



For Immediate Release

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Monograph Documents Advance, Impact of Europe's "Risk-Free" Regulatory Agenda

In a Monograph released today by the Washington Legal Foundation (WLF), an international business and trade expert documents the rise in Europe of the so-called "precautionary principle" and its proponents' plans to export this risk-free regulatory agenda to the U.S. and our trading partners. This principle eschews science-based evaluation of the benefits and costs of regulation in favor of environmental, health, and safety rules which seek to eliminate every possible risk from economic conduct.

Exporting Precaution: How Europe's Risk-Free Regulatory Agenda Threatens American Free Enterprise was authored *pro bono* for WLF by **Lawrence A. Kogan**, an international business, trade and regulatory attorney who is CEO and Co-Director of non-profit group *The Institute for Trade, Standards and Sustainable Development, Inc.* The publication features introductory remarks by a diverse group of commentators: **James C. Greenwood**, former Chairman of the House Energy and Commerce Committee who is now President and CEO of the Biotechnology Industry Organization; **Professor William H. Lash** of George Mason University School of Law and former Assistant Secretary of Commerce; **Graham Mather**, a former member of the European Parliament and now President of the European Policy Forum; and **Professor Gary E. Marchant** of the College of Law at Arizona State University.

The Monograph first defines the precautionary principle and then explains how international bureaucrats and influential activist groups are using it as a vehicle to diminish America's competitive position in the world economy and advance special interest agendas hostile to free enterprise and technology. Next, Mr. Kogan briefly reviews some areas where precaution has become institutionalized in Europe, such as government oversight of biotechnology, chemicals, and waste disposal, as well as the larger issue of "greenhouse gases."

The costs of pursuing a risk-free regulatory environment are profound, Mr. Kogan argues — a point he advances effectively in two substantial sections of the Monograph. The financial impact is first explored by looking at how regulatory precaution would increase costs in areas such as tort liability, intellectual property and insurance. The paper then examines how certain industries in Europe have suffered under a precautionary regulatory regime.

The most important and compelling sections of the Monograph address how precaution proponents are successfully advancing their regulatory principles here in the U.S., and the serious impact their success will have on free enterprise. Activists have made their deepest inroads in areas such as genetically enhanced foods and climate change, and Mr. Kogan provides an extensive analysis to those efforts, including a discussion of state and regional programs. He also examines less obvious, but equally troubling, efforts to inject the

precautionary principle into federal accounting rules, SEC disclosure regulations, and environmental and food and drug regulations.

The Monograph concludes with an insightful philosophical discussion of the precautionary principle's broader international legal, political, and economic impact. It highlights the growing rift between Europe's social welfare approach to regulating the economy and America's continued focus on encouraging risk-taking in the free market. It also warns that one of pro-precaution activists' larger goals – institutionalizing their views through the international law-making process – is well within reach and should be vigorously opposed in all its forms.

Washington Legal Foundation is a national, non-profit public interest law and policy center. By utilizing a unique approach to forwarding its mission – publishing timely legal studies, engaging in innovative litigation, and communicating directly to the public – WLF has become the nation's most effective advocate of freedom and free enterprise. This Monograph is one of seven free-standing formats in which WLF's Legal Studies Division produces legal policy papers and promotes free enterprise legal thought.

Copies of this educational WLF Monograph can be obtained by printing an order form from <http://www.wlf.org/Publishing/order.pdf> and mailing it to: Publications Department, Washington Legal Foundation, 2009 Massachusetts Avenue, NW, Washington, D.C. 20036, or calling (202) 588-0302.