

TEC Facilitators Report to Stakeholders

April 12, 2013

Transatlantic Economic Council (TEC) facilitators (DG Trade Demarty, DUSTR Sapiro and Acting State A/S for Europe Doherty) met on April 12, 2013, to review progress on the TEC workstreams and identify areas for further work in 2013. The meeting was also attended by a large number of representatives of U.S. government agencies and Commission services involved in the work of the TEC¹. Facilitators affirmed that the TEC is a valuable tool for increasing transatlantic economic integration which complements other bilateral initiatives, such as the Transatlantic Trade and Investment Partnership (TTIP), the High Level Regulatory Cooperation Forum (HLRCF) and the Energy Council. Participants reiterated their intention to continue with TEC workstreams and will recommend to TEC Co-chairs that the TEC meet in the fall 2013. Below is a description of the accomplishments and planned work for 2013 reviewed during the meeting.

eMobility

Both the EU and the United States have a shared interest in the rapid development of cost-efficient solutions to E-mobility, which is one of the most rapidly growing and highly innovative areas of the transatlantic market. In his February 2013 State of the Union speech, President Obama set the objective of reaching one million e-vehicles in the United States by 2015. The European Commission reaffirmed its commitment to promote the development and deployment of e-vehicles in the recent CARS 2020 Action Plan and several EU Member States have put forward national plans to that effect as well.

In 2011, TEC Principals endorsed a comprehensive E-mobility Work Plan setting out short- and medium term objectives for e-mobility aiming to promote greater alignment in this area, promote electric vehicle/smart-grid interoperability, and encourage continued scientific exchange. TEC Principals identified more focused cooperation on the development of globally-relevant, voluntary e-vehicle standards, global technical regulations in the UNECE, and battery safety and transport as key elements of the Work Plan.

Since the adoption of the Work Plan, the United States and the EU have made significant progress on a number of its elements, particularly in standardization and pre-normative research cooperation. Cooperation between standards development bodies has led to a joint list of priorities (including coupler safety and interoperability, EV safety and vehicle-grid communication). TEC facilitators welcomed fruitful discussions at the ANSI and CEN/CENELEC e-Mobility Roundtable in November 2012 at which round-table facilitators encouraged standardisers to further strengthen their cooperation frameworks through practical exchanges between technical committees, and coordination of work agendas where possible. TEC facilitators also noted their interest in receiving input from standardisers on how governments could further assist this cooperation.

The U.S. Department of Energy (DOE) and the EU's Joint Research Centre (JRC) are in the process of establishing two Electric Vehicle - Smart Grid Interoperability Centers to advance transatlantic collaboration on testing methods, standardization and interoperability. The laboratories have agreed to a work-plan for pursuing these objectives. DOE's Argonne National Laboratory and the JRC Institute for Energy and Transport in Ispra, Italy are working to align testing of e-vehicles and smart grid equipment. An extension of this cooperation is already in preparation. Facilitators welcomed this progress and encouraged researchers to look into how to further widen the scope of cooperation.

Since the set-up of the Interoperability Centers is well underway, input from the business community and standardisers is crucial to ensure progress in relevant noted priority areas. Facilitators welcomed the April 9, 2013

¹ Including DoC, DoE, USGS, HHS, OMB, OSTP and Commission services such as DG ENTR, DG TAXUD, DG SANCO, RTD and EEAS

meeting at the Ispra facilities with business stakeholders, and encouraged standardisers also to make use of the research centers.

With regard to the United Nations' globally harmonized regulations, the United States and the EU proposed the development of harmonized regulations for e-vehicles and have formed two working groups under the United Nations' Economic Commission for Europe (UNECE): one dealing with safety and the other with the environment. Japan and China agreed to co-sponsor and co-chair the regulations. The process is expected to be completed in 2014. Facilitators encouraged their experts to continue this cooperation.

Supply Chain/Secure Trade

Secure Trade is a major TEC work stream and an area where cooperation brought concrete results in 2012 and continues to bring real benefits to traders on both sides of the Atlantic.

Three important successes in 2012 include : 1) Signing and implementation of a mutual recognition decision on U.S. and EU "trusted traders" programs; 2) Mutual recognition of U.S. and EU air cargo security practices in airports; and 3) Mutual recognition of U.S. and EU seaport security practices. A notable success has been the high number of registrations of trusted traders (over 5000 alone in the EU since its entry into force). Also, recognition arrangements for air cargo security now extend to Switzerland and separate arrangements are being considered with Norway and Iceland. Another success came at the October 2012 Universal Postal Union (UPU) Congress during which an amendment of the UPU Convention introduced the principle of advance electronic data provision for postal consignments.

Facilitators welcomed this significant progress. Further action is planned on the implementation of these agreements (i.e. joint working methodologies for implementation). Additional areas of cooperation in Secure Trade include: a) Air Cargo Advanced Screening (ACAS); b) Technology (e.g. new scanning and screening); c) Risk Management; and d) Explosive Pre-cursor Chemicals.

Raw Materials

Transatlantic cooperation in the area of raw materials has made significant progress since the last TEC meeting. Facilitators highlighted the on-going public-private sector activities on the TEC Raw Materials Roadmap which is based on five pillars: 1) trade cooperation; 2) raw materials data, flows & information sharing; 3) resource efficiency; 4) research and development in substitution, and product design; and 5) waste shipments. Facilitators also underlined that the issue of raw materials will continue to be prominent in the TEC, and stakeholders are encouraged to provide further input and engage actively in the five issue areas.

Two conferences relating to data flows and recycling took place in 2012: (TABD-RGIT Conference on Best Practices in Management & Stewardship of Used Electronics in Washington, D.C., and a workshop on Mineral Raw Material Flows & Data in Brussels.

Following up on an October 2012 TABD-sponsored conference on management and stewardship of used electronics, the EU and the United States have started to reflect on possible cooperation initiatives in this area. Facilitators welcomed an additional trilateral conference on research and development between the EU, the United States and Japan, planned for May 2013 in Brussels under the tentative theme "Towards new models in efficient management of critical materials."

Facilitators also welcomed the good cooperation between scientists and engineers and said they looked forward to learning about the results of the May Conference and the workshop on raw materials flows and data, scheduled for November 2013 at the U.S. Geological Survey. They expressed confidence that these results would contribute to furthering TEC objectives in the area of raw materials.

eHealth

Both the EU and the United States recognise the potential of eHealth to contribute to meeting global health policy challenges. The 2011 TEC meeting reiterated the importance of health-related information and communications technology (ICT) in promoting individual and community health while fostering innovation and economic growth.

After successful conferences on eHealth in Copenhagen in May 2012 and the Transatlantic Health IT/eHealth Cooperation Assembly in Boston in October 2012, the EU-U.S. road map on eHealth was launched on March 22, 2013, by U.S. (HHS) and EU officials (DG Connect). The roadmap will promote the creation of an innovative collaborative community of public- and private-sector entities, including suppliers of eHealth solutions. The primary aims of the roadmap include developing standards for transnational interoperability of electronic health records (EHRs), and developing a joint curriculum for the training of skilled workforce to administer health information technology. The roadmap is designed to be a “living” document and on-going input from industry and stakeholders is welcome. A 'Call to Action' for stakeholders will soon be issued on a dedicated web-site. In addition, thought leaders and champions from both the EU and the United States will be identified to help guide the Standards Development and Workforce Development cooperative Roadmap action plans.

The next EU eHealth week conference will take place May 13-15 in Dublin, Ireland, and a full day will be devoted to transatlantic cooperation in this area. This event will present the first opportunity to review progress in the implementation of the Roadmap and to 'fine-tune' both work-streams. Another event with stakeholders is planned in Boston October 23-24, 2013.

Facilitators welcomed the significant progress achieved in this work stream and identified eHealth as one of the areas where transatlantic cooperation will bring concrete benefits. Facilitators urged rapid implementation of the roadmap and active engagement by industry and other interested stakeholders. Facilitators also asked for a status report on the implementation of the roadmap to be provided by the next TEC meeting.

SMEs

The EU and the United States recognize SMEs as critical motors of growth and job creation and key sources of innovation. Since 2010, the TEC has included a specific work stream with the goal of enhancing transatlantic cooperation to increase trade and investment opportunities for U.S. and EU SMEs. Since then, a number of workshops have taken place to exchange best practices and find other collaborative ways to fulfil that aim.

The United States and the EU held two successful conferences during 2012 on enhancing transatlantic cooperation on SMEs, one in Rome in July 2012 and the other in Washington, D.C., in December 2012. Participants considered options to further promote trade and investment opportunities in each other's markets and to promote practical support aimed at helping SMEs access international markets. Issues such as access to financing, entrepreneurship programs, IPR, standards, and clusters were part of the discussions. A significant outcome of this cooperation was the May 2012 signing by EU Commission Vice-President Antonio Tajani and Acting Secretary of Commerce Rebecca Blank in Washington, D.C., of a Letter of Intent to develop a framework for SME cooperation between the U.S. International Trade Administration and DG Enterprise's Enterprise Europe Network. The Memorandum of Understanding was signed by Director General for Enterprise and Industry Daniel Calleja and Assistant Secretary of Commerce for Market Access and Compliance Michael Camuñez at the December workshop.

Facilitators confirmed that transatlantic cooperation is a shared priority that should bring concrete benefits to SMEs. They welcomed the recent establishment of the MOU Working Group made up of representatives from both sides and urged rapid identification of potential programs and activities focusing on bringing SMEs from both sides of the Atlantic together. Facilitators also welcomed the prospect of holding an additional SME-related workshop in Brussels in 2013 with a view to identifying further areas of possible cooperation.

Intellectual Property Rights

The Transatlantic IPR Working Group (TIPRWG) coordinates in three main areas under the U.S.-EU IPR Action Strategy: engagement on IPR issues in third countries and multilateral institutions, customs cooperation, and public-private partnerships. The Working Group convened most recently in July 2012 for its annual meeting, which consisted of a day of government-to-government meetings and a day of consultations with stakeholders from the business community and civil society. In addition, the Working Group meets on a bi-monthly basis via digital video conference to sustain cooperation and to share updates on key IPR-related developments.

Facilitators welcomed the TIPRWG's accomplishments over the past year, which included coordinating efforts to resolve issues in third countries, with a primary focus on emerging economies such as Brazil, China, India, Russia, and Ukraine. The United States and the EU also continued to work cooperatively to advance common objectives within multilateral forums such as the WTO, OECD, and the UN, with the aim of ensuring a strong and effective protection and enforcement of IPR, as well as addressing concerns linked with the erosion of these rights. Facilitators urged the TIPRWG to continue in 2013 its comprehensive working agenda, in particular its new focus on promoting innovation, as well as the on-going promotion of trade secret protection. Facilitators agreed also to seek ways to further engage other stakeholders in this transatlantic cooperation and to continue specific IPR discussions within the TEC activities related to SMEs.

HLRCF

The High Level Regulatory Cooperation Forum (HLRCF) met April 10-12 in Washington D.C. with strong participation from a broad cross-section of stakeholders, including business associations and consumer groups. During a day-and-a-half public session, stakeholders presented their views on how to promote regulatory cooperation aimed at achieving greater compatibility of EU and U.S. regulations, reducing unnecessary barriers, and cutting red tape. The audience included representatives from the EU and U.S. regulatory agencies, who appreciated the opportunity to receive input directly from the public that will help them identify both immediate and longer-term goals and potential mechanisms to achieve them. Presentations given during the Forum can be found at the following link: <http://www.uschamber.com/grc/presentations-us-eu-high-level-regulatory-cooperation-forum>

Nanotechnology

The EU and the U.S. share a common strategic goal in this sector, namely, the responsible development of nanotechnology for the benefit of society. Both sides agree that we must continue our strong investments in environmental health and safety research in order to properly assess the potential benefits and risks of this technology. During an October 2012 video conference, senior U.S. and EU officials reviewed existing coordination mechanisms within and between the United States and the EU. They also exchanged information on their respective regulatory approaches to nanomaterials, and in particular, on the European Commission's Second Regulatory Review of Nanomaterials.

Facilitators called for additional video conferences to take place as soon as possible in 2013 to identify and review areas for detailed discussion, including how to improve public education on nanotech. All agreed that the U.S. Emerging Technologies Interagency Policy Coordination Committee (ETIPC) nanotechnology working group and the European Commission's Interservice Group on Nanotechnology should continue to serve as focal points for these discussions. In addition to welcoming the good bilateral regulatory and scientific cooperation, facilitators noted our cooperation in the OECD, ISO, and other multilateral fora, and encouraged further work in this area.

Cloud computing

Facilitating the development of new cloud computing services is a policy priority for both the United States and EU. In November 2011, TEC principals acknowledged this and welcomed the launch of the Dialogue on Cloud Computing within the framework of the EU-U.S. Information Society Dialogue (ISD). The motivation for collaboration is, in particular, to create a strong EU-U.S. partnership to facilitate the internationalization of cloud service offer.

The EU-U.S. held a video conference in December 2012 which focused on understanding the respective regulatory approaches to cloud-based services and on standards and certification aspects of the cloud. During the meeting, the EU presented its recently adopted Cloud Strategy and the United States also provided information on a draft of recommendations on contracts and service-level agreements in the area of cloud computing.

The TEC is currently focusing attention on public procurement in the cloud. The U.S. General Services Administration is sharing information regarding its efforts to facilitate the U.S. federal government adopting cloud solutions in public procurement. The EU is providing updates regarding the establishment of the "European Cloud Partnership." Potential areas for further collaboration, particularly for SMEs, include discussing the contractual aspects of the cloud (ie. exchanging knowledge and experience in developing guidelines for service-level agreements for cloud computing). Cloud computing will also be discussed at the upcoming EU-U.S. Information Society Dialogue (ISD) which will take place on 30 April in Washington.

Facilitators welcomed these discussions and noted their expectation that the upcoming ISD would identify a concrete action plan to be initiated in 2013 to accelerate transatlantic and international cooperation in this rapidly evolving area.

Investment

Strengthening cooperation on investment policy issues of mutual interest and setting the standard for open, transparent, and non-discriminatory international investment policies is a shared goal of the EU and United States. The High Level Working Group on Investment held its second annual meeting October 24, 2012, in Washington. Co-leads from DG Trade, the Department of State, and USTR discussed global investment issues and challenges, as well as the status of their respective negotiations with third countries. The Working Group also discussed outreach efforts for the U.S.-EU Shared Investment Principles, which were launched in April 2012 and are designed to promote an open investment climate in third countries. To date, Jordan, Morocco, and Taiwan have endorsed the principles.

Facilitators noted the strong cooperation on investment and asked the Working Group to consider how best to coordinate capital-led policies with each side's missions in third countries as well as how to continue promoting the Principles. Facilitators welcomed the exchange of information and joint work on common issues in priority third countries. As part of this, they welcomed on-going reflection on how to strengthen cooperation between EU delegations and U.S. embassies/missions in third countries, especially in the context of tackling and finding solutions to localization/local content requirements.

ICT Principles

In April 2011 the EU and United States jointly developed a set of trade-related principles for the information and communication technology (ICT) services. During 2012, both sides have focused on implementation and promotion of the Joint Principles, in particular in the framework of the WTO, where the Principles are part of the working program of the WTO on electronic commerce.

In this framework, TEC Facilitators agreed that the upcoming June 2013 WTO Committee on Trade in Services workshop on electronic commerce should be the next productive opportunity to share experience and promote the Principles within the WTO. In addition, the United States and the EU are continuing to use the Principles as a vehicle for discussion with third countries. Taiwan is a recent example of a third country bilaterally endorsing the Principles. Facilitators agreed to focus particular attention on promoting the Principles in ASEAN.

In addition to discussions on current work areas, a number of potential new TEC work streams were briefly presented. On these, facilitators asked their respective teams to deepen discussions and agree on joint and concrete recommendations to be considered at the next TEC meeting.