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United States House of Representatives Energy and Commerce  
Subcommittee on Environment and the Economy

Hearing on  
The Revised Discussion Draft entitled “The Chemicals in Commerce Act (CICA)”

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## Introduction

Chairman Shimkus, Ranking Member Tonko, members of the Subcommittee, thank you for inviting me to testify today and reaffirm The Procter & Gamble Company's (P&G) support for modernization of the Toxic Substance Control Act (TSCA). We are encouraged by the significant investment this Subcommittee has made in reviewing the existing law and engaging in a series of hearings dedicated to this important topic. Many hours of member and stakeholder discussions have led to this newest Discussion Draft of the proposed Chemicals in Commerce Act (CICA), which we believe reflects the serious intent of this Subcommittee to improve public confidence in our nation's chemical management system while preserving innovation flexibility and the free flow of U.S. commerce.

My name is Len Sauers. I am Vice President, Global Sustainability, Product Safety and Regulatory Affairs at Procter & Gamble where I am responsible for the company's sustainability program, as well as the product safety and regulatory affairs organization.

P&G serves more than 4.8 billion people around the world everyday with our trusted household and personal care brands. Ninety-nine percent of American households contain at least one P&G product. Our trusted, quality, leadership brands, include Pampers, Tide, Pantene, Bounty, Crest, Olay, Gillette and many others, touch and improve the lives of consumers in more than 180 countries.

Innovation is integral to everything we do to improve the value consumers receive from putting their trust in P&G brands. Since our founding in 1837, we have been inspired and driven by our Purpose — to touch and improve the lives of our consumers, in small but meaningful ways each and every day. As a company, we have chosen to deliver on our Purpose through innovation driven by consumer insight. At P&G, we believe innovation is our lifeblood, and the consumer is boss.

I want to thank you, Mr. Chairman and Ranking Member Tonko, for your interest in P&G's perspective on how the proposed Chemicals in Commerce Act may best accomplish the task of TSCA modernization. We congratulate and thank the Subcommittee for continued, bipartisan collaboration to further refine and improve the draft legislation. We firmly believe that any legislative effort to modernize TSCA must have a strong foundation built on common ground from a broad range of stakeholder interests. This philosophy has motivated P&G's long-standing engagement in stakeholder dialogue on TSCA modernization to find solutions that will enhance consumer confidence in our federal chemical management system.

The time for action is now. Never before in the 38-year history of TSCA has there been such bipartisan interest in both houses of Congress to modernize the statute. A strong and effective federal chemical management program will lessen pressure on states or markets to independently take action to regulate chemicals. Furthermore, a modern TSCA statute will well-position the US to reassert its leadership in the global marketplace and provide a much needed alternative to the EU's approach with REACH.

Enhancing consumer confidence is P&G's single most important objective for modernizing TSCA. We recognize and hear from our consumers that they are concerned about chemicals used in everyday products. We believe a new approach to US chemical management – one in which EPA systematically and transparently prioritizes existing chemicals in commerce; evaluates the risk to public health and the environment of the highest priority chemicals; and where necessary manages the risk of chemicals in an effective and timely manner, will strengthen public confidence in EPA's oversight of the safety of chemicals used in the everyday products that consumers bring into their homes and use around their families.

Now I'll address some important improvements in the latest Discussion Draft over the current TSCA statute and the importance of CBI protection in any TSCA reform effort. CICA requires EPA to identify and account for active chemicals in US commerce and then apply transparent criteria to prioritize them. CICA instructs EPA to conduct a risk evaluation of high priority chemicals to examine their probable or demonstrated harm to humans or the environment, with attention given to the most vulnerable subpopulations potentially exposed by these priority chemicals. CICA expressly prohibits EPA from considering economic costs and benefits in the risk evaluation for priority chemicals, which is a noted improvement over the earlier Discussion Draft of CICA and acknowledges the common ground reached early on among stakeholders that limited priority chemical assessments to hazard and exposure considerations only. EPA's subsequent regulatory actions must impose requirements or restrictions that sufficiently and effectively manage the risk while carefully evaluating practical considerations to

ensure market benefit and continuity. Importantly, CICA offers new order authority for EPA to collect additional information on chemicals in commerce when such information is most useful to Agency decision-making, whether to better inform prioritization or during the risk evaluation of high priority chemicals.

### CICA Support of Innovation

As I discussed previously before this Subcommittee in my July 2013 testimony, Procter & Gamble invests \$2 billion annually in research & development (R&D), which is about 60% more than our next closest competitor and more than most of our competitors combined. Over the last 30+ years, P&G has either submitted or been the major contributor to over 175 Pre-Manufacture Notices (PMNs) that have spanned commodity chemical manufacturing as part of our global P&G Chemicals business and for use in new chemistries in the formulation of our household brands. From our experience, we believe that EPA's governance of the New Chemicals Program has provided for scientifically robust reviews of the potential hazards and exposures of new chemicals entering the US market to ensure appropriate health and environmental protection.

Once we bring our new products to market, we have significant interest in protecting our formulation designs, process technology, and other confidential business information from public disclosure to our competitors. Appropriate protections for confidential information allow innovative companies to succeed in the marketplace and, for P&G, to earn our consumers' trust and loyalty in our brands. P&G holds 55,000 active patents globally, but patents alone are not enough to protect the continual improvements we

make to our product formulations. We rely heavily on the protection of confidential business information afforded by Section 14 of TSCA to remain competitive in the US and global marketplace.

We recognize that EPA has to carefully balance the protection of confidential business information under TSCA with providing public access to health and safety information on chemicals in U.S. commerce. P&G fully supports transparency with health and safety information and the disclosure of confidential information to states and medical professionals to assist with the diagnosis and treatment of illnesses. The CICA Discussion Draft appropriately authorizes EPA to disclose such information accordingly. We also strongly support provisions in the CICA Discussion Draft that provide adequate protection for confidential chemical identities, even when associated with a health and safety study. A specific, confidential chemical identity is not needed to conduct a health and safety study, interpret its results, or communicate the study's observed health effects and conclusions. Structurally descriptive, generic chemical names are sufficient to provide the public with information about the structure of the chemical and its hazard profile, which in turn provides a linkage and access to publicly available, scientific and toxicological literature on similarly structured substances.

In our industry, confidential chemical identities are often the most valuable type of intellectual property. Disclosure of a specific, confidential chemical identity can provide watchful competitors with the clues needed to unravel our formulary science and

replicate our product formulations – all without investing the same significant time, resources, and billions of dollars in research and development as P&G.

P&G agrees with other industry stakeholders in the recognition that CBI protection must be properly substantiated at the time of the initial claim and upon EPA request to renew or extend the duration of protection. We support the CICA provisions that address the need for upfront substantiation of CBI claims for confidential chemical identities and encourage the authors to consider broadening this requirement for all eligible information elements for which a manufacturer or processor may seek CBI protection.

### Conclusion

Mr. Chairman, Ranking Member Tonko, thank you again for the invitation to testify this morning. We believe the time to modernize TSCA is now and we encourage this Subcommittee to quickly come together in bipartisan agreement. P&G values our partnership with you and this Subcommittee and we remain committed to working with you and other stakeholders to develop and advance formal legislation that achieves an effective and scientifically sound chemical management program that enhances consumer confidence and supports U.S. innovation in the global marketplace.