

CMS Providers are a Key Player in Preparing for REACH

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Companies with a CMS program have a potential ally in their CMS provider to help them implement the requirements of the Registration, Evaluation, and Authorisation of Chemicals (REACH) legislation. Complying with the forthcoming European REACH Regulation will prove challenging with a host of requirements including Pre-Registration, Joint Registration, Substance Information Exchange Fora, Downstream User Obligations, Restrictions, and Classification & Labelling Inventory. Working with a CMS provider to begin developing an implementation strategy may be the best first step.

REACH bridges many of the gaps between the traditional supplier-purchaser model and CMS (see Table). Finding and maximising alignments between REACH and CMS could make good business sense.

Characteristic	Traditional Systems	REACH Regulation	CMS Model
Focus	Material cost	Compliance cost	Lifecycle cost
Pricing	Volume-based	Volume and unit-based	Unit-based
Economic benefits	Volume-based discounts	Exposure & hazard-based	Gain-sharing
Chemical management	User-driven	User-supplier interface	Supplier-driven
Relationship b/w parties	Arm's-length negotiation	Management	Partnership
Financial incentives of parties	Opposed	Aligned	Aligned
Approach	Fragmented	Unknown	Systems

REACH attempts to take a lifecycle approach to regulating chemicals. For example, a Chemical Safety Assessment (CSA) under Registration, required for chemicals manufactured or imported above 10 tonnes per annum, must cover each stage of that chemical's lifecycle. If a substance is hazardous, specific "exposure scenarios" need to be developed that detail the safety measures that downstream chemical users must follow.

Not only must exposure scenario and risk management information be collected, collated and submitted under REACH; it must be communicated between actors through the supply chain. The thought-processes necessary for developing such exposure scenarios and necessary risk management measures for efficient manufacture are familiar to the CMS model.

Demonstrating safe and responsible management through the supply chain during Registration can reduce data requirements and allow for hazard-test waiving, thereby minimising compliance costs. As a third party, CMS providers can help facilitate this dialogue and streamline communication between a supplier and its downstream users. In this respect a CMS provider may act as a mechanism to safeguard confidential business information during Registration. CMS expertise may also be useful in demonstrating the safe use and advantages of a chemical (or its potential alternative candidate) during consultation under Restrictions or Authorisation.

Many companies in the EU or importing into the EU will want or need help ensuring that they are in compliance with REACH as it is implemented over 11 or more years. Companies are only starting to explore the business implications of REACH. But REACH is only months away.... After a vote in the European Parliament by the end of December 2006 and the potential high-level Conciliation process to resolve the vote with the European Council, REACH is anticipated to enter into force in April 2007.