



GLOBALCHEM

PREPARED REMARKS FOR MIKE WALLS

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Good morning, everyone, and welcome to day one of the 2015 GlobalChem Conference. My name is Mike Walls, and I am the Vice President of Regulatory and Technical Affairs at the American Chemistry Council. As you can see, we have another excellent turnout this year, and I'd like to take a moment to recognize the organizations and the people that help make this event successful.

First, I'd like to thank our conference sponsors: Beveridge and Diamond, SafeTec, Steptoe and Johnson, and yesterday's workshop sponsor—Technology Sciences Group.

I'd like to thank our distinguished guest speakers this week, whose presence here speaks volumes about the quality of the conversations that take place at GlobalChem, year after year. And I'd also like to extend my thanks to SOCMA and my colleagues at ACC for working together to host the very best conference of its kind every year.

The Environmental Protection Agency (EPA) deserves a special note of thanks for their significant engagement in GlobalChem. The TSCA Workshop held yesterday, and a number of our panels today and tomorrow, are a testament to EPA's willingness to engage the chemical industry in a discussion and dialogue. As an industry, we may not always agree with the Agency on a particular regulatory outcome or issue—but we can all agree that EPA has made a particular effort to be inclusive and transparent in its work.

I have the honor of introducing this morning's Keynote Speaker, Dr. John Graham of Indiana University. But before I do that, I'd like to share a few comments on why I believe, 10 years from now, we will look back at 2015 as the inflection point in one of the most transformative decades for shaping chemical policy.

Think about how far we've come in just the last five years.

The new economics of shale have been a game changer for the U.S. business of chemistry. Our input costs are at historical lows. Demand is up for goods derived from chemicals, especially in international markets. We have a huge competitive advantage in the global marketplace. And companies from all over the world are committed to investing billions of dollars to be a part of our success story.

Chemical manufacturers to date have announced plans for 225 shale-related projects representing more than \$137 billion in capital investments. Fully 60 percent is foreign direct investment. That translates to billions of dollars in new chemical industry output, hundreds of thousands of permanent new jobs, and soaring export growth over the next fifteen years as the new projects come online.

According a study ACC published last month, gross exports of chemical products linked to natural gas are projected to double, from \$60 billion in 2014 to \$123 billion in 2030. The U.S. trade surplus for these chemicals would increase from \$19.5 billion to \$48.3 billion over the same period.

Just ten years ago, we would never have dreamed of this significant potential for economic growth.

And look how far we have come on the regulatory front. We have had years of debate and dialogue over how best to enhance safety and bolster innovation. The industry is navigating a conflicting patchwork of state regulations that deter investment. Product bans in the marketplace confuse consumers. Now, in 2015, we are on the cusp of bringing our country's nearly 40-year-old chemicals management law into the 21<sup>st</sup> century.

Thanks to leadership of the late Senator Frank Lautenberg, Senators David Vitter and Tom Udall, House Energy and Commerce Committee Chairman Fred Upton, and Congressman John Shimkus, there is a rare bipartisan opportunity on the table to pass strong and meaningful legislation to reform the Toxic Substances Control Act (TSCA). We'll spend more time on TSCA reform during the course of this conference, of course.

Working in partnerships has brought us closer to TSCA reform.

Partnerships are also transforming our relationship with EPA and other governments. EPA has identified 90 substances for risk assessment under its new TSCA Work Plan for Chemical Assessments initiative. That program provides a very real opportunity for industry to engage with EPA to more fully understand what concerns the Agency has about a substance, what information is needed, and what risk

management measures might be necessary. Although it is still relatively early in the Work Plan program, it is a very useful model for how EPA might approach safety evaluations under a revised TSCA.

As you will learn tomorrow, the U.S.-Canada Regulatory Cooperation Council (RCC) is a prime example of what regulatory cooperation in action can look like. Although it is still in the early stages, representatives from the Canadian and U.S. governments have identified several areas where regulatory improvements and efficiencies between the countries may exist. The initiative has been very promising so far, and it is focusing on highly relevant issues—from discussions on nanotechnology regulations, containment standards for dangerous goods, and classification and labeling requirements to air quality standards and chemicals management.

I'm very proud to say that several ACC member companies have volunteered several chemicals as case studies in the risk assessment work plan EPA, Health Canada, and Environment Canada are developing. This cooperation marks the beginning of what could become a long-term working relationship to enhance information sharing, eliminate inefficiencies like duplicative testing, and establish a framework for common approaches to risk assessment.

Another program we believe can be improved is EPA's Design for the Environment (DfE) labeling program, which EPA is rebranding as the Safer Product Labeling Program. If you're not familiar with DfE, EPA offers a label to qualifying products that seeks to communicate to consumers "that products bearing the label are safer for people and the environment."

ACC agrees with EPA that consumers should be empowered to make informed decisions about the products they purchase. We agree that consumers should have a complete picture of the sustainability of a product, including how these products stack up on a number of attributes—including waste, energy, carbon, and recyclability—while considering the product's environmental footprint across its lifetime.

We also believe, however, that there is room for improvement in the DfE program, especially in light of the significant expansion now being planned. It is critical that consumers understand what they're buying and what tradeoffs they might be making, and that a label isn't confusing or misleading. There is no better time than right now to take a strategic look at the program and possibilities for improvements, and we look forward to working with EPA and others in that effort.

We've also come a long way in advancing science and research in cutting edge technologies, including their possible applications in risk assessment and regulation. Our industry has made a significant investment in science and technology through the Long-Range Research Initiative (LRI).

The LRI is a global partnership designed to identify and fill gaps in our understanding about the safety of chemicals and to improve our current methods for assessing their hazard and risk. A core part of the LRI's mission is to support high-quality science that can inform effective decision-making by industry and at all levels of government.

The LRI program provides a basis for enhanced collaboration among industry and academics, government agencies and NGOs, and regulatory decision-makers around the world. By generating high-quality data quicker and more effectively, and by strengthening partnerships between industry and government, programs like the LRI are helping to drive the effort to bring regulations and regulatory decision-making into the 21<sup>st</sup> century.

Our partnerships within the chemical industry also extend far across the globe. The International Council of Chemical Associations (ICCA) is playing a major role right now in promoting and enhancing sound chemicals management.

As part of the industry's commitment to the United Nation's Strategic Approach to International Chemicals Management (SAICM), ICCA is committed to working with other stakeholders, such as the U.N. Environment Programme, to help countries that currently lack the capacity to manage chemicals safely.

We are reaching out to chemical companies across the globe to encourage them to demonstrate their commitment to the safe management of chemicals throughout their lifecycle by signing the Responsible Care<sup>®</sup> Global Charter—a CEO-level commitment to continued improvement in environment, health, and safety.

Virtually everywhere we look, we can find progress toward developing a comprehensive, unified, world-class approach to managing chemicals in commerce. Such a bold effort doesn't come easy, and it certainly doesn't come as fast as we all might like.

It is critical that our industry lead in the effort toward sustainable solutions. While we lead, we must also work to reduce disparities in regulations that could keep valuable new chemistries and innovations from reaching the market and the communities that need them the most.

Regulatory cooperation can enhance how chemicals are managed in the U.S. and abroad, while ensuring that communities around the globe benefit from the life-enhancing innovations that chemistry provides.

We believe regulatory cooperation can reduce costs for governments and industry; speed up the pace of chemical assessments; help make policy and public health decisions more efficient and more effective; and maintain high human health and environmental standards.

Some of the best opportunities to accomplish this feat are within our reach today. The Trans-Atlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP) have the potential to break down barriers for our industry and the entire manufacturing sector in both Europe and the Asia-Pacific region.

This is a transformative decade for our industry:

- Science and regulation is advancing as never before.
- Chemical production is booming.
- New jobs and economic opportunities beckon from just over the horizon.

It is critical that the industry focuses on what chemistry does best—creating the products and technologies that can tackle the world's biggest challenges.

Our GlobalChem agenda highlights the key policy issues and forums in which the world's challenges are being addressed. From state governments to intergovernmental organizations, from new thinking in endocrine disruption, alternative assessments, and tools to support risk assessment, GlobalChem is YOUR opportunity to engage with your industry colleagues and key policymakers.

Each one of us has an important role to play in these challenges. You are here because you have a stake in the outcome. We hope that you will make your voice heard and your opinion known on Capitol Hill, at the agencies, and elsewhere. In our exhibit area we have an opportunity for you to join the policy discussion on TSCA reform and Trade Promotion Authority. You can help shape chemical policy and our industry for years to come. You are part of the history of this transformative decade.

I now have the pleasure of introducing our keynote speaker this morning, Dr. John Graham.

Dr. Graham is Dean of the Indiana University School of Public and Environmental Affairs (SPEA), which is a professional school with more than 2,500 students and 100 faculty members covering the fields of

environmental science, criminal justice, arts administration, non-profit management, public finance and budgeting, public management, and policy analysis. SPEA's Master's in Public Affairs program was recently ranked #2 in the country by U.S. News and World Report.

From 2001 to 2006 Dr. Graham served as the Senate-confirmed administrator of the Office of Information and Regulatory Affairs (OIRA) in the U.S. Office of Management and Budget. In this capacity, he was responsible for federal regulatory, information, and statistical policies, including TSCA regulation.

Prior to his government service, Dr. Graham was a tenured professor of policy and decision sciences at the Harvard School of Public Health, where he founded and led the Harvard Center for Risk Analysis.

He holds a B.A. degree (politics and economics) from Wake Forest University, an M.A. degree (public affairs) from Duke University, and a Ph.D. degree (public affairs) from Carnegie-Mellon University.

I greatly appreciate John's willingness to share his insights on the lessons Europe and Canada have for TSCA reform in the United States. Please join me in welcoming John Graham.