

The Roadmap to

Retail Sustainability

**RETAIL  
SUSTAINABILITY  
CONFERENCE 2011**

# Global Harmonization and ORM-D Regulation

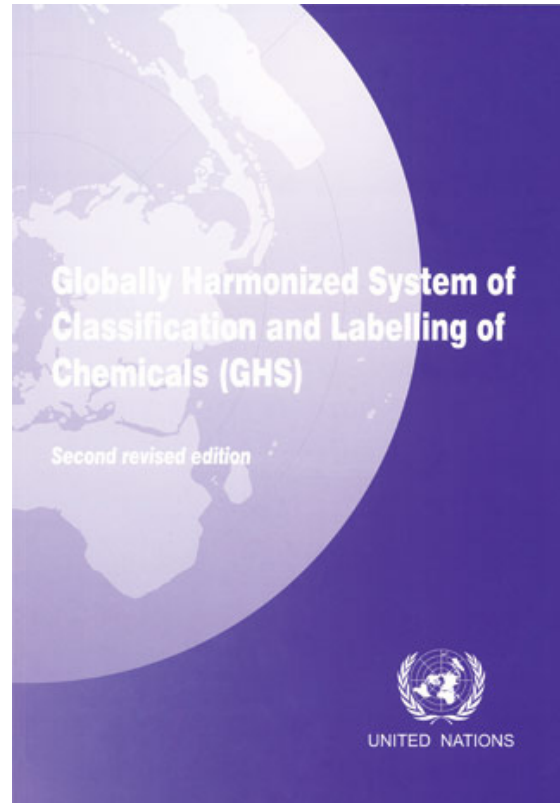
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# Discussion Topics

- GHS Update
- Elimination of ORM-D Exception
- Overview of New Rule
- Implementation Timelines
- Impact Analysis
- Transitional Strategies

# Global Harmonization System (GHS)



# GHS – Why, What & How?

## Why?

- Country-by-country hazard classification and communication laws are similar in purpose, but different enough to result in inconsistent hazard classification for similar products, and dissimilar looking labels and SDS.
- Need to harmonize and improve safety information and facilitate international trade through compatible classification methods, SDS and labels.

## What?

- Written by the UN, the goal of the GHS is harmonize differing workplace hazard classification and labeling systems across the world.

## How?

- Harmonize how hazardous substances and mixtures are classified
- Change how hazard information is communicated (new pictograms, and phrases).
- Streamline the format of SDS and labels

# GHS Legislation/Standards Passed



## – Asia Pacific:

- New Zealand (2001) \*
- Korea (2008) \* substances
- Singapore (2008) \* substances
- China (2009) \*
- Japan (2006) \*
- Taiwan (2008) \*
- Vietnam (2008) \*
- Indonesia (2009) \*

## – Europe

- EU (2008) \* substances
- Serbia (2009) \* substances (2011)
- Russia (2009/SDSs and 2011)\*
- Switzerland (2009)

## – Middle East & Africa

- Abu Dhabi (2009)

## – Americas

- Brazil (2009) \* SDS format & substance classification (2011)
- Uruguay (2009) \*
- Mexico (July 2011)

## – Transportation - SOLAS (International Convention for the Safety of Life at Sea) \*

\* Indicates that GHS SDS and classifications are already required

# GHS Regulations Drafted

## Draft regulations on GHS published:

- ❖ United States
  - Final ruling expected Sep- 2011
- ❖ Australia
- ❖ Malaysia
- ❖ Philippines
- ❖ India (only transportation)

## Preparation Activities:

- ❖ Canada – GHS compliant SDS accepted with reference to WHMIS
- ❖ MERCOSUR countries (Argentina, Brazil, Paraguay, Uruguay)– SDS standards
- ❖ ANDEAN Community (Bolivia, Colombia, Ecuador and Peru, Ecuador) – National Plan, capacity building
- ❖ Croatia
- ❖ Turkey
- ❖ Thailand
- ❖ UNITAR/ILO Global GHS Capacity Building Program: Cambodia, Gambia, Laos, Nigeria, Senegal, Zambia

# Main GHS Elements

## Hazard Classification

- *Manufacturers* analyze existing formulations and re-classify products to new GHS standards.

## Labels

- *Manufacturers* update product labels to meet GHS standards and distribute upon purchase.
- *Employers* update secondary container labels

## Safety Data Sheets (SDS)

- *Manufacturers* update all SDS to new 16-section GHS format and distribute to customers.
- *Employers* ensure updated SDS are made available to employees for each chemical on-site.

# Final Rule HM-215K



- PHMSA Final Rule HM-215K
- Issued January 19, 2011
- Effective Immediately
- Eliminates Use of ORM-D by 2014
- Expands Definition of Limited Quantity



# ORM-D Determination

- To utilize the ORM-D exception substances must:
  - Meet the limited quantity exception and
  - Be packaged for retail in a form intended or suitable for retail sale
- The limited quantity exception can be determined by referencing column 8A on the hazardous materials table found in 49 CFR 172.101 for the proper shipping name associated with the substance
- If the exception is provided in column 8A, and the substance meets the requirements of the listed Part, it may be further classified as ORM-D

# ORM-D Requirements

- ORM-D shipments must meet certain packaging, marking and weight requirements
- ORM-D is *Regulated*
  - Multi-Modal Shipments
  - Product Returns
  - Storage/Disposal



# Why Change?

- Consumer commodity shipments to align with International Limited Quantity requirements
  - Continue to align HMR with international regulations
  - Smoother flow of goods through global commerce
  - Modifies definition of consumer commodity to be consistent with international air requirements
  - Limit need to re-mark packages to US only standards

# Expected Benefits

- ❑ Elimination of dual marking systems would eliminate confusion and not require carriers and shippers to adjust their training programs to account for a dual system
- ❑ Overall enhance safety by facilitating a single, uniform system of transporting limited quantity materials
- ❑ Promote compliance efficiency and consistent training which would lead and lower costs after implementation
- ❑ Some cost savings from decrease in burden from current shipping paper requirement for limited quantities

# Shipper Concerns

- ❑ The proposed quantity limits for air transport differ from the quantity limits for other modes. This will introduce unnecessary complexity into a fairly simple process.
- ❑ Most commenter's were opposed to eliminating ORM-D and recommended using a separate rulemaking; not linked to international harmonization
- ❑ Question whether costs of eliminating ORM-D have been fully considered
- ❑ Question whether there is sufficient safety justification to warrant replacing ORM-D (No major incidents to justify)

# Implementation Timeline

- Final Ruling effective January 19, 2011
  - Delayed compliance date beginning January 1, 2012,
  - Voluntary Compliance may begin as of January 1, 2011
- New limited quantity marking mandated for use as of January 1, 2012
- Use of ORM-D AIR valid through December 31, 2012
- ORM-D valid through December 31, 2013

# Instant Analysis

- Broadens the scope of limited quantity exception
- Modifies the definition of consumer commodities for air transport
- New Marking requirements
- Significant Cultural change for many consumer commodity shippers
- May help change mindset of “ORM-D is Not Regulated”

# Who is affected?

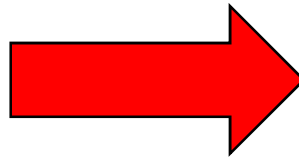
- Anyone who is involved in the transportation of consumer commodity quantities of hazardous materials
  - Consumer Product Manufacturers
  - Consumer Product Importers/Exporters
  - Carriers
  - Distributors
  - Retailers
  - Reverse Logistics Providers

# ORM-D vs. LTD QTY (Ground)

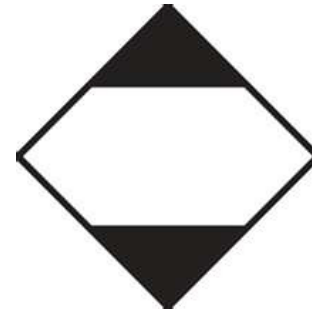
## ORM-D



- Limited Quantity Sizes
- Consumer Commodities Only
- Gross Weight < 66 lbs (30 kg)
- Marked Consumer Commodity ORM-D



## New 2011 LTD QTY



- Limited Quantity Sizes
- NOT limited to just Consumer Commodities
- Gross Weight < 66 lbs (30 kg)
- Marked as Limited Quantity

# Shipping Exceptions - Ground

Requirement	Fully Regulated	Limited Quantity	ORM-D*	Limited Quantity 2011
Labeling	●			
UN Packaging	●			
Placards	●			
Segregation	●			
Shipping Papers	●	●		
Markings	●	●	●	●
Training	●	●	●	●

\* ORM-D items must be packaged for final consumer use. Certain hazard classes and subsidiary classes excluded from Consumer Commodity ORM-D exception.

# Retail Examples (Ground)

UPC	Product	Size	Div	UN#	Old System	New System
79656007046	Banana Boat Sport Quick Dry Body& Scalp SPF 30	8 oz	3	UN1993	ORM-D	LTD QTY
71247856163	Starbrite Mildew Stain Remover	16oz	8	UN3266	ORM-D	LTD QTY
616774120105	G-96 Crud Buster	16 oz	2.2, 6.1	UN1950	ORM-D	LTD QTY
011423941009	Repel® Insect Repellent Mosquito Wipes	3 oz	4.1	UN3175	ORM-D	LTD QTY



# Retail Examples

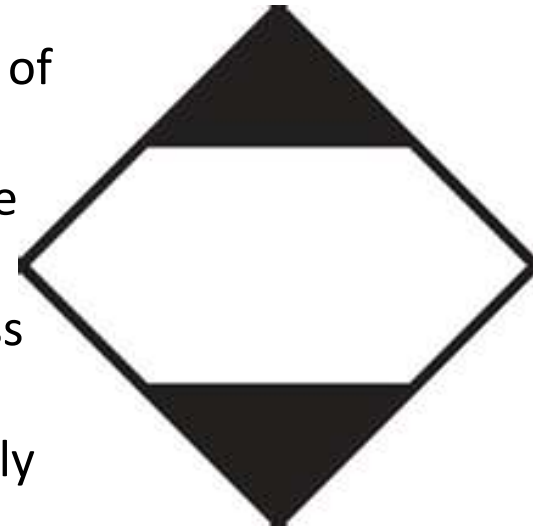
UPC	Product	Size	Div	UN#	Old System	New System
999999004299	Porta Chef Butane Fuel Cartridges - 3 Pack	7.5 oz	2.1	UN1075	Regulated	Regulated
047871666287	Kidde Mariner10 Fire Extinguisher	3 oz	2.2	UN1044	Regulated	Regulated
76501000375	Coleman Liquid Fuel	1 gal	3	UN1268	Regulated	Regulated
721112764597	Interstate Deep Cycle Battery - 29	59 lbs	8	UN2794	Regulated	Regulated



# LTD QTY Ground Marking

## 49CFR172.315(a)

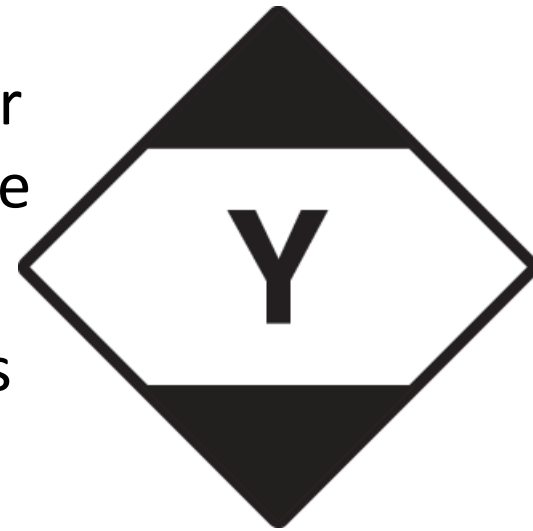
- LQ marking must be durable, legible and of a size relative to the package that is readily visible
- Marking must be applied on at least one side or one end of outer packaging
- Width of the border forming the square on point must be at least 2mm
- Minimum dimension of each side must be 100mm; unless package size requires a reduced size no less than 50mm
- Vessel shipments for cargo transport units containing only LTD QTY - 250mm minimum
- Top and bottom portions must be black and center white OR suitable contrasting background



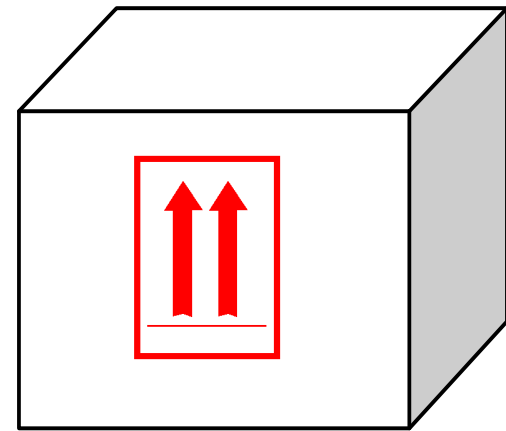
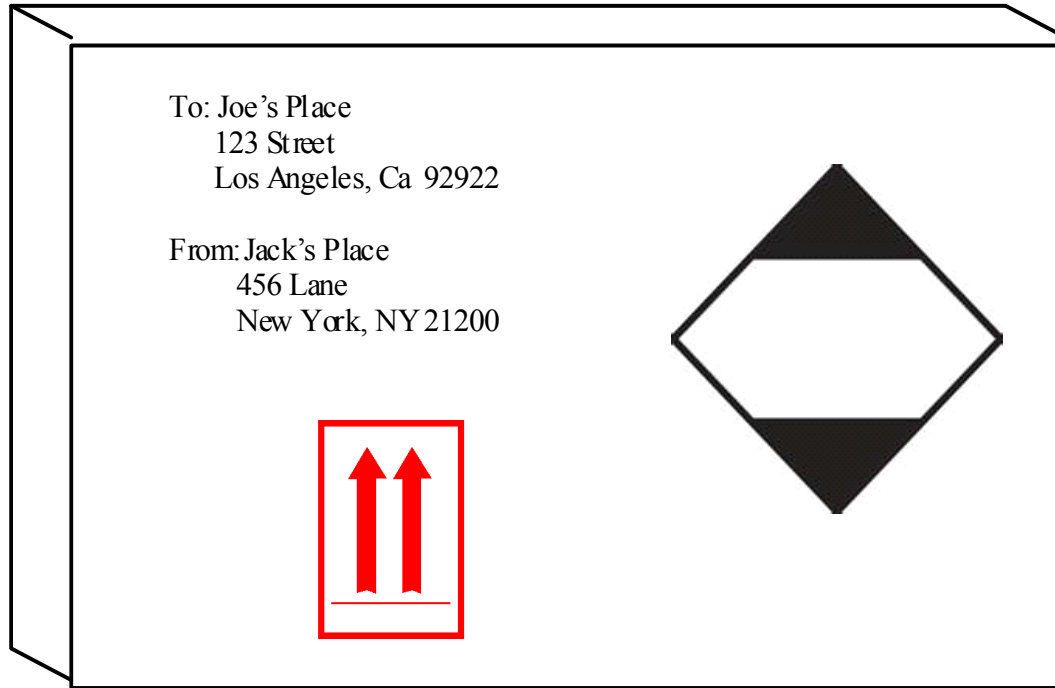
# LTD QTY Air Marking

## 49CFR172.315(b)

- Meet Ground Marking Requirements AND
- “Y” must be black and located in the center of the square on point and be clearly visible
- “Limited Quantity” or “LTD QTY” still required on US Shipping papers however is not required under ICAO (May use “Y” instead)

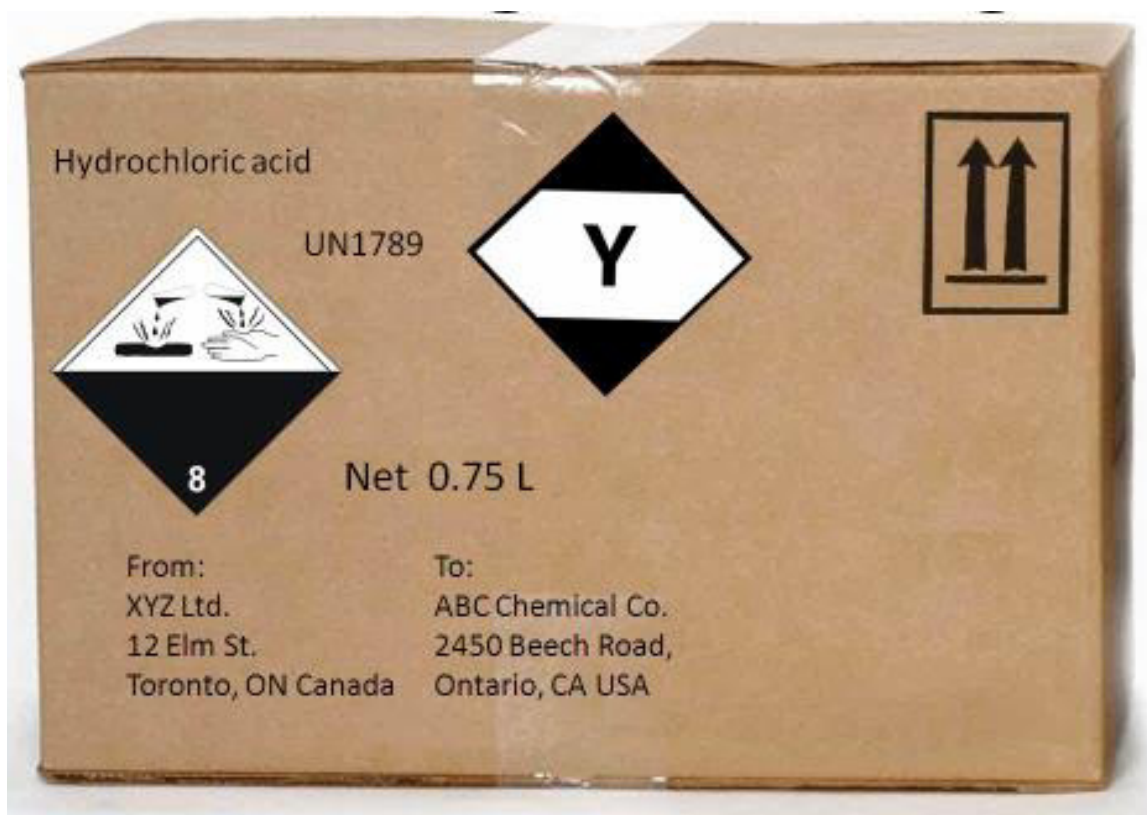


# LTD QTY Ground Example



Back

# LTD QTY Air Example



# Retailer Impact

- Employee Training
- Systems
- Packaging/Labeling
- Industry Timing

# Transitional Strategies

- Revisit training programs
- Communicate changes in marking requirements
- Plan to phase out packaging with ORM-D (May need to coordinate with package suppliers)
- Communicate with carriers (especially the local ones) on this change so they are prepared to accept your packages
- Ensure you have updated classification for your items
  - Be aware of size limitations for air shipments
- Know the implementation timelines

# Discussion

