



**Canadian
Manufacturers &
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**Manufacturiers et
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Smart Approvals
For a Green and Competitive Ontario
Presented to the Air and Waste
Management Association
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Background

- Certificates of Approval (Cs of A) have been required since 1957. They are currently required under Ontario legislation (EPA, OWRA) for construction, operation, installation or modifications to equipment that could cause a release to air, water and land
- Everything requires a permit regardless of the risk. (i.e everything from emergency generators to large scale waste to energy projects)
- Even equipment that is designed to prevent pollution or lower emissions requires a C of A
- The current process is complex and comprehensive (usually requiring an engineering professional to complete)
- MOE currently reviews 6500+ approvals per year and there is a serious backlog within MOE. This means lengthy wait times for applicants and stress on MOE resources



Background continued

- In 2000 and 2004 reports the Provincial Auditor General noted these inadequacies with the approvals process and recommended that MOE use third party certification as a compliance assurance strategy and move toward risk-based inspections and approvals
- According to the Auditor General, many companies in Ontario (especially SMEs) do not have approvals where they should. It is difficult to find out who has them or who needs them
- MOE has been working within the existing framework to make the process more efficient – i.e. comprehensives, electronic applications, prioritization by MOE etc... but these solutions can only go so far
- Companies want to comply with approvals, however, current process makes it difficult

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Other jurisdictions offer a “trriage” approach to approvals

- Texas – Permit by rule with “deminimus” threshold for applications
- New York – major and minor project designations
- Michigan – permit turnaround statistics, permit by rule
- Minnesota – Potential to Emit threshold, more significant the impact on air, more involvement by Minnesota environmental protection staff
- California – insignificant activities category
- Manitoba – large projects only requiring C of A
- New Brunswick – three tiered approach

ONTARIO IS THE ONLY JURISDICTION THAT DOES NOT HAVE A STRATIFIED APPROACH TO APPROVALS

Note: CME advocates a stratified approach, not necessarily the full system these jurisdictions have in place.





There would be a win–win for Ontario with a “triage” approach to approvals

- Ontario’s environmental quality would improve
 - MOE’s valuable resources would not be spent on trivial matters
 - There would be no long wait times to install pollution prevention/control equipment (i.e. until a C of A is obtained)
 - Compliance with C of A process would increase
- Ontario’s competitiveness would improve
 - Companies could plan to make capital expenditures for new equipment
 - Easier for companies to start up new operations in Ontario – Ontario’s system would compete with other jurisdictions;
 - Companies not losing contracts if there is a long wait for a C of A
 - Companies not spending as many valuable resources on trivial matters



Case studies to support the need for a more efficient approvals system

- A small space heater (requiring a C of A) was needed for productivity improvement and worker comfort in a workshop area of a manufacturing facility. This company was located in a small town and was the town's major employer. The company needed to make a decision between being in compliance or closing operations. Companies should not be forced into such decisions for trivial reasons.
- A large wood products manufacturer needed to install a large commercial table saw (requiring a C of A) at their warehouse immediately in order to complete a large contract. The US parent company would not allow the plant to be out of compliance due to stewardship policies. The solution was to either not give the contract to the Canadian facility or send US executives to meet Minister of Environment to lobby for a faster permit. Unfortunately, the decision was made to transport and trim the wood elsewhere. While this company had the resources to send executives to travel to Canada to lobby for a permit, a smaller company would not have this luxury.
- A Fume hood (requiring a C of A) was needed in order to teach "welding" inside an industrial training school in northern Ontario. The C of A took 8 months to obtain and the school barely opened in time for fall semester. In fact, alternate arrangements were made to place students in other schools located in southern Ontario as a backup plan.
- In order to reduce industrial emissions of dust particles, a company wanted to install a "baghouse", a piece of equipment used to capture emissions. After waiting several months for a C of A for this piece of equipment, the company installed it without a C of A (ie the company was out of compliance). The company continues to wait for C of A and MOE does not want to charge this company for "reducing emissions". The environment should not suffer while waiting for a "rubber stamp".

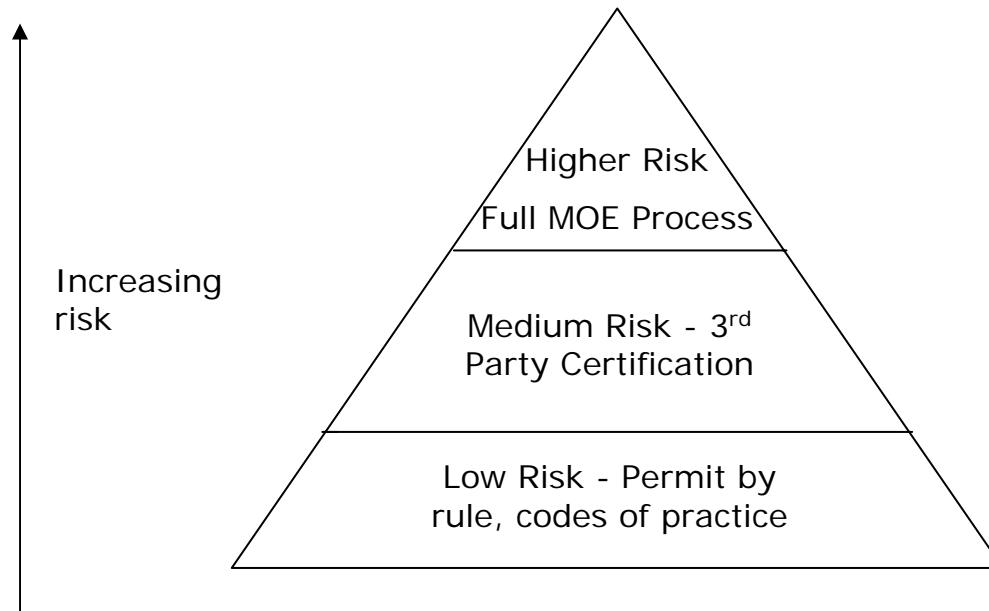


CME Proposal: a risk-based approach to approvals

- Low risk approvals can be issued using “permit by rule”, or code of practice. The bulk of approvals fall under this category
- Medium risk approvals can be issued with some form of 3rd party certification such as a PEng. sign off. P.Eng. sign off would mean that a certified engineer hired by a company signs off on the approval and this is fully accepted by MOE without further input by MOE engineers
- Higher risk approvals would be thoroughly completed by MOE as is currently the case. MOE would have more resources available to deal with those higher risk cases



Risk Based Approach



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Solution for Ontario – “Smart Approvals”

- We must improve the approvals process in Ontario to make the approvals system more efficient. This does not mean lessening environmental standards, it means spending less resources to administer the process ie. “smart regulation” and “smart approvals” and allow MOE to focus on real environmental protection
- **This can only be done with legislative changes to the EPA and the OWRA and cannot be done within the existing framework**
- As MOE is focused on other priorities at this time, this issue needs to be elevated on MOE’s priority list. All government departments need to support this initiative.

Ontario must continue to increase its competitive position while improving environmental quality



Who believes it is imperative to fix the process?

- CME – 1000 members in Ontario
- Supportive Industry Associations:
 - Auto Parts Manufacturers Association
 - Cement Association of Canada
 - Canadian Chemical Producers Association
 - Canadian Petroleum Products Institute
 - Canadian Steel Producers Association
 - Canadian Vehicle Manufacturers Association
 - Ontario Forest Industries Association
 - Ontario Mining Association
 - Ontario Waste Management Association
 - The Rubber Association of Canada
- CME is seeking support from:
 - CELA, CIELAP, ECO Justice, Pollution Probe
 - Ontario Bar Association (Environment Committee)
 - Office of the Environmental Commissioner



We Need Support Within Government

- We need support within government to make the changes required:
 - Ministry of Environment
 - Ministry of Economic Development and Trade
 - Ministry of Research and Innovation
 - Ministry of Public Infrastructure Renewal
 - Ministry of Small Business and Entrepreneurship
 - Ministry of Energy
 - Ministry of Finance
 - Cabinet Office, Premier's Office

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