

BUSINESSEUROPE



Priorities for the Transatlantic Economic Council 2007

The U.S. Chamber of Commerce and BUSINESSEUROPE are the two largest business associations in the world whose members represent the majority of trade and investment between the United States and the European Union. The two organizations have formed a strategic partnership that sets out to achieve an efficient transatlantic market through the elimination of existing, and avoidance of new impediments to trade and investment between the two economies.

The U.S. and the EU at its Summit in 2007 established a wide range of areas for cooperation. BUSINESSEUROPE and the Chamber urge that the first meeting of the Transatlantic Economic Council (TEC) on November 9, 2007 should take verifiable, concrete steps towards addressing the following issues:

Viability of U.S. - EU Cooperation and the Transatlantic Economic Council

In the past, U.S - EU regulatory cooperation dialogues have failed to generate enough political support to sustain momentum and achieve substantial results. With the TEC in place there is a window of opportunity to build an effective framework for cooperation across all regulatory authorities in the U.S. and the EU to remove existing impediments and prevent the formation of new rifts in the transatlantic market.

A successful first TEC meeting should produce: a) a report that outlines the progress to date; b) an ambitious program of work going forward; c) a plan to institutionalize regulatory cooperation between U.S. and EU regulatory authorities; and d) a schedule of milestones for 2008. Additionally, the TEC needs to develop a transition plan for keeping regulatory cooperation at the forefront of U.S - EU economic relations in the next U.S. Administration and EU.

Fostering Cooperation and Reducing Regulatory Burdens (Annex1)

The TEC should oversee negotiations on an agreement between the U.S. and the EU on the methodology to be used for developing future regulations. Such an agreement is critical to address the persistent divergence in the two regulatory approaches which is at the root of the problem and results in many of the transatlantic impediments the TEC seeks to address. Common methodologies would be a significant achievement to ensure future regulations produced on either side of the Atlantic are more compatible. Such an agreement should address: differences in impact assessment, cost-benefit analysis, and the disparity in timelines and transparency of the two processes. As a baseline, regulators should aim to ensure that transatlantic economic impacts are considered for all new regulations.

Intellectual Property Rights (Annex 3)

Strong protection of intellectual property rights is a fundamental requirement for the continuing success of the U.S. and the EU economies. The TEC should instruct the U.S. / EU Intellectual Property Working Group to deliver the objectives outlined in the April 30th agreement. The TEC should also direct the working group to develop principles and an action plan for expanding the working group's focus beyond IP enforcement to include emerging concerns regarding compulsory licensing of IPR.

Investment (Annex 4)

Freedom to invest in each other's economies is a hallmark of the transatlantic economic relationship. Transatlantic investment creates jobs, facilitates the expansion of companies and stimulates innovation. The intimate involvement of our companies in each others economies is a huge stimulus for competitiveness, contributing to our success in global markets. The TEC should develop a strategy to guarantee open investment policies among OECD countries as mandated by the G-8 and develop stronger dialogues with emerging economies to promote an open global market for international investment.

Secure Trade (Annex 5)

The European Union's Authorized Economic Operator (AEO) program and the U.S. Customs-Trade Partnership against Terrorism (C-TPAT) have the same objectives of rewarding companies who make concerted efforts to improve their supply chain security. Mutual recognition of these programs would allow governments to extend the pool of companies that adopt strict security measures, while reducing the administrative burden of double certification. At the November meeting, the TEC should announce a date by which that the two programs will be mutually recognized and then ensure that the appropriate agencies meet the deadline. The TEC will also need to find ways to redress the imbalance between trade and security imposed by U.S. legislation requiring 100% cargo scanning.

Financial Markets (Annex 6)

The TEC should ensure that the U.S. and the EU reconcile the differences between International Financial Reporting Standards and the U.S. Generally Accepted Accounting Principles. Convergence of accounting standards will enhance transparency for investors and reduce administrative burdens for U.S. and European companies. Similarly, the TEC should devote adequate resources to facilitate convergence of auditing standards and enforcement mechanisms. The TEC should also further efforts towards bridging regulations within the transatlantic insurance market.

Innovation and Technology (Annex 7)

The TEC should establish working groups for the emerging commercial technologies identified in the April 30th agreement. Each working group should be comprised of the appropriate U.S. and EU regulators as well as the private sector. Each working group should be charged with developing a program of work that promotes regulatory cooperation and compatibility. TEC should approve the program of work of each working group and review the progress on a semi-annual basis.