

PROGRESS REPORT No. 3 June - December 2006

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Staff Changes at ICdA

Dr. Lidia Regoli resigned as General Manager of the International Cadmium Association effective November 1, 2006. At the ICdA General Assembly of Members on October 12, 2006 in London, the International Zinc Association proposed and the membership approved the proposal that Dr. Christian Canoo of the IZA staff be named to replace Dr. Regoli as General Manager. Dr. Canoo has many years of service with Umicore SA in Belgium, and is currently on secondment from Umicore to IZA to work on regulatory and environmental matters for the zinc and cadmium industries.

Next ICdA Informational Meeting:

The next ICdA informational meeting for members will be held on Wednesday, April 25, 2007 at the offices of King & Spalding, 1700 Pennsylvania Avenue, NW, 2nd Floor Conference Room 2-F, in Washington, DC and will include reviews of regulatory and market issues as well as guest speakers discussing issues of importance to the cadmium industry. All ICdA members are urged to attend.

Cadmium Pigments Committee Meeting:

 The next pigment management meeting will be held on February 14th 2007 in Stokeon-Trent (UK)

ACTIVITY UPDATE

Regulatory Affairs – Europe

EU Cadmium and Cadmium Oxide Risk Assessment :

- Need for further testing (conclusion i) on Cd toxicity in very soft waters
 - Industry has the legal obligation under article 10(1) of the Existing Substances Regulation (793/93/EC) to conduct further testing on the ecotoxicity of Cd in very soft waters. This obligation was confirmed at the Competent Authorities (CA) meeting of May 23, 2006 in Vienna.
 - A revised protocol for testing in very soft waters has been discussed and was agreed to at the Technical meeting of September 13, 2006. (TC-NES III/06).

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- The study, initiated in October 2006, will be performed at NIVA (Norway) for a fish test and at the University of Ghent for the *Daphniae-Longispina* tests. These tests are to be completed before <u>summer 2007</u>.
- The EU-producer companies of the original HEDSET (1997) of the Risk Assessment largely agreed to fund these additional tests.

EU Risk Reduction Strategy (RRS)

- The latest RRS-meeting was held in Brussels on December 12, 2006. Due to numerous comments received from Member States on the proposed 'Ecolas' Report, the initial discussion will be postponed until their next meeting in <u>May 2007</u>.
- The risk reduction measures proposed refer to implementation of existing legislation related to sewage sludge, fertilizers (with further reductions in Cd content), IPPC(or Integrated Pollution Prevention & Control directive) and the Water Framework Directive to reduce Cd in the environment and exposure to the general population.
- To reduce risks to occupationally-exposed workers, the proposed strategy is (1) the definition of EU-wide harmonized OEL's (Occupational Exposure Limits) and (2) the comprehensive risk management strategy put forward by industry, and to tie it in within the legislation for close control by the Commission.

EU Battery Directive :

- Based on the conciliation agreement reached in May 2006, the revised Battery Directive (2006/66/EC) has been published (entry into force) in the official journal on September 26th, 2006.
- According to Article 28, the Battery Directive 1991/157/EC will be repealed with effect from September 26th, 2008 and Member States will have to implement the new Battery Directive 2006/66/EC by the same date.

REACH : a new chemicals regulation

- REACH stands for Registration Evaluation and Authorization of CHemicals.
- REACH was adopted on December 18th 2006 by the European political institutions, and it will enter into force on June 1th 2007.
- All substances under the scope of REACH will have to be registered, evaluated and possibly authorized before 2018, according a schedule based on their production or usage tonnage or their potential risks for human health or the environment.
- Substances classified as potential carcinogens (CMR 2) and produced or used in amounts above one metric tonne per year, such as cadmium metal, alloys and compounds (cadmium oxide, hydroxide, sulphate, nitrate, sulphide) manufactured in Europe and/or imported into Europe will be required to be registered before December 2010.



- All legal entities (producers or importers of those substances in Europe) will have to pre-register basic information on all the substances they are producing/importing, in order to maintain their access to the EU-market.
- The pre-registration phase will commence in June 2008 with a deadline of December 1, 2008.
- A list of substances of very high concern will be issued during 2009 indicating the need for filing a more extensive Authorisation dossier.
- A workshop will be organized by Eurometaux, in Brussels on <u>March 12th & 13th</u>, in order to inform and discuss the generic issues of REACH for the metals industry. Interested Members of ICdA are strongly urged to attend that workshop.
- The IZA and ICdA staff, who are involved in the Eurometaux activities on REACH in the preparation of practical guidance documents for the nonferrous metals industry, will initiate discussions and actions in the coming weeks between their Members concerning the opportunity to create a specific Consortium "Cadmium" for sharing the obligations, the efforts and costs, under the REACH requirements, with a target date of June 2007.

Regulatory Affairs – North America

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

- The Framework for Inorganic Metals Risk Assessment has been undergoing internal EPA review during the latter half of 2006.
- EPA Administrator Johnson has publicly stated that the BAF/BCF approach is not useful for the hazard assessment of metals.
- Issues and objections, however, have arisen citing the bioaccumulation of heavy metals in humans. However, the NAMC and ILZRO (Craig Boreiko) have issued a white paper discussing the relevance of this issue.
- Framework is expected to be issued shortly and to serve as the new basis for many pending and future EPA regulations concerning metals. In light of the Metals Framework, EPA may reconsider the Lead Toxic Release Inventory (TRI) Rule which is largely based on classification of lead as a PBT.

USA State Programs, Legislation and Regulation Affecting Cadmium Products

- Legislation on cadmium product use in place in California, Massachusetts and New Jersey. Legislation requiring NiCd battery collection and recycling in place in 20 US States. California now has a mandatory WEEE collection and recycling law.
- California, Oregon and several other US States have recently proposed lower emissions, ambient air and water quality standards for cadmium.



 In spite of their previous agreement not to include metals in their Multiyear PBT Chemical Action Plan pending issuance of the EPA Metals Assessment Framework, the State of Washington's Department of Ecology (DOE) has proceeded to issue their new Chemical Action Plan which lists lead and cadmium as "substances of concern" based on their treatment and numerical rankings as PBTs. The NAMC and ICdA has once again objected to this classification and reminded the DOE of their previous commitment regarding metals and PBTs.

NAFTA Commission for Environmental Cooperation (CEC) Reports

- Report on Toxic Chemicals and Children's Health, first drafted in 2004, criticized by US EPA, Canada and industry for its use of the Environmental Defense non-scientific "Scorecard" and TRI(USA) and PRTR(Canada) emissions numbers to assess risk to children's health.
- NAFTA CEC rejected or ignored most of US, Canadian and industry comments, and issued a final report on May 17, 2006. Environmental Defense also issued its own report "Polluted Children, Toxic Nation" in June 2006.
- US EPA agrees with industry criticism and has asked for NAFTA CEC response.
- NAFTA CEC's Annual "Taking Stock" Report issued on July 27, 2006. Report relies on the TRI and PRTR inventories to identify "worst polluters" which is misleading because these numbers include amounts transferred for recycling or treatment.
- Special chapter is presented on arsenic and cadmium, but cadmium polluters are not listed because of different reporting thresholds in the United States, Canada and Mexico.

Canadian Domestic Substances List (DSL) Categorization Program

- Canada has announced a Chemicals Management Plan which details how it will deal with the results of categorizing chemicals on the Domestic Substances List under the Canadian Environmental Protection Act (CEPA).
- Most of the substances of immediate concern are organics. However, some metals and metal compounds are mentioned in various aspects of the program. These include the metals lead, mercury, and cobalt; inorganic metallic compounds such as antimony oxide, vanadium oxide, and cobalt chloride; and a few organic metallic compounds of zinc and nickel.
- Included in the list of compounds to be evaluated in 2007 are C.I. Pigment Yellow 34 and C.I. Pigment Red 104, both of which are lead chromate based pigments.
- Soluble and respirable forms of cadmium and cadmium compounds are already well regulated under CEPA, so it is not now anticipated that this Chemicals Management Plan will impose additional regulation on the cadmium industry. However, it is possible that the industry may have to gather additional information.

Regulatory Affairs – International

UNECE Heavy Metals Protocol



- Protocol entered into force in 2004, applies to long-range transboundary air pollution (LRTAP) of lead, cadmium and mercury, and requires best available technology (BAT) to reduce heavy metal air emissions of selected industries from a 1990 base year.
- Existing product restrictions on lead in gasoline and mercury in primary batteries, but none on cadmium in products.
- Task Force on Heavy Metals (TFHM) met in Dessau, Germany in February and Ottawa, Canada in May to review Sufficiency and Effectiveness (S&E) of HM Protocol. Hugh Morrow of ICdA participated on cadmium in products chapter of S&E Review. USA, Canada and Industry represented a viewpoint of reducing emissions and recycling while the EU took a position of bans on cadmium products to reduce LRTAP. No agreement could be reached on this issue, and thus no further action will be taken on cadmium products under the UNECE LRTAP program.
- TFHM also reported that emissions of lead, cadmium and mercury have all declined since signing of the Protocol in 1998.
- TFHM has also been examining the critical loads and critical limits modeling approach to regulating LRTAP, but USA and Canada are skeptical of this approach even while the EU is anxious to adopt it. Canada has agreed to prepare a report in 2007 on other types of effect-based approaches besides the critical loads analysis.
- TFHM also plans to further examine emerging BATs in 2007 to further reduce heavy metal emissions.

UNEP Heavy Metals Program

- The UNEP Heavy Metals Program is expected to become the main focal point for international debate on heavy metals in 2007. A meeting of the Governing Council is scheduled for February 2007 in Nairobi, and proposals are expected for binding international agreements on mercury, lead and cadmium. The proposals for mercury are the most far advanced at this point, but there is strong pressure from the EU and from some developing nations for action on lead and cadmium as well. This February 2007 meeting in Nairobi will be critical for future international mandates on cadmium and cadmium products.
- A Danish consultant was retained to prepare "Scientific Reviews" on lead and cadmium. An Expert Group on Heavy Metals was formed to review this scientific review. This Expert Group included Craig Boreiko of ILZRO, Lidia Regoli of ICdA (who has now been replaced with Hugh Morrow), and John Atherton of the International Council on Mining and Metals (ICMM).
- The Scientific Review on Cadmium was largely a Nordic viewpoint on cadmium and seemed largely to be simply an amplification of the 2002 Helsinki Commission Guidance Document on Cadmium and its Compounds. Much of the citations and evidence presented are from Scandinavia, and the report is full of opinion and speculation.
- Although the ICdA, Canada and the US EPA filed objections and comments on this Scientific Review, very little changes were made from the first draft which appeared in August 2006 to the revised draft in October 2006. The October 2006 draft is now



termed an "Interim Scientific Review" but is the version which will be considered by the UNEP Governing Council in February.

- Several countries and the EU are now taking the approach that global trade in cadmium products results in global cadmium pollution in developing nations with poor waste management practices and that therefore international trade in cadmium products and/or cadmium products themselves must be restricted globally. This approach was heavily promoted at the Intergovernmental Forum on Chemical Safety (IFCS) symposium on heavy metals held in Budapest, Hungary, September 24-29, 2006, and is certain to be proposed at the UNEP Governing Council meeting in February 2007.
- The US Government's approach is to attempt to reach some kind of compromise agreement on voluntary programs for mercury but not to agree to any binding measures on lead or cadmium products.

Organization for Economic Cooperation & Development (OECD)

- A Guidance Document for the Environmentally Sound Management (ESM) of waste has been in preparation for the past several years with the aim of developing a, more or less, globally harmonized system for treatment of waste. A major concern is that the developed nations should not be imposing their toxic wastes and burdens on developing nations.
- The EU is attempting to make the document legally binding and to reflect EU approaches while the USA and Canada want the document to be flexible and a guide rather than a legally binding agreement. The USA has been able so far to remove all reference to the Precautionary Principle which was strongly favored by the EU.
- The concern amongst North American companies and government officials is that the document could conceivably be used as a trade restriction by one country refusing to allow the import or export of waste destined, for example, for recycling on the basis that the importing or exporting country did not have sufficiently adequate "environmentally sound management" systems in place.
- Another concern is who serves as the certifying authority to determine whether a sufficiently adequate ESM system is in place.
- While NAMC and ICdA agree with the US Government position and have helped them to comment on this document, it is still an issue which requires some continued monitoring.

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