

CONSUMER CHOICE CENTER

CONSUMER INNOVATION MANIFESTO

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



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The Consumer Innovation Manifesto lays out a comprehensive plan for revamping consumer policies 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 defence of consumer choice.

The Consumer Innovation Manifesto suggests key regulatory changes that improve consumer well-being post-Coronavirus, partially by cementing in those rules that have been temporarily disabled. Overall, we believe that all rules and regulations that have been put on hold temporarily need to be opened for review. 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 TO USHER IN A NEW AGE OF CONSUMER CHOICE"

- Fast and easy access to medicine (non-prescription drugs in retail and delivery, prescription medicine with an online prescription through delivery);
 - Fast-tracking regulatory approvals of medicine;
 - Healthcare insurance models that allow for flexibility and for reactivity in crisis situations;
 - Mutual recognition of EMA and FDA approvals;
 - Reciprocity of professional licenses across national and state borders;
 - Key policy changes for improved broadband connection, through competition and incentivised innovation;
 - Securing cybersecurity rules in a more connected professional and personal world;
 - Improving supply chains with eased rules for retail
- Guaranteeing free trade even in times of crisis



- Allowing for more harm reduction tools as a means of reducing immunosuppression;
- Revolutionising medical research through incentivised gene-editing tools
- Modernising and fast-tracking agriculture in times of need (agrotechnology);
- Making food and beverage delivery present and established tools for consumers and businesses;
- Relaunching transport sectors with revamped regulatory measures;



FAST AND EASY ACCESS TO MEDICINES

(non-prescription drugs in retail and delivery, prescription medicine with an online prescription through delivery)

The country-wide lockdown policy has exposed the necessity for changes in the way in which patients access medicine. Reducing the pressure on pharmacies is not only vital in times of crisis -- pharmacies should transition to providers of prescription medicine, as opposed to monopoly-holders on non-prescription drugs. Therefore, most non-prescription medicine should be available in regular retail stores, such as supermarkets.

The social distancing measures during COVID-19 have sparked a new wave of remote consultations, be that online or over the phone. However, patients were still in need of picking prescription medicine up in brick-and-mortar pharmacies. Rules restricting the sale of prescription medicine online ought to be lifted. At the same time, electronic prescriptions should be accepted across the European Union and be as easy to use as regular email. Forcing patients to have to go to a doctor to renew a prescription is in many cases unnecessary.





FAST-TRACKING REGULATORY APPROVALS OF MEDICINE

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. In the United States, 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. In the Czech Republic, the sale of respirators was held up due to bureaucratic processes.

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.

HEALTHCARE INSURANCE MODELS THAT ALLOW FOR FLEXIBILITY AND FOR REACTIVITY IN CRISIS SITUATIONS

The Novel Coronavirus pandemic has exposed structural deficiencies in our health insurance model, particularly with regard to uncertainty for employees.

- Where possible, individuals should be allowed 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.



FDA
APPROVED

MUTUAL RECOGNITION OF EMA AND FDA APPROVALS

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.

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.



KEY POLICY CHANGES FOR IMPROVED BROADBAND CONNECTION

through competition and incentivised innovation

As soon as heightened internet use had been an occurrence during the COVID-19 crisis, internet users found out that their networks were not up to speed. Many consumers who were already dissatisfied with their existing network speed, soon found themselves in problematic professional situations due to slow connectivity. In order to improve broadband connection and foster innovation, changes are necessary. Some of these issues are due to the old regulations which restrict the spectrum licences from being really developed giving them the best broadband possible.

We suggest the following points:

- *A universal, market-based mechanism for spectrum allocation. Restrictions on who is allowed to bid on spectrum should be removed for trusted vendors, and cross-border investment should be encouraged as to prevent legacy operators from dominating spectrum markets in their respective nations.*
- *Spectrum should be auctioned within member states within a fixed timeframe from allocation to the nation, as to avoid delayed processes and the development of regional inequalities in investment and innovation.*
- *The European Union should adopt unlimited term licenses on spectrum auctions and facilitate the operations of secondary markets in spectrum licenses, with a fee on sales as revenue-raising tools. We also recommend providing sufficient investment incentives (such exemption from taxation) for those companies that have made R&D decisions surrounding the quality of broadband and 5G.*

SECURING CYBERSECURITY RULES IN A MORE CONNECTED PROFESSIONAL AND PERSONAL WORLD

A large number of hacker attacks during the COVID-19 crisis need to put us on alert. Public and private services should not be subject to online fraud and data theft because of a lack of cybersecurity, and consumers should feel comfortable browsing the net and using financial services without fearing for their hard-earned income.

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 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 liberalisation. 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."

REVOLUTIONISING MEDICAL RESEARCH

through incentivised 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 the use of genetic engineering is key to advance human health.



MODERNISING AND FAST-TRACKING AGRICULTURE IN TIMES OF NEED

(agro-technology)

In order to give farmers and consumers food security after COVID-19, modern agricultural technology deserves to be given a boost. Unfortunately, many countries have blocked innovation in crop science by restricting certain technologies of genetic engineering.

By applying the precautionary principle to entire technologies, as opposed to evaluating results on a case by case basis, consumers are being limited from the innovation that systems such as CRISPR-Cas provide (gluten-free wheat, allergen-free nuts, etc.). Adding to that, genetic engineering has the ability to reduce water and land use, helping the efforts in the fight against climate change.



MAKING FOOD AND BEVERAGE DELIVERY PRESENT AND ESTABLISHED TOOLS 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 hanging -- a result of overregulation of the free-lance sector.

In reality, consumers love the sharing economy, and workers are provided with 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. This fall under the category of #NeverNeeded, and 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.

RELAUNCHING TRANSPORT SECTORS WITH REVAMPED REGULATORY MEASURES

To relaunch the transport sectors Europe should get rid of regulations dating back to the 1990s.

In the realm of aviation, we need to allow non-EU investors to become majority shareholders of an airline, as well as allow more mergers of intra-European airlines, in order to create companies which 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. Last, we should also waive passenger departure fees for the next 5 years.

In the rail market, we should fully introduce the liberalization of the sector which will benefit not only consumers but also industries. The Italian example shows how competition unleashes the potential for more efficient and user-friendly transport going forward.

For consumers, a combined effect of modal shift from other transportation modes (e.g. reduction of 1 billion pax x km on the Milan-Rome route by plane) and the unleashing of strong and previously hidden demand led to an increase of 69 per cent in pax x km between 2011 and 2018, that was driven by higher frequencies and more connections and supported by the evolution of the high-speed network, which ensured a shorter travel time on the main rail corridor (Turin-Milan-Rome-Naples). Also contributing to the growth in demand was the addition of high-value features for passengers both onboard (e.g., food, newspaper, wi-fi) and in the stations (e.g., dedicated lounges for loyal customers). Adding to that, digitalization and multimodal integrated platforms have been enabling factors of the enhanced customer experience, evolving the travel concept from point to point to door to door.

For rail operators, the effect of competition has been the overall increase of the market revenue pool (increasing by 47 per cent between 2011 and 2018). The pressure on pricing (e.g., about 20 to 25 per cent yield reduction on routes in competition) has been more than compensated by the increased demand. Specifically, the average load factor remained stable around 50 per cent, despite the additional offering (an increase of 67 per cent in seats x km) deployed by the two main players.



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