



Mr. Günter Verheugen
Vice President
Commissioner for Enterprise & Industry
European Commission
B-1049
Brussels, Belgium

Mr. Dan Price
Assistant to the President for
International Economic Affairs
The White House
Washington, DC

Dear Mr. Price, Dear Vice-President Verheugen,

BUSINESSEUROPE and the U.S. Chamber of Commerce have formed a strategic partnership to support the implementation of the 2007 Framework to Advance Transatlantic Economic Integration, including strong support for the Transatlantic Economic Council (TEC). An integrated transatlantic market would enhance economic growth on both sides and transatlantic regulatory cooperation would carry immense weight in global discussions on regulatory cooperation, equivalence and convergence.

Priorities for the next TEC meeting

The first meeting of the TEC has given considerable cause for optimism that this process will deliver meaningful results for the transatlantic economy. Implementation of the commitments made on November 9 must now be the top priority for the TEC. We have given our full backing to your efforts and put our resources at your disposal to assist you wherever we can. The following represent our shared priorities for delivery at the next TEC:

Regulatory Cooperation

Advancing horizontal regulatory cooperation remains the top priority for BUSINESSEUROPE and the US Chamber. The work on methodologies for assessment of trade and investment impacts is a very welcome first step. The Office of Management and Budget (OMB) and the European Commission (EC) should take the comments and feedback received to those comments and work to implement as many recommendation as possible in 2008. We draw your attention to the comments filed by both BUSINESSEUROPE and the U.S. Chamber. The OMB-EC dialogue should also look to other projects in the future on issues related to quality of science and data and risk

assessment. The parties to TEC should not lose sight of the importance of an agreement on the basic principles of rule-making that affect every industry and every consumer.

Vertical Issues

In the sectoral dialogues reasonable compromises should quickly be found for a number of issues including: recognition of alternative testing for cosmetics, electrical equipment (supplier's declaration of conformity) and pathogen reduction treatments for poultry.

Mutual Recognition of business-government secure trade initiatives

The TEC must reach agreement on mutual recognition of the Customs-Trade Partnership against Terrorism (C-TPAT) and Authorised Economic Operator (AEO) no later than the first quarter of 2009 and, if possible by end-2008. This should be achieved in full consultation with the business community, as companies need more detailed information and legal certainty about the modalities in order to avoid double certification, compliance gaps and unnecessary administrative burden.

Accounting Standards

The resolution of the accounting standards issue is welcome evidence that TEC can deliver results. The TEC must now support efforts by the European Commission and the SEC with the Japanese authorities to work with the International Accounting Standards Board (IASB) to improve transparency of the standard-setting process. The EU side must also follow through and recognize US GAAP.

Investment Facilitation Measures

We applaud the creation of the Investment Dialogue and look forward to supporting its work. The dialogue should seek to prevent the emergence of new barriers to investment and coordinate positions on state-controlled financial vehicles in the discussions in the IMF and the OECD. TEC should make sure we do not restrain the flows of investment across the Atlantic or from third countries in the U.S. or European Union.

New issues for the TEC agenda

In addition to delivering results on the issues currently on the agenda, the TEC needs to begin planning its future work. **BUSINESSEUROPE** and the Chamber suggest the following items be discussed and added to the TEC agenda either at its next meeting or during the EU-US Summit in June:

Insurance Regulation

Insurance markets play a vital role in mitigating risk in the transatlantic market. An integrated insurance market would have a positive impact by reducing costs to the wider economy. **BUSINESSEUROPE** and the Chamber call for the establishment of a transatlantic dialogue on insurance issues to cover the European Union's draft Solvency II Directive and the state-based approach the U.S. takes on reinsurance.

Intellectual Property Rights/Compulsory Licensing

BUSINESSEUROPE and the Chamber have previously communicated to the TEC on the importance of intellectual property rights and how central such protection is to 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 2007 agreement and the TEC should also direct the working group to develop principles and an action plan for expanding its focus beyond IP enforcement to include emerging

concerns regarding compulsory licensing of IPR. Finally the TEC should endorse the International Anti-Counterfeiting and Piracy Agreement that is currently supported by both USTR and DG Trade.

100% Scanning

Facilitation of trade and enhancement of security must be the priority for EU-US cooperation in the customs field. BUSINESSEUROPE and the Chamber have expressed particular concern about U.S. legislation on requiring scanning of 100% of containers entering U.S. ports prior to departure. This measure undermines a risk-based approach to security, is technically problematic and involves an unfair distribution of the financial burden. The TEC must do all within its competence to address this issue in a way that provides legal and practical certainty for companies at the earliest possible date.

Adherence to international standards

The TEC should incorporate the major standards and conformance bodies from the US and EU, the American National Standards Institute (ANSI) and the three European Standards Organizations into its formal advisory group. In several areas of the current and likely future TEC agenda, standards and conformance are critical. U.S. and EU standardization is led by the private sector and governments best regulate when they reference internationally accepted private sector standards and conformance mechanisms. For this reason, groups like the existing ANSI-ESO dialogue should be named to the TEC advisory group and provide leadership to the TEC in the area of standards and conformance.

TEC as an “Early Warning” Mechanism

The TEC needs to establish itself as a conduit for discussions between both governments where legislative and regulatory activities have the potential to impact transatlantic economic relations. For instance, BUSINESSEUROPE and the Chamber believe that there is great potential for limiting regulatory divergence for the commercial application of emerging technologies. In these areas regulatory approaches, if needed, remain undefined. Cooperation at the early stages between potential regulators on both sides offers huge potential to avoid the barriers created by differing approaches.

Another concern is the fact that debates are under way in both the U.S. and the European Union on the treatment of carbon-intensive imports as part of potential plans to address carbon emissions. These discussions raise very serious questions in the business community. First, emissions controls should not be designed in such a way as to undermine industrial competitiveness and hence require compensatory measures at the border. Second, such approaches risk prompting retaliatory measures by our trading partners and may create serious administrative challenges. The TEC can play a role in leading transatlantic policy discussions on this issue, which could considerably affect our economic relations.

On a similar theme, cooperation to establish consistent standards for biofuels has been identified as, and should continue to be, a priority. BUSINESSEUROPE and the US Chamber applaud the work of the Tripartite Taskforce on biofuels standardisation. In the future the TEC should give early warning on potentially misaligned assessments of the sustainability criteria and well-to-wheel greenhouse gas emissions for different biofuels in different regions. Governments must enable a level regulatory playing field that creates a global market for sustainably-produced biofuels.

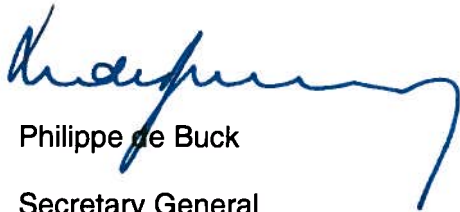
Organisational issues

Finally, **BUSINESSEUROPE** and the Chamber encourage the TEC to build on its momentum and deliver on its agenda as much as possible this year. It is vital that the TEC not allow the U.S. election calendar and change in Administration to slow progress. To ensure the TEC's momentum and keep it the central economic priority for the next U.S. Administration we suggest the following:

- The TEC should hold a second meeting in Washington, D.C. after the November election and include key representatives of the next Administration's transition team. Such a meeting would ensure better continuity and increase the likelihood that TEC has a productive 2009.
- The declarations coming out of the 2008 U.S.-EU Summit should explicitly reference the TEC's work, its progress to date, formally endorse its program of work, and set out deliverables for the TEC to achieve and report out at the 2009 U.S.-EU Summit.

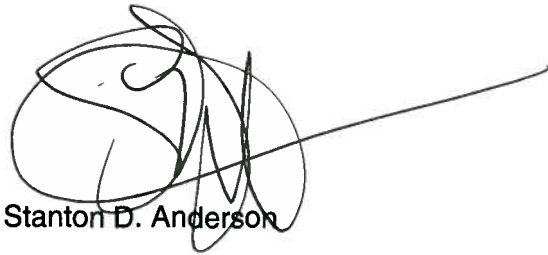
Both organizations stand ready to support TEC in its essential activities.

Yours sincerely,



Philippe de Buck

Secretary General
BUSINESSEUROPE



Stanton D. Anderson

Senior Counsel to the President & CEO
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