

January 7, 2011

Via E-Mail

The Honorable Darrell Issa
Chair, House Committee on Oversight and Government Reform
Congress of the United States
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Re: Response to December 29, 2010, Letter to Trade
Associations

Dear Congressman Issa:

The NanoBusiness Alliance is an industry association founded to advance the emerging business of nanotechnology and microsystems for corporations, start-ups, researchers, universities, investors, and other stakeholders. We know your Committee has asked various industry groups for suggestions relating to, among other things, policies or regulations issued by the current Administration that may be having a negative impact on job creation or otherwise stifling continued American economic growth.

The NanoBusiness Alliance would like to draw your attention to the issue of nanotechnology, which holds great promise for continued innovation across many sectors of our economy. Unfortunately, as nanotechnology cuts across various sectors of our economy, it has become subject to differing interpretations, definitions, and regulatory approaches across government agencies. This alone would be an appropriate subject for your Committee's inquiry, which we would hope can result, at minimum, in a better coordinated approach to the government's regulation of nanomaterials.

Of perhaps greater concern, however, are some developments at the U.S. Environmental Protection Agency (EPA) that may adversely impact the nanotechnology industry through direct regulatory compliance costs, or more dangerously, by raising unnecessary public alarms through unfounded and inconsistent characterizations of nanotechnology materials.

Specifically, we understand EPA is working on several proposals under the Toxic Substances Control Act (TSCA) that could have an immediate and significant impact on the commercialization of nanoscale materials. These are proposals to impose regulatory requirements on manufacturers of nanoscale materials and/or the nanoscale products they produce. In some cases, such products might warrant further testing or scrutiny, and the

NanoBusiness Alliance would welcome an opportunity to work with EPA and other stakeholders to ensure EPA has the information it needs to assist with commercializing products of nanotechnology. Because EPA's current approach to implementing its authority is unclear, we are concerned that regulatory requirements may be imposed unnecessarily.

Part of our concern is that the cost for compliance is potentially very high and in some instances, given the lack of accepted analytical methods, test results may not yield accurate safety data. This could result in prohibitive compliance costs for uncertain improvements in environmental outcomes, and reinforce unfounded characterizations that *all* nanoscale materials are likely to be environmental or health threats.

Likewise, EPA's pesticide program has discussed its intention to label the presence of any nanoscale component in any pesticide product as needing to file an "adverse effect report" -- regardless of any indication or evaluation of risk. Such a regulatory determination will negatively impact the innovation of nanoscale materials in the pest control industry.

We would also like to note that while many countries have been moving forward on the commercialization of nanomaterials (and creating jobs) without regulatory obstacles, much of the development work for the initial research was funded by U.S. taxpayers through activities like the National Nanotechnology Initiative. Certainly, it would be important for the U.S. to benefit from the research funded by taxpayers through job creation here rather than sending the new jobs to other parts of the world that can capitalize on our investments without facing regulatory obstacles.

Sincerely,

Vincent Caprio
Executive Director

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