



REACH For the Sky!

ITSSD Discusses How Europe's Imposition of the REACH Chemicals Regulation upon the World Will 'Hold-Up' Private Property Rights and Threaten Global Trade

Princeton NJ - Dec. 14, 2006 – 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. REACH is certain to have a severely negative impact on *global* industry and international trade.

According to ITSSD CEO Lawrence Kogan, "the REACH regulation is premised on the extra-territorial, non-scientific, *Precautionary Principle* recently disregarded by the World Trade Organization in the *EU Biotech Products* dispute. Despite this important WTO loss, the European Communities apparently felt confident enough to brazenly move REACH forward in total disregard of the world body's opinion."

The Parliament's adoption of REACH 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. Whatever final form it assumes, the regionally conceived REACH regulation should not be mistaken for other than what it really *is*: a carefully crafted legal instrument specially designed to facilitate the 21st century United Nations-based *global governance* of every nation's industries, particularly those located and/or based in the United States.

Furthermore, according to Mr. Kogan, "REACH has been conveniently structured to restore European industry's global competitiveness by imposing upon other countries' industries the same highly onerous and costly European regulatory burdens and cultural preferences. In this way, the REACH regime 'levels the global economic playing field' for besieged European companies".

"Most importantly, REACH *will* reverse the legal burden of proof (i.e., both the burden of production of evidence and the burden of persuasion) from government to industry, which will trigger a host of significant downstream legal and economic consequences", says Kogan. And this will occur without regulators having first conducted, either an 'adequate' scientific risk assessment as concerns any of the chemicals for which pre-market authorization will be required, or a rigorous economic cost-benefit analysis that considers the exorbitant expense and burdens associated with regulatory compliance and the development by industry of acceptable 'substitute' substances and products.

For these and other reasons discussed in an accompanying article, entitled, *REACH: A Disguised Trade Barrier That 'Takes' Private Property and Facilitates Global Regulatory Governance*, the ITSSD calls upon the United States Trade Representative, U.S. industry and developing country governments and industries to come together to plan and launch a full-fledged WTO attack against the European Communities' blatantly illegal REACH regulation.