



Information Technology Industry Council
Leading Policy for the Innovation Economy

Environmental Policies & Regulations

Environmental Leadership Forum

October 8, 2009

San Diego

Presentation Overview

- Materials & Supply Chain Issues
- Energy Efficiency
- Electronics Recycling



Materials & Supply Chain Issues

- Key Drivers include:
 - Public concern from potential exposure to chemicals and substances in products and from manufacture (especially in sensitive populations such as children)
 - “Design for Environment”/Sustainability
 - Push to use “inherently safer” substances across lifecycle
 - Source reduction (less waste and/or easier to reuse)
 - Design to reduce end-of-life management impacts
 - Potential hazards and risks of new chemicals and substances, i.e., nanomaterials
 - Human rights concerns



Conflict Minerals

- Ongoing civil war and genocide in the Democratic Republic of the Congo (DRC – formerly Zaire) fueled in part by struggle over natural resources
 - Militias fund arms purchases by controlling mines and selling raw ore: coltan (tantalum), cassiterite (tin) wolframite (tungsten)



Conflict Minerals

- These metals have wide application in the electronics industry
 - Primarily used in solder and in components such as capacitors and circuit boards
- Many other industries use these metals
 - Aerospace
 - Automotive
 - Heavy industry



Conflict Minerals

- U.S. Senate Bill 891, the “Congo Conflict Minerals Act of 2009”
 - Would require companies that use listed minerals in products to file an annual report with the Securities and Exchange Commission disclosing the country of origin (and potentially the mine of origin)
 - Numerous Senate sponsors



Conflict Minerals

- U.S. House effort to create an auditing and verification regime focused on global metals refiners and processors
 - Most are in China, Kazakhstan, Estonia
- NGO community, led by ENOUGH, is threatening to launch a “messy” celebrity campaign against major electronics manufacturers



Conflict Minerals

- ITI is partnering with the Electronic Industry Citizenship Coalition (EICC)
 - ITI is leading the federal advocacy effort and EICC is conducting a supply chain transparency project
- Business for Social Responsibility (BSR) hosting a forum on conflict metals on October 20 in San Francisco



CPSIA

- Consumer Product Safety Improvement Act of 2008
- Lead content restrictions
 - 300 ppm as of 8/14/2009
 - CPSC looking at feasibility of 100 ppm limit
 - If feasible, or no Commission action, 100 ppm becomes limit on 8/14/2011
- Phthalate restrictions (as of 2/10/2009)
 - Permanent ban DEHP, DBP, and BBP
 - Interim ban on “children’s toys” for DINP, DIDP, and DnOP
 - CPSC will issue ruling on interim ban



CPSIA - Lead Ban

- Applies only to “children’s products”
 - Term not well defined in law
 - ITI and CEA submitted document clarifying most electronics are not children’s products
- Exemptions:
 - Inaccessible parts
 - Electronics: several (but not all) of the EU RoHS exemptions for lead



Federal “RoHS” Bill

- U.S. House bill HR 2420 would amend TSCA “to ensure a uniform Federal scheme of regulation of restrictions in the use of certain substances in electrical products and equipment in interstate and foreign commerce”.
 - Specific action is unlikely on this federal RoHS-style proposal because....



TSCA Reform

- Obama Administration just announced its “Essential Principles for Reform of Chemicals Management Legislation”
 - Also announced plans for a “major effort to strengthen EPA’s current chemical management program and increase the pace of the agency’s efforts to address chemicals that pose a risk to the public”.



TSCA Reform

- “As more and more chemicals are found in our bodies and the environment, the public is understandably anxious and confused. Many are turning to government for assurance that chemicals have been assessed using the best available science, and that unacceptable risks haven’t been ignored.”
 - U.S. EPA Administrator Lisa Jackson, September 29, 2009



SAICM

- Strategic Approach to International Chemicals Management (SAICM) is a “policy framework to foster the sound management of chemicals”
 - SAICM 2020 goal is to ensure that “chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health”



SAICM

- SAICM launched by International Conference on Chemicals Management (ICCM) and administered by UNEP & the World Health Organization.
- Several key actions on “Emerging Policy Issues” approved at ICCM2 earlier this year.



SAICM

- **Chemicals in products** (Resolution II/4 C)
- **Hazardous substances within the life cycle of electrical and electronic products** (Resolution II/4 D)
- **Nanotechnologies and manufactured nanomaterials** (Resolution II/4 E)
- **Managing perfluorinated chemicals and the transition to safer alternatives** (Resolution II/5)



HFR-Free: European Union

- Most HFRs already banned through various EU Directives (Dangerous Preparations Directive and RoHS)
 - PCBs, PBBs, PBDEs
 - decaBDE exemption invalidated by European Court of Justice in 2008
 - Dangerous Preparations Directive in process of being superseded by REACH Directive



HFR–Free: European Union

- TBBPA (Tetrabromobisphenol A)
 - Listed in original Öko-Institut recommendation for RoHS revision
 - EU Commission and Council presented slightly different proposals, but both removed all additional substances
 - EU Parliament has not considered topic – will likely vote on either Commission or Council proposal
 - Swedish and German governments pushing to include TBBPA in RoHS 2.0 – substance additions unlikely
- Norway PoHS would prohibit additive use of TBBPA and HBCD (Hexabromocyclododecane) in any consumer product



Energy Efficiency

- Key Drivers Include:
 - Energy security (i.e., concerns regarding dependence on foreign energy sources)
 - Climate change
- Governments around the globe are increasingly regulating product energy consumption in an effort to address these major challenges



Energy Efficiency

- Regulators often mistake energy consumption limits for energy efficiency
 - Can stifle innovation and actually increase overall energy demand
- ICT systems drive major efficiency gains throughout the global economy
 - Artificial consumption limits can decrease functionality and undermine these gains



Energy Efficiency

- Governments are imposing unique energy limits/mandates, testing protocols, labeling requirements or mandates on the use of in-country service providers.



Energy Efficiency

- The threat is further fragmentation and market access barriers that force us to design, label and/or test our products in different ways for different major markets.



Energy Efficiency

- Various voluntary and/or mandatory product energy efficiency regimes are in place or under active discussion in the U.S., EU, Australia/New Zealand, Canada, China, India, Japan, Korea and California
- While there is some coordination around Energy Star, regional energy efficiency and labeling requirements will diverge unless we can establish uniform methods



Energy Efficiency

- Strategic objective is to drive global consistency on product energy requirements (limits, testing, labeling and definitions) through a combination of policy, advocacy and standards.
 - Will require global coordination between manufacturers (and their trade associations) and other stakeholders



Energy Efficiency

CREATE GREEN JOBS THROUGH ICT INVESTMENT & INNOVATION

- “ITIF estimates that spurring an additional investment of \$30 billion in America’s IT network infrastructure in 2009 will create approximately 949,000 U.S. jobs” through expanded broadband networks, health IT and the Smart Grid.
 - *The Information Technology & Innovation Foundation, January 2009*



Energy Efficiency

PROMOTE ENERGY SECURITY & MITIGATE CLIMATE CHANGE

- “Altogether, ICT enabled solutions could cut annual CO₂ emissions in the U.S. by 13 - 22% from business-as-usual projections for 2020. This translates to gross energy and fuel savings of \$140 - 240 billion dollars.”
 - *The Climate Group and the Global e-Sustainability Initiative, November 2008*



Energy Efficiency

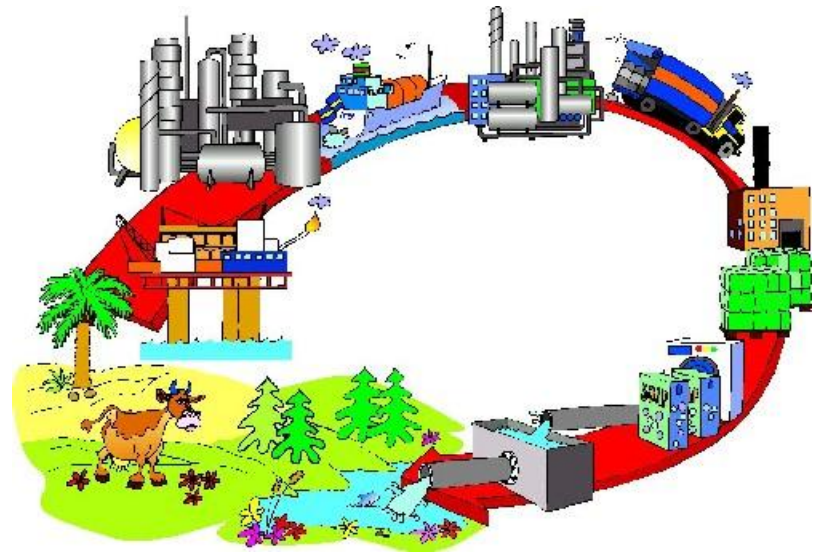
DRIVE PRODUCTIVITY & ENERGY EFFICIENCY

- “For every extra kilowatt-hour of electricity that has been demanded by ICT, the U.S. economy increased its overall energy savings by a factor of about 10. These productivity gains have resulted in significant net savings in both energy and economic costs. The extraordinary implication of this finding is that ICT provide a net savings of energy across our economy.”
 - *ACEEE, February 2008*



Electronics Recycling

- Key Drivers include:
 - Landfill space and incineration concerns
 - Resource conservation
 - Human health exposure and environmental damage concerns resulting from improper management
 - Social issues, i.e., prison labor



Electronics Recycling

- Absent federal action on a comprehensive national electronics infrastructure, states and cities have taken the lead on regulating
 - 19 states plus NYC have enacted laws
 - ITI and CEA have filed a federal lawsuit against NYC's door-to-door collection program



Electronics Recycling

- U.S. is not a Party to the Basel Convention, and lacks strong federal oversight of electronic exports
 - U.S. EPA is focusing more enforcement resources on CRT Rule, but other electronics are not covered
 - ITI and members working with U.S. EPA and others to formalize standards for electronics recyclers (R2)



Electronics Recycling

- U.S. House bill HR 2595 proposes to restrict the export of certain electronic waste to non-OECD countries
 - Objective is to stem shipments of obsolete products to countries that lack training and safeguards to properly manage them
 - Documented human health and environmental exposures in Asia, Africa and elsewhere



Electronics Recycling

- Since illicit brokers often ship obsolete electronics under the guise of reuse, NGOs are demanding severe restrictions on export of used devices
 - Pushing to amend HR 2595 to limit export for refurbishment to covered devices less than 3 years old, regardless of condition or market demand



Electronics Recycling

- Issue is being driven in part by the materials contained within our products (especially legacy products)
- Key driver relates to the improper disassembly and disposal practices
 - Open pit burning
 - Use of acids and solvents
- Concern regardless of actual product content



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