

**AGENDA ITEMS FOR 67<sup>TH</sup> MEETING OF THE TECHNICAL REVIEW COMMITTEE (TRC)**

Dated: 27<sup>th</sup> September 2018, at 10:00 AM

**Agenda 1: Clarification with respect to Hazardous and other Wastes (Management & Trans-boundary Movement) Rules, 2016**

**Agenda 1.1 Medical Device issues with respect to Hazardous and Other Wastes (Management and Trans-boundary Movement) rules, 2015 & Amendment Rules, 2016 and Ageing restrictions for re-importation under 52/03 customs notification for repair and return- Representation from M/s GE BE Private Limited**

GE BE Private limited is a JV between General Electric Company, USA and the PSU Bharat Electronics Limited. The company was incorporated in 1996 as a 100% Export Oriented Unit in Bengaluru under the jurisdiction of Cochin Special Economic Zone. They are engaged in the manufacture of sub-systems for medical diagnostic imaging equipment's which are exported to customers worldwide- Singapore, China, Japan, USA, France, Mexico & Israel. The products include X-ray tubes, High Voltage Tanks & High Voltage X-ray Generators.

The company has state of the art manufacturing facility with latest equipment's and high-quality processes. The manufacturing is carried out under global quality standards and the products meet FDA, UL, CE& MHW regulations. There is no end customer sale involved in this process and all these transactions are with overseas affiliates.

During the process of final configuration and assembly activities, there are rejections experienced due to Quality issues despite best efforts to maintain high standards. These devices, subsystems and parts are returned to respective India manufacturing sites from respective affiliates for investigation, repairs and to drive Quality improvement actions.

Under Schedule III D of Hazardous Waste Management Rules 2016, the defective imports of Indian Origin Exported goods are treated as "Other Waste" with a Basel Convention number B1110. Warranting stringent paperwork from overseas exporter for returning the defective Indian origin products is adversely impacting Indian Government's grand vision of Make in India initiative and skill development program. Most of the countries allow such imports freely with stringent local disposal guidelines. Hence, we seek trade facilitation to import the above category as normal imports under one-time self-declaration (being status holder EOU).

Further, the ageing restriction imposed by the Customs notification 52/03 dated 31-3-2003 (as amended) is a deterrent to their EOU/EHTP operations. They are unable to re-import their exported products for repair which are more than three years old. This is primarily due to the restriction imposed by 52/03 Customs notification.

Medical equipment is capital intensive and last several years up to 15 years depending on the type of equipment. It is incumbent on the manufacturer of the medical device to support the upkeep of the equipment through supply of parts & troubleshooting failures. The parts that get into the medical equipment are amenable for repair. There are repair centers world over which do these services, robbing the Indian companies, the rightful manufacturers, of the opportunity, leading to reduced business and loss of competitiveness.

As manufacturers, they also have the responsibility to constantly improve the quality of parts and the reliability of the overall system. Integral to this exercise is the engineering testing & evaluation of the failed parts to understand the failure modes and drive corrective & preventive actions. Not having the option to import failed parts for analysis leads to lost opportunity for learning from field experience, and finally, loss of competitiveness.

As manufacturers, they also have the responsibility to constantly improve the quality of parts and the reliability of the overall system. Integral to this exercise is the engineering testing & evaluation of the failed parts to understand the failure modes and drive corrective & preventive actions. Not having the option to import failed parts for analysis leads to lost opportunity for learning from field experience, and finally, loss of competitiveness.

This restriction is impeding their manufacturing expansion program overseas affiliates are reluctant to transfer new products to India as they perceive it as lack of ownership from Indian manufacturers for product quality and repair obligations. It is eroding credibility of Indian manufacturing industry in the eyes of global customers.

Ministry has been requested for relaxation of related provisions of the HW Rules, 2016 allowing them to import Indian origin exported products for repair & return without any ageing restrictions.

## **Agenda 1.2 Amendment with respect to HW Rules, 2016- Representation from Material Recycling Association of India**

The applicant stated that Material Recycling Association of India (MRAI) is the apex National Association, representing the interest of Indian recycling Industry with over 800 Metal Recycling members, including most regional Trade Associations representing over 10,000 companies in MSME and large industry. Their members are engaged in trading of industrial scrap, such as iron scrap, corrugated carton box and paper scrap, wood scrap, etc. they are

carrying out trading activity within the country and are not carrying out any import or export of other waste.

As per HW Rules, 2016:

“other wastes” means wastes specified in Part B and Part D of Schedule III for import or export and includes all such waste generated indigenously within the country;

The waste traded by the Members of the Association within the country is Iron scrap: B1010, Paper Scrap: B3020, Wood Scrap: B3050. As per the Rules, these wastes are covered under Part B and Part D of Schedule III, which are applicable for import and export of other wastes. However, the members are carrying out trading activity within country of above scraps which are non-hazardous and covered under other waste for import & export but does not require permission of MOEF&CC or Prior informed consent. Hence, these scrap being valuable raw material should be allowed to be traded by intermediaries for following reasons:-

Metal, paper, wood scrap etc. are not Hazardous waste and has been classified as other waste in said rule and are valuable raw materials for secondary industry. Scrap generating industry cannot sell directly to user industry as they generate these scraps on regular basis in large quantities whereas user industry may not be able to buy directly from generating industry as & when scrap is generated. Hence, role of intermediaries are very important as they buy these scrap from generating industry on regular basis and stock them, process them by sorting, processing, bundling etc. making it ready for user industry and sell it to them as & when required. As these scrap are valuable raw material, it will not be discarded or thrown in open environment which may create soil erosion or air pollution, rather these scrap are used by ultimate end user as their raw material to get maximum output.

For Example: Automakers like Maruti, Toyota, Hyundai, Volkswagen, Tata Motors, Mahindra & Mahindra etc. and various auto ancillary companies generate huge quantity of metal scrap which they sell to intermediaries. Operationally, it's difficult for these companies to sell directly to end users because of the high volume of scrap being generated by them. Therefore, to ensure the smooth functioning of their production, they sell this valuable raw material to many intermediaries who subsequently sell to the manufacturers only. These intermediaries keep stock in transit and sell them as and when required by the melting plants who are manufacturers only. End users are in numbers and are of various sizes. Neither these steel plants and foundries have sufficient funds to buy these raw materials on advance payment nor they have stock keeping capacity in their plants. That's why they prefer to buy these raw materials from intermediaries and not directly from the scrap generators as it is not at all a workable method for auto makers or their ancillary companies to sell to end users only.

Movement of valuable raw material i.e. metal scrap ensure smooth working of auto and steel production. Intermediaries act as a balancing pillar for the scrap generators and steel producers. In case the configuration changes, it will create a total chaos in supply chain system for all manufacturers and their production would be badly or totally hampered.

Karnataka State Pollution Control Board has issued a memo no. PCB/WMC/2165/PLS/2017/6685 dated 13<sup>th</sup> March 2018 concerning compliance to the hazardous and other waste as per above Rule which says “ handling over of the hazardous and other wastes to the authorized actual user shall be only after making the entry into the passbook of the actual user”.

Applicant has requested to consider the metal scrap and other wastes as a valuable raw material and allow the intermediaries in value chain by amending the Rules. The matter was discussed in the 65<sup>th</sup> & 66<sup>th</sup> Meeting of TRC and the recommendations is as follows :-

**Recommendations:** The representative of MRAI brought to the notice of the Committee the problem faced by the generators of metal scrap and other non-hazardous waste as well as the recyclers, since the scrap recycling business so far has been through intermediaries. As intermediaries are not actual users the generators are not allowed to give it to them as per the HW Rules, 2016. Before the 2016 notification, indigenously produced scrap and other waste like paper etc. did not attract the provisions of the then hazardous waste rules. The applicant pointed out that in case of Karnataka Pollution Control Board, action has been initiated for not following the existing notification. Thus, the recycling of indigenously produced waste is being hampered because of the requirement as given in the Rule 4(3) and 6(8) that the waste can be given only to authorised actual users and after making the entries into the passbook of the actual user. The Committee recommended amendment in the relevant provisions of HW Rules, 2016 so that indigenously produced waste in the category of ‘other waste’ can be utilised without any procedural hindrance. The actual amendment may be discussed in the forthcoming meeting.

In view of the above, we may include this in the meeting for further discussion.

### **1.3 Proposal from CPCB for clarification/amendments in the Hazardous and Other Wastes (Management and Transboundary) Rules, 2016.**

Amendments in the said Rules for effective implementation:

*(1) Exemption of authorization requirement for small generators of hazardous and other wastes.*

There are certain hazardous wastes which are generated in small quantity by large number of set ups such as used oil generated from residential apartments/shops using DG sets, contaminated cotton rags or other cleaning materials from lathe machine operators/vehicle

workshop/ mechanics, etc. As per the existing provisions of the HOWM Rules, 2016, such small generators too require to obtain authorization from the SPCB/PCC. Enforcing such provisions and monitoring of the same may be difficult for SPCBs/PCCs. However, such small generators are required to hand over their wastes to authorized disposal facility operators/recyclers/utilizers/pre-processors. Therefore, applicability of requirement of authorization by SPCBs/PCCs in terms or quantity of hazardous and other wastes generation may be considered as suggested in para (4) below.

(2) Inclusion of provision for intermediate storage of recyclable/utilizable/disposable hazardous and other wastes.

There are small generators for various recyclable/utilizable hazardous wastes such as used oil, paint and ink sludge, spent fixer (Hypo) solution from photography/X-ray films, etc. Authorized recyclers/utilizers may find difficulty in collecting small quantity of such hazardous wastes from the door steps of such small generators located in remote towns/places on regular basis.

Provisions for collecting such wastes by intermediate waste storage (IWS) operators for handing over the same to authorized utilizers/recyclers/disposal facility operators may be included in the HOWM Rules, 2016. However, such IWS operators shall not participate in auction of recycling/utilization/disposal of hazardous and other waste and collection, transportation and storage of hazardous and other wastes by them may be restricted only from small generators whose waste generation does not exceed as below:

- a. 100 Litre/Month in case of used/waste oil only 11.
- b. 50 kg/Annum for combined generation of commonly hazardous waste viz. oil filters, oily sludge from lathe machine and contaminated cotton rags.
- c. 5 Nos. /Month of empty barrels/containers/liners contaminated with hazardous chemicals/wastes.

The small generators, meeting the above requirement may not need to apply or obtain authorization from the concerned SPCBs/PCCs. However, provisions of authorization, record maintenance, annual return submission, etc. as stipulated under the HOWM Rules, may be applicable to such intermediate waste storage operators. The above provision is applicable only for the small generators of used/waste oil, oil filters, oily sludge from lathe machine, contaminated cotton rags and empty barrels/containers/liners contaminated with hazardous chemicals/wastes. In case, the generator generates hazardous waste other than the waste specified above. Such generators are required to obtain authorization from the concerned SPCBs/PCCs in accordance with the provisions of HOWM Rules,2016.

(3) Inclusion of additional information in forms prescribed under the HOWM Rules, 2016

The Rule 16(3) lays down the responsibility of the operator of common facility and captive facility for safe and environmentally sound operation of the facility and its closure and post closure phase, as per the guidelines or standard operating procedures issued by Central Pollution Control Board from time to time.

The same shall be as per the guidelines or standard operating procedures issued by Ministry of Environment, Forest and Climate Change or Central Pollution Control Board from time to time.

(4) Inclusion of additional information in forms prescribed under the HOWM Rules, 2016

(A) Form-3: For maintaining daily records of hazardous waste;

(i) The quantity of products recovered by utilizing/recycling hazardous waste and address of the party to whom such products have been sold may also be incorporated.

(ii) The quantity of the hazardous waste send for pre-processing/co-processing (by the operator of TSDF) and address of the party to whom the same have been sold may also be incorporated in the last column (as below) of the table prescribed in Form 3

<b>Date</b>	<b>Type of waste with category as per Schedules I, II and III of these rules</b>	<b>Total quantity (Metric Tonnes)</b>	<b>Method of Storage</b>	<b>Destined to or received from</b>

(B) Form-4: For filing annual returns. The details for interstate transportation of hazardous waste may also be incorporated.

C) Form-5: The packaging type, UN class and H number as mentioned in HWM Rules, 2008 may also be incorporated.

\*\*\*\*\*