

# REGULATORY COOPERATION FORUM IN CETA

Position of the Federation of German Consumer Organisations (vzbv) to the European Commission consultation from 18 January 2018

## PRELIMINARY REMARKS

The EU-Canada trade agreement CETA is provisionally applied thus paving the way to initiate regulatory dialogues. From the viewpoint of vzbv, it is imperative that such a cooperation is also to the benefit of consumers both in the European Union and in Canada.

Therefore some overarching principles should be applied:

- Cooperation between regulators could be beneficial for consumers if it is designed and implemented with distinct red lines, while pursuing ambitious public-policy interests. In this respect, chapter 21 of CETA on the objectives of regulatory cooperation should be interpreted as a way to make the market safer and bringing concrete benefits to consumers, while facilitating trade (not the other way around).
- In order to prove that regulatory cooperation can be positively managed in a trade framework it is essential to make sure that it will be defined and managed by regulators and specialists of the respective sectors under discussion, and not only by trade experts. On the EU side, this means that DGs like DG SANTA and DG JUST and their respective regulators must be involved from the beginning of the dialogue and not only at the end.
- Although CETA's regulatory cooperation is based upon a voluntary cooperation between regulators, the democratically elected decision-makers in the Council and European Parliament need to be updated and consulted in a regular manner on the topics and the state of cooperation.

## WHAT SHOULD BE ADRESSED IN CETA'S REGULATORY COOPERATION?

- **Product safety:** CETA gives the possibility for regulators to exchange information on the safety of consumer products and on preventive, restrictive and corrective measures taken (article 21.7). This would be materialised by an exchange of information from the EU RAPEX and the Canadian RADAR systems. We recommend to encourage a systematic exchange of information and alert, on a voluntary basis, between authorities to take out of the market dangerous products for EU and Canadian consumers, including imported products for instance from China.
- **Food safety:** One concrete deliverable of CETA's regulatory cooperation could be a joint rapid alert system for food and feed safety, on the basis of the EU

RASFF system. It would go along the recommendation on exchange information and alert system for nonfood consumer products (RAPEX). CETA's SPS chapter merely refers to this possibility (chapter 5, article 5.11).

- **Antimicrobial resistance (AMR):** AMR is a global threat, which is why there should be a dialogue on the fight against this. The EU and Canada should lead the movement and explore ways to eradicate AMR.
- **Redress:** At the beginning of the CETA negotiations, both sides aimed to make sure that consumers will easily know whether they are protected by their domestic consumer rights or contractual clauses or else.<sup>1</sup> In addition, the idea was for consumers to trust the bilateral market notably via an easy access to dispute resolution mechanisms if something would go wrong after a purchase of a good or a service. Unfortunately, this has not been taken up in the final CETA agreement. From a consumer perspective, it would therefore make sense to have this issue addressed by regulators, to see what could be improved for consumers.<sup>2</sup>

## FURTHER ISSUES OF INTEREST

- **End roaming fees:** The elimination of roaming fees within the EU is a success story. A good way to show that regulatory cooperation in CETA can deliver tangible benefits to consumers on both sides could be discuss ways to abolish or reduce end-user roaming fees, through reduced whole-sale roaming fees and more cost-oriented fees of international calls and in general to make the telecom market more consumer friendly.
- **Pharmaceuticals:** CETA envisages a system of information sharing between regulators and alerts regarding good manufacturing practices of medicine production. This should be a priority of the regulatory cooperation, on a similar basis as explained above.
- **Competition policy:** As the Strategic Partnership between the European Union and Canada also related to questions of competition policy, it is certainly also of interest to foster cooperation between both countries in relation to challenges of digital markets and transnational competition cases or cartels.
- **Sustainable consumption and production:** Both the EU and Canada have ratified the Sustainable Development Goals that also target a strengthening of sustainable consumption and production patterns (SGD 12). As governments need to establish markets that enable sustainable consumption and production patterns, an exchange on these matters is likely to have a positive impact in the EU and Canada.

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<sup>1</sup> Joint Study between the European Commission and the Government of Canada (2008): Assessing the costs and benefits of a closer EU-Canada economic partnership, p. 103-104.

<sup>2</sup> See also: vzbv/BEUC (2017): The challenge of protecting consumers in global online markets, [https://www.vzbv.de/sites/default/files/downloads/2017/11/08/17-11-08\\_brochure-vzbv-beuc-lr3.pdf](https://www.vzbv.de/sites/default/files/downloads/2017/11/08/17-11-08_brochure-vzbv-beuc-lr3.pdf)