

# GAO Highlights

Highlights of [GAO-13-588](#), a report to the Chairman, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

Trade has increased as a share of the economy for several years, but U.S. companies can face difficulties competing in foreign markets when countries apply different regulatory requirements to address similar health, safety, or other issues. GAO was asked to examine what U.S. agencies are doing to engage in international regulatory cooperation. This report (1) provides an overview of U.S. regulatory agencies' international cooperation activities; (2) examines ways that U.S. agencies incorporate outcomes from international regulatory cooperation activities and consider competitiveness during rulemaking; and (3) examines factors identified by U.S. agencies and stakeholders that act as facilitators or barriers to international regulatory cooperation. GAO analyzed documents and interviewed officials from seven U.S. agencies that regulate products traded internationally and four U.S. agencies with government-wide roles and responsibilities. GAO also interviewed officials from 11 organizations representing business and consumer advocacy perspectives that reported or publicly commented on international regulatory cooperation. The scope of this study is not intended to be a complete catalog of agencies' activities and is not generalizable to all entities that have interests in this area.

## What GAO Recommends

GAO recommends the RWG include in forthcoming guidance on Executive Order 13609 tools to enhance collaboration, such as mechanisms to facilitate staff level dialogues. The Office of Management and Budget (OMB) did not have comments on the recommendation.

View [GAO-13-588](#). For more information, contact Michelle Sager at (202) 512-6806 or [sagem@gao.gov](mailto:sagem@gao.gov).

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## INTERNATIONAL REGULATORY COOPERATION

### Agency Efforts Could Benefit from Increased Collaboration and Interagency Guidance

## What GAO Found

All seven U.S. regulatory agencies that GAO contacted reported engaging in a range of international regulatory cooperation activities to fulfill their missions. These activities include the United States and its trading partners developing and using international standards, recognizing each other's regulations as equivalent, and sharing scientific data. U.S. agency officials GAO interviewed said they cooperate with foreign counterparts because many products they regulate originate overseas and because they may gain efficiencies—for example, by sharing resources or avoiding duplicative work. Cooperation can address both existing and avoid future regulatory differences. Officials also explained how cooperative efforts enhance public health and safety, facilitate trade, and support competitiveness of U.S. businesses. Several U.S. interagency processes require or enable interagency collaboration on international cooperation activities. The Regulatory Working Group (RWG), chaired by OMB and the Trade Policy Staff Committee (TPSC) are forums that have different responsibilities related to the regulatory and trade aspects of international regulatory cooperation. U.S. regulatory agency officials said the current processes could benefit from better information sharing among agencies on the implementation of international cooperation activities and lessons learned. Without enhancements to current forums, opportunities to share practices and improve outcomes could be missed. Executive Order 13609, issued in May 2012, tasked the RWG with enhancing coordination and issuing guidance on international regulatory cooperation, which the RWG is developing. Nonfederal stakeholders GAO interviewed reported challenges to providing input on U.S. agencies' international regulatory cooperation activities, in particular that they are not always aware of many of these activities and participation can be resource intensive.

Officials GAO interviewed said the outcomes from international regulatory cooperation inform all phases of the rulemaking process, from helping an agency decide whether to regulate to implementing and enforcing regulations. U.S. agencies are not required to conduct a separate analysis on the competitiveness impacts on U.S. businesses when developing regulations. However, five of the seven U.S. agencies told GAO they do consider competitiveness. Officials we interviewed also pointed out that any analysis of impacts may not rise to the level of inclusion in the rulemaking record. In addition, U.S. agencies' use of international standards in regulations can lower costs for U.S. businesses and reduce barriers to trade. Officials from all of the U.S. agencies GAO interviewed said they consider international standards during rulemaking partly in response to requirements in trade agreements, U.S. statutes, and executive orders.

Officials from all of the U.S. agencies GAO interviewed identified seven key factors that affect the success of international regulatory cooperation activities: (1) dedicated resources, (2) established processes, (3) high-level leadership, (4) scientific and technical exchanges, (5) stakeholder involvement, (6) statutory authority, and (7) early and ongoing coordination. When present, these factors can facilitate U.S. agencies' efforts, but they can also act as barriers when absent. GAO found that these factors also reflect the seven key features for implementing collaborative mechanisms previously identified in its September 2012 report on interagency collaboration.