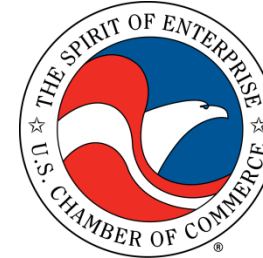


BUSINESSEUROPE



HIGH LEVEL REGULATORY COOPERATION FORUM STAKEHOLDER SESSION

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Summary

- Legal underpinning
- Benefits of regulatory cooperation
- Axioms of regulatory cooperation
- Drive toward regulatory equivalence
- Components of an Agreement

Legal Underpinning

- EU
 - Treaty – “Single Market”
 - Barroso Commission “Better Regulation Initiative”
- U.S.
 - Well-established body of administrative law (ex. APA)
 - EO 12866, 13563, 13579, 13609, 13610 & OIRA
- Bilateral
 - 2002 & 2011 Statements on regulatory best practices and cooperation
 - 2010 & 2011 Statements on standards
- Conclusion: Reinforce Existing EU, US & bilateral policy on smarter regulations

Benefits of Regulatory Cooperation

- Reinforce confidence that regulations are providing the appropriate safeguards which are properly enforced, including enhanced confidence in traded products and services.
- Improve ability of regulators to fulfill their enforcement mandate, with a risk-based focus to ensure optimal allocation of resources.
- Rein in protectionism through regulation and increase consumer access to a wide choice of goods and services at better prices.
- Develop regulation with sensitivities to the global market and with regard to limiting the adverse impact to trade and investment.

Benefits of Regulatory Cooperation

- Improve predictability for businesses with regard to regulatory frameworks and their enforcement.
- Facilitate SMEs' ability to export.
- Conclusion: Regulatory cooperation provides for necessary regulatory protections, increased efficiency for regulators, greater ease of compliance, and increased economic growth, jobs, and expanded trade.

Axioms of Regulatory Cooperation

- Regulatory cooperation is not about less regulation (anti-regulation), nor is it about more regulation (pro-regulation). It simply seeks better regulation that is effective, but also not market-distorting.
- Regulatory cooperation is about competitiveness. An optimal regulatory environment allows the market to be more competitive and innovative.
- Regulatory cooperation is largely about process. Better process, better outcome.
- Regulatory cooperation is not a trade negotiation. The political trade-offs of trade negotiations should not exist in regulatory cooperation. It is about doing something better together.

Drive to regulatory equivalence

$$\frac{(4+5)^2}{3} = \frac{64-40}{4}$$

- Seek an agreement that creates a “mandate” for regulators to actively work when regulating to minimize unnecessary differences between regulatory frameworks and to examine existing regulatory frameworks for equivalence.
- Impact assessments are done, but fall short when it comes to considering regulatory approaches taken by the transatlantic partner and more can be done to streamline compliance.
- Many MRAs exist, but far too few are in place given the degree of transatlantic economic integration and mutually shared values.
- Recent Pew survey: Should regulations for products and services be made as similar as possible -US Yes -76%/No -16% EU Yes -80%/No -16%

Components of an Agreement

- TBT/SPS
- Sectoral Priorities
- Horizontal Commitments

TBT & SPS

- TBT - “Time to bury the hatchet” – Resolve long standing differences to open markets.
- SPS – Sound science and risk-based approach must be more than concepts, they must guide regulatory decisions.

Sectoral Priorities

- Support joint efforts of EU-US industry associations to find common arrangements.
- Look to:
 - Reduce compliance costs (ie. Double testing)
 - Focus resources on higher risk
 - Converge as deeply as possible or mutually recognize

Horizontal Commitments

- Scope – Regulations impacting goods and services (including financial regulations)
- Endorsement of good regulatory practices
- New assessment tools
 - Compatible Regulatory Assessment (ex-ante)
 - Regulatory Equivalence Assessment (ex-post)
- These tools would have triggers and methodology outlined in the agreements
- Arrangement that provides for greater sharing and protection of data and confidential business information
- Increased transparency and stakeholder involvement in all sector specific regulatory dialogues
- Institutional Mechanism – Enables the agreement to be “ever-green” and drive adherence to commitments and oversee the use of new tools
- Preservation of regulatory autonomy, make the regulatory cooperation binding
- Challenges – Primary/Secondary Legislation – Timing Impact Assessments - Scope