



**Asia-Pacific
Economic Cooperation**

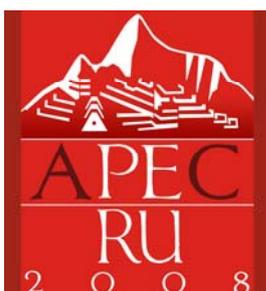
2008/SOM1/SCSC/TFTF/006

Agenda Item: 3

EU Chemical Management: Implications for APEC Companies

Purpose: Information

Submitted by: The Soap and Detergent Association



**Sub-Committee on Standards and
Conformance Trade Facilitation Task Force
Meeting
Lima, Peru
23 February 2008**



EU Chemical Management: Implications for APEC Companies

APEC 2008 – SOM I
Lima Peru, February 23, 2007

Ernie Rosenberg
The Soap and Detergent Association
Washington, DC



The home of the U.S. Cleaning Products and Oleochemical Industries™

- In the interests of full disclosure:
 - SDA represents over 100 producers and importers of cleaning products or oleochemicals for the U.S. market
 - Finished product producers
 - Suppliers of chemicals and finished packaging
 - Oleochemicals—chemicals produced from vegetable and animal fats and oils
 - SDA does advocacy, education and scientific research See www.cleaning101.com

2



The home of the U.S. Cleaning Products and Oleochemical Industries™

- Via the International Network of Cleaning Products Associations, works closely with its counterparts in:
 - Europe (AISE), Canada (CCSPA), Australia (ACCORD) & Japan (JSDA)
- SDA works with the Asian and Oceanic Soap and Detergent Associations Conference (AOSDAC)
- Coordinates with chemical producer associations (e.g., ACC, Cefic) and other packaged consumer product associations

3

REACH

- REACH: **R**egistration, **E**valuation, **A**uthorization and **R**estriction of **C**hemicals

4

Impacts on other products

- REACH is not really intended to drive just chemical management; it targets all products, including "articles"

5

APEC & REACH overview

- Non-EU companies who export products to or import chemicals from the EU will experience significant impacts
- Major activity is underway and companies
- Some REACH provisions will only burden or disproportionately burden importers
- EU is working hard to export REACH

6

REACH

- REACH: **R**egistration, **E**valuation, **A**uthorization and **R**estriction of **C**hemicals
 - (Note addition of "Restriction" to name late in the process)
- Omnibus chemical management regulation for the European Union but its effects are global
- Formal adoption – December 2006
- Entry into force – June 2007

7

REACH administration

- The European Chemical Agency (ECHA) is scheduled to be fully operational by June 2008 with headquarters in Helsinki
- Decision-making will be divided between ECHA, the European Commission, and the Member States
- Only Member States will be empowered to enforce

8

Pre-Registration

- First phase – 18 month Pre-registration period begins June 2008
 - Minimal burdens for this phase
 - If chemicals or specific uses are not pre-registered, they will be treated as new chemicals subject to premarket review
- At the end of pre-registration, there will be very tight deadlines for formation of Substance Information Exchange Forums and sharing of information

9

Pre-Registration

- Pre-Registration is not a commitment to register, but will demonstrate whether suppliers are willing to support specific uses

If in doubt, pre-register—it does not create obligations

10

Registration

- All chemicals will need to be registered if made, used or imported into the EU
 - Some exemptions (e.g., cosmetics, pesticides, drugs)
- Registration is phased in:
 - First registrations due in 2011
 - Beginning with high production volume chemicals and "Substances of Very High Concern" (SVHC's)

11

Registration

- Some products not thought of as chemicals will be caught in the system:
 - Articles made to release chemicals they contain
 - Some polymer components (e.g., monomers) will be subject to registration, even if imported as polymers, but not yet formed into articles

12

Registration

- Importers without an EU entity, have to create or retain a competent “only representative”
 - Rather than relying on their own staff, they will have to find, vet and pay for some European company to be their interface with the REACH process
 - This implies higher transactional burdens, costs and risks than those borne by competitors using their own staffs within the EU

13

Global monitoring required

- Key issues not yet decided; being decided in REACH Implementation Projects (RIPs)
- Companies exporting to the EU need to follow RIP development to be aware of burdens on them, their suppliers and/or their customers

14

Downstream users

- DU's: those who neither produce in nor import chemicals into the EU
 - Importers of ingredients into the EU, are subject to registration, etc.; users of ingredients made in the EU do not have to deal with Registration
 - If DU's produce or import products that are "articles," they may have communication obligations

15

Downstream users

- DU's importing ingredients may choose to switch to European providers rather than have to bear the costs, liabilities and transactional burdens of registration

16

REACH and articles

- Obligation to communicate information on SVHC if present in an article above 0.1%
 - Presence of SVHC needs to be reported throughout the supply chain (if within EU)
 - Presence of SVHC needs to be reported for any components or spare parts if imported separately
- There is still a lack of clarity and divergent application among Member States is likely

3/17/2008

17

17

Evaluation

- Safety assessments ("*CSA's*") will have to be conducted and reports ("*CSRs*") filed
 - *CSA's*, *CSR's* and Evaluations will affect risk assessments and control measures in other countries
- Member states will do Evaluations
 - These may form the basis of further Restriction which can be any control measure

18

Authorization

- 1500 or more chemicals will be listed as Substances of Very High Concern ("SVHC's and therefore "candidates" for) Authorization
 - Will chemicals on the candidate list (and perhaps products including those chemicals) be blacklisted and subject to deselection?

19

Authorization

- Each type of use of an SVHC will have to be affirmatively Authorized
 - Process requires repeated proof and finding of safety
 - The absence of a substitute may be shown in some cases
- Acceptance of a showing of a lack of substitutes may be more difficult if the substitute is made in the EU and the SVHC is not

20

Enforcement

- Some differential impacts on importers are explicit, but some may flow from the way REACH is administered
- Enforcement may be one area
 - Enforcement is not centralized; it is done by member states
 - Enforcement will be easier—and likely to be more consistent—at customs than internally

21

Preparing for REACH: Resources

Official text of REACH

<http://www.hel2.fi/eca/eca.html>

European Commission, Enterprise General Directorate presentation for industry:

http://ec.europa.eu/enterprise/reach/docs/calls/ed_preparing_for_reach.pdf

REACH enforcement (with a good year-by-year roadmap) from the UK (Defra):

<http://www.defra.gov.uk/corporate/consult/reach-enforce/consultation.pdf>

22