

REACHing for Your Wallets or Your Lives

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Europe's over-regulation-prone lawmaking bodies yesterday announced that the European Parliament had finally approved for adoption and implementation the highly controversial 'REACH' chemicals regulatory regime.(1) REACH is certain to have a severely negative impact on *global* industry and international trade.

The Parliament's adoption of REACH, which is premised on the extra-territorial, non-scientific, *Precautionary Principle*, followed from a political compromise reached two weeks ago between the regionally-focused European Commission and European Parliament and the more nationally-focused EU member states-based European Council. Pursuant to the compromise, the Commission will enact and begin implementing a final version of REACH that is substantially similar to that currently in circulation sometime during the spring of 2007. (2)

The EU Parliament decided to adopt REACH despite the repeated opposition voiced by European and foreign industries since at least 2003. In fact, exasperated European industry groups, including the European Chemical Industry Council (CEFIC), the European Association of Non-Ferrous Metals (Eurometaux), and the European engineering association Orgalime had just last week held a Brussels press conference in a last ditch effort to persuade the Parliament to abandon REACH's very costly and onerous substitution, dossier preparation and burden of proof rules, which will "send[] the wrong signal to business communities in terms of investment and innovation."(3) Even EU Industry Commissioner Günter Verheugen made a passing reference to the REACH regulation when he stated this past November that, ""We have to recognise that ... our environmental leadership could significantly undermine the international competitiveness of part of Europe's energy-intensive industries and worsen global environmental performance by redirecting production to parts of the world with lower environmental standards." (4) Apparently, the Parliament ignored them, and acted in response to the favorable support that the compromise document had received from some European socialist party Parliamentarians (5) and the public disparagement it had attracted from certain transatlantic environment extremist groups.(6)...