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U.S. & EU FREE TRADE AGREEMENT

Fantasy or Reality?

Many people in the toy industry—from manufacturers to retailers—would like a binding global testing standard to be implemented for children's toys. In the global economy, harmonized standards would save manufacturers money and time to market. Consumers would also benefit from this, as increased competition would enhance product quality and selection.

Although there is not yet a global standard in place, some initial steps are hinting at such a change. Earlier this year, the European Union's (EU) parliamentary committee voted favorably to negotiate a free trade agreement (FTA) with the U.S., meaning the possibility of a partnership between two markets that together account for nearly half the world's economy is greater than ever.

Both sides have already made efforts to develop common standards, especially through the International Electrotechnical Commission (IEC) and the International Organization for Standardization (ISO), as they recognize that regional-specific, technical requirements hinder trade in a global economy. The international committee working on Safety of Toys—Part 1: Safety Aspects Related to Mechanical and Physical Properties (ISO 8124-1:2012), has incorporated similar tests to those included in the U.S.' Standard Consumer Safety Specification for Toy Safety (ASTM F963-11) and in the EU's Safety of Toys: Mechanical and Physical Properties (EN 71-1:2011).

While physical and mechanical testing of children's products and toys differs considerably, there is more consistency among both nations when it comes to the chemical testing. The list of heavy metals, harmful chemicals, and toxic substances is comprehensive, and the EU and the U.S. have similar limits and test methodologies. Presently, manufacturers are worried about lead, cadmium, chromium, antimony, selenium, barium, mercury arsenic, nickel, the family of phthalates, bisphenol-A, formaldehyde, and flame-retar-

dant chemicals polybrominated diphenyl ethers (PBDEs) and tris (1,3-dichloroisopropyl) phosphate (TDCPP).

The FTA would address two areas: tariff-related trade barriers (such as customs duties) and non-tariff-related trade barriers (such as licensing regulations, compulsory certifications, and standards). Currently, toys enjoy low-to-no tariffs in both markets. Should the FTA agreement become reality, toy manufacturers would benefit from scalable effects. For them, the need for only one test instead of many means faster time to market and lower testing costs. These benefits will help the industry as a whole, as new markets open up and the overall industry grows. In turn, this will lead to growth in the testing and certification business, as there will be increased mid- to long-term development in the transatlantic economic zone.

Ideally, a harmonized standard would include all worthy safety practices from both members to create a single comprehensive approach to ensure children's safety. However, this does not mean that safety philosophies on both sides for product testing and certification can be reduced to a common denominator, nor is it absolutely essential to harmonize all standards for evaluating the safety of products. Both the EU and the U.S. markets, embedded in their respective cultures, have been developing in their own ways for decades, which cannot and should not be reversed through an FTA. It is more important to create uniform standards and apply comparable procedures when it comes to accrediting laboratories and appointing certification bodies to prevent the distortion of competition, despite the free trade area. ■

Dr. Bayerlein became CEO of TÜV Rheinland AG in 2011. He has been working for the technical service industry since 2003 in various executive positions. Dr. Bayerlein studied materials science and IT at the University of Erlangen-Nuremberg, Germany.