WASHINGTON – A government/industry meeting will take place April 16 to discuss results from APEC meetings regarding REACH, RoHS and upcoming plans to discuss EUP.
The meeting is from 2 to 4 p.m. in room 6059 at the U.S. Department of Commerce in Washington.

To participate via teleconference, call 866-565-8203 or 203-320-8323, passcode: 212239.
Those planning to participate should contact Jennifer Stradtman at Jennifer.Stradtman@mail.doc.gov .

The agenda and previous meeting minutes follow:

Meeting with Stakeholders Interested in APEC Subcommittee on Standards and Conformance

Agenda

Readout Trade Facilitation Task Force Meeting/ Preparation for the Standards and Conformance Workshop

REACH (Julia Doherty and Barbara Norton)

- Readout of February's discussions in the TFTF and Chemical Dialogue

- Industry feedback of APEC efforts on REACH and input on future efforts

RoHS (Julia Doherty and Jennifer Stradtman)

- Readout of February's discussion in the TFTF
- Industry feedback of APEC efforts on RoHS and input on future efforts

EuP (Julia Doherty and Jennifer Stradtman)

- EuP is the next topic slated for discussion by the TFTF
- Our next programming opportunity is not the TFTF, but rather the APEC SCSC Conference on Standards and Conformance on August 11, 2008

Interaction with Business Workshop Proposal

- What should the U.S. business strategy be in APEC on matters relating to standards and conformance?

- Vietnam is leading the strategy development of how business will interact with standards and conformance interests in APEC

- We are soliciting stakeholders to participate in a workshop in 2009 that are interested in participating in development of such a strategy

SCSC Trade Facilitation Task Force (TFTF) Report

APEC Subcommittee on Standards and Conformance Trade Facilitation Task Force (TFTF)

Report to the SCSC

February 25, 2008

The Trade Facilitation Task Force (TFTF) met on February 23, 2008 in Lima, Peru to exchange views on how the implementation of the EU Registration, Evaluation Authorisation and Restriction of Chemicals (REACH) will affect APEC economies' exports. Additionally, the TFTF continued its exchange of information on technical and trade issues arising from product-related environmental standards, technical regulations and conformity assessment procedures by discussing updates on new and existing regulatory approaches to the Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS). TFTF invited the Chemical Dialogue Steering Group to participate in this meeting.

High quality and informative presentations were made by industry and government representatives, including Ernie Rosenberg, Soap and Detergent Association (United States); Parker Brugge, the Consumer Electronics Association (United States); Beth Hulse, GE Healthcare (United States); Kun Mo Lee, Ajou University (Korea) Charuek Hengrasmee, Thai Electrical and Electronics Institute (Thailand); Wei Li, General Administration of Quality, Supervision, Inspection and Quarantine (People's Republic of China); and Brian Phillips, Department of Innovation, Industry, Science and Research (Australia).

Julia Doherty of the United States, new co-chair of the TFTF, welcomed participants and discussed the background and importance of discussion of EU REACH, particularly as the scheduled June 2008 pre-registration date is approaching. She noted concerns in the WTO TBT Committee that the REACH directive appears overly expansive, potentially discriminatory and trade restrictive.

The first group of panellists represented different sectoral views on the downstream effects of EU REACH. Mr. Rosenberg presented the implications of REACH on the soap and detergent industry, emphasizing that REACH targets all products, not just chemicals. He described the pre-registration, registration, evaluation, authorization, and enforcement phases of the regulation. He noted the importance of pre-registration to preserve access to the EU market. Some concerns he observed included the potential for differential enforcement and higher administrative burden for non-EU products within the EU; the difficulties related to engaging a competent "only

representative"; and the burden on companies throughout the supply chain of staying abreast of complex and evolving REACH Implementation Projects (RIPs), which are expected to operate as de facto regulations.

Mr. Rosenberg noted significant effects on downstream users. Downstream users cannot be registrants, but can ask for their chemical use to be covered. Additionally, companies may switch to European providers rather than have to bear the costs, liabilities and transactional burdens of registration, which will provide EU chemical providers market advantage. EU companies can be expected to use this to their competitive advantages. Non-EU companies will experience significant impacts, and could disproportionally burden importers. Last Mr. Rosenberg noted there are reports the EU is providing assistance to China and Indonesia to develop similar chemical regulations.

Mr. Brugge presented views from the consumer electronics industry on the impact of REACH. He noted consumer electronics manufacturers, as downstream users, were still trying to understand requirements ahead of the pre-registration date, cost, administrative burden, and necessary supply chain changes. He noted there are still concerns about sharing intellectual property, and the small and medium sized companies were concerned for the high cost and disproportionate impact. Consumer electronics has focused most energy on compliance with other directives, like RoHS, may be relying on their chemical suppliers, and may not have grasped what they need to do with REACH. He discussed the idea of consortia forming in order to share test costs, reduce registration fees and administrative burden.

Ms. Hulse discussed GE Healthcare's implementation and organizational strategies to address REACH requirements. GE Healthcare has invested in a strong operational compliance chain within GE and IT programming to track chemical suppliers and their uses. Ms. Hulse noted GE would only buy from compliant suppliers and the cost for registration and testing would ultimately be reflected in product pricing.

After the presentations, there was a short discussion. Japan was interested in learning more about the formation of Consortia, but both Mr. Brugge and Mr. Rosenberg noted that while there was a concept to form consortia, the EU was not providing any

assistance to interested companies, and that it was still an idea under discussion as companies would be placed in the unusual position of having to partner with competitors in this effort. Chile noted the need to increase awareness among its manufacturers of the consequences of failure to pre- register under REACH.

As discussed at the Cairns meeting, the TFTF continued to exchange information and share experiences between economies on domestic RoHS developments, with a view that this information sharing on good regulatory practices and lessons learned might ease industry burdens if new regulations are being considered by member economies. Kun Mo Lee moderated the second group of panellists, and presented information about existing and upcoming RoHS-like requirements in Korea. Representatives from China and Australia also provided updates on activities within their respective economies.

Mr. Lee noted Korea RoHS was implemented January 2008. The main measures limit the use of hazardous substances, direct manufacturing in a way that facilitates recycling of wastes properly and establish a resource recycling system that effectively utilizes the resources.

Mr. Hengrasmee provided an update on Thailand's RoHS and noted that voluntary efforts may become mandatory sometime in the future. Thailand has harmonized with IEC TC 111 standards and voluntary compliance to those standards through Suppliers Declaration of Conformity plus some local authorization and certification requirements is expected to begin by May 2008. There is also consideration of a mandatory enforcement scheme in the future, and stakeholders will be consulted by mid-2008.

Mr. Li presented an update on China RoHS, which came into force March 1, 2007. There is also currently consideration of a draft law for administrative regulations, and some ministries are considering accelerating enforcement measures. Mr. Phillips reported Australia's initial stakeholder engagement and education beginning in 2005. After industry-government consultation, it was agreed to examine the possibility of developing an industry based Voluntary Code of Practice (CoP) to explore ways to effectively harmonize with the EU RoHS objectives. The industry CoP steering committee met in February 2008 and scoped out possible activities and overarching goals that could be embodied in a CoP. The industry representatives aim to have in place a functioning Code of Practice by early 2009.

Mr. Lee facilitated discussion of participants and sought ideas for continuing dialogue. He began the discussion by asking the audience what APEC's response should be to the EU providing assistance to APEC economies that may eventually be the seeds of regulations. He also asked for views on APEC SCSC's value in discussing important regulatory topics. He expressed his view that REACH and RoHS have a common theme for companies. They are regulations that significantly change the way companies view supply chain management issues.

U.S. EPA noted ongoing cooperative efforts on an alternative model of chemical management under discussion by U.S., Canadian and Mexican environmental regulatory authorities. Mr. Rosenberg concurred that this was an important effort, and noted that analysis by Canadian regulatory authorities indicated that19,000 chemicals in its inventory of 23,000 posed insufficient risk to merit further regulatory review. A representative from Mexico asked Thailand how APEC coordination helped with adoption of international standards. Thailand said discussion in APEC led to more participation in the development and adoption of IEC TC 111 standards for his country. A representative from GE Healthcare noted the EU's Energy Using Products (EuP) Directive is the topic the TFTF should examine next, as it may be more complicated to understand and implement than either REACH or RoHS. Mr. Lee agreed that the EuP Directive should be addressed at our next meeting because it is an overreaching product regulation and addresses product design. RoHS and REACH, on the other hand, focus on chemical composition of products.

A representative from Singapore said it was valuable to exchange information on how small companies would cope with these Directives, share best practices in implementation, and understand concerns of other companies. GE Healthcare mentioned it would be helpful if APEC economies could adopt common international standards and testing procedures in regulations. PASC noted it could assist in helping cross border trade by urging regulators to rely upon voluntary standards directly referenced in regulation. A representative from the U.S. stated that the TFTF provides an early awareness of other APEC economies' regulatory developments, which may help other economies provide comments and address issues early in the development of regulations. Japan suggested the APEC Secretariat could post presentations from the TFTF to public websites. New Zealand cautioned that some presentation materials could be taken out of context and might be hard to understand (given all the acronyms used in TFTF discussion).

After the discussion, the co-chairs summarized the next steps:

- **Continue information sharing among industry, government, and SRBs**

- **Investigate posting presentations to the public APEC website**

- **Propose to the SCSC Chair that TFTF provide a panel of presentations during the Standards and Conformance Workshop**

- **Ensure that our next discussion include a presentation on the EU EuP Directive**

- **Further discuss greater participation in IEC TC 111 (currently active members are China, U.S. Korea, Japan and Thailand)**

- **Discuss capacity building activities that would assist APEC economies ensure that REACH and/or RoHS does not disproportionally impact trade in the region.**

Ms. Doherty thanked participants for attending and adjourned the meeting.