Good morning. It’s my pleasure to welcome you to part two of our Global Chemical Regulations Conference. Before we get started, please join me one more time in thanking our 2014 sponsors for their generous support – Beveridge and Diamond, Steptoe and Johnson, and Verdant Law. Thank you.

Before I introduce our distinguished speaker to you this morning, I’d like to take the next few minutes to share with you why I believe this year’s conference could not have come at a more exciting or more pivotal time for the U.S. business of chemistry.

One of those reasons, and also the most exciting, is that we are currently witnessing a period of unprecedented growth for our industry.

Last month, U.S. chemical manufacturers surpassed the $100 billion mark in anticipated investments related to shale gas. According to ACC’s latest count, nearly 150 investment projects – ranging from restarts, to expansions, to brand new facilities – will create an estimated $81 billion per year in new chemical industry output, and 637,000 permanent new jobs in communities across the United States.

This is a huge milestone for our industry. But what makes it especially breathtaking is that, only a decade ago, we were shutting down factories. We were hemorrhaging jobs and revenue. And we were caught up in a losing battle with our overseas competitors.
Today, those fortunes have reversed. End-use markets are growing. Exports are surging. Capital investment is on the rise – much of it from companies based outside the U.S. And it’s all made possible by one factor above all: plentiful, affordable natural gas and natural gas liquids from shale.

Because of our vast shale gas reserves, the U.S. is now the most attractive place in the world to invest in chemical manufacturing. Instead of losing steam, American chemistry is now the engine driving a U.S. manufacturing renaissance.

In order for our industry to grow to its fullest potential, we need some basic policy frameworks.

• First, a sound national energy policy that ensures we can maintain our competitive energy advantage.

• Second, a robust federal regulatory framework for the products of our industry.

• Third, trade agreements that open markets and reduce transactional costs for the business of chemistry.

It’s critical that we work together to ensure a practical, effective chemical regulatory system is in place – one that enhances the protection of human health and the environment, and that works to ensure the safe manufacture and responsible handling of chemicals throughout the supply chain. This takes the engagement and commitment of both government regulators and our industry. In short, we need a Toxic Substances Control Act that works.

ACC believes that any company that doesn’t abide by regulations, or that fails to put safety at the forefront, is not living up to its obligations to protect its employees or its communities. Through ACC’s Responsible Care® program, our members have chosen to put the safety of employees and surrounding plant communities at the core of how they do business. We have
recently made the Responsible Care program stronger and more effective by adding the Product Safety Code, which will help manage the safe development of chemicals and provide more information to the public and the value chain. We also enhanced our Process Safety Code, which will help ensure that a culture of workplace safety is informed by learnings from previous incidents.

The federal chemical regulatory system must put safety at the forefront. It must create public confidence that chemicals can be and are produced and used safely. It must also provide businesses with the certainty they need to expand and hire new workers, and foster innovation while fueling economic growth. Simply put - we need a Toxic Substances Control Act that works in modern times.

Fortunately, we have an historic opportunity to improve the safety of chemicals in commerce with legislation pending in the House and the Senate. This is another reason this conference could not have come at a more pivotal time for our industry.

As you know, last year we saw a significant breakthrough in bipartisan support for modernizing TSCA, thanks to the hard work and dedication of the late Senator Frank Lautenberg and Senator David Vitter.

With 13 Republican and 12 Democratic co-sponsors, the Chemical Safety Improvement Act (CSIA) is something no one could have predicted. Some would have said it could never have happened.

Having a carefully crafted, bipartisan bill on the table in today’s legislative environment should not be taken for granted. There is no guarantee that we could see a bill of similar depth, scope or breadth of compromise, appear again in the future.
That’s why I’m pleased to report that efforts continue to make the bill even better. We’re working hard to make it more likely that the bill receives the majority support it needs to become law.

ACC and our members are also very encouraged by the interest of the House in TSCA. With five legislative hearings on TSCA, and last week’s release by Chairman Shimkus of his draft TSCA reform bill, the Chemicals in Commerce Act, it’s clear TSCA reform has the attention of Congress.

We believe that with a true commitment to reform from all interested parties and both sides of the aisle, we can work through any remaining concerns with the proposed legislation and pass into law a system that all stakeholders can be satisfied with. But we must act on what we have in front of us today.

Even as we continue to advance TSCA reform, ACC is actively working to improve the system currently in place. We are seeking improvements to how EPA collects and processes confidential business information claims. And, we’re helping the Agency ensure its work plan chemicals program functions as it is intended.

We are also working with the EPA, NIEHS and others to get our federal chemical risk assessment programs back on track so they deliver scientifically sound and timely results. Whether you are a public health official, a consumer, or a manufacturer, getting these assessments right is in our national interest.

Finally, as one EPA official made clear during Tuesday’s opening session, EPA’s Design for the Environment Program (DfE) is gaining prominence as part of the Agency’s chemical management strategy. The Agency is taking a more active role in influencing the marketplace through this labeling program, which potentially raises some concerns. ACC looks forward to
working with EPA to improve the DfE program so that it takes into account exposure and risk, not just the potential hazard of a chemical in a product.

This year’s GlobalChem is also timely because the dialogue and discussion it helps foster will set the stage for the United States to have the gold standard in effective chemicals management systems. It will be a model for the rest of the world.

Right now, some countries are making plans to create or amend their chemical regulatory systems. It’s crucial that the United States provides the leadership and guidance on the right path forward.

I believe that an updated U.S. chemicals management system based on the legislative proposals now before Congress would be the strongest, most sensible, and most effective model for other countries to follow.

In Asia, for example, where chemical manufacturing is growing, we are seeing an unfortunate trend to base new chemical regulation on Europe’s REACH model. Instead, we need to be demonstrating that a risk and science-based approach to chemicals management is the better alternative.

Implementing REACH in the EU has already cost more than $2.7 billion. It’s placed some of the biggest burdens on small and medium-sized enterprises, which can least afford them. And the jury is still out on whether Europe has seen any incremental improvement in health and safety protection.

A 2012 study sponsored by the European Commission found that “the regulatory burden placed on firms by REACH tends to draw staff and funds away from more innovative work” – meaning companies are reporting on REACH’s negative impact more often than any of its positive outcomes.
By stark contrast, in the U.S. we see three times as many new chemical substances introduced to the market than in any other region of the world. Any chemical regulatory system that hinders rather than encourages innovation is far from a gold standard.

We have an important opportunity to apply the lessons learned from REACH and other programs and ensure that the United States regulatory program is the most modern, effective and sound chemical regulatory approach in the world. The competitive edge we have because of our energy resources must be protected by a complementary regulatory regime.

Finally, GlobalChem comes at an important point in the ongoing Trans-Pacific and Trans-Atlantic trade talks. My good friend Jennifer Hillman will speak more to that too in just a few minutes.

If a comprehensive agreement can be reached among the negotiating parties, U.S. chemical manufacturers could see reduced tariffs and a huge boost in exports from the increased chemical production from shale gas. An enhanced regulatory system will give the world confidence that a chemical made in America is a chemical safe for use everywhere.

A comprehensive agreement between the U.S. and EU could also enhance regulatory cooperation, and increase the efficiency and safety to the way we manage chemicals in commerce.

The goal of regulatory cooperation is not to undermine regulatory mandates, but rather to ensure that those mandates provide the highest level of public health benefits and not create unnecessary barriers to trade.

For example, through greater information sharing and mutual reliance on the best available science regulators on both sides of the Atlantic can reach similar outcomes on issues, but without binding either side to following a single approach.
This kind of enhanced regulatory cooperation under the Trans-Atlantic Trade and Investment Partnership could generate upwards of $2 billion in additional economic output for the U.S. chemical industry alone, according to an ACC study conducted last year.

International cooperation is a critical component of a more sound and a more consistent regulatory framework, and a key driver of greater economic growth.

We are witness to a period of unprecedented growth in the chemical industry. We must seize the opportunity to modernize our chemical regulatory regime to ensure that we capitalize on the advantage of shale gas and demonstrate that we have the gold standard of chemical management.

Combined with the potential for a more open and less costly free trade environment, our competitors will be losing sleep over our just how bright our future looks here in America. It’s the type of rare opportunity that we simply cannot afford to miss.

With that, I now have the pleasure of introducing our keynote speaker this morning, Ms. Jennifer Hillman. Ms. Hillman has a distinguished career in public service, both nationally and internationally. She is currently a partner in the Washington office of Cassidy Levy Kent, where she focuses on international trade litigation and other policy matters. Prior to joining Cassidy Levy Kent, she was one of seven members from around the world serving on the World Trade Organization (WTO) Appellate Body.

Jennifer served for nine years as a Commissioner at the United States International Trade Commission, and at the Office of the United States Trade Representative, where she was General Counsel and Chief Textiles Negotiator. She has important experience on the staff of U.S. Senator Terry Sanford of North Carolina and in private law practice.

Please join me in welcoming Ms. Jennifer Hillman.