

Reply to TACD from Pascal Lamy on Early Warning System

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MEMBRE DE LA COMMISSION EUROPEENNE

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Brussels, 8 January 2002  
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Dear Mr. Murray and Ms Karpatkin,

Thank you for your letter of 5 December expressing your concerns regarding the Early Warning Mechanism.

While I appreciate your concerns, I cannot agree with your definition of the objectives of early warning: "to subject proposed environmental and consumer protection regulations to deregulatory pressure, and to seek the elimination of health, safety and environmental regulations." The Early Warning Mechanism is the result of an agreement between the two governments in June 1999 that there was a need to co-ordinate better in order to identify, at an early stage, potential trade disputes and thus attempt to prevent their escalation into a formal WTO dispute.

While early warning may cover any potential conflict and is not limited to trade issues, it should also be clear that, insofar as potential trade disputes are concerned, a key objective is to avoid unnecessary trade restrictions and to signal the possible adverse trade effects of specific measures. This objective should in no way affect or prejudice environmental, health or safety standards, which are of course taken into account in any decision making process in both sides of the Atlantic.

Perhaps I could also clarify the functioning of early warning and the role to be played therein by interested parties, including the Transatlantic dialogues, since it seems to me that that your concerns may to some extent be based on a misconception of this matter.

In practical terms, early warning is an inter-governmental tool where the early exchange of information is essential to ensure each side's awareness of the other party's views and concerns. In other words, early warning is a commitment to listen to each other, without affecting the sovereign decision making process of each party.

Ms Rhoda Karpatkin, President Emeritus Consumers Union  
Mr. Jim Murray, Director BEUC  
C/o BEUC  
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It is important to note that any interested party may be key in identifying issues of potential conflict, whatever the area. Your letter refers to the role played by the TABD in early warning. It is true that the TABD has in the past raised a number of issues, where it considered that potential problems could be created for business on both sides of the Atlantic. But, in principle, other dialogues such as TACD or individual actors can equally draw our attention to any such problems for your constituencies, and I would welcome your doing so. Where there is an environmental or consumer information aspect, such as the cases that you mention, it is of course the Governments which have to weigh these concerns and balance them against the trade impact, and take the decisions. We do not only listen to business advice!

These issues, I thought, are public and well-known. I am surprised to read in your letter that no member of the TACD has been able to obtain any information from governments about early warning items under discussion. The Commission services have always endeavoured to reply to any specific query received from the TACD or from any other party. In fact, the TACD has itself raised a large number of issues of concern in Transatlantic relations (whether or not these were labelled under early warning), and we have always provided a response.

In any event, we will now ensure that trade-related issues raised by any dialogue or other interested party are placed on DG TRADE's website. There is no hidden agenda, nor are these discussions secret, and perhaps it is now time to demonstrate that so we can really lay this question to rest. Furthermore, we continue to welcome the submission of views on potential areas of disagreement from any interested party.

Early warning can of course be improved and I hope that this letter will contribute to a better understanding of what the system aims to do and how the dialogues can participate in it. In addition, with respect to your comments on transparency, we are open to consider how better dissemination of information, could be achieved. I have instructed my services to reflect on ways to achieve such a result.

Mr. K. Falkenberg (Director, DG TRADE.E), who is in charge of relations with the United States within DG TRADE and attended the recent TACD conference in Washington, remains of course at your disposal for a more detailed discussion of these matters.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'P' followed by a horizontal line that ends in a small hook.

Pascal LAMY