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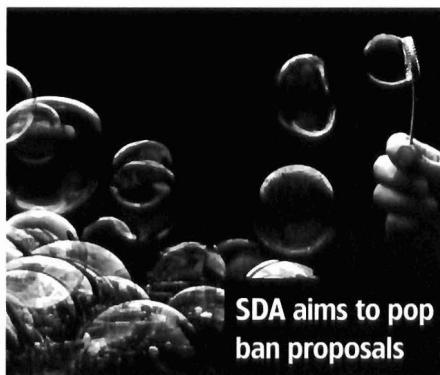
# ChemicalMarketReporter

## SDA takes on regulatory challenges

**DORIS DE GUZMAN  
IN BOCA RATON**

THE SOAP AND Detergent Association (SDA) is gearing itself for another year of regulatory challenges. In an industry briefing last week at its annual meeting in Boca Raton, Fla., the SDA said it is working against several lobbying campaigns which would prohibit the use of certain ingredients in cleaning products.

The SDA is facing regional ban proposals against phosphates in automatic dishwasher detergents—this time in Washington and New York. Last year, the association successfully defended several ban proposals across the US, especially in Vermont and Illinois.



The SDA is also working with the Cosmetic, Toiletry and Fragrance Association to provide detailed scientific and technical information to the Food and Drug Administration on topical antimicrobial product efficacy and safety. The FDA is expected to propose updated rules in the spring regarding the benefits and safety of antibacterial products in the consumer, health care

and food handling sectors.

“Our ongoing interactions with the FDA seek to prevent unwarranted and unscientific rules that could limit consumer access to these beneficial products,” the SDA said. “As part of our scientific efforts, we have completed critical research demonstrating that consumer use of antimicrobial soaps does not contribute to the rise of antibiotic-resistant organisms while showing these products are effective in controlling the growth and spread of harmful germs on skin.”

The SDA adds that it helped eliminate a proposal in New York City last year that would have prohibited the purchase of antimicrobial products.



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# The Soap and Detergent Association Looks Back on a Busy Year

AS THE SOAP and Detergent Association (SDA) prepares for its 79th annual meeting & industry convention, president and chief executive officer Ernie Rosenberg recalled a non-stop, whirlwind year of activity and achievement.

"As the U.S. home of the cleaning product and oleochemical industries, SDA has been more focused on delivering value for our members," said Mr. Rosenberg. "We recognize the challenging business and regulatory environments in which our members operate on a daily basis. Every one of our members has to deliver value to their customers to succeed. We maintain the same focus for SDA's membership."

## Ingredient Defense

Ingredient defense has long been one of SDA's hallmarks and 2004 was no different. SDA continued its successful opposition of state-level attempts to ban the sale of automatic dishwashing detergents containing phosphates, through direct legislative testimony and in-state coalition building. But SDA is expecting ban proponents to renew their efforts in 2005, especially in Michigan, Minnesota, Vermont and Massachusetts.

Similarly, SDA worked to protect the I&I marketplace for cleaners, disinfectants and sanitizers. The association helped convince Massachusetts lawmakers to forgo legislation that would have required state product purchases to be made from a so-called "healthy cleaning products list." SDA testified in person twice against the bill and shared SDA educational materials with lawmakers, describing how cleaning products are effective in reducing the triggers that cause allergy and asthma suffering.

SDA also helped convince the U.S. Food and Drug Administration (FDA) not to restrict the use of tallow derivatives undergoing specified processes, in food, cosmetics and dietary supplements. As a result of SDA's work and research, tallow derivatives were exempted from the Interim Final Rule published on July 9, 2004.

## Leadership on HPV Issues

SDA is one of the leading managers of chemical consortia fulfilling the demands of the global and U.S. high production volume (HPV) chemical programs. Of the nine SDA-managed chemical consortia, seven (aliphatic acids, aliphatic alcohols, alkyl sulfates, amine oxides, glycerides, hydrotropes and fatty acid esters) have achieved

"global consortium" status and sponsored their respective chemicals to the OECD chemical screening program known as the "SIDS Programme" (Screening Information Data Set).

"It is imperative that we communicate accurate information on HPV chemicals used as cleaning product ingredients to the stakeholder community, particularly those considering the development of voluntary and regulatory testing initiatives and right-to-know programs," said Mr. Rosenberg.

## Important Strategic Partnerships

One of SDA's proudest achievements is its ongoing partnership with the U.S. Centers for Disease Control and Prevention (CDC). The School Network for Absenteeism Prevention (SNAP) program ([www.itsasnap.org](http://www.itsasnap.org)) encourages middle schools to develop programs that make hand hygiene a priority for students, teachers, school health personnel, administrators, and parents. SNAP received national recognition last month when it was profiled by *Parade* magazine.

## Looking Ahead: 2005

The theme of SDA's 2005 convention, January 25-29, 2005 at the Boca Raton (FL) Resort & Club, is "A better world through hygiene, health and wellness."

"During our 3rd Annual SDA Hall of Fame, our members will be exhibiting posters that showcase how their products make the world a better place to live," said Mr. Rosenberg. The topic will also be addressed by Dr. Sue Bailey, an NB News health analyst and a former Assistant Secretary of Defense-Health Affairs, in a keynote breakfast speech.

Another highlight will be a keynote address by former U.S. Senator Bob Dole, who will offer his perspective on the U.S. political and legislative landscape.

"We will also be unveiling our new SDA Principles of Sustainability, which represent our members' commitment to the enhancement of human health and quality of life through the responsible formulation, production and sale of cleaning products and ingredients," added Mr. Rosenberg.

More info: (202) 347-2900 or visit the website at [www.cleaning101.com](http://www.cleaning101.com).

For information on joining SDA, contact us at 202.347.2900 x515

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# chemical week

## business & finance news

UNITED STATES/AMERICAS

### Raw Materials and Innovation Take Center Stage at SDA

**F**ormulators and raw material suppliers attending the Soap and Detergent Association (SDA) convention last week Boca Raton, FL say they are optimistic about the industry's prospects for 2005. Growth rates may moderate from the strong pace of 2004, but attendees say they remain upbeat. The primary area of concern is volatile raw material costs, which have curbed margin gains, they say. The SDA convention drew 700 attendees, on par with levels of the past two years.

"There is cautious optimism," says Tony Latella, business director/consumer specialties at BASF's performance chemicals unit. Margins remain below reinvestment levels and producers are being disciplined about costs and capital expenditures as a result. "We are trying to be smarter and more productive with our assets," Latella says. "We don't want to invest until we know that the returns will be there." One trend is closer collaboration

with customers to optimize production, he says. BASF is working closely with customers on alliances, development efforts, and ventures, to build long-term relationships, he adds.

Formulators are also placing greater emphasis on innovation to deliver improvements in performance and convenience across the sector, producers say. "We are seeing a return to innovation," says Reinhold Brand, president of GoldschmidtChemical. "Customers are seeking our help."

Discussions at the meeting have an emphasis on collaboration and relationship building, producers say. "There is more participation at SDA by senior executives than in past years," says Claus Rettig, global president/care specialties at Goldschmidt. "Meetings are more productive. We are not talking about what the relationship will be

like over the next four to five months, but rather long-term strategy and what the relationship will be like over the next four to five years," Rettig says.



Brand: A return to innovation.

Customer attitudes have changed as raw material and specialty chemical markets tighten, producers say. "They are less concerned about price, and more concerned about product availability," says Kevin Gallagher, president of Croda Inc. Gallagher says Croda saw U.S. demand increase 12% in 2004, and it is expecting similar increases this year.

Raw materials prices continue to rise worldwide, however, and suppliers have not yet caught up, says David Naugle, v.p./higher olefins and derivatives at Shell Chemical. "Suppliers have not absorbed all of the cost increases," Naugle says.

—VERONICA MACDONALD  
and ROBERT WESTERVELT in Boca Raton



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# CHEMICAL MARKET REPORTER

REPORTING THE BUSINESS OF CHEMICALS SINCE 1871

## Costs, Regulatory Challenges Highlighted at SDA Meeting

**Doris de Guzman**

REGULATIONS AND raw material costs were the major topics at the 79th annual meeting and industry convention held by the Soap and Detergent Association (SDA) in Boca Raton, Fla. Around 550 attendees from more than 130 companies and organizations around the world gathered last week to discuss the latest issues affecting the cleaning product and oleochemical industries in the US.

The event kicked off with an industry briefing from key SDA staff members who highlighted the association's accomplishments over the past year and current activities on the regulatory and legislative fronts. The association also emphasized its public awareness of the importance of hygiene and cleanliness through consumer education and outreach programs.

"The SDA had a successful year in 2004 in terms of issues management and advocacy, in stakeholder outreach and building alliances, and in defending and advancing the industry's reputation," says Ernie Rosenberg, SDA's president and CEO. "Still, we face increasing challenges that may affect our industry's ability to innovate and formulate the products the customer wants. The SDA will continue to support its members, whether in providing a voice on legislative, regulatory and technical matters, or enhancing the reputation of our industries and their products through proactive consumer education and communications outreach."

Issues addressed during the briefing included the adverse impact of biodiesel tax credits on the oleochemical market;



Technical and scientific experts from Soap and Detergent Association—Francis Kruszewski, Kathleen Stanton, Hans Sanderson and Richard Sedlak—take part in SDA's annual issues briefing.

legislative threats regarding asthma and cleaning products; phosphates in automatic dishwashing detergent; mad cow disease and tallow in oleochemical products use; packaging standards; environmentally preferable procurement; biomonitoring; risk-based labeling; and pending legislation that could undermine the credibility and economic stability of the cleaning industry.

The SDA also formally unveiled its principles for sustainable development, which are intended to symbolize the industry's contributions to a better world through health, hygiene and wellness. The principles encompass human health and environmental, social and economic sustainability. "These principles collectively represent SDA's stated purpose: to enhance health and the quality of life through cleaning products and practices," says Mr. Rosenberg. *CMR*

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