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ETRMA welcomes the Product Safety and Market Surveillance Package. In particular, the regulation on Market Surveillance and the 20 Actions for safer and compliant products for Europe tackle the unfair competition of those economic operators that fail to comply with EU regulations.

The European tyre industry has always been fully committed to comply in a timely manner with new and existing EU rules and makes all necessary investments in order to do so. **Its competitiveness is however increasingly undermined due to market distortion when non-compliant products are placed on the EU market.** Such products come from manufacturers who have not made the due technological improvements nor the needed investments, or who have disregarded the law. **This creates an unlevel playing field in the EU.**

In this context, EU Regulations for tyres for motorcycles and agricultural vehicles include provisions and precise responsibilities for market surveillance and it is our hope that the Commission will soon publish similar provisions for all motor vehicles.

In the meanwhile, the draft Regulation on Market Surveillance presents a concrete opportunity to improve the current situation. ETRMA demands that the following aspects are further reinforced:

- **EU-wide instructions and guidelines for market surveillance are developed by the Commission:** this would help a more coordinated and effective approach;
- **Market surveillance responsibilities are clearly defined** including coordination with custom authorities and the obligation for member states to provide national market surveillance programmes, including the financial provisions to support them;
- **Penalties for unsafe products:** those products not meeting specific type approval legislation are considered unsafe and should be subject to specific measures including destruction, prevention from placement on the market, recall and withdrawal;
- **Penalties for non-compliant products:** those products found non-compliant with EU harmonised legislation such as regulations on REACH or on energy efficiency labels should be subject to specific measures including financial penalties and withdrawal. Ideally, any future legislation should include provision for Member States to set up a penalty system.
- **Meaningful penalties must be established by Member States in case of non-compliance:** this is a positive step. However, harmonisation of penalties at EU level and earmarking of these funds for market surveillance activities would be preferable and it is our hope that the proposal of the Commission could be modified in this sense;
- **Coordination at EU Level:** The new regulation proposes a number of measures to coordinate different market surveillance authorities as well as customs authorities to implement border early alerts. Proposals in this sense also include the institution of a Communication System for Market Surveillance (ICSMS) and of the European Market Surveillance Forum (EMSF). The latter could have a particularly positive impact as through the 20 Actions it is foreseen to have a growing importance. In this context, the work of the ADCOs is of particular importance, not only because it would give the opportunity for effective coordination, but also because it will give the opportunity to the industry to

share its experience and knowledge for the market surveillance of specific products.

It is therefore our strong believe that Member States and the European Parliament will be able to maintain and strengthen further the pillars of this proposed Regulation.

BACKGROUND

NON COMPLIANCE WITH EU REGULATIONS: the case of tyres

The Italian Traffic Police carried out several inspection campaigns from 2004 to 2012 on over 100,000 vehicles. Between 2009 and 2012, regions with up to 11% of vehicles fitted with non-homologated tyres were identified. Furthermore, the results of another campaign carried out in 2010 on 20 000 motorcycles, showed that as much as 20% of these were fitted with tyres that were non homologated. One should wonder the impact of such mal-practices on the safety of the road users!

Finally, industry campaigns carried out by ETRMA in 2010 and 2011 showed a non compliance rate with the REACH Regulation on PAH content in tyres between 10 and 11%. A more recent testing campaign in 2012 carried out by ECHA confirmed this data and showed that the number of REACH non-conforming tyres is still high with over 8.5% of tyres from China containing PAH found on the market.

Given the number of tyres imported into the EU and the number of vehicles on European roads, the percentages of non-compliant products shown above translate in several millions of European drivers using illegal, potentially unsafe tyres.