



ETNO POSITION PAPER

ETNO views on RED revision on Universal Charger



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Introduction

ETNO represents the main telecommunications network operators in Europe. In addition to the provision of access to communications services for consumers, our members provide mobile handsets to allow consumers to avail of the communications services to which they are subscribed.

We welcome the initiative by the European Commission to achieve important objectives on consumer choice, reducing cost for the consumer, and reducing waste and environmental impact.

To achieve these important goals, the co-legislators should be guided by the principle of future-proof regulation: the universal charger needs to follow technological development, and the Directive must allow for this, to avoid consumers, businesses and the market at large being ‘locked-in’ to a technological specification which could be outdated and not reflect the state of the art, nor meet future standards of efficiency. This can be supported by open standards and specifications, also ensuring competition on the supply side of the charger market.

Furthermore, while the Commission’s proposal makes an important step in the direction of unbundling, we believe that the legislation should aim for full unbundling in order to realise the full environmental benefits, and ensure competition at the level of pricing of the unbundled chargers.

Consumers

We welcome the Commission’s proposal of the possibility for end-users to acquire certain categories or classes of radio equipment without a charging device (unbundling). This requirement not only ensures an optimal number of chargers being in circulation, but provides the added benefit to consumers of no unused chargers being left to clutter up drawers and shelves. The practice of unbundling is not new for the telecoms sector in Europe: ETNO members have been voluntarily adopting such practices for some time, in anticipation of market needs. For example:

- **Orange** has launched its own branded smartphone called ‘Neva Leaf’, which is sold by default without a charger in France.
- The ‘Charger Out of the Box’ initiative – launched by **Telefónica** O2 UK together with HTC, Nokia and Sony – has seen great success, reducing the generation of waste for customers. The initiative assumes that most customers already have a charger compatible with their new handset, on the basis of which mobile phone manufacturers do not sell their devices with a charger.

Green

ETNO supports the numerous environmental benefits that the proposal will bring for consumers and for the entire society, and we believe that it would be key in the context of the EU circular economy action plan.

ETNO members have taken decisive measures to increase circularity in their business. This includes measures such as selecting suppliers and products in compliance with environmental sustainability criteria, periodically checking along the entire life cycle, recycling and refurbish devices, use labelling to enable customers' informed choice in favour of sustainable products and services, and reducing their own waste. With the objective of increasing the useful life of devices, the proposal will be instrumental to **reduce the amount of electronic waste** that is produced every year.

At the same time, reusing old chargers of a similar product will lead to a **reduction of the environmental footprint** associated with the production and disposal of chargers.

In addition to that, we support the **increased transparency measures for manufactures** that will serve to provide relevant information on charging performance. Those aspects will help consumers making informed and "greener" choices when buying ICT products. Many ETNO companies played a key role in driving the market towards greater transparency by committing to environmental reporting that was more stringent than the mandatory requirements.

It is worth also mentioning the **Eco Rating initiative**¹ that has been recently launched by Deutsche Telekom, Orange, Telefónica, Telia Company and Vodafone. The ambition is to create a holistic methodology to identify more sustainable mobile phones, which combines various aspects of the ecological performance into a scoring system related to durability, reparability, recyclability as well as climate and resource efficiency.

Finally, even if the Commission leaves it to the manufacturers to decide whether to supply the handset with a charger or not, we believe that the proposal should go for **full unbundling**. This will help to achieve the full environment benefits, and it would also ensure competition at the level of pricing of the unbundled chargers.

Having said the above, telecom companies have been putting forward various actions as promoters of the circular economy. These include:

- **Orange** has been involved in phone recycling for 10 years and has already collected more than 15 million phones in all the countries where the Group is present (e.g. 7 EU Member States and outside of the EU).
- **Orange** offers reconditioned mobile phones in 4 EU Members offering end-users to buy a pre-owned smartphone while at the same time allowing for re-cycling and reuse of smartphones.
- **Telefónica** reuses 4 million devices per year globally, which contributes to reducing the consumption of raw materials, resources and emissions. In 2020, the reuse of equipment has increased by more than 451% compared to 2015 and the emission of more than 3,800 tonnes of CO₂ has been avoided thanks to this initiative in 2020.
- **Telefónica** offers mobile phone buy-back and refurbishment options to its customers. Through this initiative, customers can take their unused mobile devices for a second life or recycling

¹ <https://www.ecoratingdevices.com>

treatment without exposing the environment. In 2020, more than 200,000 mobile phones have been collected through these programmes. In addition, Telefónica facilitates the reuse of mobiles through the leasing or sale of second-hand handsets in some of our markets, such as in the UK with the O2 Refresh programme.

- **Telia Company** offers to buy back customers' devices in all of its Nordic and Baltic markets. In 2020, 8% percent of the number of phones sold or leased by the company were bought back. Refurbished phones are offered to customers; chargers are either not sold together with the pre-owned phone or customers are given a choice to opt out from buying accessories with a pre-owned phone.
- **Telia Company** also offers Device as a Service to business customers. In 2020, 18% of phones sold to business customers on all Telia markets were sold as a service, allowing to maximize the re-use of an increasing number of devices through repairs, upgrades and refurbishment.

Technology and future-proofing

While we welcome the direction of the proposal, which promises great benefits for waste reduction, and advantages for consumers, we are nevertheless concerned that the proposal is too prescriptive with regards to technology specification.

With such a restrictive requirement, there risks being a situation where new chargers (more efficient, less waste, cheaper for consumers) are not able to be put on the market due to regulatory constraint, which is not future-proof. The proposed remedy – i.e. the amendment of the technical specification by means of delegated act – could be detrimental to economic operators, especially with regard to legal certainty.

The proposal should instead ensure future-proofness and not restrict market operators' technology choice and ability to innovate. The Directive should also be subject to periodic and predictable review, so as to provide legal certainty and flexibility going forward, and achieve the stated aim of reducing the number of chargers in circulation. Finally, competition at the level of production of chargers should be ensured by full unbundling.

Legal basis

We support full harmonisation to offer (unbundled) charging devices, for which the legal basis of art. 114 TFEU is appropriate. This also follows from Recital 7 which states that *"The absence of harmonisation in this area may lead to substantial differences between the Member States' laws, regulations, administrative provisions..."*.

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