US EU INTERNATIONAL REGULATORY COOPERATION IN PRACTICE

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Modern business practices rely on:
- Products being manufactured and sold throughout the world
- Regional distribution centers to facilitate those sales

International Regulatory Cooperation (IRC) is an essential component to the modern global economy. But, have current regulatory practices kept up with modern business practices?
Unlike FDA and DOT, CPSC is an INDEPENDENT Regulatory Agency

Import safety “crisis” in 2007-2008 starkly illustrated need for IRC
Characteristics
- Organizational form: multimember body
- Bipartisan process for appointing members
- Fixed term appointments
- Removal for “cause”

As a result, outside direct control of President
- No legal requirement to follow executive orders
- Regulations not reviewed by OMB/OIRA

Examples of Independent Agencies: Consumer Product Safety Commission; Federal Trade Commission; Securities and Exchange Commission; Federal Maritime Commission; Commodity Futures Trading Commission
CPSC program to encourage IRC

Successes

- Engagement
  - Summits among regulators
    - Important that concrete objectives be identified
    - North American Safety Summits among US, Canada, Mexico especially successful
  - US/EC educational outreach to China manufacturers

- Capacity Building
  - On-going efforts to educate producers
  - Executive exchange programs

- Compliance/Enforcement
  - Joint recalls between jurisdictions
But there is also room for improvement. Examples:

- **Regulatory Collaboration:**
  - No mechanism for review of standards in other jurisdictions as mandatory standards are developed.
  - To accomplish this, need policy direction from Commissioners but that has not been forthcoming.

- **Regulatory Alignment:**
  - CPSC sees this as a trade issue, rather than a safety issue.
  - Little interest unless net safety increase can be demonstrated.
  - CPSC not comfortable with notions of *substantial equivalency* and *mutual recognition* of standards from other jurisdictions.
Differing definition of “child care article”
- Means that non-skid soles of kids PJ’s must be tested for phthalates in the US but not in Europe. While US position increases costs, where is the added measure of safety?

Flammability Testing:
- US exempts hats and gloves from testing but Europe does not. Why?
- US requires importers to certify that flammability testing and certification is not required for articles exempt from testing.

Personal Protective Equipment:
- Differing requirements between US and Europe. Why?
US/Canadian efforts to alight toy standards
- Effort lead by industry associations
- Addressing “low hanging fruit” first and then moving on to harder issues. For example, agreement that metric or standard measurements for test results may be used.
- Canadian government more engaged in this effort than is US.

Recommendations:
- US government (CPSC) should give active support to alignment efforts
- When complete, consideration should be given to seeking mutual recognition between aligned US/Canadian toy standard and European standard.