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Input on regulatory issues for possible future trade agreement between EU and US

The Confederation of Danish Industry strongly supports a further deepening of the Trans-Atlantic trade and investment relationship. Seeking progress in the Doha Development Round in the WTO should obviously be the main priority for the EU. However, the lack progress on this multilateral track makes it all the more important to pursue bilateral agreements with our trading partners.

In this respect, the Trans-Atlantic track is of major importance. Our political, social, cultural and economic ties have created a relationship, which today accounts for about half the global GDP and nearly a third of world trade flows. By further improving the framework that binds our relationship together, we will be able to bring about increased economic benefits in both the EU and the US.

Tariffs and quotas are generally not a major obstacle to EU-US trade, although we would of course advocate for a full elimination of these. The major problem in Trans-Atlantic trade lies in non-tariff barriers such as technical and regulatory issues. Making the regulatory regimes more compatible across the Atlantic, is therefore an essential part in improving Trans-Atlantic trade ties.

To ensure this, the following regulatory issues should be addressed:

- The handling of goods at **customs and port** should be made more efficient, for instance by establishing mutual recognition of trusted shipper programs, as well as harmonizing safety and customs standards across the Atlantic.
- **Certification and standardization** regimes should be harmonized across the Atlantic, so that businesses can benefit from mutual recognition of certificates and compliance with standards.
- The US system of accredited **National Recognized Test Laboratories** (NRTLs) needs to be revised and made more business friendly, e.g. by introducing obligatory recognition among the NRTLs of component certificates.
- The **US Consumer Product Safety Commission** (CPSC) notification procedure in case of a potential safety issue needs to be simplified. The current procedure is very time consuming and without legal support from spe-

cialized counsel. Therefore, it is not possible to manage without risking huge fines and massive recalls in the US market.

- **Sanitary and phytosanitary measures** (SPS) need to be interpreted and implemented in a more consistent manner across the Atlantic, for instance by development of equivalence in standards and inspection requirements.
- **Rules of origin** should be as simple, predictable and legally certain as possible.
- The regulation on **pharmaceuticals and medical devices** needs to be harmonized, e.g. by allowing for mutual recognition of approved products.
- The regulation on **export controls** of dual-use items and defense related items should be harmonized, and transshipment of regulated items within the Trans-Atlantic marketplace should be eased.
- **Consumer protection logos** (e.g. IEC, CE, WEEE) need to be made mutually recognized across the Atlantic. There is a trend in the US that some logos are not accepted in the US without additional written explanation. This inevitably leads to special US-only packaging requirements, which creates additional and unnecessary costs for manufacturers.
- There is an untapped potential related to increased trade in consumer products across the Atlantic by way of **e-commerce**. However, a number of obstacles impede this, e.g. geographical segmentation of the retail market for digital commodities (movies, music, software etc.), burdensome customs procedures on retail goods purchased online, lack of common standards etc.
- **Trade in services** needs to be given specific focus, as there is a huge potential for both sides of the Atlantic, if services can be provided more freely. Hence, all aspects of services liberalization need to be discussed as part of the continued dialogue.
- The dialogue should also focus **on telecommunication and roaming**, specifically on how to reduce the high roaming charges when travelling between the two regions.

We stand available should you have any questions related to the above. We will be following the negotiations closely and look forward to giving further input along the way.

Kind regards,

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