

“Opportunities and Key Principles of Regulatory Cooperation in TTIP” Stakeholder Workshop at 10th TTIP Round

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The European Parliament and U.S. Congress have cleared the way for an ambitious TTIP, including a strong chapter on regulatory cooperation. Negotiators should take advantage of this tailwind for the ongoing TTIP talks.

German industry welcomes the strong political commitment for TTIP. In particular, we appreciate that the European Parliament has reinforced two guiding principles for regulatory cooperation that we – and many others – have called for for quite some time:

- **First:** TTIP must not lower the level of protection on either side of the Atlantic, be it consumer protection, environmental protection, product and occupational safety, or labor standards. Rather, TTIP should uphold and protect high standards.
- **Second:** TTIP must not undermine the right of governments and parliaments to pursue public policy objectives.

It appears that these are principles on which many can agree: The European Commission, the European Parliament, member states, consumer organisations, NGOs, and industry.

So moving forward, let us now focus the debate on how we can best improve regulatory coherence and cooperation based on these principles.

From the perspective of German industry, regulatory cooperation is a key part of TTIP: It is a vital interest for all major industries, from cars to chemicals and from textiles and electronics to engineering. Therefore, we

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have just published a detailed paper which outlines specific recommendations for regulatory cooperation in the most important sectors.

In particular, small- and medium sized companies tell us that they hope for better compatibility of testing and certification procedures and for a reduction of red tape when exporting to the United States or when entering the U.S. market.

In addition, cooperation regarding regulations and standards can be an important prerequisite for the EU and the United States to be global standards setters.

But what's in it for consumers?

- Regulatory cooperation will increase efficiency in transatlantic trade. Thus, companies can market state-of-the-art products more quickly and potentially at a lower price on the other side of the Atlantic.
- It will be easier for consumers to benefit from the latest technological innovations from the other side of the Atlantic, e.g. in the area of medical devices or electronics.
- If it is easier for companies to sell their products in other markets, this typically creates jobs at home – jobs that are by-and-large more secure and better paid than the average.

How should regulatory cooperation be done?

- **First:** Harmonization and mutual recognition of standards are two ways to think about regulatory cooperation. Yet, achieving these forms of regulatory cooperation will not be possible or even desirable in every sector, for instance because the regulatory frame-

works are too far apart. In some sectors, mutual recognition depends on the prior harmonization of standards.

Thus, negotiators should also talk about other measures, such as:

- mutual recognition of procedures and test results;
 - better cooperation when implementing regulations;
 - better cooperation in areas like classification and labeling of products. In order to achieve this, TTIP needs to develop sector-specific approaches.
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- **Second:** The EU and U.S. should cooperate in international organizations like the ISO or IEC, and they should apply the standards developed in these bodies.

 - **Third:** The United States and the EU should commit to increase transparency and participation when developing legislations and regulation in their markets.

 - **Fourth:** BDI endorses the idea to establish a bilateral cooperation mechanism through which regulators on both sides commit to cooperate in the future. This does not mean that regulators have the obligation to agree on certain results. But they should be obliged to improve their cooperation.

To summarize, regulatory cooperation is an opportunity for consumers and companies. It serves a strategic purpose for the EU and the United States. And if done right, it will foster and protect high standards and levels of protection on both sides of the Atlantic. Now is the time to move forward, based on the principles that we all share.

Thank you very much.