



DG GROW

Commissioner Breton

Meeting with

Briefing for HoC Valère Moutarlier

23 March 2020

BASIS request ID: Basis (CAB BRETON/54)

Briefing – C3 contribution on Common Charger

Scene setter/Context of the meeting and Apple's position

Apple is very critical on a possible regulatory intervention on a common charger.

Apple Inc. issued on January 13th 2020 a statement following the recent EP resolution on a common charger¹, asserting that regulation for conformity on the type of connector for all smartphones stifles innovation rather than encouraging it, harming consumers in Europe and the economy as a whole. The company also pledged that such intervention will result in more e-waste (given the need for Apple's users to change all the existing cables and accessories).

Apple was at the origin of blocking the attempts for a renewed Memorandum of Understanding in 2018.

Key messages

- The European Parliament, in its resolution of 30 January 2020, requested the Commission to adopt legislative measures for a common charger under the empowerment conferred by the Radio Equipment Directive;
- The Commission is currently assessing the optimal policy option to address consumers' convenience, reduce the environmental

¹ <https://appleinsider.com/articles/20/01/23/apple-says-a-common-charger-would-handicap-innovation-inflate-waste>

footprint and promote innovation, including through other measures, beyond the empowerment given by the Radio Equipment Directive;

- A legislative initiative on a common charger is included in the Commission's work program for adoption in the 3rd quarter of 2020.

Line To Take

- The Commission is currently preparing its response to the European Parliament resolution of 30 January 2020 for a delegated act under the Radio Equipment Directive on common charger;
- A delegated act based on the Radio equipment Directive is one of the options to be considered since it empowers the Commission to take certain type of regulatory measures in this field;
- However, given the limitation in the scope of the Radio Equipment Directive and of its empowerment, we are ready to analyse other options, including through ordinary legislative procedure.
- Any action through ordinary legislative procedure and/or through other instruments, such as implementing measures under the Eco-design Directive will be further explored and thoroughly assessed.

Defensives

Question: how does the Commission intend to address the technical evolution through regulatory measures for a common charger?

The technical analysis we are carrying out is taking into account new developments such as fast charging and wireless charging. The analysis has particular focus on the identification of factors that could limit interoperability of devices using new charging solutions (which were not addressed by the proposed MoU of March 2018 at all) and/or prevent further innovation.

Question: how are sustainability aspects and reduction of e-waste taken into account?

Fighting e-waste is one of the major objectives of the initiative.

According to the study carried out by the Commission services, just harmonising the chargers interface will not be that effective unless measures are also taken to favour decoupling, that is, reusing existing chargers. On that premise, a combination of options, going beyond the empowerment provided by the Radio Equipment Directive, is being considered.

Any measure will be subject a transitional period. As such, the industry will be granted the necessary time to adapt to the new requirements, and at the same time not to suddenly make obsolete existing devices. This would allow a natural dephasing of older devices, also taking into account the fast change cycle of high level electronics such as smartphones.

Question - Why having a situation with three device-end connector types rather than one is still a concern for consumers?

We consider that having a unique charging solution for smartphones should provide consumer benefits. For example, if someone needs to recharge their phone at the office or while travelling, they could use the same type of charger

irrespective of the different mobile phone brands or models colleagues or travel companions have.

Additionally, reducing the number of charger types should also potentially reduce e-waste, for example, where fewer charger types were placed on the market, and older ones were reused.

Furthermore, benefits would be enhanced if the scope of any regulatory measure might be enlarged to cover not only smartphones, but also other electronic devices, such as tablets, e-readers or cameras, which have a similar charging behaviour.

Question: what types of electronic devices could be included in the scope, other than mobile phones?

From a pure technical perspective, a wide range of devices, including tablets, e-readers, wearables, and even laptops could fall in the scope. However, cost implications and other specific requirements must be taken into account. For instance, low value devices could become too expensive if they have to ship with a charger that is more sophisticated and/or powerful than required. In addition, for devices that operate in extreme environments USB Type-C connectors could not be appropriate.

The choice of targeted devices that could fall under the scope will have to take into account those constraints.

Background information

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In 2009 the Commission facilitated a voluntary agreement on the common charger, resulting in a Memorandum of Understanding (MoU) signed by major phone industries. The original MoU of 2009 proved to be successful for both consumers and the industry, while guaranteeing reduction of e-waste. It allowed reduction of charging solutions from around 30 available in 2009 to 3 chargers types, and one of them (USB Micro B type) is being phased out.

The first MoU came to end in 2014, when the Commission started new negotiations to renew it. In 2014 the new Radio Equipment Directive (RED) was adopted, which foresees an empowerment for the Commission to adopt delegated acts to ensure interoperability of electronic devices with common chargers. The EP has put pressure for the Commission to enact this empowerment.

After its expiration in 2014 the Commission has put much effort to find consensus on a new Memorandum of Understanding (MoU). The proposed MoU of March 2008 was unfortunately not satisfactory as not delivering a single common charging solution (as Apple's proprietary charging solution was also in the proposal).

As a result, the Commission launched a study² to assess impacts of possible regulatory options, namely adoption of a delegated act pursuant Article 3(3)(a) of the Radio Equipment Directive 2014/53/EU (RED). The study has been published in February 2020.

According to the main outcomes of the study, imposing a common interface on the side of the electronic device (smartphone, but possibly also tablets, cameras, e-readers, etc.) while at the same time incentivising/imposing

² Impact assessment study on common chargers of portable devices (<https://op.europa.eu/en/web/eu-law-and-publications/publication-detail/-/publication/c6fadfea-4641-11ea-b81b-01aa75ed71a1> - published 7 February 2020)

decoupling (i.e. selling the smartphone without chargers) would result in benefits for consumers and would reduce electronic waste.

On January 30th, 2020 the EP intervened with a *“resolution on a common charger for mobile radio equipment”*³. The resolution reminds that fragmentation of the market for chargers for mobile phones and other small and medium-sized electronic devices results into consumers inconvenience and increase in e-waste. It is highlighted that consumers are still having to acquire different chargers when buying new devices from different sellers, and are obliged to buy a new charger when purchasing a new device from the same seller resulting in overall frustration. The resolution also observes that, though voluntary agreements between industry players significantly decreased the number of charger types available on the market, they have however proved unsuccessful in terms of achieving a common charging solution.

Building on that, and in answer to the EP resolution of 30 January 2020, the Commission is currently working on an impact assessment in support of a regulatory option supporting a common charging interface for certain classes of devices. This measure has been included in the Commission’s Work programme, for adoption in the third quarter of 2020.

In parallel, the Commission is checking how to implement regulatory actions to reduce electronic waste and increase the volume of cables and chargers collected and recycled in the Member States, and exploring options for an EU-wide reward system to return or sell back old mobile phones, tablets and chargers.

Apple has about 20% of the EU market for mobile phones. Their phones and most of their tablets (except iPad Pro) are being charged with a proprietary connector type (Lightning). The Lightning charger was first available in 2012, before the introduction of the actually diffused USB-C. Lightning provided for the first time a reversible connection - that is, the connector could be inverted in its insertion to the phone’s socket, whereas the old USB Micro-B type could not (USB-C is also reversible).

Apple has profitable revenues from the selling of proprietary chargers, and it is calculated that Apple’s official Lightning cables sell for upwards of \$19 in the US and €25 in Europe⁴.

³ https://www.europarl.europa.eu/doceo/document/RC-9-2020-0070_EN.html

⁴ Source: <https://www.ft.com/content/6bd514fc-3df2-11ea-a01a-bae547046735>

GROW – Apple meeting on common charger (5 December 2019)

DG GROW C3 services met Apple on December 5th 2019. The following points were raised during the meeting:

- Apple reported to have conducted a parallel study to assess the main points tackled by COM possible legislative action(s), (1) consumers' convenience and (2) reduction of e-waste. Apple' study concluded that consumer's convenience does not appear to provide sufficient support for a delegated act under the RED.
- Apple explained the reasons behind their reluctance to implement USB-C technology, mainly residing in previous technical choices and lack of advantages to their customers following a migration to USB-C. Apple also raised potential issues that could derive from a future legislative act on technological innovation and asked how the Commission would tackle that if only one solution is imposed.

DG GROW.C3 clarified that any legislative proposal on common charger would tackle the need for innovation and that transitional periods to phase out different technologies would be in any case implemented.

- Apple raised potential issues that could derive from a legislative act on technological innovation and questioned how the Commission would tackle that if only one solution is imposed. Specifically on wireless charging, Apple reported that though the incipience of that technology, there is a certain convergence from different manufacturers towards one charging protocol (Samsung, Huawei and Apple using the same).
- Concerning e-waste, Apple reported that consumers are not actually keen not to find a charger when they buy a new phone, but was nevertheless open to discuss a possible voluntary strategy (on a voluntary basis) to facilitate decoupling.