AMERICAN INNOVATION DEPENDS ON EFFECTIVE CHEMICAL POLICY

Chemistry is foundational to manufacturing in America—from semiconductors and batteries to agriculture, automotive, and consumer products. It provides building blocks for the world around us and underpins many of the innovations that have driven leaps in productivity and quality of life, from the Haber-Bosch process that enabled large scale ammonia production to breakthroughs in electrochemistry that made lithium-ion batteries viable.

Congress must reauthorize the Toxic Substances Control Act's fee authority for the EPA to administer the program while making targeted, commonsense reforms to the law to ensure that manufacturers have the inputs they need to invest and grow here in the United States.

78% of manufacturers said that TSCA compliance planning uncertainty has impacted their operations.

64% of manufacturers said that TSCA uncertainty is a barrier to maintaining reliable domestic supply chains.

Why TSCA Matters

TSCA governs how EPA reviews and approves chemicals already in commerce, new chemicals for use in commerce, and significant new uses of existing chemicals. When the program is not functioning properly, manufacturers across supply chains face delays, uncertainty, and reduced access to the chemistries and material building blocks they need to innovate and invest in growing domestic manufacturing. If fee authority lapses, delays and uncertainty will worsen—as the program will lose approximately 25%of its operating budget, significantly slowing an already anemic process.

Background

The 2016 Lautenberg Chemical Safety for the 21st Century Act made important amendments to TSCA, giving the EPA additional testing authority, requiring affirmative decisions on pre-market reviews of new chemicals, and establishing a multistep prioritization and review process for existing chemicals. To support the Agency's expanded mission under TSCA, the LCSA also granted EPA the authority to collect fees to defray up to 25% of the cost of implementation—authority that ends on September 30, 2026.

Manufacturers perform more than half of private sector R&D in the United States, but TSCA's new chemical review process increasingly functions as a barrier to innovation rather than a commonsense guardrail against risk. EPA's reviews routinely exceed the statutory 90-day timeline and often undermine predictability for companies, causing manufacturers to lose commercial opportunities. Additionally, EPA evaluates new chemical submissions in isolation, without accounting for whether the substance offers meaningful risk reduction over what it would replace—incentivizing companies to take the easier and more economical route of staying with older, established chemicals rather than pursuing a safer or more innovative alternative. These consequences extend beyond chemistry. New chemical delays are not only pushing chemical innovation overseas, but entire supply chains and manufacturing of cutting-edge products.

The Issues

- Delays and uncertainty associated with the status quo of new chemical reviews are leading manufacturers to introduce new chemistries in other countries and pushing innovation in technology and clean energy overseas.
- Reviewing new chemicals in a vacuum without consideration of relative risk reduction has resulted in overly burdensome regulations on use of new chemicals that disincentivize transition from legacy chemicals.
- Existing chemical reviews conducted under TSCA have not only disregarded other agencies' overlapping standards but resulted in conflicting requirements and have made worse-case assumptions of non-compliance across workplaces.
- Citizen petition provisions create an avenue for courts to compel EPA to skip the scientific analysis needed to inform policy decisions and risk evaluation, and instead move straight to risk management rulemaking.
- Inconsistent application of the replacement parts exemption can result in part shortages and create safety issues if parts are unable to be repaired as produced.

The Ask

Congress must reauthorize EPA's TSCA fee authority by September 30, 2026, to provide the Agency with critical funding and ensure uninterrupted implementation for manufacturers in the U.S.

- Lawmakers should pair fee reauthorization with targeted reforms to the law that:
  - Provide EPA with a durable framework that allows for efficient review and regulation of new chemicals
  - Establish a mechanism, such as an expert panel post-final risk determinations, that mitigates risk management regulations that duplicate or conflict with OSHA regulations and other workplace safety practices
  - Reform citizen petition provisions to ensure that EPA cannot be compelled to bypass scientific analysis before proceeding to rulemaking
  - Ensure investments in the TSCA process made by manufacturers in the U.S. are protected from foreign free-riders, including data and fee compensation