



Verbal Statement of
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on behalf of
The Suppliers Partnership for the Environment
In Support of the
Material Assessment Strategy Program
for the
North American Automotive Industry
at the
Sixteenth Regular Session CEC Council Meeting
June 24, 2009

Good Afternoon, Administrator Jackson, Minister Prentice, and Secretary Elvira, on behalf of the Suppliers Partnership for the Environment, I want to thank you for the opportunity to share with you our recommendation that CEC coordinate and lead an effort to enable innovation in automotive products through a common chemical assessment and management strategy in North America.

We call our program that has been developed a Material Assessment Strategy (M-A-S) and our goal is to make the M-A-S available to all automotive manufacturers and suppliers in North America, but we need your help to reach that goal.

My name is Patricia Beattie, I am the Director of Chemical Risk Management for General Motors Corporation and the Chair of the Chemical Issues Work Group of the Suppliers Partnership (abbreviated as "SP"). I am pleased to have with me today, Barbara Boroughf, the Vice President of Global Environmental, Health and Safety for Lear Corporation. We regret that we cannot be with you in person today but we are very pleased that we are able to participate in this important meeting.

The automotive industry is facing a wide range of chemical management challenges and opportunities that are critical to the environment in North America and our own company commitments to sustainability. We have designed the M-A-S to address those challenges and opportunities. We, like you, want the automotive industry to use environmentally responsible chemicals, greener chemicals, so that we can be more innovative, competitive and economically viable in North America and around the world.

SLIDE 2– SP OVERVIEW

SP is an association of 40 automotive OEM's, as well as large and small suppliers that are dedicated to improving the environment and the economic viability of the automobile industry.

I would add that the M-A-S effort of SP and our supporting companies has been undertaken voluntarily because we all want to make our products as safe as possible for all of our consumers as well as our own employees.

SLIDE 3– SP MAS TEAM

For the past two years, the SP Chemical Issues Work Group has included General Motors, Ford, Chrysler, Johnson Controls Inc., Lear Corporation, Quaker Chemical and Chemico-Mays from SP, and Honda, Hyundai, Nissan and Subaru from the Association of International Automobile Manufacturers (AIAM). We have also worked closely with senior representatives from the Office of Prevention, Pesticides and Toxic Substances, of the United States Environmental Protection Agency. Administrator Jackson, we very much appreciate and thank you for the collaborative, supportive working relationship we have had with EPA on this program and with SP.

SLIDE 4– UNMET NEED

The idea for developing the M-A-S came from a recognition that our industry needs to make proactive decisions about the materials in products based on better chemical assessment information.

We knew we needed to:

- Address chemical constituents of materials in products;
- Provide useful output for managers;
- Offer cost-effective solutions;
- Employ solid science; and
- Protect proprietary information.

SLIDE 5- DRIVERS

We also knew that we needed to address not only existing and potential regulatory requirements, but also other stakeholders, governance requirements and diverse customer needs.

SLIDE 6– IMPORTANCE OF M-A-S TO GM

GM is committed to this M-A-S program for three reasons:

1. It will level the playing field thru-out the supply base by providing all of our suppliers with a common, automated, scientifically –based screening system that allows for protection of their confidential business information
2. It will allow for a more proactive and comprehensive assessment of chemicals that go into our vehicle parts and products; and
3. It will provide GM, assessment reports of potential hazards and risks, as opposed to just a list of chemical constituents – much more valuable information.

Now I'll turn it over to Barbara to provide some additional perspective.

SLIDE 7 – CURRENT CHEMICAL ASSESSMENT OPTIONS

Thank you, Pat.

To meet these challenges and opportunities and better enable evaluation and management of product chemicals in the auto industry, our Work Group examined a number of options.

Conventional approaches to toxicology, while thorough and detailed, are extremely labor and time intensive, resulting in inefficiencies that make a manual approach very costly, especially for small to medium-size companies in the supply chain. In addition, currently available automated chemical compliance solutions are either focused on basic compliance to existing regulatory lists or are far too complex for use as a management tool by non-experts.

SLIDE 8 – Current Status of M-A-S

The M-A-S Work Group, with the support of Science Strategies LLC, has finalized the material assessment process in four print Guideline documents that support companies in their effort to evaluate and manage their product chemicals.

We are now ready to deploy the web-based, automated version of the M-A-S, a software product developed by Science Strategies LLC called, “SciVera Lens™.”

SLIDE 9 – AUTOMATED SOLUTION

By deploying the automated solution for M-A-S, the SciVera Lens™ system can enable the secure and reliable processing of assessments on a large scale in the auto industry.

SLIDE 10 – SciVera Lens™ INFORMATION FLOW

SciVera Lens™ enables a company to efficiently and securely import a company’s product data in “Bill of Materials” form. This technology enables thousands of automated assessments to occur in the same amount of time it takes to process a single manual assessment.

SLIDE 11 – IMPORTANCE OF M-A-S TO LEAR

For Lear, the M-A-S is important for the following reasons:

1. We want to find innovative ways to identify opportunities to improve the health, safety and ecological impact of the products that we manufacture;
2. The M-A-S program and the SciVera Lens™ provides us a way that we can engage our supply base more effectively in an assessment of chemicals in a format that is revealing yet protects formulation propriety; and
3. M-A-S creates an improved environment for collaborative efforts to minimize or eliminate potential hazards and contribute to market-driven competitive momentum toward environmentally friendly material implementation.

Now I’ll turn it back over to Pat to conclude our remarks.

SLIDE 12 – SUMMARY & PROPOSAL

Thank you, Barbara.

In summary, while SP supports existing activities such as the Sector Approach under consideration by CEC as a path toward Sound Management of Chemicals, and their role in implementation of the Strategic Approach to International Chemicals Management (SAICM), we also believe that implementing M-A-S will compliment these programs and help make significant progress toward product innovation, competitive advantage and environmental improvement within North America.

I might add that implementing M-A-S for the auto industry in North America could provide a foundation for similar programs in other business sectors.

Members of the Council, we respectfully recommend that the CEC support and coordinate with the SP an effort to provide a web-based, automated chemical assessment solution, M-A-S and SciVera Lens™, to all automotive original equipment manufacturers and their suppliers in North America for two years.

The creation of a CEC M-A-S program, supported by the governments of the United States, Canada and Mexico would provide leadership in the development of a common chemical assessment and management strategy for the automobile industry in North America. That support would also provide the resources needed to address the challenges and opportunities now faced by the automobile industry in North America.

SLIDE 13 – THANK YOU

On behalf of General Motors Corporation, Lear Corporation, the Chemical Issue Work Group and all of our SP members, we thank you for this opportunity to share these comments with you today.

We would be pleased to address any questions you may have about our recommendation.

Thank You.