



Mr. Valdis Dombrovskis
Executive Vice President
European Commission
Rue de la Loi 200
BE-1049
Brussels
Belgium

13 September 2021

Dear Executive Vice President,

BusinessEurope and its members would like to express our strong support for the establishment of the EU-US Trade and Technology Council (TTC). We view this initiative as a very positive development that highlights the strategic nature of the transatlantic relationship and the benefits that closer regulatory cooperation between the EU and the US can bring.

Already in our position paper **“EU and US – How to build a positive agenda”**, we call(ed) on the relevant EU and US policy-makers to establish a formalised platform for high-level strategic dialogue related to trade and economic cooperation that spans across EU institutional cycles as well as changing US administrations. This new platform, unlike previous frameworks for dialogue, should bring in the right political weight, at a level that would reflect the importance of the transatlantic relations¹. Considering the relevance of the TTC work for the European business community, we would like to provide our input for the different work-streams on a regular basis and we call for a more active involvement of the European and US business communities in the relevant TTC discussions.

As the European Commission and its counterparts in the US prepare to officially launch the dialogue, we wish to share some preliminary ideas and suggestions for topics of discussion under the different Working Groups under the TTC, as the business community will be crucial to leverage the potential of new technologies for good applications and future challenges.

1 – Enhancing cooperation and dialogue on technology standards (including on AI, Internet of Things, 6G among other emerging technologies) – dialogue should focus on emerging technologies in a trifold manner - standards, research, and policies - , establishing a collaborative research framework (for instance in the areas of 6G, Quantum Technologies, AI and Semiconductors).

The framework should foster innovation and market-driven standardisation. While having the exact same rules on both sides is not always possible, interoperability of frameworks should be the goal. A dialogue should also be established with a view towards a possible agreement on technology procurement (ensuring equal transatlantic access to public procurement markets for emerging tech). The EU and the US should also collaborate on

¹ <https://www.business europe.eu/publications/eu-and-usa-how-build-positive-agenda>



battery technology (including cell) and blockchain technology, as well as AI in manufacturing, robotics, and climate-neutral production. This working group could also discuss the development and convergence of international technical standards in high-tech fields, such as biotechnology, clarify common regulatory framework requirements for EU-US health data exchange and help establish and expand transatlantic cooperation structures for innovations in (digital) health technologies. The EU and US should promote the principles for the development of international standards².

2 - Climate and green tech – dialogue could focus on a range of issues, including effective and coordinated Carbon Border Adjustment mechanisms (CBAM) as to avoid unilateral measures not complying with multilateral rules, which could lead to trade wars; decarbonization solutions such as hydrogen; how to define the “greenness” of technologies/products and expand their trade at plurilateral/multilateral level through the Environmental Goods Agreement (EGA) or similar trade liberalisation initiatives; and how to establish uniform criteria to calculate CO2 content (e.g. climate mitigation). In view of the current investment gap to reach our sustainability objectives green finance could also be included. Moreover, multilateral initiatives on environmental goods such as the “*Trade and Environmental Sustainability Structured Discussions (TESSD)*” or the “*Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (IDP)*” could be supported with increased commitment thanks to the bilateral cooperation. Work should be carried out on a global standard for the certification and traceability of circular economy (recycled) materials as well as on global standards on reporting. Discussions on energy saving technology and an Eco Stamps dialogue, as a way of introducing a market mechanism to promote the consumption of green products from the point of view of demand, should take place. The EU and the US should also work together on cooperation related to decarbonisation and innovation in the fields of industry, transport, and technologies for adaptation to climate change as well on a common regulatory framework on sustainability, promoting global standards. Closer EU-US cooperation should be used to spur new initiatives in circular economy, sustainable finance (including a common approach to taxonomy) and green standards in public procurement.

3 - Secure supply chains, including semiconductors – strategies to build resilience should not focus on preparing for the last crisis or any one specific crisis, but on enabling supply chains to adapt quickly to disruptions or spikes in demand.

Identifying common vulnerabilities or dependences and working together in addressing them is crucial, thus avoiding upcoming overcapacities and the duplication of investments. Key areas should include availability of critical materials and products, their rising prices and the role they play in the development of healthcare and other products. Moreover, the group should also address current issues in international transports.

A good example are semiconductor shortages where the increase of the production capacity in the EU and US is essential. Besides, semiconductor manufacturing facilities are extremely costly and to compete globally EU and US manufactures must have access to the level of government incentives available in Asia. In addition, incentives

² https://www.wto.org/english/tratop_e/tbt_e/principles_standards_tbt_e.htm and also confirmed [carbiscay-g7-summit-communique.pdf \(europa.eu\)](#) with reconfirmed commitments to: [Framework for G7 Collaboration on Digital Technical Standards](#).



should be made available to US and EU companies with reciprocity for the respective FDIs. Given the substantial investments required and rewards to be gained, the EU and US must join forces to increase capacity at all the steps of the semiconductor supply chain, including in research and development (R&D). Collaboration in R&D space will also be important to develop cutting edge technologies. These could be quick wins as these are areas which do not require alignment on complex regulatory issues which can be time consuming.

In our view, beyond looking at alternative sources of supply and diversification, this Working Group should also include public procurement and other policies that are likely to introduce market access restrictions and have a negative impact on supply chains.

4 - ICT security and competitiveness – The number of cyberattacks on both US and EU institutions, public and private sector organisations has increased significantly over the last years. During the COVID-19 pandemic, a worrying amount of infrastructure of essential organizations, such as hospitals and healthcare institutions, became subject of malware, phishing and the ransomware attacks. Closer collaboration between the US and EU to counter cyberattacks and create more resilient organizations is needed.

This group could strengthen exchange on intelligence sharing pre/post cyber incidents related to critical/essential/important entities, as well as good practices to address significant common challenges such as illegal contents online. A constant dialogue should also be foreseen on supply chain security, data security (taking up as well individual privacy concerns and industrial espionage), in particular with regard to strengthening resilience of democratic institutions against state-backed cyber-attacks, data surveillance, encryption, cryptographic methods, cloud data services and communication technology. The working group could also promote responsible state behaviour in cyberspace in international fora (i.e. more binding, internationally accepted, and applied rules for state action in cyberspace). The Working Group could also consider how current international conformity assessment approaches can be leveraged to further reduce duplicative or unnecessary testing and certification requirements, while ensuring the desired level of confidence. The agreement reached between the EU and Canada on conformity assessment in CETA could serve as a model. Use of e-labelling as a means to reduce compliance costs should also be discussed.

5 - Data governance and technology platforms – this group should focus on safeguarding trusted data flows across the Atlantic, complementing the ongoing negotiations to agree in the short term on a robust EU-US privacy shield successor as well as work to operationalize “Data Free Flows with Trust”, and upholding workable data transfer mechanisms such as Standard Contractual Clauses (SCCs); An enhanced, future-proof EU-US Privacy Shield would constitute a mechanism allowing European and US public and private organisations to transfer personal data in a robust framework, balancing the mutual interests of both law enforcement and national security, as well as strong protection of personal data on both sides of the Atlantic. Sharing digital technology and data between the US and the EU would allow an open, international ecosystem of research, development and innovation of the most advanced technology to serve customers globally, whilst protecting their personal data. A dialogue on data retention as well as on national security intelligence gathering/privacy protection should be held. The issues of ensuring online responsibility, common approaches to regulatory frameworks;



data portability and interoperability should also be addressed. In general, this Working Group should also facilitate dialogue on common approaches to the regulation of digital markets, seeking to guarantee contestability and fairness, while ensuring non-discrimination, proportionality, predictability, considering innovation. Different models and flexible approaches should be considered to address different needs and purposes of distinct industries/sectors.

The corresponding rules should eliminate data localization obligations, as well as unjustified data disclosure requirements.

6 - Misuse of technology threatening security and human rights – this issue could also be linked with export control regimes and the discussion around emerging and foundational technologies.

7 - Export controls – this group should discuss emerging and foundational technologies, ensuring the central role of the multilateral export control regimes, ensuring that efforts to address current challenges do not cause unintentional harm to own industry and allies, for instance by avoiding duplications and minimising administrative burden and costs among the existing authorisation schemes.

These questions become more pertinent in our efforts to prevent and tackle supply chain disruptions and ensure the availability of goods and technology. Moreover, joint EU-U.S. leadership is critical to forging alliances with other like-minded partners to tackle common challenges and level the global playing.

8 - Investment screening – exchange of best practices on the implementation of FDI screening; discuss exceptions to investment screening in cross-border structured investments and address concerns over expanding definition of national security and the potential use of economic criteria in investment screening.

9 - Promoting SMEs access to, and use of, digital technologies – a dialogue should take place on how to incentivise more SMEs to digitalise and on how to increase further digital skills. In order to facilitate trade and minimise bureaucracy and costs and burdens for SMEs, collective/ concerted efforts should be devoted also to the simplification of customs and other trade-related procedures.

10 - Global trade challenges – this group could have a very broad scope, but discussions should be focused on WTO reform in view of the upcoming MC12, in particular ways to address the Appellate Body crisis and cooperation in the context of Joint Statement Initiatives, such as on the Domestic Regulation in Services and E-commerce. The working group could also discuss the need to urgently reform the [Agreement on Subsidies and Countervailing Measures \(SCM\)](#) and advance discussions in the so-called “competitive neutrality agenda more broadly, also including the role of State-Owned Enterprises (SOEs) and forced technology transfers. In addition, this group should address cooperation and progress in the trade & health initiative, aiming at the elimination of tariffs for pharmaceutical inputs to increase pandemic, health resilience/preparedness and the necessary incentives for innovation.



We would also like to share a few additional proposals for consideration of the European Commission and its US counterparts.

1 - Merging the dialogue under Working Groups 5 and 6 – as highlighted above, the linkages between the dialogue under Working Group 5 on the misuse of technology threatening security and human rights and Working Group 6 on export controls, are strong. In this regard, we would like to invite the EU and the US to consider discussing these topics under one Working Group.

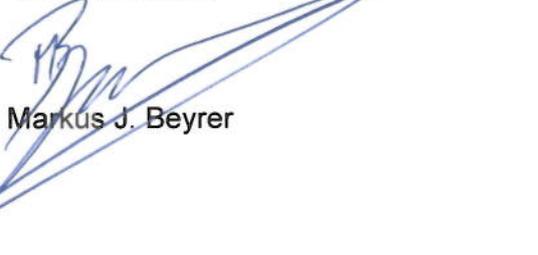
2 - Considering the creation of a Working Group on Bilateral Trade – it would be pertinent to establish an additional Working Group that would focus on bilateral EU-US market access and other issues. The group could address trade irritants³ such as measures related to section 232 on steel and aluminium, but also discuss a more positive liberalisation/facilitation of trade agenda.

3 - Considering dialogue on issues related to due diligence – given the upcoming EU legislative initiatives, such as on sustainable corporate governance and supply chain due diligence, deforestation and forced labour, as well as the ongoing discussion in the US on these issues, forced labour in particular, we would like to invite the EU and the US to consider including this topic under the TTC Working Group 9 on global trade challenges.

We hope that our ideas are taken into consideration and would be most happy to discuss them further with you.

As the work of the TTC progresses, we also plan to provide you and your services with more concrete input. As stressed before, we welcome the opportunity to engage in this process on a regular and more structured basis.

Yours sincerely,



Markus J. Beyrer
