



PROGRESS REPORT

23 JANUARY 2004

Administrative Changes and Staffing

The proposal to operate ICdA under IZA management received overwhelming support of ICdA's members. ICdA will retain its existing governance structure and will operate under IZA management according to a Memorandum of Understanding between the two organisations

ICdA Chairman, Marc von Schwerin (Noranda) has been working with IZA staff on a smooth transition for ICdA. The following key changes have been made:

- All ICdA accounting and administrative functions have been transferred to Nancy van Ransbeeck at IZA.
- Agreement has been reached with ICdA North America's Executive Director, Hugh Morrow, to transfer to a part-time consultancy role
- ICdA's Brussels-based Executive Director, Michael Taylor, left ICdA on December 31, 2003 and returned to Umicore. Negotiations have been concluded with IZA-Europe for the progressive transfer of Assistant Environment Manager, Lidia Regoli to manage ICdA and conduct its European regulatory affairs activity as part of the IZA team, with effect May 1 2004.
- Full integration of ICdA's office services, web hosting and IT provision within IZA operations has been initiated.

During this period of change, ICdA's priority European regulatory affairs functions are being maintained with the support and cooperation of IZA-Europe. Lidia Regoli will be available for 20% of her time to deal with ICdA regulatory issues in Europe in the period January-April 2004. Her efforts will be augmented by support from other members of the IZA and IZA-Europe team.

The telephone and fax numbers for ICdA are unchanged. ICdA's general email address has been changed to: info@cadmium.org (the current address will be automatically forwarded for the time being)

Here are your new ICdA staff contacts during this transition period:

Responsibility	Your contact	Contact details
General Management (to 30 April 2004)	Murray Cook, Manager, Environment & Public Affairs, IZA	mcook@iza.com Tel: 00 32 2 776 0076 Portable: 00 44 (0)7867 978 343
Regulatory Affairs-Europe	Lidia Regoli	lregoli@cadmium.org Tel: 00 32 776 0096
Regulatory Affairs-North America (plus UNECE Heavy Metals Protocol & OECD NiCd Battery Program)	Hugh Morrow, Senior Consultant	ICDAMorrow@aol.com Tel: 00 1 703 759 7400 Fax: 00 1 703 759 7003
Administration and Finance	Nancy van Ransbeeck	nvanransbeeck@iza.com Tel: 00 32 2 776 0081

2004 Subscriptions

Invoices for 2004 subscriptions and related assessment forms will be issued in the coming days. To further simplify administration, these invoices will all be issued in US\$. Where appropriate, member companies whose subscriptions are calculated from assessment of cadmium sales/consumption will be invoiced for 50% of their 2003 fees and a balancing invoice issued on July 1 2004, following receipt of the assessment form.

Membership

The Board was aware that cadmium producing members of ICdA that are members of IZA may reconsider their membership, given the newly introduced contribution of US\$100,000 from IZA.

Both Noranda and Outokumpu have given notice of their resignation from ICdA , effective 1 January 2005, although it is anticipated that the companies will retain their involvement in ICdA activities through IZA.

These resignations are regrettable but will not have a significant adverse impact on the long-term financial viability of the restructured ICdA.

ACTIVITY UPDATE

Regulatory Affairs – Europe

Cadmium Risk Assessment - CSTEER Review:

- A formal submission prepared by Dr C Boreiko (ILZRO) with support from external scientific advisors, was submitted to CSTEER through the European Commission and directly to the chair of the CSTEER working group responsible for the review (*copies of the submission available on request to info@cadmium.org*).
- The CSTEER met on 8 January to discuss the human health and environment sections of the risk assessment and also the targeted risk assessment on NiCd batteries. At present there is no formal feedback from the meeting. It is understood that the human health section received little question from the CSTEER despite ICdA's submission but that the environment section did provoke some debate. Efforts are being made to obtain more detailed information on the meeting conclusions.
- The CSTEER opinion, once published, will be considered by the Rapporteur country and it will be the responsibility of the Rapporteur to decide what changes, if any, will be made to the draft risk assessment report.

Cadmium Risk Assessment – Additional testing on Bioavailability in Sediments:

- A document has been prepared on the assessment of bioavailability in sediments, for consideration in the Risk Assessment Report for cadmium and cadmium oxide. The document entitled “Probabilistic Assessment Of Cadmium Bioavailability In The Sediment Compartment” is based on similar work performed in the industry research programme for the zinc risk assessment. The document was financed by CollectNiCad and prepared by consultants, EURAS. It will be submitted to the Rapporteur country within the next few weeks.

Cadmium Risk Assessment – Additional testing for soft waters:

- Industry has, for several months, been contesting with the Rapporteur country (Belgium) the need for additional testing for cadmium toxicity in soft waters (mostly those found in Scandinavia).
- These tests would cost >US\$100,000 and would be mandatory on all producers and importers of cadmium metal and cadmium oxide.
- Industry's arguments against the testing is that the results will not have any effect on the risk characterization in the assessment and are scientifically questionable. This position was submitted to the Rapporteur in August 2003 but has not been adequately debated by the EU Member States. As a result, unless urgent action is taken by ICdA, the EU Competent Authorities are likely to confirm the mandatory testing requirement at their June 2004 meeting.

- A letter setting out industry's concerns at the procedural steps taken by the Rapporteur is being sent to the European Chemicals Bureau and an urgent meeting with the Belgian authorities has been requested.

Regulatory Affairs – North America

New York Academy of Sciences Cadmium Review

- The Harbor Consortium of the New York Academy of Sciences, of which ICdA is a member, has issued its report "Pollution Prevention and Management Strategies for Cadmium in the New York / New Jersey Harbor." The report clearly states that both cadmium releases to and cadmium levels in the NY/NJ Harbor have decreased significantly in the past 25 years. The primary finding of the report is to support the collection and recycling of NiCd batteries. The full report may be accessed at www.nyas.org/scitech/harbor.

National Toxicology Program Review of Toxicity of Cadmium Telluride

- ICdA has filed comments in support of a full toxicological evaluation of cadmium telluride by the National Toxicology Program (NTP). This program was jointly proposed by the U.S. Department of Energy, Brookhaven National Laboratory, the National Renewable Energy Laboratory, and supported by First Solar LLP, an ICdA member and manufacturer of CdTe solar cells. It now appears as if NTP's evaluation will proceed as recommended.

Recycling of Cadmium Products

- ICdA has been invited to present a paper entitled "Recycling Cadmium Products" at a Colorado School of Mines workshop entitled "Recycling Metals from Industrial Wastes", 21-23 June 2004 in Golden, Colorado. A complete copy of the workshop program is available online at:

http://www.mines.edu/Outreach/Cont_Ed/heavy.shtml.

Joint NAMF-ICdA Cadmium Coatings Solicitation

- Contributions have been received from 28 cadmium electroplaters and coatings users in the United States and Canada as part of the joint ICdA-NAMF annual solicitation on behalf of cadmium coatings.

Regulatory Developments - International

UNECE Heavy Metals Protocol

- The German Federal Environmental Agency, supported by the Dutch Ministry of the Environment and the Secretariat of the UNECE LRTAP,

organized a scientific workshop on the abatement of long ranged transboundary air transport of heavy metals in Langen, Germany on 17-18 November 2003. While not an official meeting of the UNECE LRTAP Expert Group on Heavy Metals, the meeting did present a paper on non-atmospheric deposition of cadmium to soils and did discuss the EU proposal for a 4th Daughter Directive on air emissions of heavy metals. The next official meeting of the UNECE LRTAP Expert Group on Heavy Metals is scheduled for March 30-April 1, 2004 in Brussels. ICdA will be represented, either as part of the ICMM delegation, by Hugh Morrow as an Advisor to the USA delegation, or as an organization accredited to represent the world's cadmium industry at the Expert Group meetings. These alternatives were discussed with the U.S. Environmental Protection Agency in meetings in November 2003 and subsequent correspondence.

OECD NiCd Battery Collection and Recycling Program

- Discussions have been held with Diane Beal of the U.S. EPA and Ruth Brydon of Environment Canada regarding resolution of comments on the document, "Experiences of OECD Nations with Collection and Recycling of Nickel-Cadmium Batteries," which was prepared by industry. These comments have not yet been resolved and are not scheduled for discussion at the upcoming meeting of the OECD Chemicals Committee in Paris in February 2004.