

Restoring Transatlantic Leadership

President Joe Biden, European Commission President Ursula von der Leyen, and European Council President Charles Michel will meet in Brussels next month for the first U.S.-EU leaders' summit since 2014. The meeting is long overdue and represents an essential opportunity to reaffirm American and European leadership in addressing the biggest challenges we face—responding to the pandemic, jumpstarting the nascent global economic recovery, addressing climate change, ensuring digital connectivity, and countering China's anticompetitive practices at home and abroad.

The Summit also presents the perfect opportunity for the United States and the European Union to resolve several outstanding commercial disputes.

On behalf of our member companies and organizations—who employ hundreds of millions of employees on both sides of the Atlantic—the U.S. Chamber of Commerce and BusinessEurope call on leaders to:

- **Chart a course to rescind U.S. steel and aluminum tariffs and associated European countermeasures**
- **Agree on terms to resolve the large civil aircraft disputes and permanently lift the tariffs imposed in connection with them**
- **Reinforce bilateral cooperation in the manufacture and distribution of COVID-19 vaccines to demonstrate global leadership toward defeating the pandemic and commit to the elimination of trade restrictions relating to goods tied to pandemic response**
- **Swiftly conclude a successor to the EU-U.S. Privacy Shield agreement and refrain from targeting transatlantic data transfers until a new accord is in place**

Removing U.S. tariffs on European steel and aluminum is a matter of urgency. We applaud the European Commission's decision to refrain from increasing its retaliatory tariffs on June 1. This is an important step, to be sure, but the goal ultimately must be removal of all related tariffs by both sides while agreeing to new measures to address overcapacity, transshipment, and possible import surges.

Similarly, **the U.S. and EU must devise a mutually agreeable solution to permanently resolve the large civil aircraft subsidy disputes.** The damage caused by tariffs imposed in this context has been significant, and the only winner from a protracted dispute would be China's state-influenced aircraft industry.

As we continue efforts to crush the pandemic, the U.S. and the EU must demonstrate global leadership in the campaign to end the pandemic by reinforcing bilateral cooperation in the manufacture and distribution of COVID-19 vaccines. To this end, **the U.S. and EU must ensure open trade flows in raw materials and inputs required for vaccine production and allow vaccine exports particularly to those countries in greatest need.** On a global scale, vaccine makers, working in partnership with governments, have moved faster than anyone had thought possible to devise, test, and manufacture vaccines in vast and quickly growing quantities. The principal challenge remains the scarcity of many of the hundreds of highly specialized inputs needed to produce vaccines, and a TRIPS waiver would threaten to unleash a global scramble for the same limited stock of inputs. Such a scramble would undermine the global vaccine manufacturing escalation just as producers in the United States and Europe are hitting their stride and producing more doses for export to the hard-hit countries that need them most.

The ability to move and process personal data across borders is essential for transatlantic commerce in the digital age. Concerns about government access to data held by the private sector, not commercial privacy protections, were at the heart of last year's decision by the European Court of Justice to invalidate the EU-U.S. Privacy Shield. Since then, businesses on both sides of the Atlantic have faced profound uncertainty about transferring personal information out of Europe. While we respect the *Schrems II* decision, initial actions taken by the European Data Protection Board (EDPB) related to "supplementary measures" to ensure safe data transfers have exacerbated the situation regarding commercial data transfers, going further than the *Schrems II* jurisprudence, and raise the specter of forced data localization in Europe. Such an outcome would diminish our mutual competitiveness and threaten the transatlantic economic and security partnership—and would be particularly disruptive to small and medium-sized enterprises on both sides of the Atlantic. We call on the U.S. government and the European Commission to swiftly conclude a revised EU-U.S. Privacy Shield, with appropriate safeguards so that it stands the test of time and creates a solid foundation for cooperation on a broader digital agenda.

Accomplishing these shared objectives would bolster economic growth prospects and demonstrate the strength of our partnership when we act in unison. Brussels and Washington should then leverage this momentum to establish a forward-looking strategic dialogue via a **Transatlantic Trade and Technology Council**. Whether on artificial intelligence, data flows, finding innovative solutions to climate change, or developing common standards on emerging technologies, among other issues, a

transatlantic approach will enable us to respond to the growing challenges posed by non-market economies like China.

The U.S. Chamber and BusinessEurope stand ready to engage on these issues to foster proactive solutions that improve the economic outlook for our citizens, our countries, and the world. Let's not miss this opportunity.
