STRATEGIC OPTIONS PROCESS FOR THE WOOD PRESERVATION INDUSTRIAL SECTOR

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1.0 Introduction

The government of Canada has developed a three stage process to identify potentially toxic chemicals, to assess their hazard to the Canadian environment and population, and to identify and review the options available to reduce the environmental and/or public health hazard posed by the chemicals. This approach consists of: the Priority Substances List (PSL) assessment of toxicity, the Strategic Options Process (SOP) in which recommendations on the most effective options for reducing exposure to toxic substances are developed and presented to the Ministers of Environment and Health, and the Options Implementation and Monitoring process, in which the Ministers make decisions on the recommended application and reach agreement with other government departments, provinces and industry on the development, implementation and monitoring of the tool(s) to be used to reduce pollutants.

2.0 Stategic Options Process

Environment Canada and Health Canada are responsible for providing advice to the Ministers of Environment and Health on the management of substances which were assessed as "CEPA toxic" under the first Priority Substances List assessment process. To develop and provide this advice within the context of pollution prevention and sustainable development, Environment Canada and Health Canada have implemented a multi-stakeholder process called the Strategic Options Process.

If the SOP is the means selected to address a toxic substance then a decision must be made to conduct the SOP with either a Sector Approach or a Substance (or commercial product) Approach. This decision is to be based on the scale and scope of the issue. In general, a Sector Approach is recommended for CEPA toxic substances whose entry into the environment are predominantly the result of an identifiable industrial process(es). Consideration will be given to industrial sectors that are major contributors to the release of CEPA toxic substances. In some cases, a sector approach might have to be complemented by a Substance Approach for cases where exposure is not fully related to industrial activities. The Substance Approach is recommended for CEPA toxic substances whose entry is primarily the result of commercial uses, such as dyes or plasticizers. The Substance Approach will review a substance or group of related substances in all of their commercial uses.

To implement the SOP, an Issue Table will be established with members representing the following stakeholders: federal government departments; provincial governments; industry; aboriginal groups; labour and non-governmental organizations. The Issue Table will be

responsible for all aspects of the specific SOP. The Issue Table members will participate in each phase of the process and will make recommendations to the accountable federal and provincial ministers for decisions. The SOP Report will state the areas of agreement and the diverging opinions on areas of disagreement in order to reflect the views of all participants. It should be emphasized that the SOP is a consultative process which provides recommendations for action, it is not a decision-making or an implementation/action process.

The SOP consists of two phases: an Information Gathering phase and an Options Identification and Evaluation phase.

Information Gathering

This phase will produce two reports:

- a socio-economic background study, which provides a social and economic profile for an industrial sector or commercial product, and;
- a technical background study, which identifies and assesses the source of the toxic substance(s), identifies and assesses the environmental and health risks posed by any release, identifies available processes or abatement technologies to mitigate the environmental/health issue, and identifies all current programs which are addressing any aspects of control or mitigation.

Options Identification and Evaluation

The information gathered during the first phase of the SOP will be used to determine the environmental goals and targets and to identify and assess options for meeting them (see Sections 4 and 5). The SOP will identify and evaluate, with key stakeholders, a wide range of tools to prevent or reduce the release of CEPA toxic substances, including:

- command and control tools (i.e. licenses, quantity controls, performance standards, technology controls);
- market-based tools (i.e. pollution credit trading programs, taxes and charges, financial incentives, environmental liability and deposit/refund systems);
- voluntary tools (i.e. guidelines and stakeholder protocols; environmental quality objectives, informal voluntary reduction plans);
- information provision tools (i.e. environmental/industrial use labelling, technology development and transfer, government reports/inventories, public awareness programs).

After a preliminary screening, the costs and benefits of the most feasible options will be evaluated. Alternatively, a recommendation of no further action may be proposed if other initiatives are adequately addressing the identified environmental and/or health issues. This analysis, along with the recommendations of the Issue Table, will form the basis of the SOP Report.

3.0 Principles

Using the PSL assessments for creosote-impregnated waste materials, arsenic, chromium, PAHs, hexachlorobenzene and dioxins and furans as the triggers, in November, 1994 the Ministers of Environment and Health announced that the federal government would initiate an SOP for the wood preservation industrial sector. With the establishment of the Issue Table, 18 months would be provided to develop recommendations to prevent or manage the release of the CEPA toxic substances from this sector.

The following operating principles will guide the SOP for the wood preservation industrial sector:

1. ***Open, Transparent, Inclusive***
   At every step the SOP will be open to all partners and stakeholders; it is expected that partners and stakeholders will assume the responsibility for networking back to their constituencies. A Public File will be established to ensure access by any interested party to all material generated by the Issue Table: corporate confidential information, protected under the Access to Information Act, will not be part of this File.

2. ***Timely/Disciplined***
   This process will normally be completed in 18 months. At the conclusion of the process the *"Strategic Options Process Report"* (including recommendations) will be sent to the Ministers for decisions on implementation and action.

3. ***Cost-effective***
   Cost-effectiveness will be a key consideration when assessing the management tool(s) to be recommended to the Ministers.

4. ***Flexible***
   The Strategic Options Process will be flexible in order to take into account differing environmental/socio-economic conditions and regional differences and in exploring instruments beyond traditional command and control regulations.

5. ***Harmonization***
   The process is designed to identify opportunities and to coordinate action for management of toxic substances in the context of federal/provincial harmonization.

6. ***Cross-sectoral Equity***
   Through the Strategic Options Process, the responsibility for toxics control will be allocated across all sectors contributing to the problem. Management tools will be assessed in terms of environmental-effectiveness, cost-effectiveness, competitiveness and other criteria; therefore, the tool(s) recommended to Ministers may differ within sectors and/or across sectors.

7. ***Defensible/Predictable***
Everything that is recommended is based on economic and technical assessments of the facts, everything that will be recommended to the Minister's will be discussed with stakeholders prior to submitting the final report.

8. ***Life Cycle Management***
This SOP follows the concept of lifecycle management of substances. This means that all aspects of a substance's lifecycle, from development and manufacture, treatment of the wood product, transportation and usage, through to re-use and ultimate disposal/destruction, are considered when developing means to control their release to the environment. This approach is also referred to as cradle-to-grave management and is consistent with the concept of pollution prevention in an industry over remedial action after damage from industrial activities has occurred.

4.0 Goal of the SOP

The following goal has been established by Environment Canada and Health Canada for SOPs:

The long term goal pursued for the management of toxic substances and addressed by the Strategic Options Process, is consistent with the *Toxic Substances Management Policy* and with *Sustainable Development.*

Sustainable Development:

The definition used by the Government of Canada is: development that "... meets the needs of the present without compromising the ability of future generations to meet their own needs." (Our Common Future, 1987). Further more, "Sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change are made consistent with future as well as present needs."

Objectives of Sustainable Development

- Ensure renewable resources development is sustainable.
- Efficient use of non-renewable resources.
- Virtual elimination of anthropogenic, persistent, bioaccumulative, toxic substances.
- Adopt a pollution prevention approach.
- Protect representative areas of the environment.

- Warn and respond to reduce damage from natural forces.
- To reduce greenhouse gas emissions.
- To conserve biodiversity.
- Ensure a fair distribution of the costs and benefits between generations.
- Ensure a fair distribution of the current costs and benefits of sustainable development.
- Foster improved productivity through environmental efficiency.
- Support innovation towards sustainable development.
- Broaden measures of progress to include their non-monetary dimensions.

(Taken from: *Managing for Sustainable Development: A Federal Framework*, May 1995)

Toxic Substances Management Policy:

The Government of Canada has introduced a Toxic Substances Management Policy. The policy establishes precautionary, proactive and accountable rules for dealing with toxic substances. It will be applied to all areas of federal responsibility and will serve as the centrepiece of the Government of Canada's position for seeking to deal forcefully with toxic substances from domestic and foreign sources. The policy calls for virtual elimination from the environment of toxic substances that result from human activity and that are persistent and bioaccumulative. The policy calls for cradle-to-grave management for all other substances of concern that are released to the environment (*Toxic Substances Management Policy*, 1995).

For definitions of terms such as "virtual elimination", "Track 1" and "Track 2", please refer to the *Toxic Substances Management Policy* and it's companion documents *Toxic Substances Management Policy Persistence and Bioaccumulation Criteria*, and *Toxic Substances Management Policy Report on Public Consultations.*

With respect to the SOP, the goals will be:

- to pursue virtual elimination from the environment for substances managed under Track 1, and
- to minimize environmental and health risks, by reducing exposure to, and/or the release of substances managed under Track 2.

Key Highlights of the Goals:

- For substances managed under Track 1, socio-economic factors will help determine their management strategies and implementation time lines (but not the goal of virtual elimination).

- For substances managed under Track 2, socio-economic factors will help determine the goal and the appropriate management strategies and implementation time lines.

- The goal is consistent with Health Protection Branch's approach as stated in the document *Carcinogen Assessment* (Health & Welfare Canada, 1991). Furthermore, for those substances that were declared human carcinogens or probable human carcinogens, it was recommended in the assessment reports that exposure should be reduced to the extent possible. Details of the Health Canada's approach to risk management and acceptable risk are given in the document *Health Risk Determination,* 1993.

- The goal will promote pollution prevention and continuous improvement in the environment.

- The goal provides an appropriate basis for the risk management of substances that exhibit threshold and non-threshold effects.

- The goal recognizes the balance between health, scientific, technical and socio-economic realities of today, in a manner consistent with sustainable development.

- The goal implies that after action resulting from Issue Table recommendations has been taken, monitoring and assessment will be necessary to determine if the desired reductions in the exposure to, and/or release of, toxic substances, have been attained.

5.0 Targets

The Issue Table will develop targets and schedules for action that will be measurable steps along the path to the goal. In developing targets, the Issue Table will take into account the following:

- The targets will be quantifiable, i.e. they will deal with release reductions and/or appropriate measures, such as a reduction in risk achieved via a reduction in the levels of human exposure.

- The targets will be time-limited, i.e. they will be used as milestones for measuring and monitoring progress towards achieving the goal.

- The targets will be "science based".

- In developing targets, Issue Tables will be practicable, ie: they will take into account technical, scientific (including environmental quality objectives/guidelines, and health objectives/guidelines, etc.) and socio-economic considerations.

- The recommendations, pertaining to regulatory or non-regulatory tools, made by the Issue Table to the Ministers will also set out the targets.

6.0 Current Status

The wood preservation sector Issue Table has been established and two meetings have occurred, one in December, 1994 and one in January 1995. These meetings introduced the members of the Issue Table to one another and to the strategic options process. During the second meeting, two working groups were established (socio-economic and technical) to prepare the two background reports. These background reports are planned to be completed by January 1996. The final report to the Ministers of Health and Environment is to be completed by August 1996.