



AIA Briefing Report: Environment Canada Workshop

'Federal Agenda-Future Canadian Measures for Reducing VOC emissions from Consumer and Commercial Products'

March 20-21, 2003
Toronto, Ontario

1. Purpose of the Workshop

Environment Canada hosted this meeting of key Stakeholders to review and discuss strategies for reducing emissions of VOC (Volatile Organic Compounds) from a wide range of Consumer and Commercial Products. As indicated in section 2 of this report, this could have a profound impact on the products manufactured, distributed, and used by the AIA membership.

The federal Agenda, or action plan, is to reduce air pollution in Canada by implementing steps to achieve Canada Wide Standards (CWS) for two major air pollutants:

- Particulate Matter, or PM2.5
- Ground Level Ozone, or Smog

These pollutants result from the emission of solvents to the atmosphere. Environment Canada data presented at the Workshop suggested that VOC solvents would replace the transportation sector as the largest source of VOC emission later in this decade.

According to data provided by Health Canada at this workshop, these pollutants contribute to serious health and environmental problems throughout the country, particularly in heavily populated urban areas.

About 60 stakeholders attended the workshop from industry associations, specific companies and from federal and provincial government agencies across Canada. A full list of participants will be sent to the AIA under separate cover.

2. Environment Canada's 'Agenda' or Action Plan

Environment Canada proposes to create Regulations under the Canadian Environmental Protection Act, CEPA, to lower the VOC, or solvent content, of consumer and commercial products. The scope of their agenda is broad and will include household consumer products, chemical products used commercially, and products used in industrial manufacturing. The proposed regulations could require manufacturers of these products to reduce, or restrict, the use of solvents in consumer and commercial products. The process of reformulating products to a lower solvent content can be a very expensive requirement.

Environment Canada intends to prepare these regulations based upon a 'harmonization' with state regulations already in place in California, and those promulgated by the federal USA Environmental Protection Agency. This could mean substantial product reformulation to reduce solvent content, particularly if they decide to 'cherry pick' from parts of these regulations.

Following this multi-stakeholder workshop, the Federal Minister of the Environment will publish in the next couple of months a formal Notice of Intent in Part 1 of the Canada Gazette. The NOI, specifying timeframes, will lay out an agenda of planned measures to be taken to deal with VOC emissions from the consumer and commercial product sector in Canada.

This Federal initiative is important because AIA members may be affected in the first phase of their plan. If USA type regulations are adopted, the following automotive related products could be affected:

Aerosol paint products and undercoatings, auto windshield-washer fluids, auto adhesives for mounting, carburetor and choke cleaners, fuel injector cleaners, brake cleaners, engine degreasers, auto waxes and polishes, glazes, general purpose cleaners, lighter fluids, paint and coating products, paint thinners, paint removers, paint strippers, glass cleaners, lubricants, sealants, penetrants, tire sealants and inflators, bug and tar removers, rubber and vinyl protectants, and any other commercial and consumer products containing organic solvents (VOC's) manufactured and sold by members.

3. AIA Presentation to the Workshop

On behalf of the AIA and its membership, I made a 15-minute presentation to Environment Canada and the stakeholders. I began by describing the size, scope, and importance of the automotive aftermarket in Canada, the AIA, and its membership.

In summary, I spoke out against regulating our products and provided the following arguments:

1. Products manufactured, distributed and used by members of the AIA are already very heavily regulated under federal regulations, provincial regulations, and municipal by-laws. I cited the following examples: TDG, WHMIS, Hazardous Waste regulations, Ozone Depleting Substance regulations, Used oil regulations, Scrap tire regulations, and sewer use by-laws. Further regulations will increase the financial burden on our industry.
2. The automotive aftermarket industry is very competitive and the proposed regulations would place a large financial burden on our membership, particularly the small businesses with limited resources. In addition to the actual reformulation costs, I cited additional costs of producing new labels, new MSDS's, new technical bulletins, and new training requirements. I urged Environment Canada to examine the cost effectiveness of regulating automotive products, and suggested they identify other sources where they can get a bigger bang for the buck.
3. The automotive industry has already taken steps to reduce VOC emission from refinishing paints through the introduction of new low VOC coating products based on waterborne, or high solids technology.

4. I strongly urged Environment Canada to more fully assess the impact of adopting USA based regulations. Products that are formulated to meet regulations in California, or the southern USA, may not work effectively in Canada. I used the example of windshield washer antifreeze.
5. The AIA has been working with its membership for years to adopt good environmental practices. I cited the examples of the new TDG Manual and Correspondence Course, the recently revised Waste Management Guidelines, and the new Environmental Management Solutions Course.

4. Recommendations:

Environment Canada spoke with a sense of urgency when discussing their plans to proceed. I believe that they have their minds made up to bring in product regulations in spite of what they heard at the Workshop. I've had experience working with regulators in California, in the USA EPA, and in Environment Canada on related matters, throughout the last decade.

Here are recommendations for the AIA team to consider as future actions:

1. Follow up on this workshop with an official letter to Sandy Matheson of Environment Canada, signed by an AIA executive, stating the association's concerns. I can prepare a draft for AIA based on the points I made at the workshop.
2. Communicate the general direction of this initiative to members. Those that are affected can comment and provide the AIA with a more quantitative view of the impact these proposed regulations would have on the membership. Duracool has already provided valuable input.
3. Create a link on the AIA web site to keep members abreast of developments on the Environment Canada site (see Documentation below)
4. Influence the continuing developments by commenting on the Notice of Intent published by Environment Canada, and by requesting a bi-lateral meeting to review AIA concerns. However, we should be prepared at this stage to quantify our arguments with specific data.

There may be merit in seeking strategic partnerships with other Industry Associations that have similar concerns. For example, I was approached by Ed Berry of the Canadian Consumer Specialty Products Association and Carl Carter of the Canadian Cosmetic, Toiletry and Fragrance Association about the possibility of forging an alliance at an appropriate time in the future.

5. Documentation

Copies of some of the presentations were made available at the workshop in paper form. I have a file that I will send to AIA via mail. Environment Canada promised to provide updates in electronic form in future on their web site.

Please get in touch if you have any questions.

Ken Hine
March 25, 2003