



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: ec.interdiction-prohibition.ec@ec.gc.ca

Re: Notice of Objection with Respect to Proposed Regulations Prohibiting the Manufacture, Use, Sale and Import of Decabromodiphenyl Ethane (DBDPE)

Dear Minister Guilbeault:

Honda Canada Inc. is writing to you to express our formal objection to the regulatory proposal published in the Canada Gazette on May 14th, 2022, which includes, among proposed restrictions on certain chemicals, a proposal to prohibit the manufacture, use, sale and import of DBDPE, CAS Registry Number 84852-53-9. The automotive industry has been engaged with ECCC for a number of years throughout the risk assessment and management process for this substance through our affiliations with Global Automakers Canada (GAC) and Canadian Vehicle Manufacturers Association (CVMA). Since the risk management was released in 2019, we have had numerous conversations with ECCC regarding the critical importance and broad use of this flame retardant.

As provided for by section 332(2) of CEPA 1999, Honda Canada Inc. is filing this Notice of Objection and respectfully requests that a Board of Review be established, pursuant to section 333 of CEPA 1999, to review the nature and extent of the danger posed by the substance as well as the timeline for, and economic impact of, the prohibition of DBDPE. We are not experts on the science behind predicting the effect of environmental degradation and although we are concerned about the methodology, we do not have data to support a review of this science. At this time, our Notice of Objection is based on the lack of consideration given to the technical and economic feasibility of the prohibition.

Honda Motor has demonstrated leadership in the elimination of flame retardants such as HBCD ahead of ECCC's requirement. Honda Canada Inc. and Honda of Canada Mfg. support the scientific review of chemicals used in commerce in Canada and have participated in ECCC's information gathering initiatives in order to ensure that the Government is able to make informed decisions in the risk analysis and management phases of the Chemical Management Plan. In the case of DBDPE, information on this substance in automotive parts has been provided to ECCC through our responses to the June 2017 S. 71 notice, and in 2020 through submissions by GAC and CVMA regarding the quantity of DBDPE in different types of vehicles. This data was

reviewed with ECCC to ensure that staff understood the ubiquitous nature of the substance in various types of auto parts, as well as the low concentration levels.

Over the last three years GAC and CVMA have had numerous conversations with ECCC about the challenges associated with eliminating DBDPE, including a meeting on July 13, 2021, with Minister Wilkinson's office. ECCC appears to recognize the difficulty of replacing DBDPE but is planning to proceed with its prohibition regardless.

As previously communicated to ECCC, DBDPE is an effective flame retardant used in a broad range of automotive parts from electronics to foams to plastics, enabling the vehicle to meet the requirements of Canadian Motor Vehicle Safety Standard 302, Flammability of Interior Materials. The challenge to replacing DBDPE lies in the fact that there is no known "drop in" replacement. This means that all reformulated parts will require extensive testing and potential redesign to ensure that quality and safety standards are met. It is estimated that this will take several years after identification of proposed alternatives, at a cost to vehicle manufacturers of potentially millions of dollars each. The proposed timeline of five years, plus potentially three annual permitted extensions, is insufficient to complete this transition.

We are greatly concerned that ECCC has decided to break with the history of regulatory cooperation with our largest trading partner, the United States, and is also moving ahead of the EU on regulation of DBDPE. Canada is alone in identifying DBDPE as a substance requiring risk management, making the Canadian vehicle industry an outlier in a global marketplace. This creates the potential for disruption to the Canadian supply chain and significant disadvantage to Ontario vehicle manufacturers, particularly if a replacement flame retardant is more expensive than DBDPE. If foreign parts suppliers manufacture a different, more expensive part for the Canadian market, it will create a cost imbalance that will affect the ability of Canadian manufacturers to compete for product mandates. Vehicle production may also be jeopardized by foreign parts suppliers declining to supply the relatively small Canadian vehicle manufacturing market rather than undergo the cost and challenge of redesigning and certifying their products. As well, the system for maintaining service and replacement parts, currently managed at a North American level, will be disrupted, risking the availability of parts for Canadian vehicles.

The transition to electric vehicles will also be impacted as it will not be economically viable for foreign manufacturers and importers to redesign relatively small quantities of vehicles for the Canadian market.

Honda recommends that ECCC remove DBDPE from the proposed changes to the PCTSR at this time and continues to engage with stakeholders and other jurisdictions in order to promote an orderly evaluation of, and transition from, DBDPE when a viable alternative is identified. We expect this to take up to fifteen years to complete.

As part of our Notice of Objection, we request that the Minister establish a Board of Review to ensure that the nature and extent of the danger posed by DBDPE has been assessed in comparison to the potential impact on vehicle design and the viability of the automotive industry in Canada.

We look forward to working with ECCC on a transition plan to ensure that replacement of DBDPE balances environmental and economic impacts. If you have any questions, please contact us.

A handwritten signature in dark ink, appearing to read 'JML', with a stylized, cursive flourish extending to the right.

Jean Marc Leclerc
President and C.E.O.
Honda Canada Inc.