ONTARIO BIOAUTO COUNCIL

PRESENTATION TO THE GENERAL GOVERNMENT COMMITTEE
ON BILL 167
Queen's Park, Legislative Assembly
May 25, 2009

The Ontario BioAuto Council

- My name is Craig Crawford. I am the President and CEO of the Ontario BioAuto Council and I am here to support the government's general direction on toxic chemical reduction.
- The Ontario BioAuto Council is an industry-led, not-for-profit, organization that represents stakeholders from renewable resource sectors (like agriculture, forestry), chemical and plastics industries, auto-parts suppliers and other manufacturers, and automotive assemblers. The companies we represent are well known industry leaders like Ford, Magna, Woodbridge, DuPont Canada, Tembec, etc.
- The Council also includes representation from Canada's leading research institutions including universities (like Toronto, Waterloo, Windsor), the Ontario Centres of Excellence, NCE Auto21, the National Research Council, FPInnovations, Bodycote, etc.
- Although our name references automotive we represent many industry sectors including construction, packaging, and consumer products like furniture and bedding.
- The Council is also active globally. Many of our industry members have operations throughout the world. We have a growing number of new members, and requests for membership, from other parts of Canada and the world.
- The Council is actively involved in bringing new, less toxic and lighter-weight products to market. By March of 2010 we expect to commercialize up to 300 new product formulations in the automotive, construction, furniture, and consumer products areas that will reduce both chemical toxicity and greenhouse gas emissions.
- We are recognized as global leaders in the commercialization of bio-based products.

Position on Bill 167

- The public wants industry to develop safer, less toxic chemicals and products. Our organization recognizes that market demand, and we are pro-actively commercializing new and safer production processes and products that are globally competitive.
- We support the approach the government is taking, i.e. mandatory material accounting and toxic chemical reduction planning; voluntary implementation; public transparency; and a phased-in approach. If linked properly with public investments in research and innovation, the government's strategy could successfully link toxic chemical reduction to the creation of a green industry in Ontario.
- However, we believe the $24 million allocated by the Ministry of Environment for industry support is not sufficient, and that other ministries, especially the Ontario Ministry of Research and Innovation (MRI), need to be pro-active in supporting the government's toxic chemical reduction strategy.
- We encourage the Government to support efforts by the Ontario Ministry of Research and Innovation to increase resources for university and industry research, including support to existing industries to accelerate the commercialization and marketing of new products that reduce the use of toxic chemicals.

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APPENDIX A

REDUCING THE USE OF TOXIC CHEMICALS: EXAMPLE OF ETHYLENE & PROPYLENE OXIDE

There are bio-based alternatives to the use of toxic chemicals.

This Appendix describes two bio-chemical platforms that are ready for commercialization that offer practical ways to reduce the use of ethylene and propylene oxide used in conventional chemical production processes.

The Ontario BioAuto Council is working closely with both Cargill and DuPont to expand product offerings using these new bio-based materials.

Although these bio-based alternatives are price and performance competitive, there are still many barriers to their adoption including:

- A focus on cost reduction through outsourcing jobs and manufacturing to low wage developing countries.
- Branch plant operations where new product development is conducted at, or closer, to company headquarters.
- Inertia due to lack of leadership and/or highly skilled workers versed in new emerging technologies.
- The complexity involved in trying to meet multiple product design criteria including: acceptable price/performance and simultaneously addressing various environmental objectives (toxic chemical reduction, GHG emissions reduction, end of life uses like recycling and/or energy and chemical recovery).
- Poor cash flow due to the economic downturn and industry restructuring.
- Institutional resistance.

The Ontario BioAuto Council has established a small Commercialization Fund that strategically targets funding to assist companies over-come these barriers. This funding has been used to make major in-roads in the reduction of ethylene and propylene oxide and can provide a model for tackling other toxic chemicals and substances of concern.

Cargill - Vegetable oil-based polyols

- Polyol is a key chemical building block used in the manufacture of polyurethane (PU). PU is used to make many different types of plastic foam products.

- Polyols are typically manufactured from petroleum products. Cargill makes their BiOH™ polyol from renewable, biological sources such as vegetable oils.

- Cargill won the US President's Award for Green Chemistry in 2007. Not only does Cargill not use ethylene or propylene oxide in its production process, but their process also reduces total energy use by 23% and carbon dioxide emissions by 36%. Each million pounds of BiOH™ saves nearly 700,000 pounds (2,200 barrels) of crude oil.

- Cargill's BiOH™ polyol also sets new standards for performance including consistent quality, low odour, good colour, and high reactivity.

- The benefits to industry are significant. In addition to a lower environmental footprint, Cargill's BiOH™ polyols diversify an industry's supply options and help mitigate the effects of uncertainty and volatility of petroleum supply and pricing.
- The BioAuto Council has helped to accelerate the commercialization of new Ontario-made products using Cargill's BiOH™ polyol by providing funding assistance to the Woodbridge Group (to develop automotive applications); Valle Foam (to develop furniture applications); and Carpenter Company (to develop new, high performance bedding applications). Each of these companies is the dominant market leader in their respective polyurethane foam market segments. The three companies account for well over half the total market share in the automotive, furniture and bedding markets. The Council is also working with a fourth company in Ontario to introduce BiOH™ polyol to the home insulation market, and several companies are interested in developing carpet underlay applications.