

## **CANADA/UNITED STATES/ MEXICO SPP REGULATORY COOPERATION FRAMEWORK**

On March 23, 2005, the Leaders of the United States, Canada and Mexico, announced the Security and Prosperity Partnership of North America (SPP). The “Prosperity Agenda” of the SPP seeks to enhance the competitive position of North American industries in the global marketplace and to provide greater economic opportunity for all of our societies, while maintaining high standards of health and safety for our people.

Improving trilateral regulatory cooperation is a key element of the Prosperity Agenda. By increasing regulatory cooperation, the federal governments of the United States, Canada and Mexico (the Partners) aim to lower costs for North American businesses, producers, governments and consumers; maximize trade in goods and services across our borders; and protect health, safety, and the environment.

This voluntary Framework sets out steps to improve regulatory cooperation, where appropriate and feasible, while in no way diminishing the sovereignty of each Partner to carry out its regulatory functions according to its domestic legal and policy requirements. This framework is not meant to replace or duplicate ongoing regulatory cooperation undertaken by existing mechanisms.

### **I. Framework Goals**

While maintaining high standards of health and safety, and environmental protection, the Partners strive to achieve the goals set out below.

1. **To strengthen regulatory cooperation, including at the outset of the regulatory process:** Regulatory cooperation should be strengthened on a systematic basis through increased transparency in the rulemaking process, exchanges of best practices, and information sharing among regulators.
2. **To streamline regulations and regulatory processes:** Regulations and regulatory processes can be streamlined through the increased use of joint analysis or evaluation of regulatory issues of mutual interest, information exchange on implementation approaches, or work-sharing, as well as through existing mechanisms, such as the SPP Prosperity Working Groups, North America Free Trade Agreement (NAFTA) working groups, and bilateral and/or trilateral undertakings among the Partners.
3. **To encourage compatibility of regulations, promote the use or adoption of relevant international standards, as well as domestic voluntary consensus standards, in regulations, and eliminate redundant testing and certification requirements, consistent with our World Trade Organization (WTO) obligations:** These goals will be pursued through, for example, the work of the SPP Prosperity Working Groups, NAFTA working groups and bilateral and/or trilateral undertakings among the Partners.

The objectives and measures outlined in the Action Plan, Part III, are aimed at achieving these goals.

## II. Trilateral Regulatory Cooperation

1. The Partners hereby establish a Coordinating Committee to ensure the effectiveness and accountability of this Framework. The Coordinating Committee is to include participants from central agencies, regulatory agencies and trade/foreign relation agencies. The nature of this coordination should depend on the specific Framework objective being addressed.
2. The Coordinating Committee is to develop an annual work-plan to implement the Action Plan set out in Part III that identifies areas of mutual interest for cooperation. The Coordinating Committee is to offer stakeholders an opportunity to comment as the work-plan is developed and make it available to the public.
3. The Coordinating Committee is to report annually to Leaders, Ministers and the public on regulatory cooperation and thereby increase the transparency and accountability of the process to: (a) ensure that the results of North American cooperative efforts are measured, (b) highlight success stories in regulatory cooperation, and (c) make recommendations to regulators to improve cooperation.

## III. Action Plan

This Action Plan outlines specific objectives and measures for each Framework Goal, which are to be moved forward and measured through the trilateral Regulatory Cooperation Coordinating Committee.

| <b>Goal 1: To strengthen regulatory cooperation, including at the outset of the regulatory process.</b> |   |
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| <b>Objectives</b>   | <b>Measures</b>   |
| A. Increase the transparency of the rulemaking process.   | <ul style="list-style-type: none"><li>• Develop intergovernmental “early alert” mechanisms to systematically and proactively share information throughout the rule development process to avoid incompatibility issues.</li><li>• On a systematic basis seek and provide an opportunity to comment on each other’s regulatory proposals that could have implications for the other Partners and consult throughout the process.</li></ul> |

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| B. Promote good governance by sharing best practices.   | <ul style="list-style-type: none"> <li>• Increase contacts between and among central agencies and government regulators on regulatory policy issues and practices of mutual interest, e.g. regulatory reform and review, instrument choice, regulatory tools such as compliance strategies and regulatory analysis.</li> <li>• Develop and maintain an illustrative inventory of best practices from which regulators can draw upon as a resource.</li> <li>• Hold meetings/conference calls of regulatory analysts to share knowledge and best practices in regulatory analysis to better understand the differences among the three countries in regulation and to determine how to move towards greater consistency in regulatory approaches and analytical practices across the three jurisdictions.</li> <li>• Establish a voluntary exchange program in which officials from Partners' regulatory agencies work in the agency of a Partner country.</li> </ul> |
| C. Increase information sharing among regulators.   | <ul style="list-style-type: none"> <li>• Facilitate and develop mechanisms to enable the sharing of information throughout the regulatory process.</li> <li>• Share regulatory agendas.</li> <li>• Develop annual work-plans that identify areas of mutual interest for regulatory cooperation.</li> <li>• Develop a mechanism to share information on the status of regulations that are subject to an expedited process.</li> </ul>  |

| <b>Goal 2: To streamline regulations and regulatory processes.</b>  |   |
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| <b>Objectives</b>   | <b>Measures</b>   |
| A. Increase the use of joint analysis or evaluation of regulatory issues of mutual interest, information exchange on implementation approaches, or work sharing to further improve the timeliness and efficiency of regulatory processes. | <ul style="list-style-type: none"> <li>• Identify, develop and conduct pilot project(s) in joint regulatory impact analysis, including cost-benefit analysis and/or risk assessment.</li> </ul> |
| B. Leverage existing mechanisms such as the SPP Prosperity Working Groups, NAFTA working groups and bilateral and/or trilateral undertakings, to anticipate regulatory issues.  | <ul style="list-style-type: none"> <li>• Identify, develop and conduct pilot project(s) for developing a compatible approach to rules and regulations in a particular sector.</li> </ul>        |

**Goal 3: To encourage compatibility of regulations, promote the use or adoption of relevant international standards, as well as domestic voluntary consensus standards, in regulations, and eliminate redundant testing and certification requirements, consistent with our WTO obligations.**

| Objectives  | Measures   |
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| A. Work towards more compatible and coordinated regulatory approaches.  | <ul style="list-style-type: none"> <li>• Encourage the introduction of the Framework’s Goals relating to regulatory compatibility into practices, policies, directives and orders.</li> <li>• Work cooperatively towards including assessment of trade impact in the regulatory impact analysis to reduce regulatory barriers to trade among the Partners.</li> <li>• The Coordinating Committee is to develop, for consideration, criteria for compatibility of regulations among the Partners in domestic regulatory review processes where feasible.</li> </ul> |
| B. To promote the use or adoption of relevant international standards, as well as domestic voluntary consensus standards, in regulations. | <ul style="list-style-type: none"> <li>• Promote the coordination of views related to the development of international standards and convey those views to the relevant parties that participate in international standards fora as appropriate.</li> <li>• Work cooperatively to encourage the use or adoption of relevant international standards, as well as domestic voluntary consensus standards, in regulations.</li> </ul>   |
| C. Eliminate redundant testing and certification requirements.  | <ul style="list-style-type: none"> <li>• Work cooperatively to eliminate redundant testing and certification, by, for example, accepting the results of conformity assessment procedures.</li> <li>• Identify, develop and conduct pilot projects to eliminate redundant testing and certification requirements.</li> </ul>  |