

31 October 2012

Jean-Luc Demarty
Director General
Directorate General for Trade
European Commission
Brussels

RE: Call for input on regulatory issues for possible EU-US trade agreement

Dear Mr Demarty,

As you may be aware, the American Chamber of Commerce to the European Union (AmCham EU) has been following the development of the EU-US High Level Working Group on Jobs and Growth since it was established in November 2011. AmCham EU is supportive of an ambitious approach to further integrate the EU and US economies, with the aim of boosting the transatlantic market and encouraging the creation of jobs and growth. Regulatory cooperation and coherence are fundamental building blocks in this aim, and we welcome the opportunity to provide input through this public consultation. We are aware that a number of sector-specific associations have undertaken to provide detailed examples of potential areas for regulatory cooperation. To complement these, we wish to highlight several key regulatory features which we would hope to see in any future EU-US agreement.

Improving regulatory cooperation makes economic sense. It is estimated that aligning half of relevant non-tariff barriers and regulatory differences between the EU and US would boost EU GDP by up to €122 billion and US GDP by up to €41 billion by 2018.¹ The US and EU have similar, although not identical, health, safety and quality concerns for the goods and services made available to their citizens, and in a period of far-reaching economic austerity programs, finding ways to achieve more with fewer resources is critical. Regulatory cooperation through the sharing of information and experience would allow scarce resource to be used more efficiently.

In addition to creating a more efficient regulatory mechanism, an enhanced focus on cooperation in EU and US regulation will enable a consistent operating environment in which small, medium and large businesses in the broadest range of sectors can thrive. The implementation of key principles for regulatory cooperation applying to all sectors – as outlined in the 2002 Guidelines on Regulatory Cooperation and Transparency - should be an integral part of a comprehensive agreement, even if their application needs to be delivered through sector-specific mechanisms.

In order to achieve greater regulatory cooperation and coherence, we would recommend the following changes to current practice:

¹ Hamilton, Daniel S. And Quinlan, Joseph P. 'The Transatlantic Economy 2011 Annual Survey of Jobs, Trade and Investment between the United States and Europe', Center for Transatlantic Relations (2011) p.11.

- The adoption of a **broader consultation process, common impact assessments and common EU and US risk assessments, with broad stakeholder involvement**: cooperation on these procedures will help to identify potential barriers to transatlantic trade and investment during the early phases of the policy making process, and ensure the highest health, safety and quality standards. Common principles and guidelines in risk and hazard assessment processes would ensure a common scientific basis for regulatory decisions. Such an approach would be particularly welcome to overcome sanitary and phytosanitary trade barriers.
- **Agreement on concrete processes to foster mutual recognition**: and other forms of cooperation for regulations and standard setting should be a key priority. AmCham EU supports the development of a broad mutual recognition clause, supporting high standards, and avoiding unnecessary and expensive adaptation to meet varying regional requirements. Examples include (i) secure trade systems such as C-TPAT and AEO schemes and (ii) unique identification numbers on healthcare products.
- **Closer transatlantic cooperation on standards regarding product safety, smart meters, energy efficiency, bio-based products and other sectors** should be further explored. Examples include (i) The 'Bridges principle', as agreed at the November 2011 TEC meeting. This should be further developed and ultimately made mandatory. (ii) Common e-mobility standards, and (iii) We strongly endorse the establishment of a separate working group between CEN/CENELEC and ANSI – this is a step in the right direction that requires more focus to produce tangible results.

AmCham EU appreciates the challenges of regulatory harmonisation, particularly in the case of entrenched differences in cultural and legal approaches to policy making; however we are encouraged by the efforts of EU and US leaders to build a suitable framework for cooperation, and identify workable solutions to current challenges. Please find attached our recent submission on the future of EU-US trade and economic relations, which highlights a number of examples across a broad range of sectors of possible areas for EU and US regulatory cooperation. We look forward to continuing our dialogue with you over the coming months.

Yours sincerely,



Michelle Gibbons
Chair, EU-US Task Force
American Chamber of Commerce to the European Union (AmCham EU)

CC: Boris Bershteyn, Acting Administrator, Office of Information and Regulatory Affairs, Daniel Calleja Cerspo, Director General, Directorate General for Enterprise and Industry, Ambassador Miriam Sapiro, Deputy U.S. Trade Representative, Office of the U.S. Trade Representative.