RESTRICTED Reference 550/10/1

OECD Sector Group on the Unintended Occurrence of Chemicals in the Environment.

Reference - PCBs. Proposals for Concerted Action. ENV(72) 27.

Background

1. The PCBs are a stable group of synthetic chemicals, first marketed in 1930. They have been used for a variety of purposes, the most common being as a plasticiser in paints and varnishes in carbonless copying paper as an additive to lubricants and in electrical apparatus.

2. They have a relatively low oral toxicity, but can be accumulated and persist for long periods in fatty tissue. In 1960 concern was expressed after studies of marine and fresh-water fish and wildbirds demonstrated that the PCBs had become widely distributed in living organisms in many parts of the world. Additional concern arose as a result of accidents. The most outstanding example taking place in Japan in Spring of 1969, when over 1000 people were poisoned after eating rice bran oil which had been contaiminated by PCB containing oil leaking from a defective pipe in a food preparation factory.

Action Taken by UK

3. As a result of this concern in March 1971 Monsanto Ltd (U.K) announced that it would restrict its sales of PCB to those uses for which their exceptional properties made them essential and in which they were enclosed so that there would be no loss to the environment. In practise this meant they would only be sold to Transformer and capacitor manufacturers. (This same step had been taken by the parent company Monsanto USA about twelve months earlier).

OECD Involvement

4. Under the OECD Notification scheme, several of the smaller non-manufacturing countries announced their intention of bringing in controls on manufactured goods containing PCBs The USA asked the OECD to call a consultation meeting to discuss the situation.

5. This consultation meeting was held at OECD in Paris on 3rd October 1972 (I. Prestt, CUEP and T.Wyatt DTI attended on behalf of the U.K.). The prime aim of the meeting was to get agreement among the OECD countries (which represent the main manufacturers of PCBs) for control of PCBs without the different countries having to resort to unilateral imposition of a variety of national legislation. By the time this consultation meeting took place the manufacturers in Japan, Germany and (at the last minute) France had followed the example of Monsanto. This only left Spain and Italy without voluntary controls operated by their manufacturers. As a result it was agreed that control of PCBs could be adequately brought about within the OECD countries by restrictions at source ie. the manufacturer.

6. At the Sector Group meeting of 22-24 November, paper ENV(72) 27 was drawn up. The UK, somewhat unexpectedly in view of the outcome of the Consultation meeting, found itself having to fight against demands for detailed regulations governing goods containg PCBs.. Norway in particular proved tiresome (even at one stage suggesting a World Convention should be agreed to control PCBs) and the fact that the USA had decided to introduce legislation and not rely on a voluntary agreement with industry did not help the U.K. position.

7. Never-the-less ENV(72) 27 now contains most of the points the UK requested and will allow us to continue the control of PCBs according to the voluntary agreement announced in March 1971. This has been found to be satisfactory and we have no desire to alter this arrangement.

MONS 201468

8. The two most important alterations we had incorporated were (i) in 14(b) that limitations on PCBs should be by 'control of the manufacturer'. (This previously said 'licencing' which would have necessitated legislation; we are not prepared to introduce legislation for this purpose) and (ii) in 14(c) the exemption of capacitors from restrictions on labelling and disposal. It is most important that we do not agree any general weakening of ENV(72) 27 and in particular ensure no change is made to these two sections.

9. The exception with which we do not agree comes at the end of 14 (b) (i) 'including also PCB containing products ....' We got this weakened by the additon of 'as far as useful and practicable' but we do not feel the need for this statement, indeed would argue that its inclusion negates the main purpose of this whole OECD exercise. Our arguments are:

A. The question at issue is simply whether countries like Norway which have no PCB industry of their own should or should not be encouraged to introduce their own restrictions on trade in capacitors and transformers and on electrical appliances and lighting fittings which contain them.

B. The Swedish Government has already introduced such restrictions and it was this action which gave increased urgency to attempts to reach agreement on control of PCB's at source. The issues are examined in a Secretariat paper NCP/CO/PCB/72.2 of 15 September and the danger is there clearly foreseen that other countries would follow Sweden's lead and introduce their own disparate restrictions on PCB containing products which would create a multiplicity of non-tariff barriers. It was with this threat that member countries manufacturing PCB's were urged to agree to control PCB's at source.

MONS 201469

C. This they have now done, and one might have hoped that this would have removed any necessity for countries to think of interfering with trade in products containing PCB's. But on the contrary we now have a document in which we all invited to agree to undertake such interference.

D. The OECD Environment Committee is supposed to concentrate on the economic and trade aspects of environmental problems. Here is a situation where there are two alternative ways of tackling a particular environmental problem - by regulating trade in the products containing the pollutant or by controlling the use of the pollutant at source. The ill effects on trade of taking the first course instead of the second are obvious and acknowledged. Yet the Sector Group is proposing that we should take both courses at once, thus combining the disadvantages of a superfluity of controls with an unnecessary interference with trade.

Action Required

10. The UK point of view as outlined in para 9 should be sent as our written comment from our representatives on the Environment Committee.

11. This document should go as the brief to the UK ambassador to safeguard our position at the Council meeting where he can (a) ensure there is no retreat of para 8 and (b) he can follow up the attack first made in writing to the environment committee of para. 9.

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MONS 201470