



29 June 2010

THE CHALLENGE OF REGULATORY COOPERATION

ADDRESS BY PRESIDENT JÜRGEN R. THUMANN HIGH LEVEL REGULATORY COOPERATION FORUM STAKEHOLDER EVENT, BUSINESSEUROPE, 29 JUNE 2010

Ladies and Gentlemen,
Distinguished guests from the Commission,
Friends and guests from America,

Welcome to the High Level Regulatory Cooperation Forum – Stakeholder Event. I am honoured to open this event which supports one of the pillars of transatlantic economic integration – regulatory cooperation.

In addition to the many business speakers here today, including our co-organiser the US Chamber of Commerce, I would like to thank Heinz Zourek (Director General of DG Enterprise) and Michael Fitzpatrick (Deputy Director of the Office of Management and Budget – OMB) as co-chairs of the Regulatory Forum for joining us today.

I would also like to thank Monique Goyens the Director General of the European Consumer Organisation (BEUC) for kindly joining us as well today. The point of view of consumers is essential in this debate because without consumers, we in business would not have any customers to buy our products and services.

Regulatory cooperation is the challenging ‘new frontier’ of international economic cooperation. It has a vital strategic dimension to business development and economic integration. I know this from experience. As a businessman, I have spent many years developing standards to ensure high quality production for my customers in the electronic, automotive, pharmaceutical and construction sectors. Standards development and policy is an essential component of a successful industrial strategy.

We need a strategic lense to examine how we cooperate on regulation and standards across the Atlantic. Asian countries, especially China, are developing huge industrial capacities that offer opportunities but also present a challenge to our business strategies.



I will outline three areas of transatlantic regulatory cooperation which are strategically important.

First, we must encourage a stronger focus on better or smart regulation. This has an important transatlantic dimension in areas like impact assessment, which the EU has adopted more recently than the US. Moreover, this forum has made progress on integrating the transatlantic dimension in impact assessments – a positive, concrete step.

Today, I understand that you will be discussing how our regulators might move toward even closer European and American methodologies on impact assessments and possibly even review existing regulations to assess their impact.

For example, the REACH – Regulation of Chemicals Directive – has provided for a much stronger regulation of the use of chemicals across Europe. But this Directive has also had an impact on transatlantic trade and investment. An ex-post evaluation of this Directive would provide useful information on how a regulation impacts transatlantic integration. The lessons learned could then be used to inform experts for future impact assessments with a transatlantic effect.

This impulse should also serve to strengthen the ability of business and governments to protect consumers against unsafe products. I know that the Commission and US Government are currently working on information-sharing agreements to better monitor the market for unsafe toys that may be imported from China or other emerging markets. This is a practical measure which will contribute to safety as well as better business practices.

Second, in areas of emerging regulation, there should be greater strides taken to adopt common transatlantic approaches. Today, the EU and the US Government are trying to encourage energy efficiency for environmental and energy security reasons. Regulations and standards will be used to encourage, or possibly require, consumers to purchase the most energy efficient products on the market.

We have a great opportunity to develop common energy efficiency standards across the Atlantic. We already have a positive experience with the Energy Star project between the EU and the US. This project facilitates the purchase of energy efficient office equipment.

But there are many other opportunities not just for products but also for the development of new energy production. We are participating in a revolution in energy production and distribution in both our economies. We should favour the development of transatlantic approaches to standards and regulations to support smart grids, renewable power equipment and nuclear power development.

Third, transatlantic cooperation in regulation and standards must be an important milestone to support open markets. European and American companies are facing challenges in some emerging countries. Certification and standards are sometimes used to restrict market access or to push for technology transfer.



BUSINESSEUROPE has specific concerns with Chinese compulsory certification requirements.

By working together on regulations and standards, the EU and the US will increase the incentives for emerging countries to join in our activities. Our markets are still by far the most important consumer markets. Our partners in countries like China would harm their considerable export interests by not following our lead. For this reason, I hope that the Transatlantic Economic Council will provide a strong push for EU and US regulators to cooperate.

I know that there are considerable differences between the EU and the US regulatory system, but this is not an excuse for inaction. And that is why I would like to thank the regulators who are in the room today. Your presence here already shows your commitment to try to overcome these differences through cooperation with your transatlantic counterparts.

On behalf of BUSINESSEUROPE and the US Chamber, I want to thank you all for joining in this open seminar. I hope that your debates will be fruitful and constructive.
