



TO: Prime Minister Cameron

CC: Prime ministers; President Juncker; President Tusk; President Schulz; First Vice President Timmermans; Minister Koenders; Jonathan Faull, European Commission

RE: Open letter on Report 'Better Regulation, TTIP under the radar?'

18 January 2016, Brussels

Dear Prime Minister Cameron,

Competitiveness including better regulation and trade is one of the UK government's four priorities for EU reform which it is currently negotiating. Under this heading, a proposal for an EU-wide target to reduce regulatory burdens on business is put forward.

We have major concerns about this proposal. First, such a measure to curb regulation is unlikely to achieve its primary aim of improving Europe's competitiveness. All available evidence shows that efforts to reduce the burden of environmental regulations on business will simply subsidize Europe's least competitive businesses by allowing them to dump part of their production costs on the environment, leaving taxpayers and citizens to pay for this through increased health care costs and efforts to clean up the environment. Conversely, more stringent environmental regulations, apart from being necessary for their primary purpose of environmental protection, have been shown to be an important driver of innovation, rewarding progressive future-oriented businesses.

Furthermore, your proposal for an EU-wide target to reduce the total regulatory burden on business fails to take into consideration the benefits to society as a whole deriving from regulation, which often greatly outweigh the costs even in purely monetary terms. Addressing global challenges such as climate change, ecosystem collapse, antimicrobial resistance, social inequality, the stability of the financial system and resource depletion will require the EU to adopt new, effective and often legally binding policies to address these issues head on where, as often is the case, they cannot be addressed more effectively at Member State level. A blanket requirement to offset any regulatory burden arising from new policies by slashing regulatory burdens elsewhere irrespective of the benefits arising would seriously hamper these efforts.

Your reform proposals also include support for comprehensive free trade agreements with the US and other major economies. Because of the focus in these trade agreements on reducing regulatory barriers, extending investment protection and the implications all this could have for countries in the developing world, these negotiations, in particular those on the EU-US Transatlantic Trade and Investment Partnership (TTIP), have raised public concerns that have been steadily growing across Europe among citizens and civil society.

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The EU's Better Regulation agenda, despite being less known than TTIP, aims to do something very similar. It seeks to improve Europe's competitiveness by reducing the regulatory costs for business through instruments that closely resemble those discussed under TTIP. The enclosed report 'Better Regulation: TTIP under the radar?', published this week by the European Environmental Bureau (EEB), Brot fuer die Welt and the German NGO Forum Environment & Development, shows how this agenda has now evolved to the point that it is starting to undermine the EU's efforts to solve in a sustainable manner the many challenges it is facing.

Europe needs a better reform agenda than this and the negotiations you have instigated on this should be taken as an opportunity by all to have an open, EU-wide debate on what that should look like. The global 2030 Agenda for Sustainable Development should provide an overarching context for that debate and a thorough overhaul of the EU's Better Regulation agenda should be a central part of it.

With this report and also with the EEB's recently published Juncker Commission Political Priorities Revisited (also enclosed), we would like to make our contribution to this debate.

Yours sincerely,



Jeremy Wates, EEB Secretary General

Also on behalf of Brot fuer die Welt and German NGO Forum Environment and Development



Brot
für die Welt

