

10 Point Program for Future Transatlantic Cooperation

The US and EU must work together if they want to shape issues internationally. A strong transatlantic partnership will serve as a solid foundation for multilateral negotiations to advance global initiatives. Joint leadership is called for to restore global economic growth, expand trade and investment and promote growth in emerging markets.

1. Eliminate tariffs on transatlantic trade

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 Political Economy (ECIPE), taking this measure would increase US and EU exports to each other by 17 percent by 2015. Due to the huge volume of transatlantic trade (over \$600 billion per year), cost reductions and productivity gains from removing tariffs would be substantive.

2. Reduce regulatory hurdles for a barrier-free transatlantic economy

Most technical products must comply with varying health, safety and security standards that impede transatlantic trade. Transatlantic cooperation in the reduction of such regulatory trade-barriers would significantly improve the competitiveness of the United States and Europe. Thus, upgrading the Transatlantic Economic Council (TEC) back to the top of the political agenda on both sides of the Atlantic should be a priority.

3. Avoid state protectionism

Imposing trade restrictions, such as the 'Buy American' clause of the 2009 American Recovery and Reinvestment Act (ARRA), sends dangerous signals to and creates uncertainty among foreign investors. It might also provoke tendencies from other countries to impose similar trade barriers. Long-term disadvantages of state protectionism will outweigh short-term benefits.

4. Encourage an integrated transatlantic financial market

Consistent and transparent regulations in the financial sector must be established through a strategic partnership between the US and EU, together with the G20, the IMF, the Financial Stability Board and the Systemic Risk Board. Regulations should comprise a globally coordinated approach for systemic risk oversight, robust capital and liquidity requirements, a transparent derivatives market, a coherent approach of hedge funds regulation and a single accounting standard.

5. Harmonize intellectual property rights and patents

European patents are awarded on a first to file basis as opposed to the first to invent standard common in the United States. These differences hinder transatlantic trade. Intellectual property protection systems need to be harmonized through more multilateral agreements, such as the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

6. Reduce structural differences of data protection standards

Between the US and the EU, structural differences and varying perceptions of privacy and safety exist. While the EU has a strict, centrally-supervised, systematic legislative strategy, data protection in the US uses a sector-based approach for specific cases with a mix of legislation and regulation. A transparent international framework for data protection needs to be developed and systems must be harmonized.

7. Work together on issues of environmental protection and energy security

The US and EU should deepen their cooperation within the EU-US Energy Council in areas such as solar power, hydrogen and fuel cells, bio energy, and carbon capture and storage. Now is the time to promote transatlantic leadership in research and development of future sustainable technologies and develop common production and certification standards.

8. Avoid legal uncertainty through extraterritorial application of US law

Obstacles, such as the US de facto extraterritorial application of US law, must be removed in order to reduce legal uncertainty related to the scope of application of US law for transatlantic business. For instance, international insurance companies with offices in the US are, under certain circumstances, compelled to apply US regulations to their global business segments to avoid significant tax burdens.

9. Reconsider the US Container Security Initiative (CSI)

The implementation of CSI in the United States burdens traders with extra costs as well as unbearable delays due to additional security measures. This disturbance in the flow of the supply chain hinders international trade. The US and EU must find a better and more efficient approach, striking an effective balance between trade facilitation and security.

10. Simplify visa regulations to promote personnel mobility

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 to maintain their competitiveness. To increase personnel mobility, entry barriers must be lowered and visa regulations simplified.

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