

# 10 Point Program for Future Transatlantic Cooperation

*from AmCham Germany*

The economic relationship between the United States and Europe is the most significant in the world. Combined, the two regions generate trade and investment flows of about \$2.7 billion each day, support 14 million jobs and account for over 50% of global GDP and 30% of global trade.

But the transatlantic relationship should not be taken for granted. Potential for further collaboration still remains untapped. The United States and EU must work together closely if they want to influence global issues. In our multipolar world, a strong transatlantic partnership will serve as a solid foundation for multilateral negotiations to advance global initiatives. Joint leadership is called for to restore economic prosperity, expand trade and investment and encourage job growth.

**1. Reduce regulatory trade barriers to achieve a prosperous transatlantic economy**

Trade is a key engine for economic growth and job creation. To improve the competitiveness of the United States and Europe, the transatlantic economic integration needs to be advanced by removing remaining regulatory trade barriers and eliminating unnecessary trade costs. The Organization for Economic Cooperation and Development has estimated that the reduction of existing nontariff and regulatory trade barriers could lead to GDP growth of up to 3.5% on both sides of the Atlantic. The United States and EU are already setting regulatory standards. Creating a transatlantic market with harmonized regulations will reinforce this global regulatory leadership role. Although the Transatlantic Economic Council (TEC) has made some progress since the end of 2010, political leaders on both sides of the Atlantic need to give the forum higher priority.

**2. Eliminate tariffs on transatlantic trade**

Although tariffs are already very low, eliminating US and EU tariffs on imported goods would have significant economic and trade benefits. According to a report by the European Centre for International Poli-

tical Economy, taking this step would increase exports between the United States and EU by 17% by 2015. Due to the huge volume of transatlantic trade (more than \$600 billion a year), cost reductions and productivity gains from removing tariffs would be substantial. Eliminating tariffs should be viewed as a valid first step toward the ultimate goal of a transatlantic free-trade agreement.

**3. Avoid state protectionism**

With the world economy more interdependent than ever before, it is crucial to keep international trade and investment as free as possible. Imposing such trade restrictions as the "Buy American" clause of the American Recovery and Reinvestment Act sends a dangerous signal and creates uncertainty among foreign investors, particularly in times of recession. Such actions may also persuade other countries to enact similar measures that could severely impede the world economy. Long-term disadvantages of protectionism outweigh any short-term benefits.

**4. Encourage a harmonized transatlantic financial market**

In order to eliminate unnecessary risks and protect the financial system from future crises, consistent and transparent regulations in the financial sector must be established through a strategic partnership between the United States and EU, together with the G-20, the International Monetary Fund, the Financial Stability Board and the Systemic Risk Board. Regulations should comprise a globally coordinated approach for systemic-risk oversight, tough capital and liquidity requirements, a transparent derivatives market, a coherent approach to hedge-fund regulation and a single accounting standard.

**5. Work together on sustainable energy solutions**

Using energy more efficiently is vital to our economies and our labor markets. The United States and EU must deepen their cooperation on such strategic energy issues as securing an energy supply and adopting low-

carbon energy sources while strengthening ongoing scientific collaboration on energy technologies. Renewable energies and electric vehicles represent two important areas related to sustainable energy policies where the two economic powers can collaborate to stimulate long-term growth and support lasting trade relations. Now is the time to promote transatlantic research and development collaboration on future sustainable technologies and develop common production and certification standards. The EU-US Energy Council and TEC provide valuable platforms for such endeavors. By working together, Europe and the United States have the ability to become leaders in this immensely important emerging market.

**6. Harmonize intellectual property rights and patents**

The EU and United States regulate and protect patents, trademarks, copyrights and other intellectual property rights differently. This creates uncertainty, increases transaction costs and impedes transatlantic businesses. While the US needs to implement its patent reform as soon as possible, Europe has to finalize its own reform and reduce unnecessary differences between both regulatory systems. Moreover, both regions need to continue to promote intellectual-property protection and enforcement systems by concluding additional multilateral agreements, including the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights.

**7. Reduce structural differences in data protection standards**

Structural differences and varying perceptions of data privacy persist between the United States and the EU. While the EU has a centrally supervised, systematic legislative strategy, data protection in the United States uses a sector-based approach for specific cases with a mix of legislation and regulation. These different approaches make it difficult to fully harmonize both systems. Nevertheless, unnecessary differences need to be eliminated, and the effectiveness of the respective systems needs to be mutually recognized. Furthermore, a transparent international framework for data protection needs to be developed to minimize legal uncertainties.

**8. Encourage cooperation on research and development through innovation policies**

Innovation and technological development are key factors for a dynamic transatlantic marketplace and

the creation of new jobs. For this reason, the United States and Europe should work together to encourage research and development and innovation by focusing on the promotion of science and engineering degrees, transferring knowledge among universities, providing incentives for innovative research investments and sharing funding of student exchange programs.

**9. Simplify visa regulations to promote personnel mobility**

As the impending shortage of a highly qualified workforce becomes a pressing issue, the exchange of skilled personnel is particularly important to multinational companies. Both the United States and Europe will increasingly depend on the immigration of skilled workers to satisfy future market needs and maintain market competitiveness. To increase personnel mobility, entry barriers must be lowered, visa regulations simplified and fast-track application processes introduced. An unencumbered flow of personnel will encourage the spread of innovation and integration and spur transatlantic economic growth.

**10. Avoid legal uncertainties in the extraterritorial application of US law**

Extraterritorial application of US law has the potential to deter European investors from investing in the US market and therefore must be eliminated. This would reduce legal uncertainties associated with the application of US law in transatlantic business. In one example, for instance, international insurance companies with offices in the United States are, under certain circumstances, compelled to apply US regulations to their global business segments to avoid significant tax burdens.

**Contact AmCham Germany**

Patricia Limburg  
Manager Communications & Government Relations  
T +49 69 929104-40  
E [presse@amcham.de](mailto:presse@amcham.de)

Anett Sachtleben, M.A.  
Specialist Government Relations  
T +49 30 288789-23  
E [asachtleben@amcham.de](mailto:asachtleben@amcham.de)

W [www.amcham.de](http://www.amcham.de)