



CHEMISTRY INDUSTRY ASSOCIATION OF CANADA | ASSOCIATION CANADIENNE DE L'INDUSTRIE DE LA CHIMIE



22 April 2021

The Honourable Mary Ng
Minister for Small Business, Export Promotion, and International Trade
Ottawa, Ontario K1A 0A3
Canada

The Honorable Tatiana Clouthier
Secretary of Economy
Av. Insurgentes Sur 1940, Florida,
01030 Mexico City
Mexico

Ambassador Katherine Tai
United States Trade Representative
600 17th St. NW
Washington DC, 20508
United States

Dear Minister Ng, Secretary Clouthier, and Ambassador Tai:

RE: North American Chemical Industry Support for Effective USMCA Implementation

We are writing to you today on behalf of the three North American chemistry-based associations. Together, the Chemistry Industry Association of Canada (CIAC), American Chemistry Council (ACC), and the Mexican Chemistry Industry Association (ANIQ) members represent over \$450 Billion (USD) in production of chemicals in North America.

We are strongly committed to effective implementation of the U.S.-Mexico-Canada Agreement (USMCA; CUSMA; T-MEC), especially key areas of opportunity on sectoral regulatory cooperation, trade facilitation, and common support for the North American workforce and environment. This agreement is a critical component of supporting responses to the COVID-19 pandemic and economic recovery for the North American market.

The North American chemicals industry is highly integrated. USMCA brings certainty to the chemical industry in North America and is one of the most sophisticated free trade agreements ever reached. Our industry has been an essential contributor to efforts by all three countries to manage the COVID pandemic, manufacturing critical personal protective equipment, medical devices and supplies, cleaning and disinfecting products, and more.

Working together, our associations supported the negotiation of USMCA, and in particular, the innovative provisions on regulatory cooperation for chemical substances in Sectoral Annex 12.A. These groundbreaking commitments not only support greater economic recovery in North America, but when efficiently implemented, can serve as a benchmark set of principles to encourage science- and risk-based regulatory procedures across our Hemisphere.

We now seek your support for implementing these provisions, which will help align regulatory approaches to chemical substances and prevent barriers to trade in North America. To this end, our shared recommendation is to include Mexico in the ongoing discussions on chemical management under the existing Regulatory Cooperation Council (RCC) between Canada and the United States in order to implement the USMCA regulatory cooperation provisions. We urge you to launch an expanded RCC and initiate discussions on chemical management before the end of 2021.

We see immediate value in an expanded RCC discussion to demonstrate commitment by all three signatories to this USMCA process. The expanded discussions should focus on how the Parties are implementing Article 12.A.4 on Enhancing Regulatory Compatibility; for example, on using a risk-based approach to the assessment of specific chemical substances and chemical mixtures. As a part of that discussion, they should focus on specific topics, such as coordination and collaboration on chemical risk assessment and risk management methodologies, tools, and models, and on the development of specific chemical assessments. Stronger cooperation among all three Parties in this area would make an outsized impact relative to national approaches and would support further trade and investment in the North American economy.

Furthermore, we encourage the Parties to use the provisions in Article 12.A.5 on Data and Information Exchange. For example, a request by one Party of another Party to share any available data or assessments on particular chemical substances, such as full data studies or robust data summaries, would demonstrate the value of the Sectoral Annex and build trust among regulators of the Parties with respect to sharing data and information.

Additionally, we stand ready to help the Parties implement the new provisions on marine litter in Article 24.12, requiring the parties to cooperate to combat marine litter. By accelerating infrastructure investment in a coordinated manner across North America, we can capture the value of used plastics in more circular systems, while reducing leakage into the environment. Investments in advanced and mechanical recycling facilities will benefit from continued trade between the U.S., Canada, and Mexico. While Article 24.12.2 promotes individual actions by the Parties, it does not condone unilateral actions inconsistent with other parts of the Agreement, such as Sectoral Annex 12.A on regulatory cooperation for chemical substances or Chapter 11 on Technical Barriers to Trade. Regulatory approaches taken by one party – without consultation with the other Parties – can directly threaten valuable materials, material inputs, and products traded every day in North America, causing unintended consequences and commercial impacts across virtually every value chain.

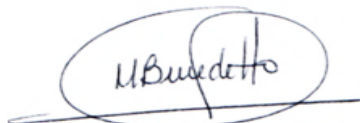
We stand at the ready to make USMCA one of the bright spots of the continent's economic recovery. Together, we can leverage resilient, low-cost supply chains, attract new investment in North American chemical manufacturing, and enhance innovation and regulatory

cooperation throughout the region. We would welcome the opportunity to discuss these opportunities with you at the earliest convenience to move this work program forward.

Sincerely,



Bob Masterson, President and CEO, Chemistry Industry Association of Canada (CIAC)



Miguel Benedetto Alexanderson, Director General, Asociación Nacional de la Industria Química (ANIQ)



Chris Jahn, President and CEO, American Chemistry Council (ACC)

Cc: The Honourable Jonathan Wilkinson, MP; The Honourable Patty Hadju, MP; The Honourable Jean-Yves Duclos, MP; Dra. Luz María del Mora; Secretary Gina Raimondo; Administrator Michael Regan; Acting Director Shalanda Young