Canadian Chemical Regulation Continues Apace

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By Gary LeRoux, President and CEO, Canadian Paint and Coatings Association (CPCA)

It’s obvious to all in the coatings industry that a vast array of chemical ingredients is required for thousands of product formulations that range from resins and pigments to performance minerals, surfactants and dispersants. Key customers like many CPCA manufacturer members in the coatings business, including adhesives and sealants, need quality raw materials to meet the strict demands of their customers. The need to increasingly meet those demands is impacted by regulatory challenges that continue to grow, placing greater pressures on raw material suppliers. Suppliers and their distributors understand and advertise the need to be fully conversant with existing regulations for their raw materials. A big part of that equation is understanding the status of substances being actively reviewed by governments at all levels, especially at the federal level in Canada under the Chemicals Management Plan (CMP). This extensive effort in Canada prompted a regulatory manager of a large CPCA multinational member to comment that, “Dealing with the CMP is like drinking water through a fire hose.” He was right in terms of the regulatory monitoring that is required and the robust data gathering effort that is needed for effective chemical risk assessment. Data is the most critical part of the entire exercise, as it assures the assessments of critical ingredients are science based and much of that data resides within industry.

After nine years assessing more than 2,300 substances in phases 1 and 2 of the CMP, Canada is now in the process of evaluating more than 1,500 substances in commerce that are of concern to human health and the environment. This is in stark contrast to current efforts underway in the United States following the reform of TSCA and the plan to assess 10 substances over the next several years. It speaks to the two different forms of government in each country and the priorities of each. The purpose of the CMP assessment of chemicals regulated under the Canadian Environmental Protection Act (1999) is to either ban substances of concern or restrict their use by managing the risks associated with them via increasing regulation or other risk management measures. CPCA works to ensure the worst case is a regulation wherein substances are still permitted for use as opposed to an outright ban limiting options in product formulations. Over the past nine years in Canada we have been fortunate that there have only been two banned substances and 80 risk management measures for ingredients used in all chemical sectors. That does not mean the process is not onerous and costly for industry. The federal government committed C$1.5 billion for this undertaking, and the cost to all chemical sectors has never been calculated, but it is not insignificant.

Phase 3
Launched in 2016, this third round of the CMP focuses more on the industrial side of the coatings industry, which includes a large portion of substances used in adhesives and sealants. CPCA has already identified nearly 400 of the 1,500 substances that will be assessed in the coatings industry over the next few years. These may impact products such as: additives, fillers and extenders, filter aids, fire retardants, pigments/colorants, preservatives, processing aids, resins, surfactants and dispersants, binders and thickeners, catalysts, flow and penetration, oils, and more, including a
vast array of specialty chemicals such as corrosion inhibitors, antistain, etc. These substances are used in coating systems across the entire coatings manufacturing sector for applications in wood, architectural, automotive, coil or powder coatings and others. It is critical that those supplying raw materials are on top of the substances being assessed. As in all cases, knowledge is power. The process has begun, and if one is in the business of supplying raw materials it is advisable that one be fully engaged to prevent future surprises that could negatively impact highly valued product lines.

CPCA has been able to secure reasonable risk management measures for key substances, whether they are regulations or codes of practice. Much of the data being assessed by government must be such that it supports the retention of critical ingredients, and that responsibility rests with industry. Shirking that responsibility will not serve the commercial interests of customers. Working closely with our members, CPCA gathered relevant data and aggregated it where needed to substantiate claims that key substances are safe for multiple uses - in varying concentrations - with respect to human health and the environment. This is based on detailed knowledge of what is and is not acceptable in relation to the government’s chemical assessment process. No data or poor data will lead to bad outcomes for industry. If one is concerned about potential impacts on raw material supply, product formulations and related innovations that may be required, it might be time to fully engage in that process. Better data leads to better outcomes for all, especially customers.

In 2017, the federal government is launching a new tool to help assist the development of risk management instruments called the “Risk Management Survey” targeting 80 substances, and there may be more going forward. This new survey program will inform the development and design of risk management instruments; identify new sources of exposure that may require attention; support the implementation and compliance of risk management instruments; and inform the performance measurements for existing instruments.

Along with the huge undertaking in CMP-3 risk assessments and risk management, the federal government is conducting inventory updates on a four-year cyclical process for 1,500 substances. This mandatory initiative will end in July 2017, and it seeks to gather information for domestic substances and a sub-group of “non-domestic substances.” The intention is to work more closely with the whole supply chain to gather information on imported chemicals and manufactured items in the Canadian market. This is where suppliers and distributors will factor prominently into the data gathering process.

Looking beyond 2020, the Canadian government is engaging in international dialogue for opportunities to continue the CMP chemical assessment work. It has already identified a list of 28 additional priorities for Canada, 27 international priorities and 194 possible priority substances to be considered in future cycles, that is, in 2021 and beyond. Chemical regulation never sleeps.

Working closely with our industry partners, CPCA has developed expert knowledge of the Canadian regulatory process with an advanced “early warning” system of what is coming down the pipe that could potentially impact raw material supply. Companies concerned about being impacted must engage in a credible process with the relevant decision makers in both industry and government. This will help companies stay informed as to how their customers might be impacted in the coming months and years.

We have proven that knowledge is power and that there is strength in numbers!