



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

Presentation by Consumer Federation of America at

Direct Stakeholder Engagement Event

Transatlantic Trade and Investment Partnership

July 10, 2013

Consumer Federation of America (CFA) is a nonprofit association of nearly 300 nonprofit consumer organizations across the United States. Its mission is to advance the consumer interest through research, education and advocacy. CFA is also a member of the Transatlantic Consumer Dialogue (TACD), a forum of consumer organizations in the US and the European Union. CFA believes that close cooperation between the US and the EU is helpful to address common challenges and ensure that the transatlantic marketplace is safe and fair for consumers. As we said in our written [comments](#) to the United States Trade Representative in May, consumer protection is not a barrier to trade; it strengthens trade by instilling confidence and trust in the marketplace. When consumer protection is inadequate, markets fail, as the recent economic crisis has so vividly demonstrated. Therefore, trade pacts must have at their center the advancement of consumer well-being. My presentation covers two areas: the process and the substance of these negotiations.

On the process, it is ironic that at a time when people around the world are clamoring for democracy, for their governments to be open and responsive to their needs, two of the most advanced democratic regions are embarking on trade negotiations that are not democratic, are not open, and are not necessarily responsive to the needs of the consumers who will ultimately be affected by them. You can rectify this situation. While events such as this and the stakeholder briefing scheduled for later today are helpful, it is impossible for consumer representatives to provide meaningful input in a secret process. We need to know exactly what is being negotiated and to be able to see and comment on the text in a timely manner. It is astonishing that there has never been the kind of integral link between consumers and the US government on trade matters that has long existed for businesses through the Industry Trade Advisory Committees. We need a Consumer Trade Advisory Committee to provide a formal mechanism through which consumer organizations can confer with each other and participate in

this process in a constructive and substantive manner. These negotiations should be suspended until such a committee has been put into place and is fully operational.

We also believe that the process should be transparent to the public. There is absolutely no reason to classify the documents. There are many examples of trade negotiations in which the texts are or were made public, including the current Doha round at the World Trade Organization, the Free Trade Area of the Americas, the Multilateral Agreement on Investments, the resolutions and treaties of the World Health Organization, and the standards under development at the Codex Alimentarius Commission. The US Trade Representative should provide regular updates on its website, including timely posting of all documents. Classifying them as secret only serves to fuel distrust about whether our government is acting for the benefit of all or just for certain business interests.

On the substantive issues, in our May comments we raised concerns about the possibility that these negotiations could be used to weaken existing consumer protections in areas such as food safety, product safety, and financial services and to prevent new protections from being implemented. As we saw in the financial crisis, short-sightedness and greed, coupled with inadequate regulation and oversight, can create a temporary prosperity bubble. But in the long run, it's actually a toxic mix that results in severe harm to consumers and businesses. We must be vigilant to ensure that what emerges from these negotiations is truly good for consumers, who are, after all, the real engines of commerce.

I want to conclude with a few words about the possibility of addressing "data flows" in these negotiations. The argument that data flows is somehow a more narrow issue to negotiate than privacy is nonsense – the use of consumers' personal information as a commodity is at the heart of the privacy debates swirling on both sides of the Atlantic. And the recent NSA revelations have made starkly clear the nexus between corporate and government surveillance, heightening privacy concerns. The current Safe Harbor program is a sham. It does not give Europeans the level of privacy protection that they are entitled to, compliance is not monitored, and it is spottily enforced. For years US companies have resisted strong, comprehensive privacy legislation, and now they are concerned that the new privacy regulation in the EU will interfere with the business models they are exporting. It's a problem that they have created for themselves, and it can't be solved by putting a Band-Aid on the Safe Harbor program. Real interoperability requires that consumers have equivalent privacy rights and remedies on both sides of the Atlantic. The US Administration should produce the privacy legislation that it has promised and put its full weight behind getting it enacted, and businesses that want to engage in cross-border trade should support it.

Any discussion of data flows should be deferred until the Europeans have finalized the new data protection regulation and we in the US have taken the steps necessary to provide truly adequate privacy protection, for our own citizens as well as those in Europe.

Thank you for considering these comments on the TTIP from the consumer perspective. We look forward to working with you through a Consumer Trade Advisory Committee.

Presented by:

A handwritten signature in black ink that reads "Susan Grant". The signature is written in a cursive, flowing style.

Susan Grant
Director of Consumer Protection
Consumer Federation of America