

Security and Prosperity Partnership of North America

Common Regulatory Principles

On August 21, 2007, Leaders of Canada, Mexico and the United States released the Regulatory Cooperation Framework (RCF), seeking to improve trilateral regulatory cooperation to (1) lower costs for North American businesses, producers, governments and consumers; (2) maximize trade in goods and services across our borders; and (3) protect health, safety, and the environment.

As one element of the Framework, governments agreed to develop and maintain an inventory of regulatory best practices from which regulators can draw upon as a resource. The establishment of this inventory will be an important milestone in advancing regulatory cooperation through the Framework.

The *OECD Guiding Principles for Regulatory Quality and Performance* (<http://www.oecd.org/dataoecd/19/51/37318586.pdf>) represent a broad-based, international consensus on regulatory policy and form a good basis for common Framework principles. Canada, Mexico and the United States reaffirm their commitment to these Principles, and believe that they provide a useful point of reference in developing an inventory of regulatory best practices.

Accordingly, Canada, Mexico and the United States have approved the following common regulatory principles to guide their respective regulatory policies and practices.

RCF Common Regulatory Principles

1. Justify the need for regulation, including the consideration of market failures.
2. Identify alternatives to addressing a regulatory need, including non-regulatory options.
3. Assess the costs and benefits of regulatory and, where appropriate, non-regulatory alternatives so that options that maximize net benefits can be identified.
4. Minimize the adverse impact of regulation on a fair, competitive and innovative market economy.
5. Minimize unnecessarily divergent or duplicative requirements within North America.
6. Promote performance-based regulation where appropriate and to the extent practicable.
7. Ensure timeliness in regulatory decision-making.
8. Write regulations in plain language so they are easily understood.
9. Ensure transparent regulatory development and implementation, making regulations and regulatory impact analyses easily accessible.
10. Evaluate and review existing regulations routinely.

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Illustrative Inventory of Best Practices

Below is a non-exhaustive inventory of best practices in North America that provides guidance on how to achieve the RCF Common Regulatory Principles.

CANADA

- Cabinet Directive on Streamlining Regulation
[<http://www.regulation.gc.ca/directive/directive01-eng.asp>]
- Assessing, Selecting, and Implementing Instruments for Government Action
[<http://www.regulation.gc.ca/documents/gl-ld/asses-eval/asses-evaltb-eng.asp>]
- Canadian Cost-Benefit Analysis Guide: Regulatory Proposals
[<http://www.regulation.gc.ca/documents/gl-ld/analys/analystb-eng.asp>]
- Guidelines on International Regulatory Obligations and Cooperation
[<http://www.regulation.gc.ca/documents/gl-ld/iroc-cori/iroc-coritb-eng.asp>]
- Guidelines for Effective Regulatory Consultations
[<http://www.regulation.gc.ca/documents/gl-ld/erc-cer/erc-certb-eng.asp>]
- Developing Regulations: The Basic Steps and the Plain Language Approach
[<http://www.spp-ppsp.gc.ca/pdf/Plain%20Language-E.pdf>]

MEXICO

- Regulatory Impact Assessment (Spanish only)
[<http://www.cofemermir.gob.mx>]
- Presidential Order for Regulatory Quality (Spanish only)
[<http://www.cofemer.gob.mx/documentos/marcojuridico/acuerdos/acr.pdf>]
- Federal Law of Administrative Procedures (Spanish only)
[<http://www.cofemer.gob.mx/documentos/marcojuridico/LEYES/lfpa.pdf>]
- Federal Law on Metrology and Standardization (Spanish only)
[<http://www.cofemer.gob.mx/documentos/marcojuridico/LEYES/lfmn.pdf>]
- COFEMER Website (Spanish only)
[<http://www.cofemer.gob.mx>]

UNITED STATES

- Executive Order 12866 (English only)
[http://www.whitehouse.gov/omb/inforeg/eo12866/eo12866_amended_01-2007.pdf]
- Trade Agreements Act / Subchapter II – Technical Barriers to Trade (English only)
[http://www.access.gpo.gov/uscode/title19/chapter13_subchapterii.html]
- Office of Management and Budget’s Guidance on Regulatory Analysis (English only)
[<http://www.whitehouse.gov/omb/circulars/a004/a-4.pdf>]