

May 7, 2003, Wednesday

Product precautions barring trade: Report

BY: R.G. EDMONSON

The National Foreign Trade Council is concerned that foreign regulations based on the "precautionary principle" rather than scientific evidence are creating barriers to trade that hurt exports from both the United States and developing nations. The council on Tuesday released a research paper, "Looking Behind the Curtain: The Growth of Trade Barriers that Ignore Sound Science" that examines regulatory practices that consider products unsafe until proven otherwise.

NFTC President William A. Reinsch said that the European Union is prominent for creating regulation that attempts to eliminate all risk in products, even when there is no scientific evidence to back up the concern. Genetically-modified foodstuffs are the best-known forum for the debate, but the precautionary principle also applies to electronic products, and even automobiles.

The report notes that some of the European regulations also protect agriculture and food industries from outside competition.

"It's contagious. The EU is actively trying to change the principle on which international standards are based," Reinsch said. He said that Japan and Korea also use precaution as a regulatory tool. In contrast, U.S. regulators accept a level of risk that hazardous products can enter the marketplace, and apply regulations as needed to eliminate them.

"There's a legitimate policy decision: where do you draw the line?" Reinsch said. "The American view is that science is imperfect, and there is some risk in everyday life. **The EU wants to draw the line where industry has to prove a negative.**"

Reinsch said that the report may help U.S. trade negotiators as they enter the next round of talks in the World Trade Organization. He said the NFTC report may attract interest in developing nations.

He said that exporters in developing nations may be hurt by the same precautionary rules that U.S. producers face when trying to sell bioengineered food products or electronics to European markets.