REQUEST FOR ADDITONAL INFORMATION

Legal name of applicant(s):	Monroe Czechia s.r.o.
Submitted by:	Monroe Czechia s.r.o.
Date:	10 September 2021
Substance:	Dichromium Tris(chromate)
Use title:	Use of dichromium tris(chromate) in a post-treatment step of the autodeposition coating process of shock absorbers for automotive vehicles.
Use number:	Use 1
Communication Number:	AFA-C-2114567105-51-01/F
Submission Number:	TQ831466-08

	ECHA Request	Applicant Response
SEA questions		
1	The questions below relate to your answers to the response to question 7, which was sent in the 3rd round of questions. When replying please make sure to include always a non-confidential information for each quantitative or qualitative piece of information that you claim confidential. Please include a non-confidential range next to any quantitative information claimed confidential. 1. SEAC has estimated that the overall increase in operating costs might account for approximately 34% ([redacted]) % of the current annual profit? This is based on: -the annual profit of [redacted] euro as reported on page 38 of the SEA/AoA document and total -increase in annual operating costs: • storage costs = [redacted] (euro as indicated in your response on page 11 of the response document) and • additional coating costs = euro [redacted] units (assuming that this is the approximate number of units to be moved from the ACC line to the 2nd line if the condition is implemented) = [redacted] euro Please indicate whether this overall estimate is correct and amend if needed. Please also explain whether, considering this cost increase you would still be able to make a sufficient margin and so whether the condition would have any impact on the economic viability of your business.	The calculated costs, as presented by SEAC in this question, are accurate. They are based on the costs provided by DRiV in previous communications and in the SEA report. • Approximately € [redacted] per year (100,000 to 500,000) for additional storage costs at an external warehouse. • Approximately € [redacted] (€0.01-0.1) per unit of additional production costs, due to the spread of fixed costs over a smaller number of units produced in total and the increased costs of the spray coating line. This could be somewhat higher, if the increased transport between the plant's buildings, which could require hiring of more forklifts and drivers, are considered. Nevertheless, an increase of € [redacted] (€0.01-0.1) per unit is considered reasonable. Assuming a transfer of up to [redacted] (1-5 million) units from the ACC to the spray coating line, the total additional cost would be up to € [redacted] (€50,000-500,000). The total additional operation cost in that case would be approximately 34% of the plant profits, as mentioned in page 38 of the SEA. In addition, it must be noted that DRiV cannot mitigate this loss by changing their unit prices, as the prices are fixed at the contracts that have already been signed with the customers. Therefore, DRiV will have to absorb any reduction in profit. It should be noted that, as noted in the SEA and in previous responses, before any move can be made, DRiV needs to get the approval of the customers concerned. This could mean that customer approval may not be granted (due to quality verification/certification issues) and in any event it would mean long timelines before the feasibility of the move could be established. Kindly also note that the only products manufactured at this plant are the shock absorbers, all of which are coated either on the ACC line or the spray paint line. There are no intermediate products leaving the plant. In other words, the [redacted]

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		(€500,000-3,000,000) annual profit referred in the SEA is the annual profit of the entire plant. In conclusion, if this condition were imposed, and if it were feasible to implement it, the increase in operation costs would constitute a 34% loss profit for the plant / legal entity and therefore have a significant negative impact on the economic viability of the business.
2	Please indicate also whether the implementation of the condition would be associated with any job losses. If yes indicate how many and what the social monetised impacts would be.	If the condition was feasible in terms of customer approvals, and if it were to be implemented, utilisation of the ACC coating line would drop to [redacted]% (<35%), which, as described in the response to question 1 above, and in previous responses to ECHA RFI, is not economical. Nevertheless, DRiV would require fewer shifts to run the ACC line, and would still lose an approximate up to [redacted]% (<35%) of contracted volume, so it is estimated that [redacted] (5-25) employees could be made redundant. The additional production in the spray coating line can be achieved with the existing number of shifts, so the redundant personnel from the ACC line will not be possible to be moved to a different task in the plant. Using the same methodology as in the SEA for monetising the social impacts, implementing the proposed condition would lead to social impacts of approximately [redacted] (€100,000-500,000), due to the expected job losses.
3	How long would it take to adapt your process to the proposed condition? Would you still be able to complete the shift to one of the two shortlisted alternatives by 1st September 2024 and would you expect production interruptions during the time needed to implement the condition?	Once customer approval has been obtained, DRiV expects that it will take approximately six months to plan and procure the necessary materials and components to increase production in the spray coating line to maximum utilisation. If DRiV is given sufficient time to implement the condition, no disruption in the production is expected, other than the losses discussed in previous responses and in the SEA. The transition to an alternative technology will proceed as planned. It needs to be noted that, as mentioned in the SEA and in previous responses, DRiV is committed to stop use of DCTC / coating at the ACC line by the end of the requested review period (expiry of current authorisation for chromium trioxide on 21st September

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		2024), as DRiV also aims to implement one of the two shortlisted alternatives. To demonstrate, DRiV is not planning to submit an AfA for chromium trioxide beyond that date.
4	Please provide more details on how you came to the conclusion that *the emissions and so workers 'exposure would be the same even if the condition is implemented.* It would seem logical that if the ACC line is used for a smaller share of the production, the consumption (depletion rate) of Cr(VI) from the reactive rinse bath will diminish. Consequently, the overall quantity of DTCT used will decrease and so will the emissions and the impact on the general population. Also, most of the tasks the workers currently perform will not be needed as often and therefore exposure and risk to the workers would diminish as well	Thank you for this question and we understand the logic behind the question. However, the only reduction that will occur if this condition were to be imposed, is a reduction in the number of workers exposed. The number of workers in the WCS that are relevant (WCS 3 &4) is [redacted] per shift. If the number of shifts is reduced to [redacted], then the number of workers exposed in this way reduces from [redacted] (from 1-10 to 1-5). However, as explained in the response to Question 2 above, [redacted] (5-25) workers would lose their jobs. The exposure per worker will not reduce and neither will the emissions to the environment and therefore the exposure for the general population will not reduce. This is explained below: There will be no reduction in concentration of DCTC in bath if the condition were to be imposed and implemented. Essentially, the line would need to continue to operate in the same way even if number of units coated were diminished. The exposure per worker remains the same (the number of workers reduces, as explained above). Workers´ exposure would stay the same during the shift because the concentrations of Cr(VI) in the bath stay the same. The bath remains at the same concentration, regardless of whether shock absorbers are being coated or not. There is no difference in the operating conditions (e.g. coating takes place at room temperature), so there would be no difference in the emissions. Therefore, the workplace concentrations of Cr(VI), and emissions to the environment, as presented in the CSR, would stay the same, and this is what our previous response was referring to. In this ACC line situation, the emission conditions and concentrations in the bath are constant. The amount of DCTC used is proportional to the number of shock absorbers coated. Therefore, if fewer are coated the volume of DCTC used to replenish the reaction rinse bath to maintain the required process conditions is lower. However, the

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		emissions due to the current coating technology are independent of the number of units coated because concentrations and all other technical and operational conditions remain constant.

Annex A: Justification for confidentiality claims

Blanked out item reference	Justification for confidentiality
CBI 1	**Demonstration of Commercial Interest:** Volume of sales, revenue, profits, employment and other economic information are confidential information that are only to be used for the Applicant's planning and operations. Sharing them publicly may also breach anti-trust and competition laws in the EU. **Demonstration of Potential Harm:** If competitors got hold of this information, they could use it to determine the Applicant's market share or the weight of the particular products on their overall business. Competitors could use such sensitive information to gain a competitive advantage over the Applicant. Some of the redacted information could also be used to back-calculate sensitive information. **Limitation to Validity of Confidentiality:** This claim is valid indefinitely.