March 19, 2024

The Honorable Gina Raimondo Secretary U.S. Department of Commerce 1401 Constitution Ave., N.W. Washington, DC 20230

RE: Recommendation from the Environmental Technologies Trade Advisory Committee on Regulatory Trade Barriers Concerning PFAS (perfluorinated and polyfluorinated alkyl substances)

ETTAC Recommendation 2024-7

Dear Secretary Raimondo:

The Environmental Technologies Trade Advisory Committee (ETTAC) is a federally established committee whose purpose is to advise on the policies and procedures of the U.S. government that affect environmental technology, goods, and services exports. In this capacity, the ETTAC is requesting that you engage with the European Chemicals Agency ("ECHA") which is considering restrictions on the import of products containing PFAS under the Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") regulation in the EU market that will have a serious impact on the export of U.S. environmental technologies.

According to a recent economic analysis by the U.S. Chamber of Commerce, "the total economic and fiscal impacts of goods exported from the U.S. to the EU that contain PFAS in 2022... supported 502,000 jobs domestically in 2022, \$168 billion in sales output, \$81 billion in U.S. gross domestic product ("GDP"), and \$46 billion in labor.¹" Products containing PFAS span nearly every product category, from pharmaceuticals, automotive, medical, semiconductor, military and defense, hydraulic systems, protective gear, chemicals (coatings, adhesives and plastics) and analytical and industrial equipment used in a variety of manufacturing processes. Placing onerous import bans on products containing this critical chemistry inhibits free trade, places unnecessary burdens on U.S. manufacturing operations both here and abroad, impedes the creation of a circular economy by limiting recovery, recycling and disposal options at the end of life of these products and articles. The overly broad and practically unfeasible EU import ban of products and articles containing one of more than nearly 10,000 substances, creates more unintended negative consequences than advancements in public safety or environmental health.

ETTAC respectfully requests the U.S. Department of Commerce engage with ECHA, the U.S. EPA and other relevant bodies to encourage trade-enabling, pragmatic, science-based public policy that:

¹ U.S. Chamber of Commerce (September 2023) Impacts of the PFAS Restriction on Trade Between the U.S. and European Union.

- <u>Establishes a focused, scientifically sound definition of PFAS</u> that reflects the wide variation in environmental and health hazards associated with the nearly 10,000 unique substances in this proposed class.
 - A definition should exclude polymers due to their very limited biological activity, and instead focus on the small molecules that are known or predicted to be biologically active.
 - The definition supported by the U.S. Chamber of Commerce is a reasonable, sciencebased proposal and should be adopted by the U.S. EPA and EU for the purposes of enabling both interstate and international trade, enabling a circular economy and protecting public health and the environment.
- <u>Preserves industrial uses of PFAS.</u> Industrial applications <u>should be exempted from the EU's</u> <u>restriction</u> to ensure the free flow of trade and commerce around the world and protect U.S. investments in Europe.
- <u>Establishes a risk-based *de miminus* level</u> in products and articles that accounts for background levels of PFAS in various media.
- <u>Adopts a sensible and standardized test method</u>, such as is being developed in ASTM International², for identifying and quantifying PFAS in a product or article that is consistent and repeatable. The method should not be limited to total fluorine content.
- Determines a proper method for the safe disposal, complete destruction or long-term handling of products or articles containing PFAS Chemicals. Currently there is no widely accepted disposal method, and while some destruction technologies exist, others are still in various stages of development. An overbroad ban on PFAS would prohibit the recovery, international movement, and recycling of any product or article containing it.

Successful U.S. administration engagement will enable science to prevail in public policy, facilitate the export of products and articles containing PFAS where there is no significant risk to health or the environment, and protect the interests of American exporting companies and those operating abroad. We believe the Department of Commerce has an appropriate convening role to ensure regular engagement to protect U.S. trade opportunities in this space.

We appreciate the Administration's consideration of this recommendation and encourage you to engage with key stakeholders on this matter immediately. We look forward to working with you to support their implementation and the growth of the U.S. environmental exports.

Sincerely,

Clore Schulzki

Clare Schulzki ETTAC Chair

CC: Environmental Protection Agency Administrator Michael Regan

² https://www.astm.org/workitem-wk88581