



# **NEMI RoHS/Pb-Free Summit**

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# Presentation Overview

- Introduction to AeA
- US China Technology Relationship
- Chinese Environmental Regulatory Influences
- China Management Methods (“China RoHS”)
- China Recycling and Treatment of Waste & Used - SDRC
- Technology Policy White Paper- SEPA
- Industry Resources

# AeA, AeA Europe, USITO

- **AeA –Advancing the Business of Technology**
- **AeA Europe**
  - Brussels, Belgium
  - Founded in 1990
  - Working on WEEE & RoHS since early 1990s
- **U.S. Information Technology Office (USITO)**
  - Beijing, China
  - Founded in 1995
  - Active EHS Committee on WEEE & RoHS
- **Coordinated State, International and Federal e-waste bill monitoring and strategy building**

# U.S.-China Tech Relationship

- **Significant progress has characterized the US-China trade and investment relationship in 2004**
- **A recent survey of American Chamber of Commerce (Beijing) member companies found 65% of businesses surveyed were profitable and nearly all the rest expected to be profitable within three years.**
  - Respondents reported that profit margins from China operations have strengthened substantially over the past four years compared to respective global profit margins.
- **US exports in the first half of 2004 rose 38%, IT exports rose 69% - more than any other sector**



# Chinese EHS Policy Environment

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# Environmental Regulatory Influences

- **Rising Influence of EU legislative and policy initiatives**
- **Environmental degradation: World Bank concludes that pollution is costing China annually 8-12% of its \$1.4 trillion GDP in direct damage, such as impact on crops of acid rain, medical bills, lost work from illness, money spent on disaster relief following floods and the implied costs of resource depletion.**
- **State Environmental Protection Administration (SEPA) found over 70% of the water in five of China's seven major river systems was unsuitable for human contact.**
- **In 2002, SEPA found that the air quality in almost two-thirds of 300 cities it tested failed WHO standards – yet emissions from rocketing car ownership are only just becoming an issue.**

# Environmental Regulatory Influences

- Chinese press reports from citizen groups describing environmental and health impacts of the illegal dumping of electronic waste
- Tendency for Chinese regulators to employ China-preferential standards for industry
- Increasing Chinese government focus on supporting the evolution of the domestic industry and privatization of China's Military run industries

# National People's Congress (NPC)

- **China's Clean Production Promotion Law (CPPL)**
- **Enacted June 29, 2002, effective January 1, 2003**
- **Statue providing legislative authority for a wide range of materials restrictions and related initiatives in China**
- **“Clean Production” defined in law to include: “fundamental reduction of pollution from sources, enhancement of resource utilization, reduction in or prevention of pollution during production....”**
- **This law is the foundation of new regulations**



# China RoHS

# China RoHS - General

- **Ministry of Information Industry (MII) drafted the *Management Methods for the Prevention and Control of Pollutants from Electronic Information Products***
- **Objective:**
  - to prevent, control and reduce pollution and other public hazards to the environment in the process of using and discarding electronic information products, to raise efficiency of resource utilization, safeguard human health and property and to promote sustainable development of the electronic industry.
  - Foreign Market Preparedness
- **Focus is on all EEE products with emphasis on toxic and harmful substance restrictions to focus on source of pollution**

# China RoHS – Scope

- **“Electronic Information Product”:**
  - Refers to the products made by using electronic information technology, which include:
    - Broadcast & television products
    - Computer products
    - Household electronic products
    - Electronic measurement and instrument products
- **MII will take a positive list approach –draft list**
- **Scope will expand over time as experience is gained**
- **The list of products covered will be drafted after promulgation**

# China RoHS

- **“Toxic and harmful substances or elements” refers to:**
  - Lead
  - Mercury
  - Cadmium
  - Hexavalent Chromium
  - Polybrominated biphenyls (PBB)
  - Polybrominated Diphenyls Ethers (PBDE) and
  - Other toxic and harmful substances or elements provided by the State.
- **Product compliance date is July 1, 2006 (same as EU)**

# Advocacy and Expectations I

- **AeA, AeA Europe and USITO member companies established China RoHS Coalition in late 2003 to begin high-tech industry advocacy with the Chinese government**
- **AeA led China RoHS Coalition met with MII officials in November 2003 and July of 2004 with legal guidance from Beveridge and Diamond.**
- **Key messages delivered included at both meetings included:**
  - Advocating for transparent scope and criteria for product catalogue
  - The adoption of standards and guidance information.
  - Consumer electronic product scope

# Advocacy and Expectations II

- **Scope and Criteria of the Product Catalogue**
  - Transparent selection criterion
    - Consumer electronic product scope
  - Transparent Exemptions/Exclusion Process
  - International Harmonization
- **Standards and Guidance Information**
  - International standards harmonization
  - Maximum Concentration Values
  - Acceptance of Supplier Declarations of Conformity
  - Prohibiting pre-market testing
  - Marking and Labeling
  - Chinese involvement in international standards development bodies and incorporation of international standards in Chinese regulations and laws.

# China RoHS Situation in Summary

- Continued industry coordination of message delivery to MII, other Agencies and other stakeholders
- China RoHS mainly focuses on pollution prevention before the products are sold into the market.
- Expect regulation to become final later this year with implementation July 1, 2006
- Several important details remain unresolved, but to date there has been no discussion of Chinese postponement



# China WEEE

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# China WEEE

- **State Development and Reform Commission (SDRC) drafted the *Management Regulations on Recycling and Treatment of Waste and Used Household Electrical and Electronic Products***
- **Objective: regulating the recycling and treatment of waste and used household electrical and electronic appliances and promoting resource recycling and reuse, environmental protection and human health**
- **Management Regulation starts the management of products phased out after products enter the market “end-of-life”**
- **Focuses on household products and computer related. Only covers product disposal**

# SDRC WEEE Elements

- **Waste and Used Household Appliances include:**
  - Waste and used television sets
  - Refrigerators
  - Washing machines
  - Air conditioners
  - Computers
  - Other products that will be timely announced by the State Development Reform Commission together with other relevant agencies

# SDRC WEEE Elements

- **Household appliance producers are responsible for:**
  - Adopting product design favorable to recycling and reuse, select non-hazardous and non-toxic materials and substances, and materials favorable to recycling and reuse, and provide major component and other information in the instruction manual
  - **Undertake their own treatment of waste and used household appliances or entrust this treatment to qualified treatment enterprises**
  - Providing to the provincial authorities information on the categories, quantities, sales volumes and export volumes of the household appliances they produce

# SDRC WEEE

- **Many questions remain because the draft regulation is very broad**
  - Responsibility for financing
  - Producer responsibility
- **Broad law w/ stakeholder questions is the norm**
  - Chinese laws tend to be normative documents that set general parameters to be elaborated upon in implementing measures

# SDRC Pilot Programs

- **China's State Development Reform Commission (SDRC) announced this spring that Zhejiang province and the city of Qingdao would be the first two locations in the country to set up recycling systems for scrap electronics.**
- **China's top state-owned electronics manufacturers Haier and Hisense are located in Qingdao, while Zhejiang is an affluent province that is thought to have a high diffusion of electronics**
- **Purpose – practical references in order to establish related regulations and industrial standards for electronics recycling.**

# Advocacy and Expectations

- **AeA, AeA Europe and USITO member companies established a China WEEE Coalition to begin high-tech industry advocacy with the Chinese government**
- **USITO is reaching out to Chinese companies and other MNC operating in China to expand coalition**
- **Key messages to date include:**
  - Flexibility –both for financing and for system structure
  - Transparent criteria for products captured under the initial scope of WEEE
  - Across the board system – not a patchwork
  - Least burdensome as possible



# SEPA WEEE

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# SEPA WEEE Jurisdiction

- **State Environmental Protection Administration (SEPA) issued a white paper entitled “ *Technology Policy on Prevention and Control of Waste Electrical and Electronic Pollution*”**
- **Objective: reduce the generation of waste electronic and electrical equipment (WEEE), increase WEEE recycling and reuse rate, minimize impact and impairment on the environment in the process of WEEE resource utilization and disposal, and promote international trade on electronic and electrical equipment (EEE).**
- **Focus on technical measures, emphasis on pollution process control, covers entire process from design to disposal.**

# SEPA Technology Policy

- **Electronic and Electrical Equipment (EEE) refers to:**
  - Equipment whose normal function is ensured by electric current or electromagnetic field, and equipment used to produce, convert and measure these electric currents and electromagnetic fields
  - Specific products include:
    - Large-size household electric appliances such as refrigerator, washing machine, TV set, air conditioner
    - Small-size household electric appliances such as vacuum cleaner, electric shaver
    - IT and telecom equipment such as computer, printer, fax,
    - Consumer equipment
    - Electronic toys, recreation and sports equipment
    - Medical equipment
    - Monitoring and control equipment
    - All kinds of automatic vendors

# China WEEE Proposals Summary

- Both recognize the potential for coexisting government and manufacturer/importer recycling systems
- Both appear to focus on household/consumer electronic focused products initially, but will expand to eventually cover a much broader scope of products
- Both omit possible implementation dates – but SDRC is expected to develop quickly
- Both encourage input from industry, research institutes and recognize the jurisdiction of other Chinese agencies

# Summary

- **Later this year industry expects a China RoHS to focus on restricting substances in EEE. Emphasis on source of pollution**
- **SDRC is considering a WEEE regulation to focus on household products with emphasis on product disposal**
- **SEPA is considering a WEEE regulation that will focus on technical measures, emphasis on pollution process control, covering entire process from design to disposal**

# Chinese Environmental Regulation

- **Increasing focus of Chinese government agencies on European environmental initiatives**
- **Greater need for coordinated industry approaches**
- **Greater need for technical exchanges and industry-government efforts to promote increased transparency**

# Industry Resources

- **China RoHS Coalition**
- **China WEEE Coalition**
- **Beveridge and Diamond**
  - Tad Ferris and Dr. Hongjun Zhang



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