



**Transatlantic Business Priorities for the Transatlantic Economic Council
October 2007
(corrected copy)**

The TransAtlantic Business Dialogue (TABD) is pleased to submit the following business priorities to the Transatlantic Economic Council (TEC) in advance of its first formal meeting on November 9, 2007. In accordance with government expectations of the leadership role the TABD would play as an Advisor to the TEC, this submission is the product of a consultative process with companies and business organizations on both sides of the Atlantic undertaken over the past four months. We have also benefited from extensive contacts and exchanges with the TransAtlantic Consumer Dialogue and the TransAtlantic Legislators' Dialogue. This submission, therefore, reflects consensus views on behalf of the transatlantic business community, as well as some elements of complementary thinking among the three Advisory Dialogues.

Observation on the Strategic Role of the TEC.

The Summit Leaders' creation of the TEC offers a huge opportunity for government, business, consumers and legislators to give concrete meaning and voice to the shared vision of US-EU economic integration as an effective catalyst for transatlantic jobs, growth and prosperity. Inclusion of transatlantic business, consumers and legislators as advisors to the TEC is a clear reflection of the ever closer, deeply integrated, and at times complicated, relationship we have with one another at all levels. The purpose of the TEC is to implement the Framework Agreement and provide a much-needed political impetus to those responsible for removing obstacles and resolving disputes that inhibit closer transatlantic economic integration. The challenge for the TEC, however, is to not get "lost in the weeds" of specific issues but rather to adhere to the priority areas identified in the Framework and remain strategic in vision. This is where the greatest gains can be made that will lift transatlantic cooperation to a higher plane.

The Framework covers a full range of issues, but certain ones, such as energy, are being approached primarily by parallel mechanisms (see 2007 US-EU Summit Statement on Energy Security, Efficiency, and Climate Change). Furthermore, the Framework covers the free movement of goods, services and capital, but the free movement of people is currently omitted. The ability of American and European companies to move skilled workers and senior executives across the Atlantic is essential to make transatlantic economic integration work. TABD will be using its annual cycle of recommendations to the US-EU summit to present ideas in relation to these and other emerging topics.

Consultative process undertaken.

In mid-summer, TABD launched a web-based consultation calling for business and industry associations, companies and other interested organizations to submit their views on the goals and specific work items identified in the April 30, 2007 Framework Agreement.

Attachment 1 summarizes these views. To view the industry recommendations in full, please consult the *TEC Industry Consultation* page on www.tabd.com. In addition, TABD has worked closely with many companies and business organizations in Washington and Brussels to further develop comments, suggestions and ideas for making the TEC a success. TABD is grateful to BusinessEurope and the US Chamber of Commerce for participating in the Washington-based consultative process and for organizing a widely attended meeting in Brussels at which a variety of business organizations spoke about their TEC priorities.

We believe this submission captures the majority of transatlantic business issues, but we also recognise that there are inevitably some gaps. The EU Commission and US Government are also aware of TABD's long-standing position in support of dual-labelling using both metric and Imperial units of measure, and we welcome action by the TEC in this and other areas not proposed here.

TABD Recommendations to the 2007 Summit and TABD Initial Goals for the TEC.

In its 2007 Report to the Summit Leaders (see *Attachment 2*), TABD called for a specific agreement to be entered into between the European Union and the United States to create a Barrier-Free Transatlantic Market. We welcome the Framework Agreement as a sign of clear intent towards this end. Our recommendations contained in the 2007 Report focused on six priority areas which we believe are the key building blocks for transatlantic economic integration. They are:

- Regulatory Co-operation
- Investment
- Secure Trade
- Financial Markets
- Intellectual Property Protection
- Innovation and Technology

TABD further elaborated 16 practical actions falling under these headings that could be taken up by the TEC as initial priorities. (See *Attachment 3*, "TABD Initial Priorities for the TEC," dated June 8, 2007.) Based on the advice and recommendations of our colleagues in the transatlantic business community, we are even more convinced that these are, indeed, the issues of highest priority. We welcome the fact that the Framework highlights each of these as Lighthouse project areas and addresses them in the key annexes.

Transatlantic Business Priorities for the TEC.

We believe that the clear consensus of the transatlantic business community is that the work of the TEC is to implement the Framework Agreement and that this should proceed in four steps. We call for the following actions to be taken:

1. Announce agreements for immediate and specific early implementation:

- Regulatory Cooperation: Implement and apply the agreed 2002 Guidelines on Regulatory Cooperation and Transparency which, among other things, require early warning through notification of anticipated new regulations and completion of impact assessments for all proposed regulations that takes into account the effect of the regulation on transatlantic trade and investment. Agree on accelerated harmonization of automotive standards within the framework of the

UN-ECE Agreements of 1958 and 1998 notably in the area of vehicle safety and also agree on additional immediate cooperative mechanisms to take forward automotive sector regulatory convergence. Agree on alternative non-animal testing methods for the purposes of cosmetics regulation. In addition, agree and make publicly available a schedule of regulatory cooperation activities through 2008.

- Investment: Launch the Transatlantic Investment Dialogue.
- Financial Markets: Agree on regulatory equivalence of accounting standards for 2008 delivery.
- Secure Trade: Agree on a roadmap to achieve mutual recognition of AEO and C-TPAT by 2009 or earlier.
- Innovation and Technology: Agree to proceed jointly to develop standards for biofuels.

2. Direct and provide oversight of work plans setting out specific actions to be taken in each of the six agreed Framework priority areas. Require timeframes be established to coincide with the schedule of 2008 TEC and Summit meetings:

- Regulatory Cooperation: Agree on consolidated transatlantic regulatory impact assessment methodology in 2008 and define the steps necessary to complete this agreement no later than the 2008 US-EU Summit. Agree to the development of a common regulatory framework for nanotechnologies.
- Investment: By the end of the 1st quarter 2008, agree on the content areas, the milestones and the immediate actions for the Investment Dialogue, including standards for review of security implications of potential transatlantic investments and a genuine transatlantic open sky agreement.
- Financial Markets: Define necessary steps to be taken in 2008 to achieve recognition of equivalence of securities offering and listings rules; convergence of securities intermediary and trading regulation; US implementation of Basel II banking regulation; US insurance regulation equivalence for the purposes of EU Solvency II insurance supervision.
- Intellectual Property Protection: Agree on US patent system reform to enable “first to file” protection and develop an agreed roadmap for change. Expand the successful US-EU joint work program to tackle counterfeiting crimes to include consideration of how to deal with emerging challenges to IPR protection and innovation in developing countries.
- Innovation and Technology: Define steps necessary to achieve interoperable standards and privacy guidelines to facilitate the global application of information technology in healthcare; converge regulatory regimes relating to approval and manufacturing processes for innovative healthcare products; substantially expand EU consumer access to information about legal pharmaceuticals; and define and converge harmonized policies and standards for e-accessibility. These recommendations are the product of the first-ever transatlantic conference on healthcare innovation, identified as a “Lighthouse project” and convened by the TABD in May 2007. The conference report with the full list of recommendations is included as *Attachment 4*.

3. Resist measures that make it more difficult and costly for businesses to operate in the transatlantic market, particularly in the crucial area of security

and trade:

- Raise awareness of impact assessment and risk based approaches to movement of people and cargo and agree on consolidation of US homeland security measures into a proportionate whole.

4. Maintain strategic focus and promote transatlantic economic integration as an effective catalyst for transatlantic jobs, growth and prosperity:

- A joint strategic analysis should be prepared setting out what is the size and importance of the transatlantic economic opportunity and what could be achieved through combined efforts promoting transatlantic best practice globally.

Looking Ahead.

As the work of the TEC proceeds, TABD recommends the following actions be taken to improve transparency and expand outreach to stakeholders:

- Promptly report TEC actions and work plans, possibly using a public website. TABD stands ready to contribute to such a capability and urges as much information as possible be provided to the public.
- Expand outreach and engagement with the TransAtlantic Legislators' Dialogue, including in this the relevant subject matter committees of Congress and the European Parliament; encourage the availability of funding for additional Executive-Commission and Congressional-European Parliament exchanges in order to facilitate regular dialogue on transatlantic economic and business issues.
- Expand outreach and engagement with the TransAtlantic Consumer Dialogue, with particular emphasis on collaborative work in new areas of possible regulation.

For its part, TABD pledges to continue its role as a thought leader in shaping transatlantic economic relations. As noted, in May 2007 the TABD convened a high-level conference to examine transatlantic innovation in the healthcare sector. In late October 2007 we are co-hosting a conference on facilitating secure transatlantic trade. We will build on this work in 2008, in addition to our traditional policy recommendations developed and delivered in Davos (January 2008) and at the time of the annual US-EU Summit. (See *Attachment 5* for the current roster of TABD member companies.)

In conclusion, TABD commends the high level of commitment demonstrated by its fellow Advisors and the transatlantic business community. While we are all "just getting started", we have managed to work in a coherent and collegial fashion, as evidenced by the range and frequency of our contacts and some commonality of priorities for the TEC. We look forward to on-going collaboration and partnership with all interested parties as we pursue the laudable aims of the Framework agreed in April 2007.

Attachment 1: Summary of web consultation on business recommendations to the TEC

Attachment 2: TABD 2007 Recommendations to US-EU Summit Leaders

Attachment 3: TABD Initial Goals for the TEC, dated June 8, 2007

Attachment 4: TABD Innovation Healthcare Conference Report, May 8, 2007

Attachment 5: TABD Membership