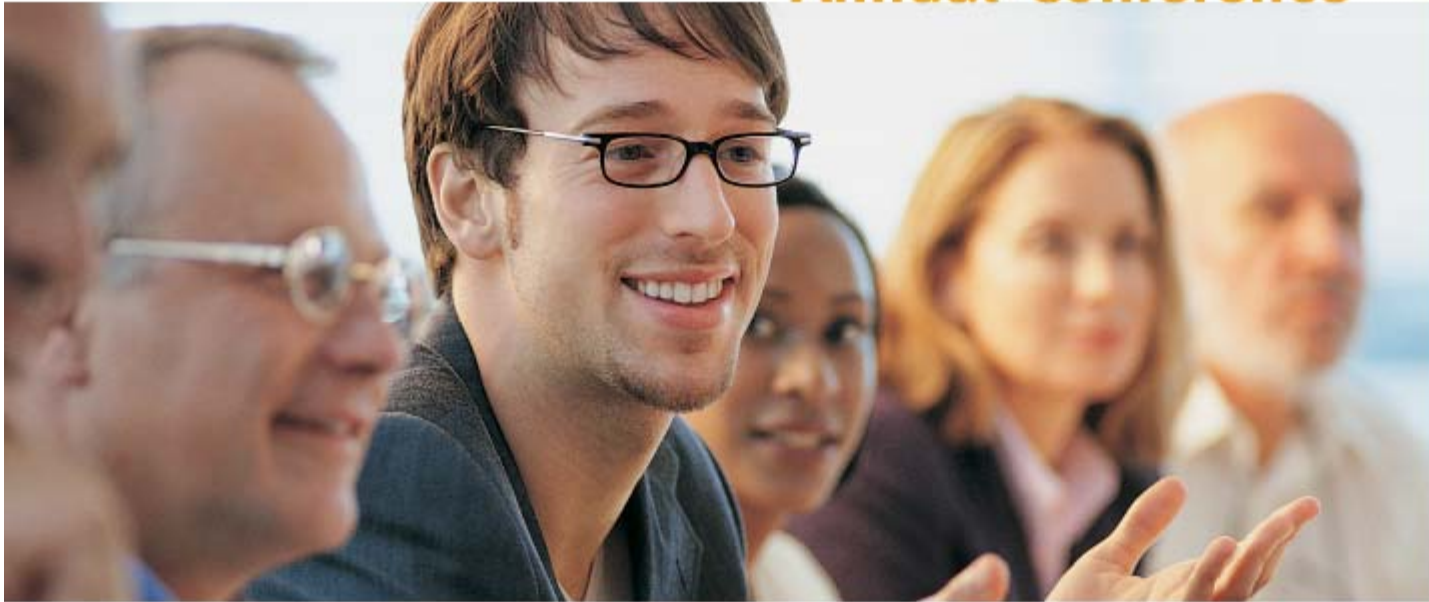




2006 ASUG Annual Conference



Anticipating Global Regulatory Requirements & Understanding Their Impact on SAP

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Orange County Convention Center
Orlando, Florida, USA



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Agenda

- North America
 - United States
 - TSCA – Inventory Update Reporting
 - TSCA – Export, 12(b)
 - Canada
 - CEPA 1999 – Categorization and Screening
 - Selected Substances – Priority for Action
- Europe
 - Switzerland - harmonized chemical legislation
 - Switzerland - consolidated inventory
 - RoHS and WEEE
 - REACH
- Asia Pacific
 - Korea, Chemical Control Law
 - China, Dangerous Goods
- Latin America
 - Peru, OELs
 - Mexico, PRTR Registry
 - MERCOSUR changes

North America – United States

Inventory Update Rule – Finalized

- Two thresholds for reporting, 25,000 and 300,000 lbs
 - 25,000 – site identification, manufacturing information
 - 300,000 – processing and use information (restricted to domestic activities)
- Manufacture and import volumes reported separately
- Calendar year reporting (versus fiscal year)
- Report frequency has changed to every 5 years
- Report due
 - August 25 – December 23, 2006 (Calendar year 2005)
 - June 1 – September 30, 2011 (Calendar year 2010)
- Inorganics included
 - Partial reporting in 2006
- Exposure information for manufactured substances only
- Petroleum streams and chemicals of low interest are partially exempt

North America – United States

TSCA – Export, 12(b)

- Proposed changes published February 12, 2006
- One-time notification
 - Section 5(e) activities, Section 5(a)(2), Section 5(b)
- Annual notification
 - Sections 5(f), 6 and 7
- No export notification when chemical is present at less than 1% (wt or volume), with the following exceptions
 - Human carcinogen, no notification if less than 0.1%
 - PCBs, no notification if less than 50 ppm
- Comments were due April 10

North America - Canada

CEPA 1999 – Categorization and Screening

- All DSL (Domestic Substances List) substances will be categorized (23,000 substances)
 - Persistent (P)
 - Bioaccumulative (B)
 - Inherently Toxic (IT)
 - Greatest potential for human exposure (GPHE)
- **Results**
 - No action taken
 - Added to the Priority Substance List
 - Added to Schedule 1
- PiT, BiT, PBiT and GPHE will undergo screen level risk assessments
- Completed by September 14, 2006

North America - Canada

Selected Substances – Priority Action (1)

- Notice published March 4, 2006
- Notice sent to ~ 6000 Canadian companies
- Approximately 500 substances
 - Potential for hazard to the environment or human health (380)
 - Representing greatest potential for human exposure (10)
 - Inherently toxic to humans (61)
 - Emerging concern and international interest (45)

North America - Canada

Selected Substances – Priority Action (2)

- Calendar year 2005
- Manufactured or imported 100 kg or more of selected substances
- Only information that is known
- Information requested
 - Name of substance
 - Activity (i.e. manufacture or import)
 - Quantity range, report separately for manufacture and import
 - NAICS codes
- One response per company
- Technical guidance available
- Deadline – June 22, 2006

Europe

Switzerland - harmonized chemical legislation with EU

- August 1, 2005; majority of Swiss regulations have been harmonized with the EU restrictions on chemicals
- Where more stringent Swiss legislation existed, it was maintained
- Fully adopted EU classification, packaging and labeling provisions (transition period)
- Level of detail on SDSs increased
- Labeling on product packaging modified

Although not part of the new chemical regime, new substance registration and biocide and plant protection product regimes have also been modified and published concurrently with the new chemical ordinance

Europe

Switzerland – consolidated inventory

- Substances previously notified in the inventory must be re-notified
- Re-notified substances are subject to reduced data and technical documentation
- Notifiers under the previous regime may use former classifications through July, 2007
- Substances not previously notified must follow the notification regime outlined in the new ordinance and utilize the EU ELINCS and EINECS lists

Europe

RoHS and WEEE

- Restrictions on Hazardous Substances Directive
- Waste Electrical and Electronics Equipment Directive
- New controls on the content and treatment of hazardous substances in electrical and electronic products
- **RoHS**
 - July 2006 – prohibits use of some heavy metals, PBB and PBDE in new electrical and electronic equipment
 - Applies to goods produced and imported into the EU
- **WEEE**
 - August 2005 – manufacturers must instigate a free ‘take-back’ program
 - December 31, 2006 - recovery targets must be achieved for several specific substances, preparations, and components
 - New goods must be labeled informing consumers of the ‘take-back’ programs

Europe

REACH

- First Reading complete – November 2005
- Second Reading scheduled – May/June 2006
- Adoption predicted – late 2006
- Implementation predicted – early 2007
- Effective 60 days after publication; automatically becomes law in all member states
- Issues of most concern
 - Precise definition of articles
 - Polymer exemption policy
 - Required data sharing and consortiums for registration (non-European companies concern)
 - Confidentiality

Asia Pacific - Korea

Chemical Control Law – effective January 1, 2006

- New toxicity review requirements for new chemicals
 - New application
 - Review period extended
 - Public notice required
 - Added ecotox data as a requirement
 - New exemptions
 - Added CBI
- Amendment of regulations for prohibited or restricted chemical substances effective October 1, 2006
 - Impacts all regulations for restricted or prohibited chemical substances including manufacturing, importing, and use
 - Lists several prohibited and a few restricted substances
 - Restricted substances require a permit to import and use

Asia Pacific - China

Dangerous Goods (1)

- Classification, Article Name, Serial Number
- List of Dangerous Goods
- China dangerous goods number will be changed/assigned and will be identical to the UN numbers
- CN (5 digit numbers) will no longer be required
- For Chinese labels and MSDSs printed before November 1, 2005, the CN numbers may be used until October 31, 2007; labels must include new UN numbers

Asia Pacific - China

Dangerous Goods (2)

- Dangerous goods labeling must include the following
 - UN numbers
 - Chinese name of dangerous goods edited according to UN proper shipping name
 - English name of dangerous goods
 - UN DG class
 - UN subsidiary risk class
 - Packaging group
 - CN numbers (as references/notes, may be used until Oct. 31, 2007)

Latin America

Peru OELs

- July 2005
- Provides a list of OELs

Mexico – PRTR Registry

- March 2005
- Published Pollutant Release and Transfer Registry (PRTR), Mexico's version of the Toxic Release Inventory (TRI)

MERCOSUR

- Argentina, Brazil, Uruguay, Paraguay, members
- Chile and Bolivia, associate members
- January, 2007
 - Become federation
 - Venezuela will join as a full member

Key Learnings

- Chemical regulations are being revised globally
- Harmonization doesn't necessarily mean harmonization
- United States is not leading the change
- Anticipate changes which will impact SAP EHS and budget IT resources accordingly

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3408

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