

**EU INSTITUTE BREAKFAST
Remarks of Lydia Parnes
October 3, 2007**

Good morning. Despite the early hour, it is a pleasure to be here with you, Commissioner Kuneva, and the rest of the European Commission delegation. Welcome to the United States and to Washington. We look forward to hosting you at the FTC on Friday.

Commissioner, I am truly delighted that you have been designated as the first European Commissioner responsible solely for consumer affairs. The creation of a Commissioner-level portfolio highlights the importance of consumer protection in overall policymaking. I think we all agree that consumers benefit from that focus.

It also is clear to me from your remarks this morning and at Harvard yesterday, that the consumer protection priorities in the US and the EU complement each other to a great extent. There are a number of areas where our interests and priorities follow the same

track.

For example, in the area of Regulatory Review, I understand that you are reviewing many of your consumer protection directives to modernize and simplify them and ensure that they continue to provide protection for consumers without unduly burdening industry.¹ I applaud that effort. We have a similar process where we review our regulations every 10 years to assess changes in technology or other market developments that would necessitate changes to our rules.

As one example, next year, we will be evaluating our “Green Guides,” promulgated in the early 90s.² These Guides deal with environmental marketing claims. One of the issues we will examine is whether the explosion of new environmental claims, such as claims

¹ Meglena Kuneva, Commissioner for Consumer Protection, European Commission, Address at the Digital World Conference: Challenges and Opportunities in a Digitalised World (March 15 2007), *available at* <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/148&format=HTML&age d=0&language=EN>.

² Federal Trade Commission, Guides for the Use of Environmental Marketing Claims, *available at* <http://www.ftc.gov/bcp/gnrule/guides980427.htm>.

that a product can “reduce your carbon footprint,” suggest the need to change our Green Guides. We will be hosting a workshop this winter to explore these issues.

Another area is enforcement, which is a top priority for us, as I know it is for you. Our Congress enacted the US SAFE WEB Act last year, giving us tools to improve cooperation with our foreign counterparts in attacking cross-border fraud.³ SAFE WEB permits us to share confidential information with foreign counterparts and undertake investigative assistance on their behalf. We have used these new tools on several occasions, working on cases with your member states and look forward to continued cooperation.

Consumer redress is another area where we appreciate the European Commission’s support and leadership, most recently in

³ U.S. SAFE WEB Act of 2006, Public Law 109-455.

negotiating the 2007 OECD Guidelines on Consumer Redress.⁴

Providing redress to consumers who have been victims of fraud and other deceptive practices can, not only make consumers whole, but increase their confidence in the marketplace.

Another area of mutual interest is consumer and business education. The goal of educating consumers is paramount at the FTC, and we devote a lot of energy to it. We look for every opportunity we can to educate and empower consumers – through speeches, press interviews, co-branding of materials with community organizations and the like. A recent example is the OnGuard Online website, which seeks to educate consumers about safe browsing online.⁵ The website is also an example of a successful public-private partnership, as much of the material on the site comes from other government agencies and private sector partners. We encourage

⁴ OECD Recommendation on Consumer Dispute Resolution and Redress. (July 12, 2007), available at <http://www.oecd.org/dataoecd/43/50/38960101.pdf>.

⁵ See www.onguardonline.gov.

organizations around the world to take from the website and tailor any material to make it their own.

A final area worth mentioning is self-regulation. I know that you convened a Roundtable on Advertising in 2006,⁶ which recognized that self-regulation is a basic pillar of consumer protection. In the United States, the FTC frequently partners with self-regulatory bodies in order to leverage our impact. Some of the hallmarks of the most effective self-regulatory programs are that they:

- clearly address the problems they seek to remedy,**
- are able to adjust to new developments within the industry,**
- are enforced and widely followed by affected industry members,**
- are visible and accessible to the public, and**

⁶ European Commission, Consumer Affairs, Self-Regulation in the EU Advertising Sector: A report of some discussion among Interested parties (July 2006), *available at* http://ec.europa.eu/consumers/overview/report_advertising_en.pdf.

- **are independent from their member firms so that they objectively measure their performance and impose sanctions for noncompliance.**

This is what we call “self-regulation with teeth.” We have several examples of successful self-regulatory efforts in the United States, including programs in the advertising industry generally, food advertising, and alcohol advertising. We are always interested in learning about and emulating successful self-regulatory models from around the world. In this regard, we are pleased to be participating with the EU in a new project on alternative methods of regulation, including self-regulation and co-regulation, at the OECD Committee on Consumer Policy.

So there are many similarities to our approaches. But I would like to work toward a paradigm where we are not simply proceeding on parallel tracks, but rather, looking for opportunities where our joint efforts can become even stronger. I think a great example of this can be found in the 2003 OECD Recommendation on Cross-

Border Fraud⁷ – each OECD member state was encouraged to enhance its ability to cooperate with other member states on consumer protection issues. And, we have both taken significant steps to implement that recommendation. The result: the US SAFE WEB Act on our side of the Atlantic,⁸ and the Consumer Protection Cooperation Regulation on yours.⁹ With the enactment of these two laws, consumers on both sides of the Atlantic will be better protected than they have been in the past.

I hope that through your visit, we can identify further opportunities for collaboration and pooling of efforts to improve consumer protection in the US and EU.

Thank you.

⁷ OECD Guidelines for Protecting Consumers from Fraudulent and Deceptive Commercial Practices Across Borders (June 11, 2003), *available at* <http://www.oecd.org/dataoecd/24/33/2956464.pdf>.

⁸ U.S. SAFE WEB Act of 2006, Public Law No. 109-455.

⁹ Commission Regulation No. 2006/2004, 2004 O.J., *available at* http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_364/l_36420041209en00010011.pdf.