



**Commission for Environmental Cooperation (CEC) Sponsored Meeting
Strategic Planning Session: Canada**

*Improving the Economic and Environmental Performance
of the North American Automotive Industry Supply Chain*

Hosted by the Automotive Parts Manufacturers' Association (APMA)
10 Four Seasons Place, Suite 801, Toronto, Ontario, M9B 6H7

December 13, 2011

DRAFT MEETING MINUTES

Mr. Steve Hellem, Navista, opened the meeting at 10:00am EST with the following individuals participating:

Adam	Westerdale	Aevitas Specialty Services Corp *via teleconference*
Steve	Rodgers	Automotive Parts Manufacturers' Association (APMA)
John	Vogan	ARCADIS Canada
David	Adams	Association of International Automobile Manufacturers of Canada (AIAMC)
Alex	Cardow	Association of International Automobile Manufacturers of Canada (AIAMC)
Yasmin	Tarmohamed	Canadian Vehicle Manufacturers' Association (CVMA)
Benjamin	Teitelbaum	Commission for Environmental Cooperation (CEC)
Robert	Krauel	Environment Canada
Hamish	St. Rose	Environment Canada
Astrid	Télasco	Environment Canada
Russell	Brynolf	FTS Technologies *via teleconference*
Bryan	Swift	GM Canada
John	Lang	Heritage Interactive Services
Steve	Hellem	Navista
Kellen	Mahoney	Navista *via teleconference*
Hamdy	Khalil	Woodbridge

Mr. Hellem reviewed the antitrust guidelines governing the meeting and recommended that everyone indicate in their notes of the meeting that the guidelines were reviewed and that they would be complied with.

Mr. Hellem provided a brief overview of past automotive supply chain discussions held in Canada. He reported a series of CEC supported discussions were held with representatives of GM, Ford, Chrysler and their suppliers in both Canada and Mexico in 2008 but unfortunately due to economic challenges in the auto sector the project was put on hold. He noted that Environment Canada sponsored discussions between automotive manufacturers and suppliers in Canada in November 2010 and January 2011 in anticipation of the re-launch of the CEC Auto Supply Chain Project. He added that as the Canadian Government's programs on Chemical Issues Management were highlighted during these meetings, representatives from Environment Canada had been invited to the meeting today to share information on chemical management activities in Canada.

Mr. Hellem provided a brief overview of the Suppliers Partnership for the Environment (SP) in the United States (U.S.) and SP's collaborative relationship with the U.S. Environmental Protection Agency (EPA).

Mr. Hellem noted that SP is not an advocacy organization and is not involved in policy activities in the U.S. He added that EPA is a liaison to SP, and not a voting member of the organization, and provides information, resources and opportunities to SP members.

Mr. Hellem introduced Ms. Astrid Télasco, Director, Chemical Sectors Directorate, Environment Canada, who would be serving as a Canadian governmental representative to the project. Ms. Télasco noted that Environment Canada's role in the project would be to provide technical expertise, to inform and raise awareness of government programs, and to bring forward resources / expertise within Environment Canada to support the discussions / activities as needed.

Mr. Benjamin Teitelbaum, Commission for Environmental Cooperation (CEC) provided an overview of CEC's project on "Improving the Economic and Environmental Performance of the North American Automotive Industry Supply Chain" and announced that the project will re-engage key automotive companies for the development and implementation of green automotive supply-chain programs across North America. He noted that the project will allow both Canada and Mexico to benefit from initial efforts experienced in the United States and build trilateral cooperation, as well as support the sharing of information and practices that will enhance the environmental and economic performance of the North American automotive supply chain.

Mr. Teitelbaum stated that SP has been identified as a success story in the U.S. that may serve as a model from which to develop similar activities in Mexico and Canada based on the unique opportunities and challenges in each country. He stated that it is important to note that this automotive supply chain project is a voluntary activity and the areas to be addressed are to be identified by the companies participating in each country. He noted that the project is open to, and actively working to engage, as many OEMs and suppliers as possible in each country.

Mr. Teitelbaum reviewed the project's environmental vision to 'reduce environmental impacts of the automotive manufacturing supply chain while enhancing competitiveness through engaging experts to facilitate the development and implementation of formalized Automotive Green Supply Chain programs in Canada, Mexico and the United States.'

Mr. Teitelbaum reported that the short-term goal for the project will be to organize a core of automotive manufacturers and suppliers to green their supply chains within Canada and Mexico and enable the exchange of resources, information, and tools within the sector towards greening the supply chain. He noted that moving in to 2012 and beyond, the project would expect to create and expand business-driven self-supported auto supplier partnerships in North America and reduce environmental impacts and improve economic capacity through activities adopted by these auto supplier partnership programs.

Mr. Teitelbaum reported that the next CEC Council meeting would be held July 10-11, 2012 in New Orleans, Louisiana and noted that this would be an ideal opportunity to present initial results of the North American Automotive Supply Chain project. He added that the CEC is developing a website to share information and resources related to the project, as well as interviews with key stakeholders in the project.

Mr. Hellem discussed an opportunity for an automotive company in Canada or Mexico to participate in a Lean and Clean Assessment patterned after an EPA assessment program in the United States. He also noted there may be an opportunity to organize a webinar on the United States E3: Economy, Energy, Environment program, as well as additional voluntary programs in Canada and Mexico. Participants were asked to contact Mr. Hellem for more information on the assessment opportunity.

Mr. Adam Westerdale, Aevitas Specialty Services, shared a few of the benefits of his company's participation in SP in the U.S. He noted that through SP's Energy Work Group his company was able to apply energy efficiency guidance to reduce its footprint and significantly reduce its utility costs. He noted that as a participant in SP's Materials Efficiency Work Group, which is a project based activity that identifies byproducts and seeks the best uses for them, his company receives waste oils from GM plants and recycles them into a usable product – and they are now doing this on a cross border basis. Finally,

he stated that SP provides strong networking opportunities for small companies such as his, as well as opportunities to build relationships with government leaders at the Federal and local level.

Mr. Bryan Swift, GM Canada, discussed the GM Gulf Oil Spill Project as an example of the type of unique collaborative project that could be pursued by an SP Canada organization. The project, which was a collaboration between SP U.S. member companies Heritage Interactive, Mobile Fluid Recovery, GDC Inc., and GM, turned oil-soaked booms from the Gulf of Mexico into Chevrolet Volt components.

Mr. Hellem introduced Ms. Astrid Télasco, Environment Canada, to give a presentation on the Canadian Environmental Protection Act, 1999 (CEPA 1999) which provides authorities for managing substances that are found to be harmful to human health and/or the environment. Ms. Télasco discussed the risk assessment and risk management process under CEPA 1999. She reviewed the Government of Canada's "challenge" which focused on substances which have been identified as ecological and human health priorities, as well as discussed the unique challenges posed by the emerging issue of chemicals in products. Mr. Bob Krauel, Environment Canada, then provided a technical overview of planned CEPA risk assessment and management related activities in the next phase of the Chemicals Management Plan (CMP), including the "Groupings" Initiative.

Mr. Hellem thanked Ms. Télasco and Mr. Krauel for their presentation and noted that copies of the presentation would be made available to all participants. Mr. Hellem then led a strategic discussion on opportunities to improve the economic and environmental performance of the automotive industry supply chain in Canada and the following comments were made:

- The auto industry is often named as a best practice in terms of chemicals management and could see a potential opportunity for chemicals to be included in this project, at least in terms of sharing tools / resources
- The auto industry has a good deal of experience in terms of GADSL, IMDS, and others areas with which to draw on in terms of chemicals. The challenge would be to identify a CEC project deliverable that would be more advanced than what Environment Canada is already doing with the CMP. The participants would need to identify a specific chemical management project that could be done in the auto supply chain that would be unique. Other areas, such as waste minimization, may contain more easily identifiable opportunities at this time
- On a North American basis, the CEC project could be a valuable networking tool for companies; resource to share global best practices and solve environmental challenges in the auto supply chain; tool on how we can help a supplier to be more sustainable, respond faster to challenges, connect to local resources and do their jobs better. Develop a forum of subject matter experts in each country that can drive solutions to environmental challenges
- Regulatory burdens on manufacturers in Canada are increasing, including: advanced greenhouse gas verification and reporting requirements, ongoing air standards reviews, compliance certificate reviews, 3R reviews and toxics reductions requirements. Would recommend a focus on outcomes based projects
- There is a concern for U.S. based businesses regarding import of record vs. non-resident importer issues in Canada
- There may be an opportunity for a creative approach to toxics reductions challenges; e.g. guidance documents.
- There may be an opportunity to increase harmonization of federal and provincial environmental regulations
- A participant shared a report on a process that had worked well in developing automotive product specifications that were harmonized across OEMs and Tier 1 suppliers, including meeting in a small group format on a monthly basis, determining the best tests by which to assess the products, and taking the knowledge learned from the group and incorporating it into the individual company processes. It was suggested that there is an opportunity to use this as a model in working on key environmental issues within this project
- There may be an opportunity to work with government entities to highlight regulatory challenges that if addressed would lead to increased economic development in the Canadian automotive manufacturing sector

- There may be an opportunity to develop case studies on North American environmental technology implementation challenges, and strategies to progress forward. Companies have encountered challenges introducing new technologies in Canada because of increased complexity/cost of doing business
- There is an opportunity to share approaches / best practices that have worked well in one country and adopt / adjust them for use in other countries
- It was noted that SP in the U.S. is not involved in policy / advocacy activities, but is focused on unique collaborative projects that engage key leaders and provide value to the member companies. It was noted that there are existing organizations in Canada that have as their mission advocacy for the automotive industry, such as APMA, CVMA and AIAMC, and therefore it is important that the project address unique issues that are not already being addressed by existing organizations

Mr. Hellem reviewed a draft concept paper for a new auto supply chain organization in Canada. The participants discussed the vision statement for the organization and the following comments were made:

- It was noted that the relationship with government entities in the concept paper should be revised as a "liaison".
- The Ministry of the Environment (MOE) should be engaged as a liaison in the project as well; a reference to both the "Canadian federal and provincial government" was recommended.
- Language such as "outcome based" and "smart regulation" was recommended for consideration in the vision statement in recognition of the regulatory opportunities that had been raised.
- It was noted that due to increasing costs of doing business, Canada's share of the automotive manufacturing base is decreasing. It was suggested that a reference to "regaining the manufacturing base" be considered in the vision statement.

Ms. Télasco noted that the group she represents within Environment Canada has been appointed to serve in a technical support role to the CEC project as noted, but she would need to review the opportunity to serve as a liaison to the SP Canada organization and the responsibilities of this role.

Mr. Teitelbaum discussed the role for government representatives in CEC project activities and the role for a primary liaison, or Ex-Officio Government Representative, from Environment Canada in participating in the project activity moving forward. It was clarified that the role of a liaison would not differ from the project support role outlined by Ms. Télasco earlier in the meeting. Mr. Teitelbaum reported that the CEC would be organizing a conference call of government representatives of the three countries to provide an update on progress in each country and discuss the role of a liaison to the project.

It was agreed that the draft concept paper would be distributed to participants for their review and comment following the meeting.

Action Items:

- Navista will distribute the meeting report and presentations to the participants.
- Navista will distribute the draft concept paper to participants with a request for comments by December 22, 2011.
- CEC will organize an Ad-Hoc Committee conference call including government liaisons to the project in each of the three countries.
- Navista will work with the CEC and participating organizations to organize a follow up meeting in early 2012.

The meeting was adjourned at 2:00pm EST.

Respectfully Submitted,

Kellen Mahoney
Navista Inc.



APPENDIX A

Commission for Environmental Cooperation (CEC) Sponsored Meeting Strategic Planning Session: Canada

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December 13, 2011
(10:00am – 2:00pm EST)

Meeting Agenda

- Opening Comments and Overview of the CEC North American Auto Supply Chain Project
 - Benjamin Teitelbaum, Special Projects' Coordinator, Commission for Environmental Cooperation (CEC)

- Presentation on the Government of Canada's Chemicals Management Plan
 - Astrid Télasco, Director, Chemical Sectors Directorate, Environment Canada
 - Bob Krauel, Manager, Coatings and Solvents, Products Division, Chemical Sector Directorate, Environment Canada

- Strategic Discussion on Opportunities to Improve the Economic and Environmental Performance of the Automotive Industry Supply Chain in Canada
 - Steve Hellem, Navista Inc.
 - What are the challenges and opportunities for the auto supply chain in Canada to address?
 - How can the CEC project best provide value to the auto industry in Canada?
 - What companies should be invited to participate in the CEC project?
 - Discussion of plans for Broad Auto Supply Chain Meeting in 2012
 - Discussion of Action Items / Next Steps

- Closing Comments
 - Benjamin Teitelbaum