Agenda

- Overview
  - Rationale and Basic Goals

- Regulatory Cooperation and Multilateral Efforts
  - European Union
  - North America – Canada and Mexico
  - Asia-Pacific Economic Cooperation (APEC)
  - Organization for Economic Co-operation and Development (OECD)
  - Lessons Learned

- OIRA Review Considerations
  - Tools and Resources

Any views expressed here are solely those of the presenter, and do not necessarily reflect the position of the Office of Management and Budget or the Executive Office of the President.
Overview: Why Cooperate?

- Non-tariff barriers reduce economic growth and trade.

- International regulatory cooperation is one of the best ways to identify and address existing barriers and to prevent future barriers.

- Exchanging best practices improves regulatory outcomes at home and promotes cooperation abroad.
Overview: Basic Goals and Strategy

❖ Key Goals
  ▪ Make regulations more compatible, more simple, and less burdensome.
  ▪ Increase regulatory transparency and provide “early warnings.”
  ▪ Strengthen the analytic basis of regulation.

❖ Horizontal Issues – Sharing Best Practices
  ▪ Regulatory impact analysis and risk assessment.
  ▪ Public consultation.
  ▪ Use of standards in regulation.

❖ Sectoral Issues
  ▪ Emphasis on “upstream cooperation.”
Current Activities

- **Partnerships**
  - European Union
  - North America – Canada and Mexico

- **International Organizations**
  - Asia-Pacific Economic Cooperation (APEC)
  - Organization for Economic Co-operation and Development (OECD)
European Union

❖ U.S. – EU High-Level Regulatory Cooperation Forum (HLRCF)
  ▪ Established in 2005.
  ▪ Co-Chaired by OIRA Administrator and the Director General of DG Enterprise.
  ▪ Ninth meeting occurred on December 16, 2011, in Washington.

❖ Transatlantic Economic Council (TEC)
  ▪ Established in 2007.
  ▪ Provides Cabinet-level political guidance and support for transatlantic economic integration.
  ▪ Interest in opportunities for regulatory cooperation, reducing non-tariff trade barriers, and promoting SME exports.
European Union: Horizontal Issues

“Common Understanding” of Regulatory Principles:
- transparency and openness, allowing participation by stakeholders and the public;
- consideration of benefits and costs;
- careful analysis of alternatives, including less stringent and more stringent;
- selection of the least burdensome approach; and
- use of performance-based and behaviorally informed approaches.

Best Practices – Improve Existing Mechanisms
- U.S. Unified Agenda and Regulatory Plan
- OIRA Dashboard (International Flag)
- The EU Roadmap
European Union: Sectoral Issues

- **Sectoral Priorities**
  - Nutritional Labeling – HHS/FDA
  - Energy Efficiency of Certain Electrical Products – DOE
  - Energy Star – EPA
  - Supplier’s Declaration of Conformity (SDoC) – OSHA
  - Nanotechnology and Risk Assessment – HHS and EPA

- **Department of Commerce *Federal Register* Notice**
  - To solicit ideas for sectoral priorities.
North America

- U.S. – Mexico High-Level Regulatory Cooperation Council (HLRCC)
- U.S. – Canada Regulatory Cooperation Council (RCC)

Department of Commerce *Federal Register* Notice
- Comments due April 18, 2011.
North America: Mexico

- Obama-Calderón Joint Statement, May 19, 2010
  - Issued during May 2010 State Visit.
  - Established the High-Level Regulatory Cooperation Council (HLRCC).
  - HLRCC is Co-Chaired by OIRA Administrator and Undersecretary for Competitiveness within Economia.

- The HLRCC’s mandate is to
  - increase regulatory transparency;
  - provide early warning of regulations with potential bilateral effects;
  - strengthen the analytic basis of regulations; and
  - help make regulations more compatible.
North America: Mexico

- **September 13, 2010, first meeting of the HLRCC.**
  - Hosted by OMB.
  - The two sides agreed to work collaboratively on early warning mechanisms and consider joint work in specific sectors.

- **March 3, 2011, Terms of Reference identified six goals:**
  - make regulations more compatible and simple;
  - increasing regulatory transparency;
  - promote public participation;
  - improve the analysis of regulations;
  - link regulatory cooperation to improved border-crossing and customs procedures; and
  - increase technical cooperation.
North America: Mexico

❖ Sectoral Priorities
  ▪ Both sides have agreed to develop a Work Plan that focuses on four areas of mutual interest.
  ▪ The Work Plan will be informed by public comments in response to Department of Commerce Federal Register Notice.

❖ Possible Sectors
  ▪ Automobile Standards
  ▪ Nutritional and Product Labeling

❖ Mexican Equivalency Initiative.
  ▪ On August 16, 2010, Mexico announced that it would accept as equivalent U.S. and Canadian standards for certain electronic products, including televisions, computers, and printers.
North America: Canada

  - Established the Regulatory Cooperation Council (RCC).
  - Co-Chaired by OIRA Administrator and Senior Associate Secretary of the Treasury Board.
  - The RCC will provide early notice of regulations with cross-border effects, strengthen the analytic basis of regulations, and make regulations more compatible.

- **The RCC’s two-year mandate is to:**
  - eliminate unnecessary burdens on cross-border trade;
  - reduce costs;
  - foster cross-border investment; and
  - promote regulatory “certainty” by coordinating, simplifying, and ensuring the compatibility of regulations, where feasible.
North America: Canada

- **Sectoral Priorities**
  - Both sides agreed to focus on sectors with high levels of integration, significant growth potential, and rapidly evolving technologies.
  - Will be informed by public comments in response to Department of Commerce *Federal Register* Notice.

- **Possible Sectors**
  - Automobile Standards
  - Transport
  - Food
  - Health and Health Products
History
- Established in 1989 to promote regional and global trade and investment.
- 21 "Member Economies" that account for approximately
  - 41 percent of the world's population,
  - 54 percent of the world's total GDP, and
  - 44 percent of the world's trade.
- The U.S. is hosting APEC in 2011.

Three Themes for the U.S. Host Year:
- Strengthen regional economic integration (REI) and expand trade.
- Promote “green growth.”
- Advance regulatory cooperation and convergence.
APEC: Good Regulatory Practices

- 2005 APEC-OECD Integrated Checklist on Regulatory Reform
  - Regulatory Quality
  - Competition (Anti-Trust) Policy
  - Market Openness

- U.S. Proposal on Good Regulatory Practices (GRP)
  - Regulatory Governance
  - Internal Coordination of Rulemaking Activity
  - Regulatory Impact Assessment (RIA)
  - Public Consultation Mechanisms

- USTR-Commissioned Studies
  - GRP “Baseline” Study and “TBT Linkages” Study.
OIRA Engagement in Regulatory Policy

- Since the mid-1990s, OIRA has actively participated in the work of the OECD’s program on Regulatory Management and Reform.
- OIRA Branch Chiefs have regularly served on the relevant Bureaus, including the Regulatory Policy Committee Bureau.

Key Venue for Promoting and Sharing Best Practices

- Plan to update the 2005 Guiding Principles for Regulatory Quality and Performance.
- Current initiative on “Regulations 2.0.”
### Briefings for Foreign Delegations

- Brazil (via DVC) – April 2011
- Brazil – March 2011
- Italy (PRA) – March 2011
- Poland – March 2011
- Canadian Stakeholders – Feb. 2011
- Sweden – November 2010
- Brazil – March 2009
- China – June 2008
- Vietnam – April 2008
- China – July 2007
- Vietnam – March 2007
- China – August 2006
- Morocco – June 2006
- Korea – May 2006
- Kazakhstan – June 2005
- Korea – August 2004
Considerations During EO Review

- **Trade Agreements Act of 1979**
  - Prohibits Federal agencies from engaging in “any standards-related activity that creates unnecessary obstacles to the foreign commerce of the United States.” (19 U.S.C. 2532)

- **Circular A-4**
  - “Concerns that new U.S. rules could act as non-tariff barriers to imported goods should be evaluated carefully.” (p. 6)
  - “Your analysis should focus on benefits and costs that accrue to citizens and residents of the United States. Where you choose to evaluate a regulation that is likely to have effects beyond the borders of the United States, these effects should be reported separately.” (p. 15)

- **2008 Cost-Benefit Report**
  - “In cases where a regulation may have a significant effect on international trade and investment, existing international standards or regulatory approaches, if applicable, should be analyzed as an explicit regulatory alternative under the requirements of OMB Circular A-4.” (p. 73)
Lessons Learned

- It is easier to prevent unnecessary regulatory differences than to remove existing ones.

- Avoid long-standing trade irritants.

- Focus on areas with the best prospects of success and where the net benefits are highest.

- Engage external stakeholders.

- Focus on the long term.
Tools and Resources

- **OIRA International Regulatory Cooperation Webpage**
  - Links to documents, materials, and websites relating to APEC, the European Union, Mexico, Canada, and other initiatives.
  - [http://www.whitehouse.gov/omb/inforeg_regmatters#irc](http://www.whitehouse.gov/omb/inforeg_regmatters#irc)

- **Regulatory Review Dashboard**
  - International Flag – regulations with international impacts currently under OIRA review.

- **International Toolkit**
  - Plug-and-play slides for presentations, briefings and meetings with foreign delegations
  - H:\OIRA Presentations\2011 *(coming soon)*

- **WTO TBT Notifications**
  - List of proposed foreign technical regulations that can affect their businesses and their access to international markets
  - [https://tsapps.nist.gov/notifyus/data/index/index.cfm](https://tsapps.nist.gov/notifyus/data/index/index.cfm)