

CONSUMER CHOICE CENTER

CONSUMER INNOVATION MANIFESTO

May/2020

The Consumer Innovation Manifesto lays out a comprehensive plan for revamping consumer policies post-Coronavirus in the United States.



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The Consumer Innovation Manifesto lays out a comprehensive plan for revamping policies that affect citizens and consumers post-Coronavirus. As the crisis unfolds, consumers are faced with a multitude of challenges, ranging from the daily commute (transport) to connectivity (digital), access to fast-moving consumer goods (lifestyle & trade), as well as the acquisition of life-saving drugs (health & science). The Consumer Choice Center has made these four areas its core principles for the defense of consumer choice.

The Consumer Innovation Manifesto suggests key regulatory changes to improve consumer well-being post-Coronavirus, partially by cementing in those rules that have been temporarily suspended. Overall, we believe that all rules and regulations that have been put on hold temporarily need to be reviewed.

Here you will find an overview of the specific policy changes that we suggest to relaunch consumer confidence, boost the economy, and to usher in a new age of consumer choice. We urge policy-makers to get on board with these vital changes and offer our support when it comes to making changes precise and effective.

"RELAUNCH CONSUMER CONFIDENCE, BOOST THE ECONOMY, AND USHER IN A NEW AGE OF CONSUMER CHOICE"

- Fast-tracking regulatory approvals of medicine;
 - Healthcare insurance models that allow for flexibility and for reactivity;
 - Repeal Certificate of Need laws;
 - Modernization of alcohol policy and food delivery;
 - Legal reform to restrict unfounded coronavirus liability lawsuits;
 - Reciprocity of professional licenses across national and state borders;
 - Easing restrictions on sharing economy services;
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- Improving supply chains with eased rules for retail
 - Guaranteeing free trade even in times of crisis
 - Revolutionizing medical research through incentivized gene-editing tools
 - Easing restrictions in the transportation sector to allow more competition



FAST AND EASY ACCESS TO MEDICINES

COVID-19 has exposed the need for quicker regulatory approvals of medicines.

This has been a systemic problem within the drug approval process for years but also applies to medical devices and supplies in some cases. FDA rules have prevented non-legacy industries from providing vital medical supplies when hospital services were most in need of them, making procurement unnecessarily difficult.

We need an urgent audit of all drug, device, and supplies approval procedures, with the explicit aim of more agile approval frameworks. Mutual recognition of all OECD regulatory approval bodies would also lead to faster access for patients globally.

Those regulations that were shown to be harmful during the coronavirus crisis should be completely reviewed.

As part of an easing of trade relations between the European Union and the United States, we believe that there ought to be mutual recognition of medicine approved by the European Medicines Agency (EMA) and the Food and Drug Administration (FDA).

This would allow patients from both sides of the pond to benefit from medical innovation, and allow for best practice exchanges between medical safety agencies.





FLEXIBLE HEALTHCARE INSURANCE MODELS

The novel coronavirus pandemic has exposed structural deficiencies in our health insurance model, particularly with regard to uncertainty for individuals who may end being between jobs.

- Where possible, individuals should be allowed and encouraged to contract with their own private healthcare insurance to cover their needs. This would help reduce the overall cost of public healthcare systems and increase the pooling of risk that would deliver better and more affordable care to patients.
- Direct Primary Care subscription plans should be allowed in tax-deductible Health Savings Account plans to incentivize consumers to contribute to their healthcare and provide insurance options outside employer insurance. This would also increase preventative care and help contribute to a healthier society.



REPEAL CERTIFICATE OF NEED LAWS

to increase innovation in the healthcare sector

At present, 35 states and the District of Columbia have Certificate of Need laws. These rules were intended to better regulate the construction of healthcare facilities and distribution of healthcare capital to avoid wasteful spending, but have resulted in a static and severely restricted healthcare sector.

These restrictions amount to a near-monopoly in many areas, and have made response to the pandemic slow and cumbersome.

By requiring new hospitals to demonstrate a “need” before construction, this grants a virtual monopoly to existing healthcare facilities, cuts down on innovation, and we now know they slowed down the initial response to the coronavirus.

A study published by the Mercatus Center at George Mason University found that states with Certificate of Need Laws have, on average, 131 fewer hospital beds per 100,000 people.

We suggest the following:

- *In this current pandemic, 22 states have already suspended CON laws in some form, and they should consider minimizing or eliminating these programs altogether.*



MODERNIZATION OF ALCOHOL POLICY AND FOOD DELIVERY

Making food and beverage delivery legal for consumers and businesses

Delivery services have proven essential to provide consumers with food, and give businesses the opportunity to generate income during a lockdown situation. However, restrictions on such services have left consumers and restaurants without options under the lockdown orders.

In reality, consumers love the sharing economy, and workers are provided the choice to pick and choose from different employers, as long as the environment is competitive. Innovations such as “no-contact delivery” have shown that these platforms have the ability to flexibly respond to environmental changes. Rule-makers should see the sharing economy as a vital part of consumer choice.

Certain delivery restrictions have been lifted, for instance with regards to alcohol. These ought not to be reintroduced. Age verification tools help prevent alcohol abuse by minors, and the delivery options are safer for consumers during a pandemic. The convenience of deliveries is also a part of consumer choice.



MODERNIZATION OF ALCOHOL POLICY AND FOOD DELIVERY

Eliminating minimum taxes and dismantling state alcohol monopolies

With more people forced to stay at home, many inadequacies in alcohol laws have been made clear for millions of consumers. Therefore, we need modernized alcohol policy to avoid the inefficiencies and higher prices that come from outdated regulations.

The federal government collects Federal Alcohol Excise Taxes on all sales of beer, wine, and spirits, and states and localities also collect their own taxes on the sales of alcohol. Because these taxes increase prices for both restaurants and consumers, they should be repealed in favor of more competitive and affordable alcohol pricing. Doing so would also help alleviate the pressure on restaurants and other establishments that have been ordered closed during the pandemic, and help draw consumers back to these establishments once economies open up.

Added to that, as the cases in states such as Pennsylvania and North Carolina have shown, state monopolies on the sale of liquor increase costs for consumers and reduce convenience for everyone. Alcohol boards that control and set prices for alcohol end up increasing prices and severely restricting consumers' choices. In many states, this puts local distilleries at a disadvantage, not allowing them to freely serve and sell their spirits to the public.

States should look to modernize their alcohol laws to focus on consumer convenience, choice, and affordability. As mentioned previously, this also means allowing for curbside pick-up of alcohol beverages at restaurants and bars, and delivery of alcoholic beverages to consumer households.





LEGAL REFORM TO RESTRICT UNFOUNDED CORONAVIRUS LIABILITY LAWSUITS

One inevitable result of the pandemic we are seeing in real-time is the backlog of lawsuits entering our nation's courts related to liability.

In order to reduce the risk from abusive and bogus lawsuits, we need to quickly implement legal reform at both the state and federal level to ensure only legitimate claims of negligence can proceed.

- Institutions that follow the federal guidelines in protecting their employees and consumers should be protected from additional liability.
- Agreements that fall within Force Majeure clauses and are breached due to coronavirus should be classified as such.
- Our medical professionals should not be subject to malpractice lawsuits related to coronavirus treatments, especially considering the experimental and changing procedures that being adopted on a daily basis. These are protections our healthcare workers deserve.

These measures speak to a broader package of legal reform that we believe are pivotal to protecting consumers and individuals in our justice system.

With more abusive and frivolous lawsuits will come higher costs for consumers, clogged courts, and less justice for those who truly deserve it.

We support the U.S. Chamber of Commerce's Institute for Legal Reform's legislative recommendations that would better define liability and help keep unfounded and abusive civil lawsuits out of our nation's courts.



RECIPROCITY OF PROFESSIONAL LICENSES

across national and state borders

Occupational licenses exist for a whole host of professions. These licenses are intended to demonstrate competence, education, and skills. Excessive occupational licensing is itself an issue that should be examined by legislatures.

One major issue for standard professional licenses (medical professionals, educators, electricians, etc.), however, is that these licenses are issued by local jurisdictions (counties, states, countries, etc.) and are thus not generally recognized in other jurisdictions.

High barriers to entry for professionals who hold licenses in other jurisdictions are unreasonable, raising costs for consumers and limiting the mobility of highly educated and trained people.

We would recommend the reciprocity of professional licenses across state and national borders, especially for all OECD countries.





EASING RESTRICTIONS ON SHARING ECONOMY SERVICES

Millions of Americans use peer-to-peer apps for daily tasks, travel, rides, and various services.

During the present crisis, that's been scaled back. In some areas, services like these have been even temporarily banned or heavily restricted by governments, leaving workers and entrepreneurs without additional options they would otherwise enjoy to improve their lives and earn income.

The sharing economy empowers both consumers and entrepreneurs to creatively and collaboratively use or lend resources they otherwise wouldn't.

Examples include ridesharing, carsharing, homesharing, the sharing of tools, e-scooter rentals, storage space, dog-walking, parking, and many more.

Governments should take legislative steps to permanently legalize or ease restrictions on all sharing economy services to provide for both more options and services for consumers and more opportunities to earn money for entrepreneurs and owners.

With record unemployment across the country, giving people more access to sharing economy services would also provide much-needed income to families in need.



IMPROVING SUPPLY CHAINS WITH EASED RULES FOR RETAIL

Retailers have been faced with challenging times during panic-buying moments, but also through border closures throughout the world.

In an effort to prevent such problems in the future, countries should commit to immediate lane separation in times of crisis (on land and sea borders) between people and trade goods, in order to prevent supply chains from being interrupted.

Additionally, we have experienced that draconian price controls have not managed to provide better distribution of essential goods (such as hand sanitizers) – they have in fact produced the opposite result. Thus governments should introduce legislation preventing price control legislation under any circumstances.

We see a similar necessity in the range of price-gouging legislation, which instead of bringing down prices, impose scarcity on consumers. While uncomfortable, price hikes guarantee a supply chain and competition on the consumer marketplace.

Preferring hoarding to price gouging amplifies the problem of panic-purchases.

Private sector players such as retailers and online shops have reacted independently and without government intervention by focusing on delivering essential products and limiting the quantity of how much one household can buy at once of certain products.





GUARANTEEING FREE TRADE EVEN IN TIMES OF CRISIS

The COVID-19 situation has revealed that a number of essential goods, such as ventilators or medical-style face masks had previously been burdened with tariffs. Removing many of these trade barriers has been helpful during the crisis, yet these measures are equally unnecessary outside the realms of the novel coronavirus. We ought to endorse both mutual trade agreements, as well as unilateral trade liberalization.

"A commitment to free trade without exception would be most beneficial to consumers and society as a whole."

Tariffs are burdens not only on companies wishing to export but also on consumers in the country that imposed them, as they are required to buy for an arbitrarily higher price.

Cooperation through trade remains important in both crisis times and regular economical flow.

A commitment to free trade without exception would be most beneficial to consumers and society as a whole.



REVOLUTIONIZING MEDICAL RESEARCH

through incentivized gene-editing tools

Synthetic biologists have started using CRISPR to synthetically create parts of the coronavirus in an attempt to launch a vaccine against this lung disease and be able to mass-produce it very quickly.

In combination with computer simulations and artificial intelligence, the best design for such a vaccine is calculated on a computer and then synthetically created. This speeds up vaccine development and cuts it from years to merely months.

Regulators and approval bodies have shown that in times of crisis they can also rapidly approve new testing and vaccination procedures which usually require years of back and forth with agencies such as the FDA.

CRISPR also allows the 'search' for specific genes, also genes of a virus. This helped researchers to build fast and simple testing procedures to test patients for Coronavirus.

In the long term, gene editing might allow us to increase the immunity of humans by altering our genes and making us more resistant to viruses and bacteria.

This won't be the last crisis, thus allowing for medical research and use of genetic engineering is key to advance human health.



EASING RESTRICTIONS IN THE TRANSPORTATION SECTOR TO ALLOW MORE COMPETITION

with revamped regulatory measures

In the realm of aviation, we need to allow non-American investors to become majority shareholders of an airline, as well as allow more mergers of U.S. airlines and allow foreign companies to own the majority share of US domestic carriers.

This will create companies that are able to compete in a new aviation market after the crisis. Additionally, we need to reduce slot fees for the next 3 years in order to help airlines serve consumers in airports which might not be immediately profitable

.In the passenger rail market, we should fully introduce liberalization that would benefit not only consumers but also industries.

Allowing private competitors to Amtrak would help improve services, better connect our communities, and lower costs for travel.

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