

Trans-Atlantic Trade & Investment Partnership: The Quest for Regulatory Convergence

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Regulatory Convergence

- Reasons for the push in TTIP
- Potential benefits for EU & US competitiveness
- Ways to make progress
- Where talks are now on this issue



The Role of Regulatory Convergence in TTIP

- Economic stakes of TIPP are big
- Tariff liberalization offer real but limited benefits
- Reducing unnecessarily divergent or duplicative regulations key to successful TTIP talks



Reasons for Pessimism

- Difficult political environment
- Many previous transatlantic initiatives on regulation
- Entrenched regulatory and cultural differences

Changes in International Trade

- Global production models dominate commerce
- High volume trade in intermediate goods & services
- Unbundled and complex global supply chains
- Greater engagement of less developed economies



- Transformed role of trade and regulation

California & Brussels Effect



Trade & Regulation are now mutually dependent

- Regulators cannot fulfill their mandates without improved international cooperation & compatible regulations and standards
- Trade agreements & dispute resolution ineffective at reducing heterogeneous, but nondiscriminatory regs

The Path Forward

- Transparency, notice, and comment helpful, but not sufficient
- Engage on areas of overlapping interests
 - Third party effects
 - Work-sharing
 - New regulations
- Structured, sector specific, regulator-driven approaches
- Monitored, publicly available results



Where we are

- Good regulatory practices, but differences in how and where applied
- Sector specific initiatives -- medical devices, pharms, chemicals, pesticides, ICTs, autos
- Flexibility on approach: mutual recognition, equivalence, harmonization, or harmonization
- Discussions of supporting infrastructure and respective roles of trade and regulatory officials

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