

**ORAL TESTIMONY OF CRAIG O. MORRISON  
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ON BEHALF OF

THE AMERICAN CHEMISTRY COUNCIL

BEFORE THE

SUBCOMMITTEE ON ENVIRONMENT AND THE ECONOMY  
UNITED STATES HOUSE OF REPRESENTATIVES

REGARDING SECTIONS 5 AND 14 OF THE  
TOXIC SUBSTANCES CONTROL ACT

July 11, 2013

American Chemistry Council  
700 2<sup>nd</sup> Street, NE  
Washington, D.C. 20002

Good morning. I am Craig Morrison, President, Chief Executive Officer and Chairman of Momentive Performance Materials Holdings, LLC, based in Columbus, Ohio. I am testifying today on behalf of the American Chemistry Council (ACC), where I am currently Chairman of the Board of Directors. On behalf of the ACC and our members, I'd like to thank the Chairman and the Committee for holding today's hearing.

Momentive is a world leader in the development and production of specialty chemicals and materials. Momentive chemistries are used in thousands of products that enhance the safety, convenience and efficiency of modern life. Our products can be found in the automotive, energy, construction, personal care, mass transit and electronics sectors, among others. In fact, Momentive materials can be found in the semiconductors produced by some of the members of the Semiconductor Industries Association, represented here by my fellow panelist, Mr. Isaacs. Momentive has over \$7 billion dollars in sales and operates 90 manufacturing facilities in 37 countries, including 35 manufacturing sites in 18 states in the U.S., which provide approximately 4000 American men and women with high-paying manufacturing jobs.

Innovation is critical to the survival and growth of our industry and the downstream industries that we supply. To remain a market leader, our process of research, development, product testing and introduction is nearly constant. That is why an efficient, effective process to evaluate and approve new chemical innovations is vitally important to the chemical industry and why I will be focusing my comments on section 5 of the Toxic Substances Control Act (or TSCA), known as the new chemicals program.

There is broad agreement among industry and other stakeholders that TSCA needs to be reformed in order to reflect modern understanding of chemicals and today's scientific knowledge. We've been encouraged by the recent introduction of the bipartisan Chemical Safety Improvement Act in the Senate and by this Committee's interest in examining current law to gain a better understanding of needed reforms.

But it is also widely understood that TSCA's new chemicals program works well, a fact that has been reinforced by senior officials from previous administrations of both political parties.

[As you can see from the diagram on the wall/at your places], new chemicals undergo a thorough but efficient, multi-step regulatory review before being approved for manufacture and marketing. This well-functioning framework has three particular strengths: first, the program ensures a scientifically robust review of the potential hazards and exposures associated with a chemical substance. Second, it allows the EPA to tailor the process to fit the specific characteristics of an individual chemistry. And third, the process and timing of EPA's review generally meets the demands of the marketplace.

The program leverages significant data about chemicals already available to EPA and employs advanced modeling techniques to predict a new chemical's physical and chemical properties, health hazards and potential environmental effects. Section 5 also gives EPA the authority, which it regularly exercises, to request more testing and data about a new chemical if the agency feels it is necessary and to manage potential risks appropriately.

This sophisticated, risk-based approach reduces the cost of innovation and time needed for review and approval of new chemical products. It has facilitated a dialogue between manufacturers and regulators that has helped industry move away from potentially problematic chemistries and has enabled the introduction of even safer and more sustainable chemistries.

Momentive submits on average 10 new chemistries for review each year and has submitted approximately 120 new chemistries for review over the past 10 years. Thanks to EPA's efficient and well-functioning process, 90 percent of these new products introduced in the last five years have been able to come to market without the need for new animal testing.

The advantage created by TSCA's section 5 for American innovation and competitiveness is clear. For example, the chemical industry invests \$11 billion on average each year in research and development. Roughly 20 percent of all U.S. patents are chemistry related. Three times more chemical innovations are brought to market in the U.S. than in other regions of the world including the EU and Japan. And taken together with new abundant, affordable supplies of domestic natural gas, the current new chemicals program helps create a strong incentive for companies that rely on chemistry to invest in the U.S. In fact, as of June 2013 more than 100 new plants, expansions, and restarts of previously shuttered sites have been announced, which is projected to create 310,000 new American jobs by 2020.

TSCA's section 5 established a rigorous process to evaluate and approve new chemistries in a way that protects health and the environment, enables continuous innovation and allows new, transformative products to come to market. Ensuring that this remains the case as part of any effort to reform and modernize TSCA should be a top priority.

Thank you very much, and I am happy to answer any questions.