

## **Bulldozing REACH – the industry offensive to crush EU chemicals regulation**

***Corporate Europe Observatory, March 2005***

The EU's REACH proposal for improved regulation of chemicals has sparked the largest ever industry lobbying campaign in Europe. The chemical industry council CEFIC took the lead, with German giant BASF in a key role, and with active backing from US chemical corporations and the Bush administration. Scare mongering, flawed impact studies and delay tactics are part of this aggressive counter-campaign that has seriously weakened REACH. First proposed in 2001, REACH will go through the last phases of the legislative process during 2005 and 2006. More than ever, it is time for citizens to stand up against industry attempts to undermine progressive environment and health legislation.

### **Free-riding chemicals**

The original motive behind REACH (Registration, Evaluation and Authorisation of Chemicals) was to end the largely uncontrolled and hazardous vacuum that currently exists for chemical products in the EU market.<sup>1</sup> The existing patchwork of chemical regulations is a dream come true for industry. It allows most chemicals to be introduced without safety guarantees, and up to 99% of the total chemicals sold in the EU have in fact not passed any environmental or health test process.<sup>2</sup> It is up to the authorities to prove undesired effects if the chemical is to be regulated. The current EU regulation on chemicals, based on what is called "risk assessment", only allows regulators to take action after many years of lengthy evaluations. Regulation is only possible if there is sufficient information available on the product. Of the 141 existing substances that were identified for closer scrutiny, only one third have undergone a risk assessment, and less than five have actually been regulated.<sup>3</sup> Many thousands of untested chemicals are used in a vast array of everyday consumer products. Numerous chemicals have already entered the food chain, and were found in breast milk as well as in the blood of polar bears in far-away Arctic regions.<sup>4</sup> Some of these substances are strongly suspected of causing cancer and other health problems, such as allergies, birth defects and reduced fertility as well as damaging wildlife and polluting the environment.<sup>5</sup>

It was on this background that the EU Council of Ministers in April 1998 with consensus decided to review the EU chemical policy and asked the European Commission to develop a proposal aimed to better protect the human health and the environment. The Commission undertook an evaluation which confirmed the failure of the existing policy. It concluded that work should start on a new chemical policy that reflects the precautionary and sustainability principles. In June 1999, the EU's Environment Council gave the Commission a mandate to draft a White Paper outlining the proposed new chemical policy. The White Paper presented in February 2001 was ambitious and proposed to reverse the burden of proof for industry to demonstrate the safety of a product. Industry was to provide crucial safety information on tens of thousands of chemicals, and would be forced to register 30,000 substances with a new agency.

Furthermore, chemicals classified as "very high concern" would be need to be substituted when a safer alternative is viable. This category of very high concern chemicals (substances causing cancer, damaging genetic material, reproductive toxins, chemicals that can not be broken down by nature and which build up in bodies of human beings or wildlife as well as substances that interfere with the hormone system) would require a special license for production: authorisation. Nowadays, "very high concern" chemicals are used in a wide array of consumer products. For instance, a study by Greenpeace found them in

children pyjamas, toys, household paint cleaners, computers, televisions, carpets and furniture among other things.<sup>6</sup>

The Council of Ministers and the European Parliament decided on the White Paper in June and November 2001 respectively. Both bodies not only supported REACH but wanted to further strengthen the text, proposing amendments to further increase protection for the health of humans and the environment.

#### **REACH Chronology**

- April 1998: the EU Council of Environment Ministers asks the Commission to review the existing chemicals regulation.
- October 1998: the chemical industry launches the HPV (High Production Volume) Initiative to provide information on 1,000 chemicals before the end of 2004 and the LRI (Long-range Research Initiative) to fund research on how chemicals impact human health and the environment.
- November 1998: the Commission presents its chemical policy review to the Council of Ministers.
- June 1999: at the 24-25<sup>th</sup> of June meeting, the Council adopts a document outlining the background of a new chemical strategy based on the sustainability and precautionary principles. Another element is to reverse the burden of the proof, increasing the responsibility of industry. The Council asks the Commission to develop a proposal before the end of 2000.
- April 2000: industry calls for partnership between the chemical industry, academics and governments.
- 12 February 2001: the Commission adopts the *White Paper on a Strategy for a Future Chemicals Policy*.
- June 2001: on 7<sup>th</sup> of June the Council adopts conclusions on the White Paper, asking for amendments to make the text stronger. The Council also asks the Commission to present a proposal for a regulatory framework by the end of 2001.
- November 2001: on 15 November the European Parliament approves its resolution on the White Paper, including amendments to further improve protection of the environment and human health.
- March 2003: the European Council decides that competitiveness must take centre stage in the EU and requests the new Competitiveness Council to get involved in the REACH process.
- May 2003: the Commission presents the Draft Regulation and its strategy for consulting stakeholders and public.
- September 2003: Blair, Chirac and Schröder send a letter to Commission President Prodi asking him to review REACH.
- October 2003: the European Commission presents the final regulatory proposal, which will be discussed in the European Parliament during 2005.

#### **The chemical industry enters the stage**

At this stage, alarm bells had long started ringing at the headquarters of CEFIC, the European Chemical Industry Council. The European chemical industry, employing 1.7 million people in the EU and used to have a major say in European politics, was not pleased and started a large-scale campaign against the Commission's REACH White Paper proposal. CEFIC, which employs around 140 staff people at its Brussels headquarters, consists of both national chemical associations and individual corporations like BP, Bayer, BASF, Dow, DuPont, ExxonMobil, Novartis, Shell, Solvay, Total and Unilever.<sup>7</sup>

A prime target was the European Parliament which was to vote on the White Paper by the end of 2001. According to Green MEP Inger Schörling, the Parliament's rapporteur on REACH, the industry lobbied parliamentarians through "seminars, workshops, meetings, lunches, dinners, letters, mail-outs, phone-calls, visits to plants, media releases and any other component that could be used".<sup>8</sup> Particularly MEPs from major chemicals producing countries like Germany, France, UK and Italy were constantly warned about the massive job losses and reduced production which CEFIC claimed would be the consequence of REACH. "There is comprehensive EC legislation already in place for the control of chemicals and there is little direct evidence of widespread ill health or ecosystem damage being caused by the use of man-made chemicals," CEFIC director-general Alain Perroy argued in a letter to MEPs.<sup>9</sup>

From the start, CEFIC's strategy was to dismiss the Commission proposal as overly bureaucratic and costly, and to call for "a workable chemicals legislation". Another consistent element in CEFIC's strategy has been the attempt to move the spotlight away from big multinationals and towards the proclaimed negative impacts on SMEs instead. CEFIC has successfully courted the chemical workers union EMCEF. CEFIC's doom scenario's about massive job losses seem to have made the unionists forget about the positive impacts which improved chemicals regulation will have on occupational health.

In the first phase of the REACH battle, CEFIC was led by Jean-Pierre Tirouflet of French chemicals producer Rhodia.<sup>10</sup> Tirouflet was eager to cultivate a good image for the industry: CEFIC's general strategy was to be seen as a constructive ally on health and environment issues. With the UN's World Summit on Sustainable Development ahead (September 2002), industry was trying to portray itself as "part of the solution". In practice this often meant promoting voluntary industry initiatives on environment and health as alternatives to government regulation. This was certainly the case for CEFIC, which for instance tried to hype its High Production Volume (HPV) chemicals programme (that was to provide information on 1,000 chemicals before the end of 2004) as an alternative to the REACH proposals. But when the Commission's REACH proposals started taking shape such relatively soft lobbying approaches were gradually replaced by more confrontational ones.

This change of strategy was primarily driven by the German chemical industry, which includes some of the world's major producers. In the autumn of 2001, the German chemicals lobby VCI published a series of advertisements in the *European Voice*, *Der Spiegel* and other well-read newspapers, calling MEPs to vote against the Schörling report.<sup>11</sup> Inspired by these industry messages, major German media ran articles highlighting the proclaimed flaws of REACH. The REACH proposal, industry claimed, was basically an initiative from Sweden, a country that had nothing to lose as it does not have a large chemicals production, whereas impacts on Germany were portrayed as a catastrophe. Both then Environment Commissioner Wallström and then EP rapporteur Inger Schörling are Swedes.

Despite the fierce industry counter-campaign, the European Parliament in November 2001 voted in favour of the White Paper. Although industry had managed to water down some of the proposals in the Schörling report, the Parliament also introduced amendments going beyond the White Paper.

### **BASF takes over**

In June 2002, Eggert Voscherau took over from Jean-Pierre Tirouflet and became the new CEFIC president. Voscherau, vice-chairman of the German chemical giant BASF, was quick at changing the group's strategy in the REACH battle. He dropped the conciliatory facade of his predecessor and moved the campaign against REACH into a higher gear. "Gone were the phrases calling for cooperation and dialogue", recounts Inger Schörling.<sup>12</sup>

Voscherau stepped up the scare-mongering about the impacts of REACH for jobs and economic growth. "We are in effect going to de-industrialise Europe [with these proposals]", Voscherau claimed in July 2003, calling the Commission to "review the whole thing and redraft the whole project. European industry, including the chemicals industry, must not be a test laboratory for a bureaucratic regulatory experiment".<sup>13</sup> Crucial in Voscherau's strategy was to make optimal use of the Lisbon Agenda for international competitiveness, which the EU had agreed to in the spring of 2000.<sup>14</sup> "The costs of the plan far exceed the benefits," Voscherau states in a typical quote. "It is completely out of balance. This plan is contrary to commitments made by member states to make the EU the most competitive economy in the world by 2010."<sup>15</sup>

Threats to relocate became standard part of the industry campaign against REACH. Take for instance the statement by John Condon of Merck Sharpe & Dohme, one of the companies writing to the Irish government in the run up to the Irish EU presidency in the first half of 2004. Condon threatened that "If regulations hold up the availability of raw materials in particular, then we may have to make the products elsewhere".<sup>16</sup> According to Inger Schörling, the constant hammering on the competitiveness impacts and the Lisbon strategy really changed the parameters of the debate: "While REACH was still an unacceptable proposal, it was now an example of a regulatory proposal that did not comply with the Lisbon strategy and needed to be stopped if the over-arching goals were to be reached".<sup>17</sup>

### **Flawed studies**

A key weapon in the campaign against REACH has been a series of industry-funded studies and reports predicting hugely exaggerated implementation cost and job loss figures. The European Commission White Paper was not detailed enough to allow for sharp estimates of costs, a circumstance that industry has abused to fullest extent. CEFIC initially estimated that the costs for testing substances alone would be some 8 billion euro over a 10 year period. When the EU in May 2002 presented a study estimating that these costs would in fact be only 3.6 billion euro over 11 years, CEFIC replied that there are other costs beyond testing and estimated total REACH costs to industry to be between 20 and 30 billion euro.<sup>18</sup>

The most prominent of the industry-commissioned reports was released in December 2002, written by consultancy Arthur D. Little for the German Industry confederation BDI.<sup>19</sup> In its worst-case scenario, the report estimated that REACH would mean the loss of no less than 2,350,000 jobs in Germany and a production loss of over 20%.<sup>20</sup> These conclusions were disputed from many sides, including by a group of leading German research institutes who argued that the report was "based on a static model that does not take into account the dynamics and innovative drive of the economy".<sup>21</sup> Despite the fact that the figures were grossly exaggerated, the BDI report became a favourite industry tool in the campaign against REACH.

In April 2003 a report written by Mercer Management Consultants presented similarly excessive figures on the likely costs, growth and employment impacts of REACH for French industry and society in general<sup>22</sup>. Finally, in August 2003 came a follow-up report on the impacts for Germany, again by Arthur D. Little, this time predicting that 1,7 million jobs would disappear and a gross value added loss for Germany industry of 4.7%.<sup>23</sup> None of these reports took into account the economic benefits of REACH. A report commissioned by WWF puts the cumulative health benefits of REACH for European society at between 57 and 283 billion euro.<sup>24</sup>

## **Multi-pronged offensive**

At this stage, the chemical industry had also mobilised the powerful employers' confederation UNICE. The added value of teaming up with UNICE was that it also represents the downstream users, such as manufacturing companies that do not produce chemicals but use them. The chemical industry has long been a major player within UNICE, and kept its grip when in the summer of 2003 Jürgen Strube (CEO of chemical giant BASF) became the new president, replacing Georges Jacobs (chairman of Belgian chemical group UCB). This meant that BASF controlled the top positions in both CEFIC and UNICE – a sign of the company's determination to mobilise business lobbying power against REACH.

UNICE made the battle against REACH a top priority. It produced a flood of papers and letters warning that REACH would create bureaucracy, high costs, job losses and trade conflicts. "Industry is not against the REACH objectives but with (our) recommendations, we can make it more cost-efficient and more workable," UNICE Secretary General Philippe de Buck explained.<sup>25</sup> In practice, the group is determined to postpone and weaken REACH as much as practically possible.

BASF was also very active within the Transatlantic Business Dialogue (TABD). This club of US and EU corporate giants has since 1995 championed a US-EU free trade area and tried to redefine environment and health regulations as 'barriers to trade'. In 2002, BASF was co-chairing the TABD's chemical expert group. This clearly helped to co-ordinate lobbying between CEFIC and its US counterpart, the American Chemistry Council (ACC). Relations between the groups had not always been very close, but the fight against REACH provided a common cause. At the November 2002 TABD meeting in Chicago, REACH was identified as one of the TABD's priorities. "It would clearly create an unnecessary obstacle to free international trade," said CEFIC boss Voscherau in Chicago.<sup>26</sup> Industry used the occasion to warn US and EU government officials about the potential WTO implications of REACH, including then EU Trade Commissioner Pascal Lamy. "We think we convinced [Lamy] to consider its trade implications. It would create a real quagmire," said Tom Reilly, chairman of the American Chemistry Council.<sup>27</sup>

Not only the usual arguments of jobs and costs were voiced, the TABD also warned that that REACH would require no less than 12 million animals for testing. This figure came out of the blue, but it paid off and also parts of the animal protection movement started attacking REACH. Ironically, the TABD had for several years been fiercely resisting EU attempts to ban animal testing for cosmetics.

## **An avalanche of lobbying**

In May 2003 the Commission presented a Draft Regulation. Stakeholders were invited to submit comments via an internet consultation. In response to demands by industry and the US government, the consultation period was extended from 5 to 8 weeks. This extension significantly delayed the European Parliament's decision-making on REACH.<sup>28</sup> The Commission received over 6,500 comments, half of them from industry.<sup>29</sup> Most of the industry submissions predicted high costs and unemployment impacts.<sup>30</sup>

The submissions to the internet consultation are only the visible tip of the iceberg. According to Environment Commissioner Wallström and Enterprise Commissioner Erkki Liikanen, "the lobbying and political pressure the EU executive body faced concerning the REACH proposal was more intense than any other legislation the current Commission has proposed since taking office in 1999".<sup>31</sup> Industry has had countless meetings with Commission officials on the issue of REACH. Indeed, the volume of correspondence was such that the Commission angrily rejected an access-to-documents request stating it would require "several man-months of research and verification."<sup>32</sup>

In order to get a clearer picture of industry lobbying towards the European Commission, Corporate Europe Observatory in the summer of 2004 submitted a request for access to documents under the EU's freedom of information regulation. The European Commission, however, rejected this request for copies of correspondence and minutes of meetings between the Commission and the chemical industry on REACH. In its reply, the European Commission called the request "disproportionate and abusive"<sup>33</sup> Concerning the correspondence between industry and the Commission, the number of such documents registered by DG Enterprise and DG Environment "is estimated at well over 1,000."<sup>34</sup>

### **The US Government Reaches Out**

Another heavy attack on REACH was to come from an unholy alliance from the other side of the Atlantic. The Bush administration has a general ambition of trying to export their blunt anti-environmental policies to the rest of the world.<sup>35</sup> Rarely has this been clearer than in the case of REACH, where the Bush administration has worked hand in hand with the US chemical industry, primarily the American Chemistry Council (ACC).

In April 2004, Democrat Congressman Henry Waxman issued a report revealing how the ACC had literally written the official US position on REACH.<sup>36</sup> This position, of which large parts were later even adopted by a number of EU Head of States, aimed to obstruct REACH on the grounds that it would threaten billions of dollars worth of US exports to Europe. US industry and the Bush administration fear that such progressive legislation could spread to other parts of the world. Other motives were less explicit, for instance the fact that European chemical industry may win markets if the high standards in REACH would help it to become the world most innovative and environmentally advanced.

The Bush administration left no doubt about its position in its submission to the European Commission's internet consultation: "The chemicals regulation appears to adopt a particularly costly, burdensome and complex approach, which could prove unworkable in its implementation, adversely impact innovation, and disrupt global trade."<sup>37</sup> But the US governments went beyond mere words. Greenpeace has described the attack on REACH by the Bush administration as "one of the most aggressive foreign lobby efforts ever to influence a proposed piece of EU legislation."<sup>38</sup>

The highest levels of power play were used, with Colin Powell sending a series of cables to US embassies in Europe. The US Secretary of State wanted diplomats to focus their lobbying efforts on national governments, arguing that they would be "much more sensitive to impacts on EU competitiveness, employment and other implications that other commission bureaucrats."<sup>39</sup> This strategy indeed paid off. A leaked email from an official of the US trade representative throws light on the tactics of the US government: "We need to get to the Swedes and Finns and neutralise their environmental arguments... But who will take on [Environment Commissioner Margot] Wallström – the answer is only other ministers or heads of state."<sup>40</sup>

In its multi-pronged attack on REACH, the US government also used the World Trade Organisation (WTO). In July 2004, after recruiting the support of the Asia Pacific Economic Forum countries (APEC), the US complained to the WTO's Technical Barriers to Trade Committee (TBT). The US claimed that REACH does not meet the "least trade restrictive" test in the WTO's TBT agreement. However, as a common statement of Friends of the Earth, European Environment Bureau and Greenpeace pointed out, the US submission "failed to indicate any specific trade law objections whatsoever."<sup>41</sup> The green groups called on the European Commission to reject the US complaint at the WTO.

### **Proud Lobbyists**

Talking to colleagues from the chemical industry in May 2004, Greg Lebedev (President and CEO of the ACC) was very proud of the job done. He described REACH as “the most serious risk to our industry in a generation.”<sup>42</sup> To heat up the audience, he did not hesitate to inflate numbers, “There are the immediate – and knee buckling – costs of compliance. For example, an estimated \$80 billion of costs would be born by companies doing business in France alone”. Lebedev warned the audience that “the authors of REACH have said on several occasions that their goal is to export their regulatory system to other parts of the world, including the US, so we could share the benefits of their flawed regulatory system.” Lebedev then recounted how the ACC intervened: “we knew the cards the EU authorities were holding and we called their hand. Because 21st century advocacy is global in nature, we teamed with our sister organisation in Europe, CEFIC, whose job it is to confront this massive EU initiative. CEFIC took the lead, but the ACC put its shoulder to the EU wheel and it paid off.” The ACC President describes a long list of ‘achievements’, among them the fact that “We arranged for multiple elements of our government – the Department of Commerce, the U.S. Trade Representative, the Environmental Protection Agency, and the Department of State – all to express the understandable reservations about this proposed rule and its trans-Atlantic implications.” The ACC had also been busy garnering the support of the Asia Pacific Economic Community (APEC) and the TABD to fight REACH, and to lobby new EU members from Central and Eastern Europe so they take a stance against REACH after joining the EU. Lebedev scorned Congressman Waxman for accusing the ACC of exerting “undue influence” on the US government, and committed to work even harder to stop REACH, “We’re not going to let the Henry Waxman’s carry the day.”

### **The Big Three Get Cold Feet**

The sustained attack of the chemical industry in combination with the strong pressure of the Bush administration had a dramatic impact on the governments of the EU countries with major chemical industries: France, Germany and the UK. On 20 September 2003, Chirac, Blair and Schröder sent a joint open letter about REACH to Commission President Prodi, a show of political muscle. Both France and Germany were at the time permanently in the defensive because their public deficits exceeded the disciplines of the EU’s Stability Pact. This made them more susceptible to industry warnings of REACH causing massive recession. The heavyweight trio warned Prodi that the proposed REACH endangered the competitiveness of the European chemical industry. They reminded the Commission of the Council decision of reducing the bureaucracy faced by industry to foster economic growth and comply with the Lisbon Agenda. “It is also essential to comprehensively assess all important Community projects with respect to their potential effects on industrial competitiveness,” the open letter stresses.<sup>43</sup> According to Julian Scola, European communications officer at WWF, the intervention of the three heavyweight politicians was unprecedented. “Departmental ministers are usually unaware [of legislation], so to have heads of states getting involved even before the directive is published is extraordinary.”<sup>44</sup>

Meanwhile, tensions were running high also within the European Commission itself. The very industry-friendly DG Enterprise, then led by Commissioner Liikanen, had been fairly successful in getting a bigger role in European Commission decision-making on REACH, initially the territory of DG Environment. The more DG Enterprise muscled in on REACH, the more the focus of the policy drifted away from its original mission of improving the protection of human health and the environment.

## REACH Light

When the final Draft Regulation was presented on 29 October 2003, environmental and consumer campaigners were furious. "It is a mere shadow of plans drafted earlier this year as it has been watered down to suit many unjustified industry demands," a coalition of environmental groups said in a joint statement.<sup>45</sup> The combined pressures from the chemical industry, EU Heads of States, the US government, DG Enterprise, the employers' organisations and other lobby groups, some trade unions and other groups had made the Commission retreat. "Industry lobbying was obviously absolutely crucial, and let's not kid ourselves," confided an anonymous EU diplomat, "German industry lobbying was really crucial. German industry is one of those sacred cows to the EU and, like French farmers, is not to be sacrificed".<sup>46</sup>

Indeed, the new text reduces the scope of REACH, which will only ensure now an appropriate safety assessment for about 10% of existing chemicals, and will leave most chemicals entering the EU via consumer products largely untouched<sup>47</sup>. Transparency is also reduced by extending industry confidentiality rights and reducing the info available to the public. Industry, according to the changed proposal, would have 11 years to register some 30,000 substances, but the data that they would have to provide are much more basic than the 2001 White Paper had suggested. "The United States has got 90% of what it wanted", Stefan Scheuer of the European Environmental Bureau commented.<sup>48</sup>

Green groups complained that the new proposal includes a huge loophole. It will allow industry to continue production and sales of chemicals of 'very high concern', even if safer alternatives are available. The producer just needs to demonstrate 'adequate control'. As groups such as Greenpeace, FoE or WWF explain, experience has shown that it is impossible to exert control over substances that are persistent or bioaccumulative and they end up finding their way to the human body and the environment sooner or later.<sup>49</sup> Oliver Knowles, Greenpeace Toxics campaigner, says that "unless REACH specifically requires dangerous chemicals to be substituted with safer alternatives, then this legislation will do nothing to protect either human health or the environment."<sup>50</sup>

## The future of REACH

REACH follows the EU's co-decision procedure, in which the proposal has to be approved by both the Council and the European Parliament. Defenders and opponents of REACH are now focusing lobbying efforts at the European Parliament. Corporate lobbying efforts managed to delay the Parliament's decision-making so much that the first reading could only start long after a new Parliament was elected in June 2004.<sup>51</sup> Two-thirds of the MEPs are newly elected, many of them from the new EU member states in Central and Eastern Europe. Few MEPs know first hand both the original REACH proposal from 2001 and the heavy hand which industry has had in the new one.

The EU Council of Ministers seems to be firmly in the grip of the competitiveness craze, having forgotten the original goals of a new chemical policy. At the last Spring Summit in April 2004, EU governments agreed to test all new EU legislation on its impact on business.<sup>52</sup> REACH and the EU climate policies are top candidates for being re-assessed and further adapted to industry interests.

As for the new European Commission which took office in November 2004, it has made clear that the Lisbon competitiveness strategy is the main priority. Commission President Barroso was heavily criticised by green and social democratic MEPs, trade unions and civil society campaigners when he unveiled his economic blueprint on February 2<sup>nd</sup> 2005. The plans leave no doubt that Barroso intends to downgrade the social and environmental aspects of the Lisbon agenda and of EU policy-making in general<sup>53</sup>. Trying to dismiss critics,

he later explained that "it is as if I have three children - the economy, our social agenda and the environment. Like any modern father, if one of my children is sick, I am ready to drop everything and focus on him until he is back to health ... but it does not mean I love the others any less".<sup>54</sup>

### **Flawed Business Impact Assessment**

After the Draft REACH proposal was presented in October 2003, there was a flood of reports containing widely diverging estimates of implementation costs of REACH. The Commission itself presented an Extended Impact Assessment in which they estimated the costs of REACH for companies to be some 2.3 billion euros over an 11 year transition period (0.04 % of the yearly turnover of the European chemical industry).<sup>55</sup> Considerable benefits for business were also foreseen, in the form of health costs savings, improved worker safety, as well as enhanced innovation and competitiveness. This sparked heavy industry lobbying, which in March 2004 prompted the Commission to sign a Memorandum of Understanding with CEFIC and UNICE.<sup>56</sup> The Commission and industry agreed to jointly collect case studies with factual evidence on how REACH would impact business. To secure support for this business impact assessment, they established a working group involving various stakeholders. The consultancy firm KPMG was commissioned by industry to undertake the work, with a focus on the innovation impacts. In July 2004, WWF and the European Environmental Bureau (EEB), two of the members of this working group, withdrew their support. The groups complain that "the mistakes of previous studies conducted by industry are being repeated".<sup>57</sup>

Despite evidence that the costs of implementing REACH will not cause any major problems, the Business Impact Assessment (BIA) expected in April 2005 may end up playing a major role in the final stage of decision-making on REACH. It may also lead to a further delay. This became clear during the European Parliament hearing on REACH in January 2005, where 1,000 NGO and business representatives, consumers, scientists, decision-makers and others presented their views. MEPs like Hartmut Nassauer (Industry Committee) and Guido Sacconi (Environment Committee) expressed doubts about proceeding with the first reading of the REACH proposal if the Commission may still make major changes to that proposal depending on the outcome of the impact assessment. Industry Commissioner Günter Verheugen commented that the Commission "will consider changes based on the results of the impact assessment studies."<sup>58</sup> In its own report of the hearing, CEFIC highlighted how Verheugen had stressed the need to be "very attentive" regarding the problems of the industry and how he had confirmed that the Commission would be open towards all new proposals on how to make REACH workable.<sup>59</sup> Yet, in his response to Green MEP Caroline Lucas, Verheugen had admitted that the business impact work being done for the Commission is indeed driven by the industry, that the work has been launched by the previous Commission and that personally he does not agree. According to Verheugen the work should be based on a methodology that all parties can agree with.<sup>60</sup> European Commission officials, Joe Delbeke, Director at DG environment and Patrick Hennessy, Director at DG Enterprise, tried to soothe concerns affirming that the text would be neither withdrawn nor formally modified before the end of the Parliament's first reading.<sup>61</sup>

### **What REACH Will Really Cost**

WWF and EEB pointed out in a number of submissions to the impact assessment working group that the KPMG study method lacks transparency, is inconsistent and imbalanced, and has a clear focus on business risks as opposed to opportunities. The environmental organisations argued that the study is not about innovation as was agreed with the Commission, and that they were denied access to raw data. KPMG refused to change course, causing the civil society groups to conclude that “we do not believe that the study – the results of which are expected in April – will produce new insights in order to improve REACH so as to increase benefits AND reduce costs.”<sup>62</sup>

WWF and EEB also referred to the more than 30 national and international assessments of the likely business and societal impacts of REACH. In October 2004 the Dutch EU presidency presented an overview study of 36 impact assessments, showing a broad consensus on the direct costs.<sup>63</sup> Industry-sponsored studies are criticised for turning a blind eye to the economic benefits of REACH and for being obsessed by the idea that the production of many chemicals would cease due to registration costs. Industry claims that this would create massive additional costs for chemical users further down the value chain. The European Commission and the Nordic Council of Environment Ministers estimate these additional costs to be on roughly the same scale as the direct registration costs, while the studies commissioned by industry magnify additional costs as being up to 650 times the direct costs. These figures are then converted directly into figures for job losses.

Another report, issued by ING Financial Markets in October 2004, considers the Commission’s own estimates of 2.3 billion cost over 11 years as “being the best available”.<sup>64</sup> Putting the implementation costs into context, the report compares this figure to the industry turnover in that same period (around 5,000 billion euro). The report concludes that “the estimated costs (EU estimate) do not represent a structural problem for the chemicals industry”.

### **Pulling the last teeth out of REACH?**

Despite their successes in weakening REACH, UNICE and CEFIC have by no means relaxed their campaign. The new business lobby buzzword heard in the corridors of the Parliament and Commission is now ‘imbalanced risk based prioritisation’. On January 17th, on the eve of the Parliament hearing on REACH, UNICE launched its new position. Camouflaged with declarations of support for a workable regulation of chemicals, their main demand is ‘risk based prioritisation’, meaning that the registration of a chemical will depend on the risk it poses rather than its hazardous properties (whether it, for example, is carcinogenic or toxic to reproduction).<sup>65</sup> Five green groups (EEB, Greenpeace, FoEE, WWF and the European Environment Network (of the European Public Health Alliance) reacted in a common statement: “UNICE proposes a flawed and irresponsible self-regulatory approach: that industry should alone estimate whether there might be a risk based on minimum information requirements”.<sup>66</sup>

At the Parliament’s REACH Hearing on 19 January, Stephan Scheuer from the EEB opposed the industry proposals for ‘risk based prioritisation’: “Industry basically wants self-regulation. We cannot accept that. This would not lead to a system where 30 000 chemicals would be registered after 11 years, and we would go back to the old system where the public and the authorities are responsible for proving the guilt of a chemical.” CEFIC’s director general Alain Perroy insisted that “without risk-based prioritisation, the REACH process would be just overloaded. It would generate a lot of bureaucratic activities with little added value”.<sup>67</sup>

Although parliamentary support for risk prioritisation is still undecided, there seems to be a shift towards industry positions. MEP Hartmut Nassauer, examining REACH for the internal market committee, thinks that 'risk based prioritisation' will be accepted. "Otherwise a small quantity of chemical will not be able to be produced profitably," he argues.<sup>68</sup> Influential Christian-Democrat MEP Karl Heinz Florenz, who chairs the Committee for the Environment, also supports the industry approach. But Socialist MEP Guido Sacconi, examining the proposal for the Environmental Committee, rejects the proposal, "This is just trying to reduce the number of chemicals registered. We must remember that the long term objective is to include all the 100,000 chemicals that we don't know about in this system."<sup>69</sup>

As it stands now, there is a serious risk that REACH will get further weakened during the last phases of the legislative process, which can take until late 2005 or well into 2006. One by one, industry hopes to remove those features of the proposal that they consider most threatening for their short-term interests. Among lobbying consultants, this strategy is called "the dentist": if a company or lobby group dislikes proposed legislation, it will try to "pull out the worst teeth" first and come back for the rest later.<sup>70</sup>

#### **Lobbying Consultants Addicted to Secrecy**

It is virtually impossible to estimate how much industry has invested in dismantling the original REACH proposal over the last four years, directly and through trade associations, PR firms, contributions to think tanks and other various means. Clearly they have by far outspent those who are defending environment and health protection. Financial power, the REACH experience shows, enables corporations to exert an undue, excessive and illegitimate influence over EU policy-making.

To get a clearer picture of how much industry has spent on obstructing REACH, Corporate Europe Observatory (CEO) wrote to 35 Brussels-based public affairs companies that are offering services to the chemical industry.<sup>71</sup> The list of firms includes Hill and Knowlton, Edelman, Burson-Marsteller and the rest of the top-10 global PR giants.<sup>72</sup> We asked them for "an overview of the clients for which your firm in the last 12 months has provided PA/PR services on the proposed EU system for Registration, Evaluation, Authorisation of Chemicals (REACH), the relevant budget and towards which EU institutions the efforts were directed." The request was first e-mailed, followed by a reminder by fax a week later. A month later, only three out of the 35 firms had replied.<sup>73</sup> Metzdorff & Associates responded that they had not conducted any work for any client on REACH, A.T. Kearney responded that the questions did not apply to the type of services they provide, whereas Single Market Ventures explained they are not a public relations or lobby firm, but only do analysis and research. None of the other firms bothered to reply.

The willingness of Brussels-based public affairs firms to provide transparency about who they are lobbying for is clearly non-existing. There is an obvious need for lobbying disclosure legislation, which would oblige firms to report on lobbying activities, including issues and aims, clients and budgets, meetings and correspondence with officials. Reporting obligations would not make an end to the inequality in financial means, but it would allow the general public access to key information needed to facilitate more effective public scrutiny of EU decision-making.

#### **Lessons from the REACH drama?**

Lobbying in EU capital Brussels is often described as being softer and more consensus-seeking than the often very aggressive approaches that are common practice in Washington D.C.<sup>74</sup> While there are obviously differences, the REACH battle is yet another example that the gap is narrowing fast. Not only are controversial US lobbying and PR techniques getting increasingly popular in Brussels<sup>75</sup>, industry is also increasingly choosing for aggres-

sive counter-campaigning, including threats of relocation and other scare mongering. Lobbying consultants describe this as “the gunship strategy”. The shift to the right in many EU governments and the growing obsession with the Lisbon Agenda and its strategy of economic growth through international competitiveness have provided a very fertile ground for these tactics.

The lobbying battle around REACH is an example of deeply irresponsible and reactionary lobbying by industry. This scandal happens despite the fact that large chemical companies continue to be among the most vocal claiming their commitment to social corporate responsibility (CSR), as a visit to their website will show. The behaviour of these corporations in the decision-making around REACH reveals a very different reality.

The role of trade associations, such as CEFIC or UNICE, has been a crucial factor in the battle around REACH. A recent report by the Halifax Bank of Scotland (HBOS), titled *Insight Investment*, polled 22 chemical companies to find out how REACH would impact on them financially (including BASF, Bayer, BOC Group and ICI). The report concluded that “most seem not to be in a position to estimate the likely financial impact of REACH on their business though many expresses confidence that the impact would not be material – in stark contrast to the statements being made by some of their own industry associations.”<sup>76</sup>

BASF is probably the one European company that has most aggressively fought against REACH. This is in stark and provoking contradiction with its self-proclaimed commitment to sustainability.<sup>77</sup> BASF is one the many transnational corporations that have signed up to the Global Compact, the UN’s non-binding ethical principles. The company’s lobbying efforts on REACH violate the Compact’s principles, which includes “support a precautionary approach to environmental challenges”. Many other large corporations that are complicit in the scandalous anti-REACH lobbying are less visible, as they can easily hide behind lobby groups and trade associations. Companies involved directly, such as BASF, or indirectly via industry associations, must be held accountable for their increasingly successful attempts to obstruct the only real possibility of improving the dangerous vacuum around chemicals regulation in Europe for many years.

## Notes

<sup>1</sup> REACH creates a single system for existing and new substances, replacing some 40 pieces of legislation currently in force.

<sup>2</sup> Current legislation distinguishes between so-called existing substances and new substances. Existing substances have been put on the market before 1981, and account for ca. 99% of total market volume. 100,106 existing chemicals are registered, however, the exact number of existing chemicals put on the market is not known, as there are no reporting requirements for production volumes below 10 tonnes per year and manufacturer. Above 10 tonnes, around 10,000 substances are marketed. New substances were first put on the market after 1981. They currently amount to around 2700 chemicals, ca. 1% of total market volume." Source: European Parliament, Committee on the Environment, Public Health and Consumer Policy, 2001/2118(COS) 24 July 2001, DRAFT REPORT on the Commission White Paper on Strategy for a future Chemicals Policy (COM(2001) 88 – C5-0258/2001 – 2001/2118(COS))

<http://greens-efa.org/pdf/sessions/schoerlingdraftchemicalspolicy.pdf>.

<sup>3</sup> "New Chemicals Policy in the EU – Good or Bad for Companies? International Chemical Secretariat. May 2003. [http://www.chemsec.org/documents/Good\\_or\\_bad.pdf](http://www.chemsec.org/documents/Good_or_bad.pdf)

See also Swedish Society for the Conservation of Nature website: <http://www.snf.se/verksamhet/kemikalier/brom-eng-politik.htm>

<sup>4</sup> "More than 350 chemicals that are harmful to nature have been found in breast milk. PCBs, brominated fire retardants and dioxins are present in all of our common foods. Long-lived substances that have never been used in the Arctic are found in the blood and fat of polar bears. In nine out of ten cases we do not know what harm this will cause, as knowledge of the effects of chemicals is extremely limited. But the lessons that we have learnt (PCBs, DDT, freons, heavy metals, ...) are frightening.

From: "New Chemicals Policy in the EU – Good or Bad for Companies? By the International Chemical Secretariat. May 2003. [http://www.chemsec.org/documents/Good\\_or\\_bad.pdf](http://www.chemsec.org/documents/Good_or_bad.pdf)

<sup>5</sup> See for instance: "Chemicals Beyond Control. Ensuring EU Chemicals Policy Protects Human Health and the Environment." September 2004. Greenpeace International, Chemical Reaction (c/o EEB), EPHA Environmental Network, Friends of the Earth Europe. [http://www.eeb.org/activities/chemicals/chemicals\\_beyond\\_control.pdf](http://www.eeb.org/activities/chemicals/chemicals_beyond_control.pdf)

<sup>6</sup> "Beginners guide to REACH (The new European chemicals regulation)", 31 October 2003, Greenpeace. <http://www.greenpeace.org.uk/MultimediaFiles/Live/FullReport/6054.pdf>

<sup>7</sup> CEFIC consists of national chemical associations of 25 European countries, some 30 corporate members (including giants such as BP, Bayer, BASF, Dow, DuPont, ExxonMobil, Novartis, Shell, Solvay, Total or Unilever) and about 500 business members. See <http://www.cefic.be>

<sup>8</sup> *REACH - The Only Planet Guide to the Secrets of Chemicals Policy in the EU. What Happened and Why?* Brussels, April 2004. Published by: Inger Schöring, Member of the Greens/European Free Alliance in the European Parliament. Written by Gunnar Lind

Part one: <http://tutb.etuc.org/uk/newsevents/files/reach1sw.pdf>

Part two: <http://tutb.etuc.org/uk/newsevents/files/reach2sw.pdf>

This highly recommendable publication offers a clarifying and comprehensive account of the battle around REACH, including the corporate campaigns and the interventions of other actors such as the US government and some EU Head of States. Much information of this article is taken from this publication.

<sup>9</sup> CEFIC director-general Alain Perroy in letter to MEPs, 12 November 2001. Quoted from *The Private Life of Public Affairs*, Simon Caulkin and Joanna Collins, Green Alliance, August 2003.

[http://www.wwf.org.uk/filelibrary/pdf/privatelife\\_pubaffairs\\_0105.pdf](http://www.wwf.org.uk/filelibrary/pdf/privatelife_pubaffairs_0105.pdf)

<sup>10</sup> Tirouflet was CEFIC President between June 2000 and June 2002. He was succeeded by Eggert Voscherau of BASF, who was CEFIC President from June 2002 – June 2004. The current President is Peter Elverding, of Royal DSM.

<sup>11</sup> The draft report, which was to be voted on first by the Environment Committee and later in the plenary, was named after Inger Schöring, the European Parliament's rapporteur for the REACH dossier.

<sup>12</sup> *REACH - The Only Planet Guide to the Secrets of Chemicals Policy in the EU. What Happened and Why?* Brussels, April 2004. By Inger Schöring.

<sup>13</sup> "2m jobs 'at risk' in chemicals sector", *The Guardian*, 15 July 2004.

---

<sup>14</sup> The aim of the Lisbon Agenda is to make “the European economy the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”.

<sup>15</sup> “Chemicals Industry Wants EU Commission To Scale Back Plan to Overhaul Regulation”, *Chemical Regulation Reporter*, Volume 27 Number 29, July 21 2003.

<sup>16</sup> “Firms urge EU presidency move on chemicals proposals”, *Irish Independent*, August 14 2003.

<sup>17</sup> *REACH - The Only Planet Guide to the Secrets of Chemicals Policy in the EU. What Happened and Why?* Brussels, April 2004. By Inger Schörling

<sup>18</sup> *REACH - The Only Planet Guide to the Secrets of Chemicals Policy in the EU. What Happened and Why?* Brussels, April 2004. By Inger Schörling

<sup>19</sup> Arthur D. Little, *Economic effects of the EU Substances Policy*, 18 December 2002.

<sup>20</sup> Ibid.

<sup>21</sup> *Methodological problems of assessing the economic impacts of EU chemicals policy: Summary results of the conference of experts*, German Federal Environment Agency, 6 February 2003.

<sup>22</sup> *The Likely Impact of Future European Legislation in the Area of Chemical Substances*, April 2003, Mercer Management Consulting study commissioned by the UIC (Union des Industries Chimiques), the French Ministry of Ecology and Sustainable Development, and the French Ministry of the Economy, Finance and Industry.

<sup>23</sup> Arthur D. Little, *Supplement to the Report on the BDI Research Project*, 3 August 2003.

<sup>24</sup> Pearce e.a. (2003) referred to in EEB and WWF, *Business Impact Assessments and the work by KPMG for UNICE and CEFIC*, January 2005 <http://www.eeb.org/activities/chemicals/20050113-EEB-WWF-KPMG-brief-final.pdf>

<sup>25</sup> UNICE Secretary General Philippe de Buck speaking at a UNICE press conference on 17 January 2005. <http://www.unice.org/Content/Default.asp?PageID=89>

<sup>26</sup> *Chemical Regulation Reporter*, Volume 26 Number 45, November 18, 2002

<sup>27</sup> Ibid.

<sup>28</sup> “Chemical Warfare”, *EuroBusiness*, August-September 2003.

<sup>29</sup> <http://europa.eu.int/comm/enterprise/reach/consultation/contributions.htm>

<sup>30</sup> *REACH - The Only Planet Guide to the Secrets of Chemicals Policy in the EU. What Happened and Why?* Brussels, April 2004. By Inger Schörling

<sup>31</sup> “European Commission Issues Proposal For Chemical Regulations After Compromise”, *Chemical Regulation Reporter*, Volume 27 Number 43, November 3 2003.

<sup>32</sup> Letter dated 19 July 2004, from Yvon Slingenbergh, Deputy Head of Unit C3, DG Environment

<sup>33</sup> The Commission states that there is no comprehensive list of such meetings, and as “According to the Regulation, the Commission is only required to give access to existing documents... your request cannot be answered positively”. Letter dated 19 July 2004, from Yvon Slingenbergh, Deputy Head of Unit C3, DG Environment

<sup>34</sup> Ibid

<sup>35</sup> US government officials are actively promoting the “more business-friendly regulatory analyses” of the Bush Administration, for instance in meetings with EU officials. “It’s very important for the United States to promote a cost-effective approach to regulation not only in this country but also in other nations”, explains John Graham, administrator of the Office of Information and Regulatory Affairs in the White House. “White House Touts Approaches on Cost, Risk Analyses in Talks With EU Officials”, *Chemical Regulation Reporter*, February 7 2005.

<sup>36</sup> United States House of Representatives Committee on Government Reform — Minority Staff Special Investigations Division, 1 April 2004. *A special interest case study: The chemical industry, the Bush Administration, and European efforts to regulate chemicals*, prepared for rep. Henry A. Waxman

See: <http://www.democrats.reform.house.gov/investigations.asp?Issue=Chemical+Regulation>

<sup>37</sup> “European Commission’s REACH Proposal Comes Under Fire From Bush Administration”, *Chemical Regulation Reporter*, Volume 27 Number 28, July 14, 2003.

<sup>38</sup> “Powell in chemical reaction as US resists EU pollution drive”, *The Independent*, 28 November 2004.

<sup>39</sup> “EU chemicals law causes stink”, by Gareth Harding, UPI Chief European correspondent, Brussels, 30 September 2003

<sup>40</sup> "US REACH-bashing gets short shrift from Congress", by Roger Falk, *European Voice*, Vol 10 No 13, 15 April 2004.

<sup>41</sup> Joint letter (EEB, Friends of the Earth and Greenpeace) to Commissioners Wallstrom, Lamy and Rehn about attempts by the US and other governments to use the World Trade Organisation (WTO) to undermine REACH, 26 July 2004.

<http://eu.greenpeace.org/downloads/chem/JointLetCommissionOnWTO&REACH.pdf>

<sup>42</sup> Greg Lebedev, President and CEO of the ACC, keynote address for Pittsburgh Chemical Day. "Chemistry Means Business", Pittsburgh, Pennsylvania, 11 May 2004

<sup>43</sup> Tony Blair, Jacques Chirac and Gerhard Schröder, letter to European Commission President Romano Prodi, Berlin, September 20, 2003

[http://www.elysee.fr/magazine/deplacement\\_etranger/sommaire.php?doc=/magazine/deplacement\\_etranger/2003/09/20/53029\\_page\\_3.htm](http://www.elysee.fr/magazine/deplacement_etranger/sommaire.php?doc=/magazine/deplacement_etranger/2003/09/20/53029_page_3.htm)

<sup>44</sup> "Green policy: just add water", by Andrew Osborn, 5 November 2003, *The Guardian*

<sup>45</sup> "European Commission Issues Proposal For Chemical Regulations After Compromise", *Chemical Regulation Reporter*, Volume 27 Number 43, November 3 2003.

<sup>46</sup> "Green policy: just add water", by Andrew Osborn, 5 November 2003, *The Guardian*

<sup>47</sup> EEB Position on Commission proposal for a Regulation on REACH 10 Dec 2003, <http://www.eeb.org/activities/chemicals/20031210-EEB-position-on-REACH.pdf>

<sup>48</sup> "EU chemicals law causes stink", by Gareth Harding, UPI Chief European correspondent, Brussels, 30 September 2003

<sup>49</sup> See for instance *Beginners guide to REACH (The new European chemicals regulation)*, Greenpeace

<sup>50</sup> *European Commission puts chemical producers' interests before public health and environment*, Greenpeace, 29 October 2003

<http://www.greenpeace.org.uk/contentlookup.cfm?CFID=247498&CFTOKEN=18282227&UCIDParam=20031029150748>

<sup>51</sup> The Industry and the Legal Affairs Committees in the parliament unsuccessfully challenged the leading role of the Environment Committee, but the row caused enough delay to pass the dossier on to the newly elected Parliament.

<sup>52</sup> See *Competing Ourselves to Death?*, Corporate Europe Observatory, April 2003. <http://www.corporateeurope.org/ebs2004.html>

<sup>53</sup> "The European Commission president tells George Parker and Andrew Gowers that he detects a 'new sense of urgency' about the need to deliver economic reforms", *Financial Times*, February 2 2005.

<sup>54</sup> "Lisbon 'relaunch' sparks fierce debate", *EUobserver*, 2 February 2005, by Richard Carter.

<http://www.social-europe.org.uk/presscuts/050203euobserver.htm>

<sup>55</sup> EEB and WWF, "Business Impact Assessments and the work by KPMG for UNICE and CEFIC", January 2005. <http://www.panda.org/downloads/toxics/kpmgeebwwfjan05.pdf>

<sup>56</sup> Memorandum of Understanding between the European Commission side (DG Enterprise and DG Environment) and industry (UNICE/CEFIC) to Undertake Further Work Concerning the Impact Assessment of REACH, 3 March 2004.

[http://europa.eu.int/comm/enterprise/reach/docs/reach/memo\\_of\\_underst\\_on\\_ia-2004\\_03\\_03.pdf](http://europa.eu.int/comm/enterprise/reach/docs/reach/memo_of_underst_on_ia-2004_03_03.pdf)

<sup>57</sup> EEB and WWF, "Business Impact Assessments and the work by KPMG for UNICE and CEFIC", January 2005. In the explanatory statement for their withdrawal of the process, they state that representatives of trade-unions, consumer NGOs and Commission consultants in the Working Group have also expressed concerns about the credibility of the anticipated results.

<http://www.panda.org/downloads/toxics/kpmgeebwwfjan05.pdf>

<sup>58</sup> European Parliament, Verbatim report of joint public hearing "The new REACH legislation", Wednesday, 19 January 2005. <http://www.europarl.eu.int/comparl/envi/reach/verbatim.pdf>

<sup>59</sup> CEFIC website, *Public hearing on REACH paves the way for parliamentary debate*, 4 February 2005. <http://www.cefic.be/Templates/shwNewsFull.asp?HID=1&NSID=530&P=&NID=>

<sup>60</sup> European Parliament, Verbatim report of joint public hearing "The new REACH legislation", Wednesday, 19 January 2005. <http://www.europarl.eu.int/comparl/envi/reach/verbatim.pdf>

<sup>61</sup> European Parliament, *How to make REACH more workable: many experts in search of answer*, 20 January 2005. [http://www.umweltbundesamt.at/fileadmin/site/umweltthemen/chemikalien/REACH\\_Anhoerung\\_Presstext\\_Parl.pdf](http://www.umweltbundesamt.at/fileadmin/site/umweltthemen/chemikalien/REACH_Anhoerung_Presstext_Parl.pdf)

---

<sup>62</sup> EEB and WWF, "Business Impact Assessments and the work by KPMG for UNICE and CEFIC", January 2005. <http://www.panda.org/downloads/toxics/kpmgeebwwfjan05.pdf>

<sup>63</sup> Witmond, B., S. Groot, W. Groen, and E. Dönszelmann, *The impact of REACH: Overview of 36 studies on the impact of the new EU chemicals policy on society and business*. October 2004, Ecorys and OpdenKamp Adviesgroep for Dutch Presidency: The Hague, Netherlands. [http://www.eu2004-reach.nl/downloads/Comprehensive\\_Overview-v2.pdf](http://www.eu2004-reach.nl/downloads/Comprehensive_Overview-v2.pdf)

<sup>64</sup> *Pan European Chemicals*, report by ING Financial Markets issued in October 2004, as quoted in *REACH no threat to chemical industry predict financial market experts*, 17 January 2005, WWF Detox campaign website. [http://www.panda.org/campaign/detox/news\\_publications/news.cfm?uNewsID=17894](http://www.panda.org/campaign/detox/news_publications/news.cfm?uNewsID=17894)

<sup>65</sup> Currently the Commission proposal prioritises the more than 50,000 chemicals that will require testing in order to be authorized based on volume as well as special consideration to CMRs (cancerous, mutagenic and reproductive substances) and PBTs (persistent bioaccumulative toxic substances).

UNICE, *An EU industry recommendation to improve the efficiency and workability of REACH*, Brussels, 17 January 2005. <http://212.3.246.117/Common/GetFile.asp?DocID=14057&mfd=off>

<sup>66</sup> *UNICE in Bid to Wreck REACH*, Brussels, 17 January 2005, EEB, European Environment Network (of the European Public Health Alliance), Greenpeace, Friends of the Earth Europe, and WWF. [http://eu.greenpeace.org/issues/news.html#050117\\_a](http://eu.greenpeace.org/issues/news.html#050117_a)

<sup>67</sup> European Parliament, Verbatim report of joint public hearing "The new REACH legislation", Wednesday, 19 January 2005. <http://www.europarl.eu.int/comparl/envi/reach/verbatim.pdf>

<sup>68</sup> Anna McLaughlin, "Industry's message to MEPs: 'REACH must not cripple us'", *European Voice*, vol.11, n.1, 13 January 2005.

<sup>69</sup> Ibid.

<sup>70</sup> At a training course on lobbying in Brussels in 2004, Chrissie Kimmons from the lobbying consultancy Kimmons & Kimmons, 'the dentist' was presented as one of wide range of possible lobbying strategies which industry uses depending on the circumstances.

<sup>71</sup> All of these firms are listed in the European Public Affairs Directory 2004 as specialising in EU public affairs and "chemical industry" being among their "sectors of activity". *European Public Affairs Directory 2004*, Landmarks Publishing.

<sup>72</sup> The list of firms approached is: Hill & Knowlton, Interel (Ketchum), Edelman, Kreab, Weber Shandwick Adamson, Burson Marsteller, GPC, APCO, Gplus Europe, EPPA, Global Europe Consulting, Fleishman-Hillard, Incepta, PR Force, Porter Novelli, Ogilvy, Blueprint, ERM, Value Added Europe, Single Market Ventures, Russel Reynolds, PRM European Lobbyists, Nicholas Phillips Associates, Metzdorff & Associates, Logos Public Affairs, Icodia, European Research & Communication, Euroc, Euro RSCG Corporate, Enhesa, Business Environment Europe, C.B. Europa, DLA Upstream, Clan Public Affairs, Cabinet Steward, and A.T. Kerney.

<sup>73</sup> Responses by email on file with Corporate Europe Observatory (CEO).

<sup>74</sup> See for instance *EU and US approaches to lobbying*, Euractiv.com.

<http://www.euractiv.com/Article?tcmuri=tcm:29-135509-16&type=LinksDossier>

<sup>75</sup> See for instance: Corporate Europe Observatory, *House of Mirrors; House of Mirrors Burson-Marsteller Brussels lobbying for the bromine industry*, January 2005. <http://www.corporateeurope.org/lobbycracy/houseofmirrors.html>

<sup>76</sup> *REACH no threat to chemical industry predict financial market experts*, 17 January 2005, WWF Detox campaign website. [http://www.panda.org/campaign/detox/news\\_publications/news.cfm?uNewsID=17894](http://www.panda.org/campaign/detox/news_publications/news.cfm?uNewsID=17894)

<sup>77</sup> See BASF website: [http://www.sustainability.basf.com/en/sustainability/?id=3ISz56SKUbcp1\\_n](http://www.sustainability.basf.com/en/sustainability/?id=3ISz56SKUbcp1_n)