



The Consumer Voice in Europe

TTIP - Challenges and benefits of regulatory cooperation from the consumer perspective

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Implications of regulatory cooperation

- Very global concept
 - From exchange of best practices to harmonisation of legislation
 - Possibility to make it easier to access markets because of alignment of rules or mutual recognition
- Assessment only possible on basis of documents that describe the scope
- Risk of loss of regulatory sovereignty
 - Trade impact assessment
 - Regulatory cooperation Council

Potential benefits for consumers

- Easier access to US/EU goods and services.
- More diversity of products and services offered on the market.
- Elimination of personal import duties (via e-commerce or elimination of ceilings on travellers allowances).
- Lower compliance costs leading to lower retail prices .
- More competition leading to lower prices and more choice between products that compete also on quality.
- BEUC supports the principle of a free trade agreement: consumers may benefit from global markets while protectionism leads to consumer detriment (quotas on Japanese cars, export subsidies on agricultural products...), but not without conditions.

Will these potential benefits materialise for consumers ?

- Regulatory cooperation not enough: translation into better market conditions = key: will markets deliver ?
- How to ensure lower costs are passed through to consumers ?
- History has demonstrated that liberalisation of markets does not spontaneously deliver consumer benefits.

The risks

- Behind the regulatory cooperation agenda: a deregulation agenda ?
- Theory: removal of non-tariff barriers to trade can be done via harmonisation of rules at the highest level:
 - EU farm to fork approach to be applied in the US.
 - EU data protection rules to be implemented by the US authorities.
 - US regulations on medical devices to be implemented in the EU.
 - US zero tolerance on listeria to be implemented in the EU.

The risks - Continued

- But this is not the current mainstream approach: risk of watering down of consumer protection rules and safety standards.
 - Commitment of EU negotiators: no reduction of food safety **legislation** (in the strict sense):
 - Applicable to hormones in beef, GMOs.
 - Not applicable to poultry decontamination (non enshrined in primary legislation, but rather in EU risk assessment procedures).

Democratic deficit on major decisions affecting people and planet

- Commission monopoly to negotiate.
- All EU legislation potentially impacted.
- Limited influence of Member States and EP.
- Negotiators initially very reluctant to reach out to stakeholders, but under public opinion pressure, improvements have been introduced; need still to deliver:
 - Stakeholder events
 - Public consultation announced on ISDS
 - TTIP Advisory Group
 - More engagement with EP...

Is mutual recognition acceptable?

- In principle, yes, at the conditions that:
 - The rules have very similar outcomes AND
 - The processes that are put in place are also similar.
- If not well-designed, negative effects on consumers:
 - Short term (products on the market that do not comply with their legitimate expectations of compliance with EU rules)
 - Long term (EU rules to be watered down under industry pressure)
- Possibility for policy makers to tell you half truth !

No to investor state dispute resolution

- Concept
 - Allows a company to sue a state that allegedly does not respect the provisions of the agreement in front of an international arbitration court (rather than a judicial court).
- Why does it exist ?
 - Fight against back door protectionism.
 - Protection against undemocratic countries and their corrupt judicial systems.
- Abuses of the system
 - Conflicts of interests of “judges”.
 - Used by industry to sue countries that introduce public interest rules.
 - Major threat for government to have to pay astronomical compensation to companies in order to be able to protect its citizens.
- Does TTIP need it to deliver the benefits ? NO
 - EU and US have strong judicial systems that are independent from governments.
 - ISDS is discriminatory because it gives foreign companies more rights than domestic ones.



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