

PROGRESS REPORT No. 2

March - May 2005

Issue date: June 2005

Next ICdA General Assembly of Members:

• The next ICdA General Assembly of Members will be held on Thursday, November 3, 2005 beginning at 11:30 AM in London, England during London Metals Exchange Week and during the same week as the International Zinc Association (IZA), International Lead Zinc Research Organization (ILZRO) and International Council for Mining and Metals (ICMM) meetings.

Cadmium Pigments EU Committee:

 A meeting is planned for June in Carcassone, France to revise the needs of the EU pigments industry in preparation for the ongoing EU risk reduction strategy discussions on cadmium.

Cadmium Coatings Committee:

 To date, approximately \$3,600 has been raised in contributions from the cadmium electroplating industry in North America.

Communications Pamphlets:

- An ICdA communications pamphlet providing general information on cadmium, information on health effect and exposure, and trends in emissions is now available on the ICdA members only website for use by companies and affiliated industries.
- The sector-specific pamphlets on each of the three major consuming sectors (batteries, pigments, coatings) are now in progress.

ACTIVITY UPDATE

Regulatory Affairs – Europe

EU Cadmium Risk Assessment:

- Human Health:
 - ICdA organised a meeting on April 15th to review the conclusions of the risk assessment on human health, with a focus on the decisions taken on occupational exposure. A consensus was made on how to prepare for the risk reduction strategy discussions.
 - The meeting was attended by pigment manufacturers, battery manufacturers, and zinc (and cadmium) producers.

o For a report of the meeting, please refer to the minutes of the meeting sent around to the membership on May 9th

Environment:

- A revised final draft report has been submitted by the Rapporteur on 3rd March '05. This version is posted on the ICdA members only website.
- o ICdA has reviewed the dossier and provided comments to the Rapporteur, especially on the interpretation of the water monitoring data.
- o A copy of the industry comments can be obtained by request to L. Regoli
- Targeted Risk Assessment on NiCd Batteries:
 - A revised final draft has been submitted by the Rapporteur on 16th March '05.
 This version is posted on the ICdA members only website.
 - o ICdA/Recharge organized a meeting on April 7th with EURAS to prepare Industry comments that were then submitted on April 28th.
 - o A copy of the industry comments can be obtained by request to L. Regoli
- Conclusion i) work on 'Bioavailability of cadmium in sediments':
 - The Rapporteur is now integrating the accepted AVS model as presented by Industry into the risk assessment.
 - Whereas conclusions relating to sediments have been labeled as 'conclusion
 i) (need for further work) in the risk assessment reports (environment and
 TRAR), the Rapporteur will now convert this into a conclusion ii) (no risk) for
 the regional scenario. The suggested increased PNEC will also result in a
 'no risk' situation for most local sites.
 - The risk assessment reports (RAR environment and TRAR) will be modified accordingly and sent around for a last round of written comments.
 - Visits to some member state technical experts may be required and shall be coordinated by ICdA and member companies in certain countries (i.e. France, Italy).

EU Cadmium Risk Reduction Strategy:

Updating figures for the EU Cd/CdO risk assessment:

- The official request from the Rapporteur (Belgium) for updating figures on the production and emissions is now closed (deadline April 15th).
- The Rapporteur has submitted update reports on the environmental risk assessment on 31st May 2005 containing updated figures for the companies that provided more recent data, and recalculated risk ratios.
- ICdA has 3 weeks to comment on these reports (by 21st June 2005).
- The reports have been circulated to the member companies concerned.

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EU Risk Reduction Process

- The consultants 'Ecolas' have issued a preliminary draft of the risk reduction strategy report, containing, for the moment, only a review of the existing legislation in the EU and worldwide related to cadmium.
- A meeting between the Rapporteur and the Commission is now planned for June at which the Rapporteur will review its risk reduction strategy intention with the Commission.
- ICdA will be participating in this meeting to report back information requests from industry and to ensure that industry's views are considered. A representative(s) from each sector is also encouraged to participate.

EU Battery Directive :

- ICdA participated to the Recharge Board meeting on May 17-18 at which key actions on advocacy efforts towards the EU battery Directive were discussed.
- ICdA/Recharge are considering organising a workshop in September on the information provided in risk assessments, in order to promote the use of risk assessment in regulation in general terms, and to promote the findings of the Targeted Risk Assessment on NiCd Batteries.
- A second reading at Parliament will take place during the course of 2005 or 2006, at which the final decision on the Battery Directive will occur.

EU RoHS Directive:

- The Technical Advisory Committee (TAC) concluded on the proposed exemptions based on the Stakeholders consultation (concluded on February 11th). Further exemptions have been given to:
 - lead, cadmium and chromium in crystal glass
 - applications of Pb, Cd, Hg, Cr+6 in the aeronautic, aerospace, mining, offshore, nuclear, railway and ship sectors that require high safety standards
- ICdA submitted a request for an additional exemption for cadmium used in pigments consistent with the current exemption granted to the cadmium coatings, and consistent with the prohibitions and exemptions listed under Directive 91/338
- the additional requests for exemptions will be assessed by an independent consultant and only after the assessment of a draft decision will be proposed to the TAC for vote, most likely not before the end of the year. The Commission services are currently checking budget availability for the tender for the independent consultant.

EU Water Framework Directive:

- The Commission's proposal on the Environmental Quality Standards (EQS) for priority hazardous and priority substances will be issued in June 2005.
- DG Enterprise has requested Eurométaux to provide comments on their concerns.

- Cadmium is classified under the WFD as a 'Priority Hazardous Substance', which entails strict reduction measures including a target of "cessation of emissions" by 2026.
- ICdA has submitted cadmium specific comments for inclusion into the Eurométaux comments paper submitted to DG Enterprise on May 13th.
- A copy of the Eurométaux comments is available upon request to L. Regoli

Regulatory Affairs - North America

Status of U.S. EPA Framework for Metals Risk Assessment

- A teleconference was held on April 5, 2005 between the Science Advisory Board (SAB), members of EPA's Metals Assessment Framework Team, and interested parties which had submitted comments on EPA's Metals Assessment Framework draft.
- These latter parties included the North American Metals Council (NAMC) and the U.S. Department of Energy (U.S. DOE).
- The subject of the conference call was to discuss the SAB's strong criticism of the draft Metals Assessment Framework document. Many of the points raised concerned whether the Metals Assessment Framework was to be a review of the state of the science or a regulatory guideline or both. The tentative decision was reached that it would be more of a "State-of-the-Science" document than a policy instrument. Some EPA officials, however, emphasized that the one should inform the other. The comments made by NAMC on bioaccumulation were largely accepted and it appears as if the SAB report will incorporate these principles. The comments made by the U.S. DOE appeared to be more controversial and most were not accepted by the SAB.
- The SAB report on the Metals Assessment Framework document is now expected by the end of May, after which it will be forwarded to an SAB Quality Review Committee. Thus additional changes and comments may be expected during the summer months. The U.S. EPA still hopes to complete the Metals Assessment Framework in 2005.
- ICdA will continues to monitor the progress of this issue.

California Assembly Bill 1125 on Household Battery Recycling

- "The Household Battery Recycling Act" which would be effective February 1, 2006
 has been introduced in the State of California legislature which would require
 household battery retailers to organize and finance a system for collecting used
 batteries from consumers at no cost to the consumers.
- The proposed legislation covers all battery shapes, sizes, applications and chemistries with the exception of lead acid Starting, Lights, Ignition (SLI) batteries for automotive applications and stationary standby power.
- The California Department of Toxic Substances Control would determine recycling rates based on prior year's sales compared to current year's collection amounts.

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- The Portable Rechargeable Battery Industry (PRBA) and the National Electrical Manufacturers Association (NEMA) are strongly opposing this legislation as is the primary, non-rechargeable battery industry.
- ICdA will continue to monitor the progress of this issue.

Mexican Legislation on Prevention and Integral Management of Hazardous Wastes

- The Portable Rechargeable Battery Association has brought to the attention of ICdA the existence of legislation in Mexico, published on October 8, 2003, which specifies elaborate and detailed procedures and regulations for the prevention and management of hazardous wastes. Among those wastes, spent products or manufacturing scraps and rejects which are specifically named are nickel-cadmium batteries and any deliberate additions which contain mercury, lead or cadmium. Presumably the latter would refer to cadmium pigments, stabilizers, alloys or coatings. While it is very unclear from the rough English translation available what new requirements this legislation might entail, it is of concern that all cadmium products and their wastes are specifically cited.
- ICdA will endeavor to obtain further clarification of the impact of this legislation.

<u>USA – Canada Great Lakes Binational Toxics Strategy</u>

- The United and Canada have a program which was signed by the U.S. EPA and Environment Canada in 1997 to reduce releases of certain targeted substances to the Great Lakes. This program which has operated under several names in the past eight years calls for virtual elimination of persistent toxic substances resulting from anthropogenic sources.
- Mercury and alkyl lead are listed as Level I Priority Substances for which specific goals for reduction and times are set while cadmium is listed as a Level II Priority Substance for which "Virtual Elimination" in 20 years is proposed.
- Recently, the latest manifestation of this program, the Great Lakes Regional Collaboration (GLRC), which was initiated last year by Executive order from President Bush and which consists mainly of state, local and tribal regulators as well as the environmental NGO community, has begun discussions on a work program. One particular group, the PBT Group, has now expanded its list of toxics of concern to metals and is emphasizing mercury from fossil-fueled power plants as an issue of highest priority.
- The North American Metals Council (NAMC) and the Coalition for Mercury Management (CMM) is monitoring this program closely and ICdA will continue to address any issues of concern on cadmium through the NAMC.

NAFTA CEC Program on Children's Health

 A previous NAFTA CEC (Commission for Environmental Cooperation) "Taking Stock" report on children's health in North America had focused on release inventories of substances listed as toxic in an "Environmental Scorecard" system devised by the NGO Environmental Defense.



- Both ICdA and the North American Metals Council as well as the governments of both Canada and the United States had objected to this system of determining the health impact of certain chemicals on children, and those of establishing any policy options based on this system.
- A meeting was held in Montreal in October 2004 to consider these objections and to clarify the measures which would be used to warn of chemical dangers to children's health. It was decided that the metric involved would remain the Toxic Release Inventories (TRI) of the United States and the National Pollutant Registry Index (NPRI) of Canada to establish total releases, but it was also noted that total releases were not equivalent to exposures for children. It was further decided that the IARC and California Proposition 65 lists for carcinogenic, mutagenic and reproductive toxic chemicals would be used as the basis for establish chemicals harmful to children. It was not made clear, however, whether, the Environmental Defense "Scorecard" would be completely abandoned or not. Subsequent comments were made by Environmental Defense in rebuttal to industry's criticism of the "Scorecard" system and industry responded to those comments as well. NAFTA CEC now expects the "Taking Stock" Report to be redrafted and reissued in 2005.
- NAMC and ICdA will continue to monitor this report and comment as appropriate on the use of toxic inventory release data and the Environmental Defense "Scorecard" to establish health risks to children.

Regulatory Affairs – International

UNECE Heavy Metals Protocol

- The second meeting of the Task Force on Heavy Metals will be held in Geneva on June 16-17, 2005.
- The review of the Heavy Metals Protocol being conducted by the Task Force will be submitted to the Working Group on Strategies and Review at its session in September 2006.
- Among the items to be discussed and possibly included and which are of concern to the cadmium industry are proposals for new products and product groups, generic guidelines for the inclusion of new products or product groups, and assessment of the effects-based approach as a basis for evaluating the Heavy Metals Protocol rather than emission limit values and national emissions inventories.
- ICdA has made a presentation at the March 2005 Task Force meeting and is considering another one at the June 2005 meeting on sources of air emissions in Europe and North America.

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