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From: [REDACTED]
Sent: 16 November 2018 08:50
To: [REDACTED]
Subject: FW: Meeting on SUP - Celanese
Attachments: Celanese Letter 2018 - MS - IE PDF

From: Alexandra Bocquillion [REDACTED]
Sent: 12 November 2018 15:21
To: [REDACTED] BRUSSELS PR
Subject: Meeting on SUP - Celanese

Dear [REDACTED]

In view of the phone call meeting on Wednesday at 4pm with [REDACTED] but also ahead of the discussions that will take place tomorrow, please find attached again our position paper.

Kind regards,

Alex BOCQUILLION | Account Executive

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Celanese

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[REDACTED]

Amsterdam, November 12, 2018

**Subject: Celanese position on the Proposal for a Directive on the
reduction of the impact of certain plastic products on the
environment**

Dear [REDACTED]

I am writing to you regarding significant concerns we have with the Commission Proposal for a Directive on the reduction of the impact of certain plastic products on the environment. Celanese is a producer of cellulose acetate tow ("tow") at our facility in Lanaken, Belgium where we employ more than 160 individuals. Tow is used to manufacture cigarette filters.

Celanese is a global technology and specialty materials company with European headquarters in Amsterdam, Netherlands. With more than 7,500 employees worldwide we have extensive interests in Europe, including approximately 3,000 employees in The Netherlands, Sweden, Germany, Italy and Belgium. Celanese is one of the few remaining tow producers left in the world.

We urge you to proceed cautiously as you debate, considering the changes made to the Commission's proposal by the European Parliament's Environment Committee as voted on 10 October, and in particular proposed changes concerning cigarette filters. These proposed changes would indeed have a negative social and economic impact that could occur on employees up and downstream in the industry and on end use consumers due to the lack of effective wide-spread sustainable alternatives.

Date: November 12, 2018

Page: 2

There is no known effective wide-spread alternative to tow for use as cigarette filters. Although tow biodegrades, orders of magnitudes faster than traditional plastics addressed in the Directive, in weeks under the right conditions, since the 1990's we have conducted research to develop a product with a greater biodegradability level under a wider range of conditions. Various options for substitution have been explored, such as adding components during filter production to accelerate degradability and recycling of used filters. Despite our best efforts, at this time we have not been successful. It is technologically challenging to develop a product that biodegrades under natural conditions as opposed to composting conditions.

Due to its highly efficient design, acetate filter construction is between 85 -90% "air", the fiber volume in a filter represents about 10-15% of the total filter volume. The most degradable material that might substitute for acetate in cigarette filters is paper (cellulose), however, to produce a comparable product from cellulose, it would require at least double, if not triple the amount of cellulose. The production of cellulose is more energy intensive and environmentally impactful. **We are committed to continuing to research a more biodegradable option, taking into consideration the environmental foot print of the alternative.**

The tow industry has been under significant economic stress in recent years due to price pressure and decline in demand. As a result, there has been a number of capacity reductions and closures in the EU. Additional regulatory burdens will shutter the EU tow business leaving only illicit/black market filter and cigarette manufacturers as a viable alternative. The industry's resilience to regulatory change is therefore minimal.

You will find hereunder our position on key elements adopted in the European Parliament, and which needs to be taken into account as the Council adopts its own approach on the topic, and then enters inter-institutional negotiations with the Parliament:

- **Tobacco filters are not "plastic" in its conventional definition and as such should not be in scope of this Directive**

The Proposal for a Directive identifies cigarette filters as a plastic to be regulated under the provision. Although we strongly support responsible disposal of all waste, including cigarette filters, we disagree with the approach as outlined in the proposed Directive. **Tow**

Date: November 12, 2018

Page: 3

is a man-made fiber of natural origin, and unlike conventional plastics is not produced from fossil sources such as natural gas, oil or coal. Tow filters are derived from purified wood pulp from re-forested trees and acetic acid, which is a form of vinegar. The product is spun into fibers and formed into bundles or bales before being turned into rods for use as cigarette filters. Tow filters are specifically designed to absorb vapors, reduce contaminants and absorb particulate smoke components, and has the advantage of being nontoxic, tasteless and odorless. Due to the unique raw materials and manufacturing process used to produce tow we disagree that it is a "plastic" similar to other products proposed to be addressed under the Directive.

- Consumer education is fundamental, but imposing marking requirements would be disproportionate

Celanese recognizes the importance of educating consumers on the proper way to dispose of products in the framework of awareness-raising measures, but imposing marking requirement would go beyond the cost-benefit ratio identified by the European Commission's Impact Assessment. This is a disproportionate and costly option.

- Imposing consumption reduction targets in the absence of realistic alternatives for tobacco filters would result in unintended negative impacts on the environment

Even the European Parliament, in its amendment imposing consumption reduction targets for cigarette filters, admits that "the acceptability of the available alternatives is not clear". This is because, as explained above, there is no suitable alternative to tow for use as cigarette filters that would not have a worse environmental footprint. **Introducing consumption reduction targets for tobacco filters goes beyond the cost-benefit ratio identified by the European Commission's Impact Assessment, and will result in measures which are disproportionate, unrealistic, and extremely costly for the environment, the industry, and for consumers.** The imposition of consumption reduction targets should only be envisaged in the framework of a review by the European Commission after the entry into force of the Directive examining the feasibility and policy options to introduce such targets for additional products.

In addition, it is simply not feasible to recycle collected cigarette butts into new plastic objects. This is as the smoke residuals left on

Date: November 12, 2018

Page: 4

used filters make them incompatible with available processing technologies: other end-use options would need to be identified.

- The suggested Extended Producer Responsibility (EPR) schemes on separate collection will be disproportionate and might entail unforeseen impact and costs, without any assurance of effectiveness due to the small dimension and no recycle value of the cigarette filters waste

In its position, the European Parliament adds new EPR schemes for tobacco filters (separate collection systems), but in the absence of an impact assessment on these options, there is no data concerning their feasibility, efficiency or costs for Member States. This raises serious concerns about creating distortions in the internal market, and would undermine legal certainty for the industry.

Based on these arguments, both during the Council debates and during subsequent inter-institutional negotiations, we therefore urge Member States to respect the cost-benefit ratio identified by the European Commission's Impact Assessment concerning cigarette filters, and not to follow the European Parliament's proposed changes. Those changes would entail considerable environmental and economic cost in the absence of realistic sustainable alternatives.

Yours sincerely,

Marcel Van Amerongen

Vice President, Cellulose Derivatives