in fixing the standards and making sure that the European industry was not disadvantaged.
 - Propose a completely new logo for the collaboration. If this was to be accepted by the two other organizations (but in the preliminary talks both US EPA and MITI have ruled out this possibility), it would lead to two different competing logos in the US market and most probably also in Europe, because the EPA would continue to use the Energy Star logo (having invested a lot of resources in its promotion). Manufacturers would again be faced with two different logos, and also the message to consumers would be confusing.
 - Create a new European label, but harmonize the standards underlying it with the common standards and requirements to qualify products. The industry would be faced with different labels and the advantages of the co-ordination would be diminished.

27. The Commission feels that establishing a new Community-wide voluntary labelling programme for office equipment with its own logo and standards would give a confusing message to consumers (both private and public); moreover it would be opposed by industry and would lead to limited energy savings. On the other hand, if no labelling programme were introduced, the Energy Star programme would become "de facto" the world-wide and "European" programme (already some Member State administrations have shown interest for it), without any European input. Moreover, if a European scheme were not to be established, a number of national labels might be introduced, based on different standards, causing many problems to manufacturers. By introducing a programme sharing the logo of the Energy Star programme, the impact on the supply and demand for efficient equipment will be much greater thanks to supporting action by the Commission (as indicated in the following section). The Commission could have an equal position to the EPA and MITI in fixing future standards for the co-ordination and could be able to make sure that European manufacturing industry was not in any way disadvantaged.

VI. The Implementation of the Labelling Programme in the Community

28. It is proposed that the Commission will be responsible for implementing the programme in the Community. The Commission will prepare the guideline; the practical management of the programme in the Community will be carried out by an external body such as a network of national energy agencies with the supervision of the Commission. The cost to manage and promote the programme in the Community will be around 100,000 to 200,000 ECU per year. The SAVE II programme would provide funds for the first three years; a fee for participants may be introduced later to cover cost. The Commission will be responsible for liaising with the two other organisations, MITI and EPA. The Commission will represent the Community in the joint committee to update the technical standards associated with the co-ordination of programmes; in performing this task the Commission will be assisted by the SAVE advisory committee. The measures to be taken by the Commission for the establishment of the programme in accordance with the agreement and the terms and condition of the Community programme will be described in the guideline. The Commission will consider appropriate monitoring mechanism of the results achieved by the labelling programme.

VII Results Expected from the Labelling Programme

29. Initially only new office equipment sold in the three largest markets worldwide, i.e. the European Community, the USA and Japan, will be affected by the proposal; but it is expected that the Energy Star label will be present also in other markets, as an indirect result of the co-ordination, and therefore it will further contribute to CO₂ emission reductions worldwide. In the European Community, sales of personal computers and monitors are expected to rise to 30 million per year by the year 2005 from the present 15 million. It is expected that the potential saving of 20 TWh per year will be achieved by year 2005.

VIII. Conclusions

30. The Commission considers that the conclusion of an agreement for co-ordination of labelling programmes is essential in order to achieve the potential energy savings in the office equipment sector, as indicated above, and to avoid the introduction of potential barriers to international trade. Accordingly the Commission proposes to the Council to authorize it to negotiate this agreement within the framework of the annexed negotiating directives and in consultation with the special committee appointed by the Council to assist the Commission in this task.

ANNEX

NEGOTIATING DIRECTIVES

Scope of the agreement

This agreement between the United States Government, the European Community and the Japanese Government has as sole scope the co-ordination among three separate voluntary energy labelling programmes for office equipment in order to maximize energy savings and environmental benefits by stimulating the supply of and demand for energy efficient office equipment thereby enhancing the effects of individual programmes. Other environmental labels for office equipment, such as the European Community ECO-label, are not covered by the present agreement and can be developed and adopted by any of the three parties.

Definitions

1. Management Entities. The following entities will be considered the "management entities" for the purposes of the co-ordination. The United States Environmental Protection Agency ("EPA"), the Commission of the European Communities ("Commission") and the Japanese Ministry of International Trade and Industry ("MITI").
2. Programme Participant. A manufacturer, vendor, or resale agent of computers, monitors, printers, fax machines or photocopiers under its own brand name, and who has chosen to participate in one of the programmes offered by the three management entities.
3. Host Organization. The host organization is the management entity with which a programme participant has signed an agreement or officially registered its products.
4. The Co-ordination of Programmes. Each management entity will implement and administer its own separate programme. These programmes, as a collective group, will be referred to as the Co-ordination of Programmes.

Substance of the agreement

1. Establishment of Separate Programmes
 - 1.1 Each management entity should establish and administer its own energy labelling programme for energy-efficient computers, monitors, printers, fax machines and copiers.
 - 1.2 Each programme will be based on the same requirements or specifications. Each management entity could enter into agreements or accept product registration from potential programme participants located in countries other than those they represent.

2. Implementation of the Co-ordination of Programmes

- 2.1 A joint committee composed by representatives of the three management entities will be created. The joint committee will be responsible to adopt in common agreement the technical requirements and testing methods common to all three programmes.
- 2.2 All the participants to the co-ordination of programmes should be allowed to test and self certify their products. Each management entity may, at its discretion, test or otherwise review products that have been sold in its market.
- 2.3 Each management entity shall provide resources necessary to adequately implement, administer, and promote its programme.
- 2.4 The three parties will conclude the agreement for an initial period of five years. Prior to the end of the five-year term, the parties intend to meet to discuss a continuation of the agreement. Any of the three parties could withdraw from the agreement at any time.

3. Reciprocity Provisions

- 3.1 A potential programme participant could enter the co-ordination of programmes by joining one of the management entities' programmes. To facilitate this reciprocity, the management entities should exchange each other the names of all the companies that are participating in the programme.
- 3.2 The management entities intend to accept a participant claim that a product meets the requirements, regardless of which programme the participant has joined.
- 3.3 Each management entity shall take appropriate actions against programme participants for whom it is the host organization whenever programme participants are found to use the logo with a non compliant product. If a management entity determines that a programme participant which has joined another party's programme is using the logo with not compliant product, the discovering management entity will immediately notify the host organization.
- 3.4 If notified that one of its programme participant is using the logo with product that do not meet the specifications, the host organization will attempt to correct the problem. Such efforts might include the following : sending a letter to the programme participant stating that is violating the terms of the programme, and, if necessary, also removing the programme participant from the programme.
- 3.5 The joint committee shall meet at least once a year to evaluate the progress of the co-ordination of energy-efficiency programmes for office equipment. These meetings are essential in order to ensure that the individual programmes remain consistent and that the reciprocity provisions are maintained.
- 3.6 Other parties could join the co-ordination of programmes if they are willing to follow the principles of the co-ordination of programmes.

4. The ENERGY STAR logo

- 4.1 As long as the technical requirements of the individual programmes are identical, it is desirable to utilize a single logo or label for the purpose of designating qualified products. The Energy Star logo, which is a service mark of US EPA, shall be utilised for the purpose of designating qualified products.
- 4.2 If the co-ordination of programmes will be discontinued, only EPA will retain the use of the Energy Star logo.
- 4.3 EPA will notify also on behalf of the European Commission and MITI the World Intellectual Property Organization, under the Paris Convention, regarding the Energy Star logo.
- 4.4 It is important to preserve the integrity and meaning of the Energy Star logo. Therefore each management entity will use its best efforts to oversee and ensure the proper use of the Energy Star logo in its market. Any legal enforcement of the Energy Star logo will be carried out by EPA in accordance with the Paris Convention.

5. Changes to the Co-ordination of Programmes

- 5.1 The parties intend to work together in future for any changes to the co-ordination of programmes, so that there will be continued harmonization. Any proposed changes to the co-ordination of programmes, including changes to the technical requirements, require the consent of all three parties. The joint committee will adopt all the technical changes to the co-ordination of programmes, in common agreement.

IMPACT ASSESSMENT FORM

The Impact of the Proposal on Business with Special Reference to Small and Medium Sized Enterprises (SMES)

Title of proposal : Recommendation for a Council Decision to negotiate an agreement on co-ordination of labelling programmes for energy efficient office equipment

Document Reference Number :

The proposal

1. Taking account of the principle of subsidiarity, why is Community legislation necessary in this area and what are its main aims ?

The proposal consist in a co-ordination of labelling programmes for energy efficient office equipment, between the European Union, the USA and Japan. The Commission is recommending to the Council, in accordance to Article 228 of the Treaty, to be authorized to negotiate the agreement. In accordance with the subsidiarity principle, the action proposed would achieve the largest results in terms of environmental impact if carried out at least at Union level. In addition potential barriers to trade, which would follow the introduction of national labels, could be avoided. Moreover in line with the requirements of Article 3b of the Treaty, which states that Community actions should not be unduly onerous or intrusive a voluntary system is proposed, and, as suggested by manufactures, is coordinated with other initiative in third countries.

The impact on business

2. Who will be affected by the proposal ?

- Which sectors of business

Manufacturers of personal computers, monitors, printers, fax machines and copiers; also the manufacturers of information technology components, such as microprocessors, power supplies etc.

- Which sizes of business (what is the concentration of small and medium sized firms)

The market for the five products covered by the proposed programme is dominated by large multinational companies. These large multinational companies tend to manufacture the products in several countries worldwide, including several Member States. Mainly for personal computers, there are several medium and small sized businesses; the very small ones are selling their products only in their local markets or for very specific tasks. It is important to distinguish between small/medium size companies, which tend to develop products of their own design, and small ones for which the main activity consists in assembling components made elsewhere. The proposed labelling scheme is aimed mainly to medium and large sized companies, although there will be no problem for small sized companies to participate, if they wish. For the other products covered by the proposal there are mainly medium sized manufacturers, with some exception for printers.

- Are there particular geographical areas of the Community where these businesses are found

The producers of personal computers are located in almost all Member States (although less present in Portugal and Greece); the large multinational companies have relocated their production plants in countries with low labour cost, while very small companies are evenly distributed in the territory given the fact that they tend to serve the local market; monitors, copiers and printers tend to be produced outside the Union.

3. What will business have to do to comply with the proposal ?

The proposed coordination of labelling scheme aims to reduce the energy losses of office equipment when not in use, but it is left on. Office equipment, which has a low stand-by energy consumption, will be labelled in such a way consumers awareness will be increased and a market for these products would be created. In the USA the Energy Star label was introduced by the US Environmental Protection Agency. Because it was supported by the US government and large US companies, it has become de facto the "worldwide" label. Because some Member States have indicated their desire to introduce environment or energy labels, the Commission, when discussing on the possible measures to reduce energy consumption with manufacturers, was warned on the difficulties for them to cope with different labels, standards and measurement methods; manufacturers requested whenever possible to harmonize worldwide standards and labels. Therefore the proposal aims to coordinate energy labelling programmes amongst the three largest producing areas: the European Union, USA and Japan.

Different technical solution (both hardware and software based) are available to power down equipment when not in use; for personal computers these solution were first introduced in battery powered lap-top models. Today several models of personal computers, printers, monitors, fax and copiers are available with energy saving features for the stand-by mode at no extra cost. The components are available from different sources, often already available in the microprocessors: in most of the cases the manufactures have only to turn on these features or tell their customers how to do it (for example in the user manual).

When manufacturers satisfies the criteria for one of their products, they can take part in the voluntary scheme and use the label on the product.

4. What economic effects is the proposal likely to have ?

- On employment

Because there will be not any significant production cost increase for equipment which would satisfy the criteria for the label, it is not expected that sales will be affected at all, on the contrary manufacturers using the label could add an additional selling point to their products. Therefore there will be not any negative effect on employment.

- On investment and the creation of new businesses

The participation to the voluntary labelling scheme by companies will not require any additional investment nor the creation of new business.

- On the competitive position of businesses

By participating to the labelling scheme, manufactures could add an additional selling point to their products. There are already some Member States and large companies, such as banks, insurance companies etc., which require energy efficient labelled equipment for their procurement; therefore by introducing the scheme to European firms their competitiveness could be increased.

5. Does the proposal contain measures to take account of the specific situation of small and medium sized firms (reduced or different requirements etc.) ?

By participating in the co-ordination of labelling programmes, which would in any case concluded between USA and Japan, the Union could make sure that the labelling scheme would not at all disadvantage small and medium sized European manufacturers.

Consultation

6. List of the organisations which have been consulted about the proposal and outline of their main views

Several meetings have been organized with experts from national energy agencies, representatives of Member States and manufacturers. A comprehensive study has been carried out during 1993/4 by a study group led by University of Bordeaux. European Computer manufacturers were consulted during the study. They showed interest in participating in a voluntary energy label, their only recommendation was to consider a worldwide labelling scheme, if possible because their goods were produced for a worldwide market; they were opposed to the creation of a new European label and warned the Commission of the negative consequences of a proliferation of national labels. In addition with consultations with individual manufacturers, Eurobit (the European Association of Manufacturers of Business Machines and Information Technology Information Industry) and EPMI (European Printers Manufacturers Association) were consulted, both expressed very favourable opinion toward the Commission initiative.