

Chemicals White Paper

Issue: The EU issued a White Paper in February 2001 proposing a strategy for a new chemicals policy. The White Paper aims to create a single system for existing (pre-1981; about 100,000 substances) and new chemicals, which are subject to different regulatory regimens now. The proposal will have a major impact on U.S. chemical companies exporting to and/or operating in Europe. It will also affect downstream users of chemical products exporting an intermediate or final product to Europe.

A vote was expected in 2001 on the overall objectives of the reform effort, but the Commission has admitted, that given the amount of detailed work, formal drafts of new legislation are not expected before Spring 2002. U.S. companies are analyzing the EU proposals and will meet on February 12 in London to formulate a strategy to influence the process for finalizing EU's new chemicals policy.

Background: The Transatlantic Business Dialogue (TABD) held its annual Chemical Working Group meeting in Rosslyn, Virginia on January 17-18, 2002. During the meeting, U.S. and EU Industry and government representatives discussed several issues related to the EU Chemical White Paper and the development of a new system for regulating chemicals. The EU announced that working groups, composed of Member States, industry and NGO's had been established and were aiding in the drafting process of the new legislation.

U.S. Government participants from the Commerce Department, U.S. Environmental Protection Agency (EPA), State Department, and U.S. Trade Representatives (USTR) also met separately with Commission officials to express U.S. concerns related to the development of the new Chemicals legislation. U.S. concerns with EU chemicals proposals

are related to transparency, risk assessment and mutual acceptance of existing chemicals. The EU acknowledged that U.S. concerns are similar to those of their EU counterparts and were receptive to allowing the U.S. Environmental Protection Administration to provide technical assistance to the initiative.

Commerce and USTR have also met with representatives from the Synthetic Organic Chemical Manufacturers Association (SOCMA), American Chemistry Council (ACC) and the American Plastics Council (APC) to identify industry concerns with the Chemicals White Paper. These Associations have not developed an official position on the White Paper, but have identified areas (most notably risk assessment) in which the new EU chemical strategy could adversely affect U.S. chemical companies. Officials from the U.S. Mission in Brussels have also met with a number of European and U.S. chemical companies based in Europe to solicit their views on the strategy and its impact on their industry. The USG has advised industry to develop an official position and strategy as soon as possible to assist in influencing the EU's draft text. Senior representatives from U.S. chemical companies will meet in February 12 in London to develop a position on the White Paper and a strategy for moving forward.

Industry advises that EU Member States and third countries are largely unaware of this EU initiative and would like the USG to work to educate them so that they can join the United States in raising concerns with EU proposals for this important sector. MAC/Office of EU and Regional Affairs is working with TD/Office of Chemicals on a demarche to go to EU Member States and to important third countries to get this campaign going.

Talking Points:

- The United States is concerned that the EU will adopt the White Paper on Chemicals in the near future. We understand that specific proposals may be released as early as this spring. Can you provide more information on the process for developing the chemicals proposals?

- **It is important for the United States and the EU to address trade concerns related to the White Paper's proposals at an early stage to prevent them from escalating into a major dispute.**
- **The TABD Chemicals Working Group met on this issue in late January and raised a number of concerns with the White Paper that we would like to address in talks between our experts. The TABD's concerns address the manner in which health and risk assessments will be performed under a new regime, procedures for notification of new substances, and mutual acceptance of health and environmental test data.**
- **We want to continue the involvement of the TABD and other industry groups in the dialogue as they can be helpful in finding common ground between our two governments.**