



Progress Made, More Results Needed ***Progress Report on the State of the Transatlantic Commercial Relationship***

The U.S. Chamber of Commerce and BUSINESSEUROPE have formed a strategic partnership to advance the work of the Transatlantic Economic Council (TEC) with the aim of deepening the U.S.-EU commercial relationship and addressing impediments to an integrated market. This document is the second in a series of joint reports on their progress.

The Chamber and BUSINESSEUROPE believe the TEC has injected dynamism into the EU-U.S. economic relationship and delivered on the promises it set at its November 2007 meeting. In short, there is real improvement and the TEC is working; more work has been done in the last six months in support of transatlantic cooperation than in the last five years combined.

Now is the time to redouble our efforts. The TEC must bring to a conclusion those issues it has moved forward – and we remind leaders that our brochure *Unleashing the Transatlantic Economic Relationship* calculates the value of the current agenda at more than \$10 billion/€6.4 billion. The TEC must also outline an ambitious agenda for the coming years and take concrete steps to deliver more results and bring greater, more systematic alignment to our regulatory processes.

The commitment to the TEC process is undeniable:

- The TEC co-chairs Günter Verheugen, Commission Vice President, and Daniel Price, Assistant to the President for International Economic Affairs, and their hardworking staff deserve to be congratulated for their commitment and hard work in accomplishing the goals to date. Their unprecedented level of engagement over the past months has paid dividends in terms of real political change.
- An increased engagement of legislative partners is welcome and most evident by the European Parliament's resolution of May 8th 2008 and the letter to the TEC from the U.S. leadership of the Transatlantic Legislators Dialogue of May 13th 2008. BUSINESSEUROPE and the Chamber will work with our parliamentarians and legislators to further deepen their vital involvement in this process as several transatlantic barriers will require legislative solutions.
- The strength of the participation in the May 13th TEC meeting by participating U.S. Cabinet officials and European Commissioners shows a continuing commitment to the process at the top level of our administrations.

However, too few people are bearing the transatlantic load. There are signs on both sides that important actors remain to be convinced of the value of the TEC process. Some U.S. regulatory authorities as well as voices within the EU Commission, Council, have not been active and willing supporters of the TEC. **The naysayers and doubters must not be allowed to impede progress.** Regulatory cooperation isn't a trade negotiation; no one should be keeping score. **A "win" on the TEC agenda is a "win" for all; such is the basis for any partnership. A broadening of support for the TEC across both governments is vital if the process is to develop further.**

Specific Observations

BUSINESSEUROPE and the Chamber are pleased that the TEC has delivered real progress on the core issues they have worked on in recent months. On issues such as poultry, supplier's declaration of conformity, cosmetics, secure trade, and accounting standards the TEC is living up to the commitments it made at its November 9th meeting.

We applaud the High Level Regulatory Cooperation Forum for its meaningful progress and for making its report to the TEC and all of the related documents public. We encourage stakeholders to view its work at ec.europa.eu/enterprise/enterprise_policy/inter_rel/tec/index_en.htm.

The statement and work of the investment dialogue is also most welcome, but it is important that next steps for the dialogue are visibly identified, including to begin work on more thorny bilateral investment issues.

The Chamber and BUSINESSEUROPE were also pleased that the TEC as well as U.S. Congressional representation within the Transatlantic Legislators Dialogue recognized the broad based transatlantic concern over the U.S. 100% cargo scanning legislation.

Continuity of the TEC

We are pleased that the TEC's existence is increasingly assured beyond the change of administrations in the U.S. and the EU. We welcome the announcement that the TEC will meet again this year in October and that it will use that meeting to hammer out a two year work programme with short, medium and long term objectives.

Communication, transparency and interaction with stakeholders

The TEC could be strengthened vis-à-vis stakeholders if it underscored all tangible results of the transatlantic economic cooperation initiative in its joint statement. We believe the TEC has a stronger success story to tell than it told in its May 13 statement.

The TEC has enhanced its interaction with stakeholders. The inclusion of insurance on the TEC agenda, the plan for TEC continuity and the detailed program of work underway with the Forum are all examples of this trend. **Nonetheless, considerable room for improvement remains, particularly with respect to transparency of the TEC process and announced roadmaps. While the Commission should be commended for creating a website, referenced above,** the full details of roadmaps such as mutual recognition of secure shipper programmes and patent harmonisation remain unpublished. Greater openness will only serve to strengthen the base of support for the TEC by clarifying its important contribution to removing complex regulatory hurdles.

The Way Ahead

Between now and the EU-U.S. Summit in Slovenia the following actions must be taken to continue momentum:

- The presentation of a detailed progress report covering the broad range of issues covered by the Framework but not addressed in the TEC's Joint Statement. The other reports and roadmaps agreed on May 13 must also be made public.
- The publication by the Commission of a proposal for legislation that will definitively resolve the poultry issue.
- The announcement by OSHA of its request for information on the issue of supplier's declaration of conformity.
- Provide greater legal certainty for companies affected by the issue of chemical regulation for cosmetics with a Commission proposal for legislation.

The TEC must also bring forward the numerous items on its broad agenda which have not yet been achieved – such as on alternatives to animal testing for cosmetics and EU follow-up on accounting standards. **Finally, while the TEC needs to focus on delivering results, stakeholders must also take concrete measures to move this process forward.** In particular we must do more than bring forward complaints and criticisms, and make detailed, concrete and solution-oriented submissions to the issues on the TEC's current and future agenda based on sound scientific and economic analysis.