



European
Commission

Regulatory cooperation in TTIP

The benefits

21 March 2016

Regulatory Cooperation in Transatlantic Trade and Investment Partnership – the benefits

The issue: unnecessary regulatory differences

Regulators from different countries often have the same mandate: to set and enforce standards which:

- ensure products and services are safe
- protect people and the environment.

But they do not always have the reflex – or the possibility – to work together with regulators in other countries.

That means regulators often work on different solutions and approaches to very similar problems – for example, on methods used for checking the safety of products.

This may create unintended barriers which do not lead to high protection but may impede or reduce opportunities of our businesses to export. And lost export opportunities also mean lost opportunities to create jobs.

For example, EU firms selling their products in the US need to adapt them so they meet different US technical requirements. And it is sometimes difficult to find the applicable requirements.

Having to do so creates extra costs, in particular for smaller firms, which are hit disproportionately hard. They don't have the time or staff to deal with such issues.

The opportunity: helping regulators to work together to ensure high

levels or protection of public policy goals

Regulatory cooperation can help regulators from different countries to work better in:

- identifying where existing regulations deliver the same level of protection
- devising new regulations.

This is especially helpful in times of limited resources for regulators and other public bodies. Governments after the crisis have to tighten their budgets, not expand them.

TTIP would provide a more effective framework for regulators achieve joint outcomes. This would in turn allow regulators to:

- free up scarce resources and direct them where they are really needed
- exchange the latest knowledge and information - crucial for them to do their job properly.

For some products or services, there are differences in regulatory approaches that are intended, because different countries have made deliberate policy choices. It will be for regulators to assess:

- where these differences are needed and justified or
- where they are in reality neither intended nor justified.

For this, they need to work with their counterparts in other markets.

In TTIP, we want to preserve this room for regulators and help them work

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together so they can talk to and learn from each other.

Protecting regulators' autonomy

We want TTIP to enable regulators to:

- work together early on in the regulatory process and
- exchange information.

This should make it easier to find common or compatible approaches, and set clear goals - crucial for focusing regulators' efforts.

At the same time, regulators would retain a large degree of autonomy. Cooperation wouldn't just be automatic. Regulators would freely decide whether to cooperate, and to what extent.

For example, suppose regulators contacted each other early in the process and compared options. They might still not find enough common ground to justify working together.

And even if they did decide to cooperate, the outcome of their cooperation would not be guaranteed. For example, they might still pursue different approaches where this is needed to fulfil their objectives.

In areas where our regulators have different levels of protection to uphold, they are unlikely to invest in targeted cooperation.

In these cases, an exchange of views and information could still be useful to:

- understand each other's rationale and

- mitigate any potential negative effects of divergent approaches, including behind-the-border barriers.

In other cases our regulators may agree on the overall regulatory objective and the problem at stake, while relying on different regulatory solutions to pursue. In this case, regulators may choose to cooperate on implementing their regulations to make them more coherent, where possible.

Five principles for regulatory cooperation

The EU and the US, together with a few other partners, have the most developed democratically-controlled regulatory systems in the world. They are regularly being refined to meet new challenges.

Any EU-US cooperation on existing or future regulations must respect five key principles:

- Cooperation is only possible if it **enhances or at least maintains the level of protection for citizens**. This is not only true in TTIP, but for all EU trade agreements. For example, the EU's precautionary principle as enshrined in the Lisbon Treaty will neither be changed nor weakened as a result of TTIP.
- **Accountability**: any regulatory cooperation must **respect our**

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legislative processes and regulatory autonomy.

- **Transparency** will be ensured at all levels, be it in relation to existing cooperation initiatives or the process of identifying future initiatives.
- Regulators will **identify areas in which they want to cooperate** and jointly set priorities. These would be areas where our approaches are already similar and where it will benefit citizens, regulators and business.
- **Regulators** (not trade negotiators) **will continue to lead regulatory cooperation initiatives** – both in the EU and the US.

Examples of regulatory cooperation

We will always thoroughly analyse what the existing rules are. We will always make a thorough assessment of the level of protection.

If there is a common interest to cooperate, we can for example:

- remove **unnecessary duplication** of factory inspections in pharmaceutical and medical devices products;
- share better the **results of medical trials**, which could result

in fewer risks for patients and faster approval of generic medicines;

- establish, on basis of requisite data, **equivalency of our respective car safety requirements**; and work towards harmonisation in a manner that fully respects our protection levels;
- get rid of small but costly **differences**, such as:
 - the colour of wiring,
 - the placing of clothing labels,
 - unduly long approval processes for products which have already been tested and sold in Europe.

European exporters face these types of barriers every day. They lose time and money, instead of winning customers and creating jobs.