

Memo

To: Cabinet Secretary
From: Scribe on the wall
Date: Feb 22, 2008

Re: *Outcome of Meeting of DM Cttee on Really, Really Hard Problems Feb 22, 2008*

You may wish to brief the Premier informally on the outcome of the meeting you organized to review the draft Memo to Cabinet that you requested MOE to prepare for discussion with respect to CRD action to deal with wastewater effluent (sewage).

The Committee endorsed your summary of the conclusion from the meeting, as follows. *A standards-based approach versus outcome-based approach in environmental regulation is a fine topic for debate—good conversation some time. But we need to move forward.*

For that purpose, how about the following balancing of the options in the document: We will maintain the schedule as laid out in the Minister's instructions, aimed at decisions on construction to be taken by 2010. We will follow through with those plans then, unless we find something better in the meantime, in which case we will do better. We will deal better with the GHG issue, and will go to new technology to deal better with the new risks.

We'll recognize existing legal obligations and intergovernmental constraints, but will use existing resources to explore all new options. We'll also press hard within intergovernmental channels to ensure progress toward the longer-run goal of rational, outcomes-based Smart Regulation. We'll come back together toward the end of 2009 with the results of all that intervening work, when we will be significantly better informed, and may also have channels to invest in BC-based new technologies.

Can we find the necessary resources, in the order of some tens of millions, not billions, to pursue this approach?

Next steps:

MOE to redraft memo for review by deputies at some later date. There is no need for consultation with Ministers at this time.

This review will clarify, in particular, the intent of option III, making clear that the 'individualization' envisaged in that option is not a full shift of financial responsibility for management of wastewater from government to individuals, but from older, centralized treatment technology toward possible new, highly decentralized, technologies oriented to effective source control. (Such a transformation might result in more appropriate allocation of financial responsibilities for unpriced impacts of commercial decisions. You might wish to note that the idea has already been floated in public by the VIHA medical officer that pharmaceutical companies selling products that leave dangerous by-products or wastes flowing into the wastewater system should be required to sell with those products the treatment that neutralizes those wastes. This would be no

more startling a regulatory requirement that already exists in German packaging regulations.)

With such clarification, the basic advice to Ministers will be that the Government should not be seen as in any way backing off the original commitment to address fully the CRD MWWWE challenge and requirements. Legal obligations, intergovernmental commitments and constraints, and the Government's own emphasis on environmental leadership as a key element in its branding of itself in the run-up to the coming election are definitive considerations on this question.

But timing considerations suggest that it will be possible, on the basis of existing resources, also to pursue new technological options in considerably more detail, while at the same time working hard within intergovernmental channels to ensure that the CCME harmonized national strategy on management of wastewater effluent, and the subsequent regulatory framework to be posted in the Canada Gazette in December 2008, with a comment period to follow before they come into force in 2010, provide scope for 'smart' outcomes-based regulatory standards. With such an approach, it seems very likely that the physical setting of Victoria (CRD) will be recognized as a 'low risk' rather than 'high risk' setting, with the consequence that the deadlines for completion of the full MWWWE treatment facility under the regulations as envisaged would be 2030 rather than 2020. Relaxation of the present 2016 deadline to which CRD is currently working would permit much fuller exploration of emerging technological options.

So the response to the options proposed is to recommend:

We continue to pursue the existing (status quo) policy as laid out in the Minister's letter, with particular (enhanced) emphasis on the two specific conditions mentioned in that letter (and a decision to emphasize with CRD a willingness to extend substantial provincial government help CRD in the pursuit of that further work and flexibility around the interpretation of the scope of that work, recognizing that existing centralized secondary treatment facilities cannot address the greatest emerging risks).

While remaining committed to that position, we agree also with the scientific position, as emphasized in Option II, that there is no evidence of substantial risk of massive or irreversible damage risk flowing from extending use of the current outfalls over a period devoted to exploration of new technologies addressing these new emerging risks in heavy metals, toxics, and residues of pharmaceutical products. We judge that there is time to work intensively within CCME toward a more reasonable outcomes-based rather than standards-based approach to the coming regulations, even while we move forward.

Thus the real content is in Option III, working toward new technologies—ideally BC-based technological development with marketable and exportable BC intellectual property.

Conclusion: It is possible in this case to do it all. A more detailed account of the main points of the mtg is attached.