

July 13, 2022

The Honourable Steven Guilbeault
Minister of the Environment
c/o Christina Paradiso
Executive Director Chemicals Management, Environmental Protection Branch
Department of the Environment
351 Saint-Joseph Boulevard, Gatineau, Quebec K1A 0H3
Email: interdiction-prohibition@ec.gc.ca

Re: Notice of Objection in relation to proposed restrictions to manufacture, use, sale and import of decabromodiphenyl ethane (DBDPE, CAS Registry Number 84852-53-9) per the Canada Gazette, Part I, Volume 156, Number 20 – May 14, 2022: Prohibition of Certain Toxic Substances Regulations, 2022.

Dear Minister:

General Motors would like to express our formal objection to the above-referenced regulatory proposal as it pertains to the use, sale and import of the fire retardant, DBDPE, in vehicles. **The automotive industry has been engaged with your department on our need for a minimum of ten years to phase out the use of this important flame retardant, but the current proposal fails to provide this basic and necessary transition period.**

As we have consistently articulated throughout the consultation process, the auto sector operates on very long lead time. Like other OEMs, General Motors designs, tests and sources vehicle components several years before they go into a typical five-year production cycle. The reliance on flame retardants for legislated safety standards in thousands of distinct parts with no “drop-in” replacement flame retardant identified means there is no pathway to meet the proposed phase-out deadline.

The unintended consequence of Environment and Climate Change Canada’s proposal may be significant harm to the auto sector in Canada. This unique proposal to ban DBDPE in five years would force the industry to stop selling many if not all of our new vehicles (including electric vehicles) in Canada by 2027 or 2028 when the exemption expires. Additionally, this would leave companies like GM Canada with no alternative but to stop manufacturing vehicles in Canada until a replacement for DBDPE is identified and integrated throughout our supply chain.

Role of DBDPE in Auto Manufacturing:

There is currently no “drop-in” replacement for this flame retardant. The automotive sector has provided extensive evidence of the lack of a replacement.

- DBDPE was evaluated and assessed by the automotive sector as the most appropriate alternative to replace our use of decaBDE and significant effort has been taken to ensure the complete global phase-out of decaBDE with DBDPE over the last 12 or more years.

- The Regulatory Impact and Analysis Statement (RIAS) included with the draft proposed regulatory amendments fails to quantify or accurately anticipate the costs or consequences of a short phase out period. Without adequate time to identify, test, ramp up global supply chains, and validate vehicles for sale, the RIAS should reflect the real possibility of lost jobs associated with production shutdowns, the impact to the economy in terms of associated jobs lost in the automotive parts supply chain, the impact to dealers if new vehicle sales are limited, as well as the cost to the industry to develop unique vehicles for the Canadian market despite the harmonized vehicle safety regulations.
- Currently, this chemical is formulated and engineered into materials needed by our industry to meet stringent vehicle safety requirements. The implementation of this regulation will have ripple effects throughout the industry as we will have to ensure that the reformulation of every different material and application that currently relies on this flame retardant will meet all applicable regulatory, safety and industry standards.

Timeline for alternative formulations:

- Flame retardant transition is an iterative process due to the complexity and oversight needed. We anticipate progress towards finding alternatives will occur within the five year time frame, but a complete transition will take significantly longer. In the past, transitions of this magnitude received longer timeframes approaching 15 years.
- Alternative formulations must be tested not just to meet the flammability requirements but the full range of automotive standards such as durability, UV resistant, cold cracking, etc. Depending on the application this could mean 14 or more unique testing requirements, some taking months to perform.
- The Canadian government currently has assessments underway for several other flame retardants that are possible alternatives to this chemical, although none are “drop-in” replacements. Until we have clarity regarding alternatives available for use in Canada, industry is without clear direction and the potential for a regrettable substitution is high.

Impacts to North American Integrated Auto Sector:

- The automotive industry has repeatedly requested that chemical restrictions of this nature should be contemplated on a global basis due to the significant impact unique country restrictions can pose on the automotive sector and vehicle safety. No regulatory authority in the world has proposed risk management measures as set out in the draft Regulation.
- Canada is the only jurisdiction in the world limiting the use of DBDPE in vehicles. This means vehicle manufacturers can not leverage global efforts and will have to take on this work to develop a unique vehicle for the Canadian market, undermining the efforts to create a harmonized North American market and providing economies of scale to reduce costs and bring technology to Canada at the same time and cost as other markets.
- With no alignment on a replacement for DBDPE it is not clear that vehicles could be produced in Canada for export to the United States or any other markets. At a time when

Canada has partnered with manufacturers to incentivize electric vehicle production domestically, those investments could now be at risk.

General Motors is not challenging the authority of the government to restrict chemicals in Canada, but we believe that the appropriate considerations of the technical feasibility, alternatives and impacts to domestic manufacturing jobs and investment has not been appropriately reflected in the proposed regulation. We have a history of working with the government to phase out chemicals of concerns and create products that help address environmental challenges such as climate change. We need a risk management approach that supports the transformation in the industry, continues to provide vehicles with the highest levels of safety and supports an integrated North American industry.

Based upon the facts and arguments set out above we ask the Minister to appoint a Board of Review to

- ✓ **Inquire into the nature and extent of danger posed by DBDPE to determine if the restrictions as proposed are commensurate with the safety benefits when used in motor vehicles,**
- ✓ **Reassess the RIAS to reflect the potential harm that will arise if sufficient time isn't provided to appropriately assess and transition to an alternative (without the benefit of understanding the Canadian government final assessment of the remaining flame retardants) and**
- ✓ **Assess if alternative risk management approaches would reach the desired outcome to reduce risk of exposure to possible degradation products of DBDPE in the environment.**

Sincerely,

Tammy Giroux

Tammy Giroux
Manager Government Relations
General Motors of Canada Company