



Recommendations to the Czech Presidency of the Council of the European Union

July-December 2022

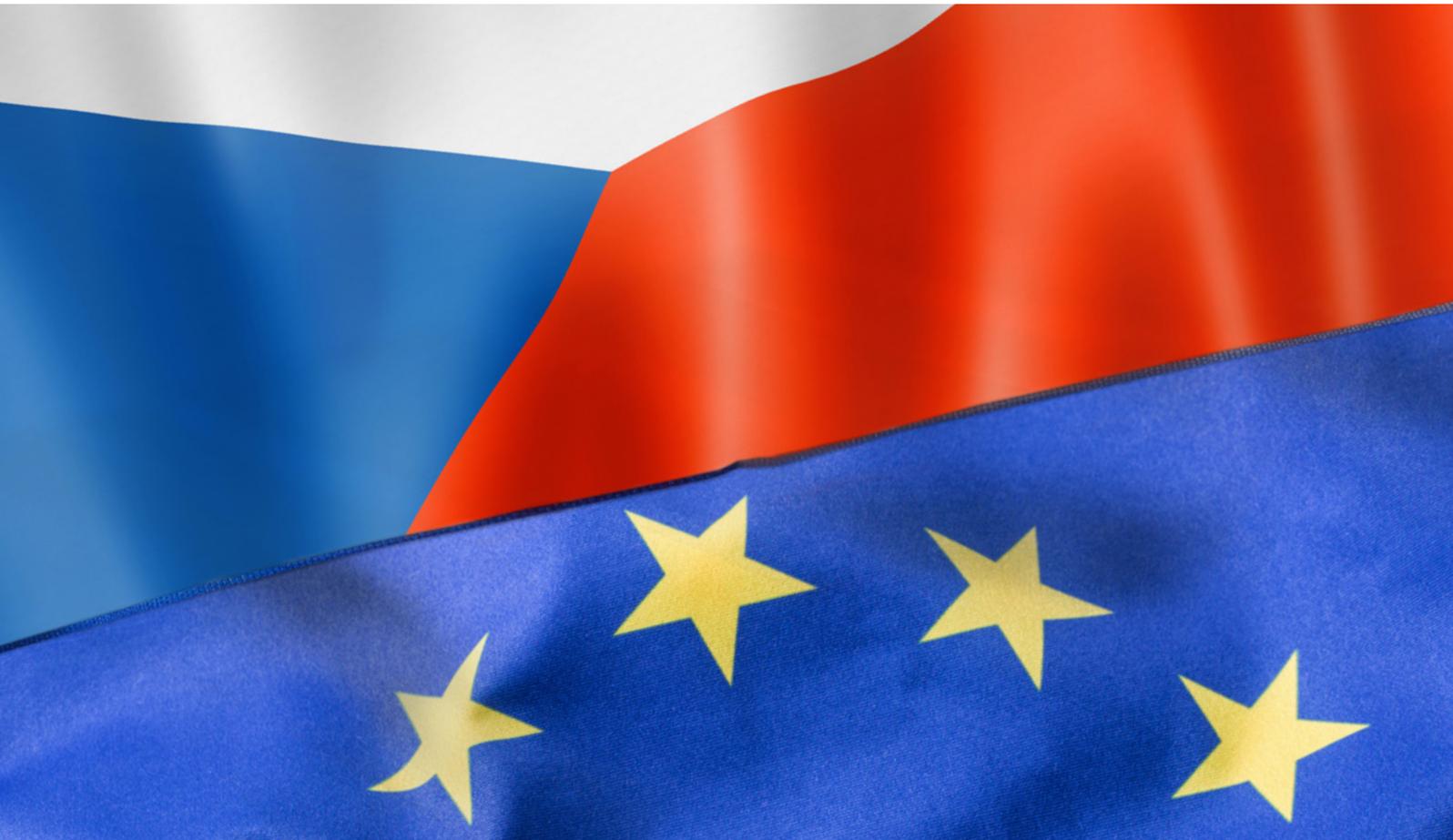




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Foreword



Susan Danger

CEO

AmCham EU

The Czech Presidency of the Council of the European Union (EU) will have a crucial role to play in shaping the Union's future trajectory. Europe faces a wide range of challenges, starting with Russia's invasion of Ukraine. AmCham EU strongly condemns the war which violates international law and poses a clear threat to the fundamental values of human dignity, rule of law and democracy. Rebuilding Ukraine will be an important priority over the coming years. The uncertainty is further amplified by the pandemic, rising inflation, congested supply chains and a lack of trust in institutions around the world.

The Czech Presidency will take on a critical task in overseeing Europe's economic recovery around the twin transitions of environmental protection and digitalisation. The EU should also continue to strengthen the Single Market, the main driver of foreign investment to Europe, with a focus on the implementation and enforcement of EU legislation. As Europe moves to reduce its dependence on Russian natural gas through the REPowerEU initiative, the EU must act in a coordinated manner to provide concrete incentives that produce more local and low-carbon energy. Affordability and reliability of energy supply is vital for a competitive industry in Europe.

In light of these challenges, the EU-US relationship is stronger and more important than ever before. The EU and the US are drivers of global growth: the transatlantic economic partnership is the largest and wealthiest market in the world. Aggregate US investment in Europe totalled more than €3.4 trillion in 2021, and directly supports more than 4.9 million jobs in Europe. In particular, the Trade and Technology Council provides a unique opportunity for transatlantic leadership, as a practical forum to tackle emerging issues and shape the global economy's direction around their shared values.

In this context, I am pleased to present our recommendations to the Czech Presidency on behalf of the American Chamber of Commerce to the EU (AmCham EU) and its member companies. We hope they can provide concrete input and direction to the Presidency's work programme over the coming six months. We believe that many of the issues raised in this report are vital to shaping a strong and competitive EU.

AmCham EU stands ready to support the Czech Republic in this crucial role and wishes the Presidency every success.

Committed to Europe: Agenda for Action 2019-2024

The last few years have tested European unity and the post-war world order. From a global pandemic to a war raging at its borders, the EU had to demonstrate its leadership in an increasingly complex environment. As the effects of digitalisation and globalisation continue to transform our economies, societies around the world are pressured to become more resilient. Tackling global challenges such as rising inequalities, climate change and migration require collective leadership and bold policy action.

As American companies committed to Europe, the competitiveness of the region in the global economy is of utmost importance to us. With sustained focus, Europe can remain one of the most attractive regions in the world to do business, but also one of the best places to live, study, work and raise a family.

Our *Agenda for Action* outlines the four priority areas we believe should drive the political agenda:



Empowering people

- Education
- Skills
- Inclusion



Leading global cooperation

- Transatlantic partnership
- Trade and investment
- Sustainability



Boosting the Single Market

- Smart regulation
- Better harmonisation and implementation



Investing in the future

- Human capital
- Research and innovation
- Infrastructure and best-in-class public procurement

Investing in Europe's recovery: forging the future



2022 policy priorities

In the wake of the COVID-19 pandemic, the EU agreed to a historic and ambitious recovery plan. At its core is a €750 billion facility linked to a strengthened EU budget as well as a policy agenda leveraging the 'twin transition'. Building a more digital and sustainable society will define Europe's continued competitiveness and leadership on the global stage. The Single Market is the EU's most powerful tool to enable this transformation. This should also be coupled with smart investment into strengthening the resilience of healthcare systems, preparedness for any future pandemics and the wellbeing of Europe's ageing population. Policymakers will need to work even more collaboratively to create a regulatory framework that helps communities and business recover.

The war in Ukraine, which threatens the fundamental values upon which our societies are based, also sheds a different light on these issues. It brings a renewed sense of urgency on existing priorities, including the energy transition, the need to strengthen supply chains and the reduction of strategic dependencies. It also demonstrates that the EU needs to work closer than ever with like-minded partners, such as the US, to defend and project their shared values of human dignity, the rule of law and democracy.



Green transition

What our planet looks like tomorrow will depend on how we balance economic recovery and environmental protection today. With harmonisation across environmental and climate policies, clearly defined targets and a path for achieving them, AmCham EU companies are partners in defining and implementing climate policies. The following eight key action areas within the Green Deal are essential to the green transition:

- **Fit for 55:** The climate and energy policy framework developed for emissions reduction should be all-encompassing and promote harmonised legislation to balance sustainability, competitiveness and innovation.
- **COP27:** International cooperation has been and can be key to an ambitious and attainable multilateral framework to address climate change.
- **Circular economy:** Maintaining the value of products, materials and resources for as long as possible, while supporting recycling infrastructure and technologies, protecting human health and preserving Europe's competitiveness, can create a more sustainable economy.
- **Energy:** Further development of an integrated European energy market and the uptake of technology-neutral and cost-efficient innovations can accelerate the transition to a low-carbon economy.
- **Chemicals:** Cutting-edge innovation to find alternatives to harmful substances can protect human health and safeguard the natural environment.
- **Finance:** Integrated European capital markets to attract and activate new pools of investment can drive sustainable innovation.
- **Food systems:** A holistic, fair and coordinated agri-food supply chain can make food systems more sustainable.
- **Mobility and transport:** A balanced approach to low-emission mobility and heightened use of digital technologies can contribute to a more competitive and clean transport sector.



Digital transformation

The digitisation of industries and public services will be vital as we build a more resilient and sustainable economy. Investments in the digital sector can enhance businesses' ability to contribute to future growth and should ensure that all Europeans benefit from an increase in digital services and innovations. Eight areas are crucial to this digital transformation:

- **Artificial intelligence (AI):** By creating an ecosystem of trust and excellency, the EU can become a vibrant hub for researching, developing and innovating trustworthy AI technologies.
- **Connectivity:** The rollout of 5G, coupled with fibre and enhanced Wi-Fi capacity, can give consumers access to more information faster than ever before and can make business more efficient.
- **Data:** By investing in European data spaces and federated cloud infrastructures, Europe can become one of the most attractive markets for the storage, processing and use of free data flows.
- **Digital capacities:** Europe should accelerate investment, innovation and entrepreneurship to foster the uptake and scaleup of new technologies such as cloud, AI and blockchain.
- **Digital skills:** Significant investments in education, life-long learning, upskilling and reskilling are essential to ensure the workforce is ready for the jobs of tomorrow.
- **E-customs:** By transitioning to a fully electronic customs environment, the EU can make use of new technologies to create a robust customs framework that facilitates trade and respects of the rule of law.
- **Intellectual property rights:** Efficient, well-designed and balanced IPR enforcement can increase Europe's competitiveness and promote investment, research, innovation, growth and global business activities.
- **Semiconductors:** Europe can boost its semiconductor production capacity by investing in research, development and innovation, increasing its supply chain resilience, expanding its talent pipeline and establishing a crisis response mechanism.

Agriculture and Fisheries



ISSUE

Common Agricultural Policy (CAP)



RECOMMENDATIONS

EU agricultural policy can create a regulatory environment that encourages innovation in developing sustainable food systems. For this, it must remain aligned with the objectives and targets of all EU Green Deal initiatives, respect the urgency of protecting our planet and enable farmers to achieve more sustainable, efficient and safe farming practices.

Recommendations:

- Ensure fair and non-discriminatory treatment of local versus imported raw materials to supply the European market. This includes removing non-tariff barriers to trade and recognising different agronomic needs around the world.
- Support research and development (R&D) initiatives in agriculture, including digital and precision farming, to support farmers and help improve food safety and public health.
- Invest additional funding to incentivise farmers to adopt more sustainable agricultural practices that meet the strengthened environmental and climate ambitions of the CAP reform.
- Ensure a well-functioning international agri-food supply chain that supports the economic recovery.

Farm to Fork Strategy (F2F)



If successfully implemented, the F2F could protect the environment, promote sustainable production and consumption, create healthier food and more sustainable food environments, facilitate sustainable trade and encourage increased research and innovation, all while preserving Single Market principles.

Recommendations:

- Carry out a comprehensive cumulative impact assessment on all Green Deal initiatives affecting farming.
- Ensure further biomethane and electricity deployment in the agriculture sector to promote the implementation of green fuels.
- Use the F2F to drive sustainable change in the supply chain, which reflects the need for a framework that encourages innovation and broader alternatives.
- Base F2F-related initiatives on scientific evidence.
- Support the development of sustainable veterinary medicines through the F2F and incentivise a reduction in environmental impact.



= issue area related to the green transition



= issue area related to the digital transformation

ISSUE

Farm to Fork Strategy (F2F) (cont.)



Implementation of the legal framework for veterinary medicinal products (VMP)

Risk assessment, management and communication in the agri-food sector

Sustainable nutrition



RECOMMENDATIONS

- Consider vaccines as sustainable pharmaceuticals and as a tool to combat antimicrobial resistance (AMR).
- Incentivise the digitalisation of agriculture through the F2F and support farmers in making the transition.

The VMP framework regulates the authorisation and use of veterinary medicines.

Recommendations:

- Prevent hampering international trade by imposing on third countries EU technical measures that are not compatible with World Trade Organization (WTO) rules.
- Base the implementation of the VMP Regulation on a sound benefit-risk assessment, not hazard-based approaches.
- Ensure that the use of a list of critically important antimicrobials does not hamper transatlantic trade.
- Invest in research and bring to market innovative treatments, technologies and care options.

A balance between risk assessment, perception, management and communication is of paramount importance for the integrity of the food chain and to promote innovation and sustainable growth in the agri-food sector.

Recommendations:

- Communicate risk management decisions in a clear, timely and transparent manner to encourage consumer acceptance of technological developments.
- Prioritise rigorous scientific and risk-based decision-making in all discussions.

The triple burden of malnutrition – overnutrition, undernutrition and insufficient consumption of essential nutrients – is a problem in Western countries. Many consumers lack the essential knowledge to make informed choices for a varied and balanced diet.

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Sustainable nutrition (cont.)



Trade and sustainable food systems



RECOMMENDATIONS

Recommendations:

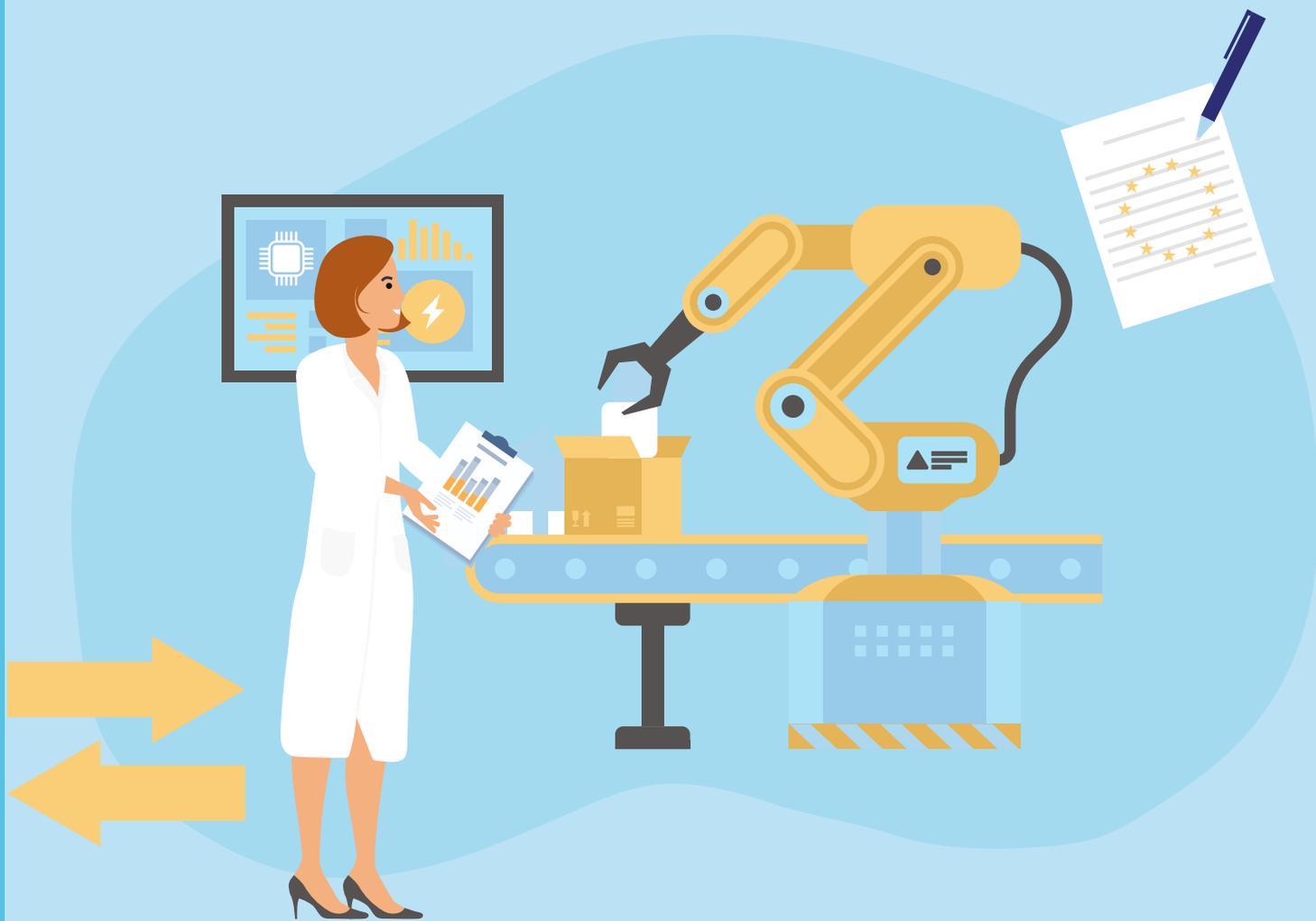
- Make essential information about nutrition part of education curricula and campaigns across Europe.
- Provide EU citizens with easily accessible, affordable, nutritionally adequate and safe food choices. A coordinated effort throughout the food chain is necessary to achieve a healthier and more sustainable food environment.
- Promote innovation in the food space, support the use of sustainable food technologies and guarantee easier access to a variety of food products across the EU.

Global food systems account for nearly one-third of global greenhouse gas emissions and result in severe biodiversity losses; they must be redesigned. Transitioning towards more sustainable food systems should be done in a holistic, fair and coordinated way, and in cooperation with all actors at all levels of the food and feed supply chain.

Recommendations:

- Consider the global dimension of trade and sustainable development – including collaboration with the EU's trading partners – when dealing with the F2F and EU food and agriculture policy (eg CAP).
- Account for production conditions in third countries when creating regulatory barriers. They should be science and risk-based, linked explicitly to sustainability objectives and implemented in a manner consistent with the equivalent obligation established at the WTO level.

Competitiveness



ISSUE

Electronic Data Interchange (EDI) standards



EU competition law for the digital age



Industrial competitiveness

RECOMMENDATIONS

EDI standards can provide certainty for relevant authorities and simplify the operation process for all operators over liability by aligning value added tax (VAT) with customs legislation and by establishing an Import One Stop Shop model that includes an end-to-end green lane status.

Recommendations:

- Centralise procedures through a single European Customs Agency where economic operators can file their customs declarations in order to streamline free movement of goods.
- Implement the VAT e-commerce package in a harmonised and effective manner.

EU competition law forms the bedrock of investment in the Single Market, ensuring an open and free market system for all.

Recommendations:

- Avoid unreasonable inversions of the burden of proof, which could weaken the market and call into question the reliability of existing case law.
- Guard against 'mission creep', which could see competition instruments misused to achieve goals that are beyond the scope of EU competences.

Industry is a critical driver of economic growth, innovation and prosperity. The EU has made 'open strategic autonomy' the cornerstone of its approach to trade policy. The EU industrial strategy must have a strong internal and external dimension that makes the EU's domestic market more attractive to foreign investment and ensures equal opportunity for market players. This is key for companies to remain competitive globally and achieve their digital and decarbonisation goals.

Recommendations:

- Support the Commission's proposal for a renewed EU industrial strategy.
- Pursue free and rules-based trade.
- Aim for the effective implementation of the Better Regulation agenda.
- Enhance international cooperation to facilitate the adoption of globally coherent rules, standards and regulations.

ISSUE

Industrial competitiveness (cont.)

- Define more concretely the criteria that would apply to the terms ‘open’, ‘strategic’ and ‘autonomy’, and how they will translate into practical policy choices in internal and external contexts.
- Reiterate assurances to the EU’s allies that it remains open, global and non-protectionist with a continued focus on helping companies to grow, reinvest and develop in Europe.

Foreign subsidies

The EU and the US have an opportunity to combat distortions of competition in the EU caused by foreign subsidies.

Recommendations:

- Ensure balanced and proportionate future legislative proposals on non-EU subsidies, acquisitions of EU assets by companies in receipt of non-EU government funding and public procurement bids from third-country entities.
- Clarify definitions for core concepts and mechanisms such as transactions and regimes considered to give rise to a ‘financial contribution’ or ‘subsidy’.
- Provide indicators of what may trigger a review through the ex-officio tool (Tool 1), including clear thresholds and timelines.
- Reduce the ten-year retroactive application period.
- Exclude financial contributions of the target from considerations.
- Align with the Commission and the Member States the various resulting proceedings from the Commission’s foreign subsidies proposal’s notification obligation and merger notification.
- Balance competition protection and limited administrative burden for businesses. Requirements for companies to make judgement calls should also be excluded.
- Grant the Commission sole competence to review cases of general distortions and acquisitions. The investigation period should not exceed 18 months.
- Exclude from the scope national security and defence activities, governments that are party to the WTO Agreement on Government Procurement and transactions carried out through competitive and transparent procedures.

ISSUE

Single Market



RECOMMENDATIONS

The Single Market is the basis of Europe's economic success and a key driver of US investment in Europe. Policymakers need to continue to stand up for the achievements of the Single Market and prevent fragmentation.

Recommendations:

- Deliver greater action at Member State level to protect the integrity of the Single Market.
- Foster the right environment to conduct business and ensure a solid infrastructure to encourage skills, talent, innovation and labour flexibility.
- Develop the Digital Single Market where online services, goods and data can move freely to allow citizens and companies to reap the full benefits of the digital transformation.

Streamlining customs procedures across the EU



Although the EU operates in a Customs Union and constitutes a Single Market, the free movement of goods continues to face considerable obstacles. Currently, importing into the EU results in different customs obligations in each Member State, as they use different local languages and comply with varied rules.

Recommendations:

- Harmonise national rules related to the movement of goods and customs in the EU and enhance cooperation among customs authorities. This should safeguard the competitiveness of the internal market as well as EU-level research and development efforts.
- Expedite the mandatory introduction of the Single Window to ensure a truly frictionless Single Market.
- Increase funding for border authorities in line with the Customs Action Plan.
- Make permanent the trade-facilitating measures at the border that were initiated during the COVID-19 crisis, while avoiding new restrictions that obstruct trade and invite retaliation from trading partners.
- Prioritise the facilitation of e-commerce to ensure ongoing competitiveness, as it has risen considerably in recent years but continues to face regulatory scrutiny.

ISSUE

Enforcement of intellectual property rights (IPR) offline and online



Intellectual Property (IP) Action Plan



RECOMMENDATIONS

Europe has one of the strongest IPR protection frameworks, which is key to incentivise investment in innovation, scientific and technological research as well as creativity. Given that IP infringements of all kinds such as piracy, patent infringement and counterfeiting have continued to grow in size and scope, new proposals are important to modernise and strengthen the existing framework.

Recommendations:

- Strengthen enforcement of IPR to protect consumers and IP-owning businesses.
- Continue collaboration with IP enforcement agencies in third countries to enhance information sharing on IP infringements and key players (relevant for anti-counterfeiting and piracy operations) as well as share best practices for IP protection and enforcement.
- Improve visibility of the EU Counterfeit and Piracy Watch List so that IP brand owners and consumers can better understand the list's benefits.
- Rely on existing programmes to combat counterfeiting and protect IP by increasing cross-border cooperation, giving a larger role to online intermediaries, building on the existing co-regulatory tools (eg the Memorandum of understanding for stopping the sale of counterfeited goods online) and promoting more enforcement actions by Member States.

IP is a key pillar that will support the economic recovery and pave the way towards EU leadership on the global stage. A robust European IP system based on strong IPR and appropriate enforcement drives research, manufacturing, employment and innovation, and attracts capital for pioneering and creative enterprises. In addition, IP-intensive industries create high-value, long-term jobs.

Recommendations:

- Complete the Unitary Patents System.
- Maintain a strong and competitive framework of IP incentives to stimulate R&D (eg in innovative medicines).
- Strengthen the enforcement of IPR, specifically through funding and prioritisation of law enforcement agencies.
- Adapt the EU framework to an increasingly digital ecosystem while refocusing on approaches to tackle the volumes in physical trade.
- Modernise the EU design legislation.

ISSUE

Pharmaceutical incentives framework review

RECOMMENDATIONS

The current legislative revisions stemming from the Pharmaceutical Strategy for Europe can be an outstanding opportunity to maintain a competitive IP-incentive framework for pharmaceuticals.

Recommendations:

- Collaborate with industry to address areas of high unmet medical need such as rare paediatric diseases and AMR.
- Maintain and further encourage the global competitiveness of the EU's life science sector by ensuring the highest standards of IP and regulatory incentives and protections.
- Implement new pull incentives to the current market failures in antimicrobial R&D and the fight against AMR.

Economic and Financial Affairs



ISSUE

Banking Union

RECOMMENDATIONS

The European Banking Union is aimed at strengthening financial stability via improvements to prudential requirements, as well as to recovery and resolution mechanisms.

Recommendations:

- Complete the Banking Union.
- Ensure a globally consistent implementation of international banking standards (eg the Basel framework).
- Avoid fragmentation and localised ring-fencing requirements.

Capital Markets Union (CMU)

The second CMU action plan outlines a comprehensive strategy to further unlock the potential of capital markets across Europe. This renewed effort is crucial to address the continued fragmented state of Europe's capital markets, which represent an obstacle to cross-border investments and efficient allocation of capital.

Recommendations:

- Encourage the establishment of formal consultative mechanisms between regulators and supervisors to support inter-jurisdictional deference.
- Continue to prioritise increased international coherence, alignment and consistency throughout the EU, coupled with cross-border regulatory and supervisory cooperation as the foundation for openness.

Digital finance



The speed and scale of adoption of new technologies and digital business models by financial institutions poses new risks for customers and the financial system overall.

Recommendations:

- Enable the financial services sector to test and develop new applications.
- Foster improvements within customer engagement, processes, service delivery, risk management, fraud detection, anti-money laundering and antiterrorism financing.
- Apply the principle of 'same activity, same risk, same regulation'. New rules should be proportionate to the risks associated with the specific activities.

ISSUE

Digital Operational Resilience Act (DORA)



RECOMMENDATIONS

The speed of innovation and the use of innovative technologies in the financial services sector have not only seen an increase in the use of information and communications technology (ICT) but have also led to a greater demand for the security and resilience of firms. The DORA represents a valuable step towards a harmonised and robust framework for digital resilience in financial operations.

Recommendations:

- Build on existing international practices and remain open to incorporating international best practices into the implementation of the DORA.
- Ensure that the DORA or any other regional framework does not lead to conflicting or overlapping requirements for financial services and technology companies operating globally (eg with the Network and Information Systems Directive or the General Data Protection Regulation).

Market openness

The recent global developments may lead to an inevitable fragmentation of financial markets, bringing risks to financial stability and increased costs for investors and issuers. Open markets are inextricably linked to Europe's ambition of becoming more globally competitive.

Recommendations:

- Prioritise increased transparency and predictability around the equivalence process to provide greater certainty.
- Take an approach of mutual deference to partners' regulatory and supervisory regimes in tandem with adequate cooperation and exchange of information agreements that can foster trust.

Sustainable finance



To achieve the EU's 2030 targets agreed in Paris, including a 55% cut in greenhouse gas emissions from 1990 levels, Europeans must fill an investment gap estimated at €180 billion per year. For this, it will be critical to leverage the capabilities of the private sector to support the transition to a sustainable economy by empowering investors. International partnerships and cooperation are key to ensure sustainable policies and finances that can combat climate change and other environmental risks.

ISSUE

Sustainable finance

(cont.)



RECOMMENDATIONS

Recommendations:

- Ensure investors have options that are in line with their environmental, social and governance (ESG) objectives and risk appetite, as well as the tools they need to pursue these goals.
- Develop the selection of technical criteria included in EU Taxonomy Guidelines and Annexes as market proved (through preparatory studies) and follow up-to-date technical evaluations or reviews using transparent, multi-stakeholder feedback mechanisms.
- Avoid constructing inflexible and complex regulatory frameworks around sustainable finance, which limit investors' choices and remove their investment tools.
- Ensure a proportionate approach to balance the demand for ESG data in the context of the Corporate Sustainability Reporting Directive.
- Make progress on building a CMU.
- Minimise the bias towards short-termism in fiscal, prudential and supervisory policies.

ISSUE

Taxation of the digital economy



RECOMMENDATIONS

The Organisation for Economic Co-operation and Development (OECD) Inclusive Framework reached consensus from over 130 countries to reform the global corporate tax framework and stabilise the international tax system. Nonetheless, proceeding with a separate EU-wide digital levy risks inflaming trade tensions and destabilising the OECD agreement.

Recommendations:

- Finalise technical details for Pillars 1 and 2 to ensure that they are easy to administer and provide certainty to tax authorities and taxpayers alike. The final policies should avoid double taxation and promote cross-border trade, investment and economic growth.
- Adopt a simplified compliance mechanism to lower the administrative burden of implementing the global agreement.
- Allow sufficient time to ensure a complete and consistent implementation of global rules. Legislation must be in line with the international agreement and jurisdictions should not seek to go beyond the global arrangement.
- Withdraw digital services taxes in countries that have already enacted them. Jurisdictions should not seek to circumvent the global agreement by adopting new digital taxes in the future.
- Design future policy developments to promote cross-border trade, investment and economic growth.
- Follow the Ottawa principles regarding the taxation of e-commerce.

Education, Youth, Culture and Sport



ISSUE

Digital Education Action Plan



RECOMMENDATIONS

As demonstrated by the COVID-19 pandemic, digital technologies are crucial in providing opportunities for education and learning.

Recommendations:

- Allocate resources to digital infrastructure to ensure that everyone can reap the benefits of digital learning.
- Ensure EU-wide systems of micro credentials to encourage the free circulation of talent.
- Train teachers and provide them with the necessary tools to make use of digital technologies and enable remote learning where necessary.

Reskilling and upskilling



Europe faces a major skills shortage in the workforce as the digital transformation takes hold. There is a high need for training opportunities encouraged by public-private partnerships.

Recommendations:

- Foster company investment schemes in reskilling and upskilling.
- Raise awareness about the existing training schemes offered by business, which can help institutions keep pace with the demands of industry.
- Make use of the Multiannual Financial Framework (MFF) to provide ambitious funding for educational institutions and private operators to collaborate and help the active workforce adapt their skillsets to new demands.
- Incentivise lifelong learning in training and apprenticeship programmes using EU investment funds, such as the European Fund for Strategic Investment.
- Increase horizontal coordination to focus national curricula on adopting more digital tools as well as broader science, technology, engineering and mathematics (STEM) and non-cognitive skills, such as adaptability and creativity.

Employment, Social Policy, Health and Consumer Affairs



ISSUE

Antimicrobial resistance

RECOMMENDATIONS

AMR is responsible for 33,000 deaths per year in the EU. If left unchecked, it could overtake cancer as the leading cause of death in the bloc by 2050. Tackling this threat should be a top priority.

Recommendations:

- Increase broad stakeholder collaboration for prevention and early detection.
- Increase best practice sharing across Member States, including behavioural studies in healthcare facilities of surgical site infections and aftercare, including wound care.
- Create new pull incentives to increase innovation in AMR R&D.
- Promote antibiotic stewardship to preserve the effectiveness of existing treatments and secure the next generation of antibiotics.
- Leverage broader and more effective use of vaccines by Member States to reduce reliance on antibiotics.
- Develop new economic models and a robust package of incentives to expand R&D.

Beating cancer action plan

Cancer is among the leading causes of premature death in the EU. The social and economic cost of non-communicable diseases is significant.

Recommendations:

- Encourage preventive actions in the fight against cancer and all noncommunicable diseases with a focus on eliminating or reducing the harm caused by modifiable risk factors, early detection, diagnosis and increased access to vaccinations and treatment programmes.
- Stimulate product innovations to find new ways to tackle cancer, particularly the use of personalised cell therapies – such as advanced therapy medicinal products (ATMPs) – and one-time treatments with potential long-term benefits that can change lives and create efficiencies for healthcare systems.

ISSUE

Digitisation of health



RECOMMENDATIONS

European approaches to data must foster a life sciences ecosystem that can capitalise on innovative health technologies. The European Health Data Space provides an opportunity to leverage the European digitalisation of healthcare.

Recommendations:

- Support actions to build a digital service infrastructure that ensures adequate data privacy standards.
- Promote the adoption of digital health solutions that have the potential to empower patients (eg remote monitoring, ePrescriptions).
- Mobilise health data collection to address evidence gaps and provide greater access to innovative treatments.
- Encourage cross-border data sharing (ie standardised health records) to ensure adequate standards for data privacy and custodianship.
- Develop a broadly focused healthcare artificial intelligence strategy for Europe to capitalise on advancements in personalised treatments, acceleration of product approvals and more.

Health Emergency and Preparedness Response Authority (HERA)

HERA is necessary to ensure coordinated responses by the EU and tackle cross-border health threats.

Recommendations:

- Support HERA with a sufficient financial basis to undertake targeted tasks that add value and not duplicate or depend on other research programmes or health-related initiatives.
- Prioritise collaboration with relevant authorities (eg the European Centre for Disease Control [ECDC]) and industry stakeholders to identify the next generation of medical countermeasures and pitfalls in current preparedness strategies, including those issues related to supply and demand (eg personal protective equipment).

ISSUE

Health Technology Assessment (HTA)

RECOMMENDATIONS

In light of the compromise reached on the HTA Regulation, Member States should retain the autonomy to make decisions regarding pricing and reimbursements as well as to limit the scope of the regulation to joint clinical assessments for pharmaceutical products. The development of the Regulation's implementing acts can provide an opportunity to define clear, clinical assessment criteria that adequately capture the specificities of each of the therapies under evaluation.

Recommendations:

- Develop specific methodological guidelines for ATMPs.
- Ensure coordination and dialogue between the coordination group and Member States to define a solid joint clinical assessment framework and limit possible duplications at the national level.
- Maintain a constructive, open dialogue with manufacturers throughout the development of the implementing acts.

Integrated approach to life sciences

A holistic approach to life sciences, which brings together patient organisations, healthcare professionals, industry and policymakers, will provide patients with the maximum benefits.

Recommendations:

- Increase synergies in the European life science R&D in terms of funding (EU4Health, Horizon Europe, Innovative Medicines Initiative, Recovery and Resilience Facility) and across agencies (European Medicines Agency, ECDC, Health and Digital Executive Agency, etc).
- Tailor approaches to value assessment across different technologies.
- Adapt to new healthcare business models.

ISSUE

RECOMMENDATIONS

Gender balance

Equality between men and women is essential to ensure Europe's future of work and economic recovery. However, more gender-friendly policies and female leadership are needed in the public and private sector.

Recommendations:

- Incentivise female representation in leadership positions across the public and private sectors, creating a race to the top around diversity and inclusion worldwide.
- Encourage young women to pursue careers in critical sectors such as STEM, ICT and cybersecurity.
- Mirror the horizontal nature of gender equality in institutional governance, considering its impact on all industry sectors and across society.

Modernisation of EU consumer law

Awareness of consumer rights needs to be higher among traders and consumers to avoid insufficient compliance and high fines. The ongoing transposition of the Omnibus Directive and the regulatory fitness and performance programme in the Member States and forthcoming guidance from the Commission should set the tone for the harmonisation of consumer rights for all goods and services.

Recommendations:

- Modernise rules on consumer protection to strike the right balance between consumers and traders.
- Apply and enforce rules online and offline (eg product safety).
- Harmonise and synchronise consumer rules throughout the EU.
- Cooperate between consumer protection and enforcement authorities.

Workforce size expansion

Gender, age, origin, social background, sexual orientation or health condition should never become barriers to success and well-being. The participation of all individuals in the workforce will lead to considerable social and economic gains.

Recommendations:

- Work to overcome biases throughout the hiring process and support both school-to-work and work-to-work transitions. This must entail creating opportunities for success.

Environment



ISSUE

Batteries Regulation



RECOMMENDATIONS

The Regulation sets several sustainability requirements to batteries placed on the EU market and seeks to improve the environmental footprint – especially carbon dioxide emissions – of the EU’s battery value chain by tackling each stage of batteries’ lifecycle. The new provisions should acknowledge that the battery value chain is extremely diverse and rules must enable best-in-class batteries for all applications.

Recommendations:

- Grant producers and users adequate grace periods for the implementation of new requirements, especially technical ones, to adapt without hindering innovative capacity. The current twelve-month proposal for implementation is insufficient.
- Ensure that recycling remains ‘open loop’ and that recycled content requirements avoid production bottlenecks. Targets for recycling materials should be technically, economically and environmentally achievable.
- Guarantee that information-sharing in battery passports does not raise IP concerns.
- Ensure consistency with other pieces of legislation, such as chemicals management and supply chain due diligence.
- Clarify the term ‘transfer of responsibility’ under extended producer responsibility as well as end-of-waste status for electric vehicle batteries.
- Ensure that provisions around removability and replaceability are proportionate and that operators are professionally qualified.

Carbon Border Adjustment Mechanism (CBAM)



CBAM has the potential to become an effective tool to combat carbon leakage and drive global efforts towards net zero, but it could also disrupt highly integrated supply chains and lead to trade conflicts. The primary objective of CBAM should be to address climate change and avoid carbon leakage.

Recommendations:

- Ensure a market-based emissions trading system (ETS) when designing the mechanism, as it allows the market to determine the most efficient and effective price level to drive emissions reduction.
- Incentivise companies to reduce the emission intensity of their products, provide a level playing field for domestic industry and encourage governments globally to increase their climate ambitions.

ISSUE

Carbon Border Adjustment Mechanism (CBAM) (cont.)



Chemicals Strategy for Sustainability



RECOMMENDATIONS

- Assess the impact of measures against the potential impact on supply chains and manufacturing production, including for small and medium-sized enterprises (SMEs).
- Provide CBAM exemptions to avoid double taxation of imports for countries that have their own carbon pricing mechanisms.
- Minimise the impact on the flow of legitimate trade by moving its administrative processes away from the border where possible.
- Ensure CBAM and ETS work in tandem and provide a clear timeline for the phase out of free allowances in a WTO-compatible way and ensure fair treatment for both EU exporters and third-country producers.

The Chemicals Strategy for Sustainability seeks to reform the existing EU chemicals policy framework to achieve sustainability and competitiveness.

Recommendations:

- Follow a risk-based approach for the EU chemicals management system. Hazard-based regulatory instruments would fail to consider key socioeconomic factors and would hinder innovation.
- Base new measures on scientific and clear definitions. Risk management should be based on socio-economic factors and availability of alternatives.
- Avoid extending the Classification, Labelling and Packaging Regulation to new hazard classes, which would lead to inconsistencies that are not scientifically justified and are a departure from the UN Globally Harmonized System of Classification and Labelling of Chemicals.
- Simplify risk-assessment processes to strengthen regulatory predictability.
- Justify the proposed perfluoroalkyl chemicals (PFAS) restrictions with appropriate EU-based evidence. PFAS are a diverse group of chemical compounds that should not be regulated as one group, but rather distinctively and based on physicochemical properties and exposure considerations.
- Regulate fluorinated gases under Regulation (EU) No 517/2014, not under the PFAS restriction, to avoid overlapping requirements and regulatory uncertainty.
- Define what constitutes 'essential' in terms of emissions reduction targets, technological developments or pandemic response. This definition should be enshrined into the existing Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) assessment framework.

ISSUE

Circular Economy Action Plan (CEAP)



RECOMMENDATIONS

CEAP aims to create products with lower environmental impact and greenhouse emissions while maintaining economic benefits through cutting-edge technologies, processes and business models.

Recommendations:

- Make a supportive regulatory ecosystem for industry, the driving force behind the circular economy transition.
- Promote an EU-wide approach to circular economy legislation, limiting national initiatives that could impede Single Market rules.
- Review the current regulatory framework for waste to facilitate the transition to a circular economy and see waste as a resource.
- Create a framework for product sustainability that is consistent with existing legislation and creates the right conditions for innovation to flourish. An appropriate transition period is also required for companies to implement these new measures.
- Evaluate the total impact of new fiscal initiatives while accounting for schemes such as the 'extended producer responsibility.'

Ecodesign for Sustainable Products Regulation



This Regulation, which repeals the Ecodesign Directive and proposes additional legislative measures, aims to make products in the EU market more sustainable.

Recommendations:

- Maintain the principles of the ecodesign legislative framework, which are achieving excellent results, and allow sufficient transition periods for implementing these requirements.
- Align future legislation with existing regulations in a coherent manner that addresses products in different life phases. Ensure consistency with other legislation as sustainable chemicals, Restriction of Hazardous Substances (RoHS) and Right to Repair to provide clarity for all supply chain operators.

ISSUE

Ecodesign for Sustainable Products Regulation (cont.)



Fit for 55 package



RECOMMENDATIONS

- Increase transparency and communication across the value chain through the Digital Product Passport (DPP) in order to improve circularity without imposing excessive costs on industry. Sensitive data should be protected and only accessible by the market operators that need it for circularity purposes. Data included in the DPPs must be clear, concise, meaningful, understandable, accessible, reliable, comparable, verifiable and product specific in order to secure that the appropriate efforts to collect them are indeed enhancing the sustainability of the products.

As part of the European Green Deal, the EU is revising its climate, energy and transport-related legislation under the Fit for 55 package. To meet these objectives, the EU must balance sustainability, competitiveness, reliability and innovation.

Recommendations:

- Support existing technologies and cutting-edge innovation by taking a technology-neutral approach and working to reduce emissions.
- Create a common regulatory framework that fosters an EU-wide market for greener products and services.
- Anticipate the potential displacement effects of the climate transition on the workforce.
- Pay greater attention to Member States' enforcement of relevant EU legislation.
- Ensure enforceability at the national level to strengthen the Fit for 55 proposals' credibility and attractiveness for the private investment needed.
- Encourage 'nature-based solutions' through initiatives like watershed restoration and good water stewardship.
- Ensure policy coherence across all elements of the Fit for 55 package and other legislation related to emissions reduction.
- Support mandated objectives through targeted incentivisation to ensure the necessary market conditions.
- Synchronise the decision-making process because all the legislative files are interlinked.
- Ensure that payment cards are mandated as a minimum standard of payment at all public charging points for electric vehicles, not only at the fast chargers with output above 50kW.

ISSUE

Packaging and Packaging Waste Directive (PPWD)



RECOMMENDATIONS

As part of the CEAP, the Commission will review the PPWD to reinforce the mandatory requirements for packaging allowed in the EU market and consider other measures. The review extends beyond essential requirements and includes measures to reduce (over-) packaging and packaging waste. Additionally, it will involve measures to improve packaging design for reuse and recycling and drive the uptake of recycled content. The complexity of the measures requires a thorough and evidence-based impact assessment.

Recommendations:

- Promote an EU-wide review of the PPWD, limiting national initiatives that could inhibit Single Market rules.
- Supervise Member States' enforcement of relevant EU legislation.
- Ensure enforceability at the national level to legitimise the Directive and to attract private investment.
- Consider packaging as a resource for the circular economy, as done with the other extended producer responsibility schemes.
- Avoid limiting substances without having carried out prior impact assessments in regard to the PPWD's 'substances of concern' clause as defined by the Strategy for Sustainability Towards a Toxic Free Environment.

Restriction of Hazardous Substances (RoHS)



RoHS has been a highly effective market access law valued by industry for the clear regulatory signals it sends. The directive is due for review in 2022.

Recommendations:

- Reflect on the strengths of the regulation and look to build on successes by pursuing existing opportunities.
- Provide clearer exemption timelines that are more aligned with product design realities.

Foreign Affairs and General Affairs



ISSUE

Enforcement of IP rights in third countries



RECOMMENDATIONS

IP violations, including piracy, counterfeiting and other infringements, are global and growing issues that harm investments and consumers.

Recommendations:

- Secure a better IP environment in third countries and engage with them on technical programmes.
- Strengthen EU-US cooperation to prevent IP violations throughout the global supply chain.
- Cooperate with like-minded global partners to tackle IP infringements in third countries that might jeopardise EU competitiveness.

EU bilateral trade relations



Constructive dialogue with major trading partners, including the US, is key to enhance mutual understanding, economic growth and prosperity in the Single Market.

Recommendations:

- Support the early conclusion of free trade agreements (FTAs) with Mexico, Australia, New Zealand and Chile, and push for progress on the negotiations with Indonesia and India.
- Build an EU trade policy based on openness and interdependence in order to avoid trade disputes.
- Advocate for strong enforcement of all European FTAs.
- Foster Member States' support for ambitious IP and digital trade provisions.
- Promote the free flow of data across borders and prevent unjustified data localisation requirements.

EU trade strategy



Recent developments have shown the essential functions and benefits of an open and free trading system, while also highlighting the downsides of go-it-alone trade policies.

Recommendations:

- Avoid inward-looking trade policies that are detrimental to the interests of businesses in Europe.
- Maintain and emphasise the EU's open economic nature.

ISSUE

EU trade strategy (cont.)



RECOMMENDATIONS

- Focus on cooperation with trading partners and corporations that have strong commitments to Europe, no matter where they are headquartered.
- Place digital trade at the heart of the new strategy to promote open digital markets, innovation and prosperity.
- Build effective tools to face the geopolitical and economic reality and to respond to economic coercion by third countries while ensuring an open trade system and just environment for all.

EU-UK trade and investment relationship

The EU and UK's close political and economic ties make maintaining a good relationship and a comprehensive economic partnership vital.

Recommendations:

- Implement the EU-UK Trade and Cooperation Agreement thoroughly alongside the Northern Irish Protocol to provide business with certainty.
- Maintain close communications between the EU and UK to manage the interface between their respective regulatory environments and minimise disruption.
- Broaden the scope of the relationship over time, including topics currently excluded from the deal.

EU-US relations



Transatlantic cooperation based on shared values and the rule-based trading order brings substantial economic benefits, promotes global standards and enables technological leadership.

Recommendations:

- Highlight the need for an even stronger EU-US partnership and strategic interdependence based on cooperation.
- Deepen regulatory cooperation across the Atlantic and ensure that the frameworks reflect transatlantic values of open, rule-based trade and non-discriminatory competition rules, encourage innovation and entrepreneurship, as well as benefit and protect consumers.
- Engage constructively in the Trade and Technology Council (TTC) to ensure the initiative remains ambitious in its objectives and delivers tangible results.
- Promote research, development and innovation cooperation across the Atlantic by ensuring business input and collaboration in the TTC.

ISSUE

EU-US relations

(cont.)



RECOMMENDATIONS

- Develop and strengthen the TTC's capacity to address barriers to trade and investment – including tariffs and legislative proposals – and work towards long-term solutions.
- Seek appropriate reforms at the international level and make use of transatlantic leadership to resolve long-running disputes at the WTO.
- Put SMEs at the heart of EU-US initiatives, as they stand to gain most from greater transatlantic cooperation.
- Foster Member States' endorsement of EU-US trade discussions to expand the transatlantic trade and investment relationship.

Role of the World Trade Organization (WTO)

A renewed EU-US relationship must provide leadership to secure the necessary WTO reforms that can make the organisation fit for the twenty-first century.

Recommendations:

- Ensure that the WTO maintains its role as a negotiation body and an arbitration mechanism for the global economy.
- Engage with like-minded governments within the WTO to build the positive intended outcomes at the global level in fields like R&D and protection of IPR.
- Continue strengthening the principles of a rules-based multilateral trading system with the WTO at its core.
- Pioneer transatlantic leadership on WTO reforms and the broader multilateral agenda.
- Work constructively with like-minded partners in the pursuit of sensible reforms.
- Ensure that all major WTO players are involved in the modernisation efforts.
- Push for the successful conclusion of multilateral and plurilateral negotiations in the WTO – including the ongoing e-commerce negotiations – to provide tangible outcomes for business and enhance the WTO's credibility.
- Encourage WTO solutions that alleviate the COVID-19 crisis and enhance multilateral coordination.

ISSUE

Standard Contractual Clauses (SCCs) and Transatlantic Data Privacy Framework



Access to EU-funded R&D and procurement programmes

RECOMMENDATIONS

The European Court of Justice decision on SCCs and the Privacy Shield has left thousands of data-dependent businesses in a legal limbo. Businesses and economies rely on the free flow of data to provide valued services to European consumers. While SCCs have been the most accessible and stable means to transfer data outside of the EU for many businesses, over 5,000 small and large companies have relied on Privacy Shield to transfer personal data across the Atlantic. The recent EU-US announcement of a new framework on transatlantic data flows is critical to both companies and citizens.

Recommendations:

- Continue engaging as EU and US policymakers lay out the remaining details of the new framework.
- Engage with and encourage regulators to set up clear and realistic guidance to enable valid use and reliance on SCCs for global data transfers.
- Support the adoption of a successor agreement for transatlantic data transfers.
- Prioritise citizen protection and integrity of privacy rules to ensure trust in the digital economy.
- Achieve legal certainty in transatlantic data flows to ensure technological advancements, reduced costs and improved productivity and scale.

The exclusion of third-country entities from major EU and Member States' publicly funded R&D and procurement as well as sustained programmes could lead to the exclusion of vital economic contributors for the EU from like-minded countries. This could cause market distortions and ultimately weaken the transatlantic and the EU-UK relationship.

Recommendations:

- Promote the participation of EU-based American companies in EU and Member State-funded R&D, procurement and sustainment programmes based on their added value, locally developed IP and overall contribution to the EU's technological and industrial base (eg employees, infrastructure, know-how).
- Monitor a fair implementation of the European Defence Fund (EDF) Regulation, European Space Programme Regulation and Horizon Europe Regulation, which should all account for the global nature of the defence and space industries and preserve open markets and fair competition.

ISSUE

Export control of dual-use goods



RECOMMENDATIONS

A heavy-handed review of the dual-use goods export regime could stifle innovation and industry response to new cyber threats. This review should be aligned with multilateral regimes – such as the Wassenaar Agreement – and ensure that companies are not disproportionately burdened and put at an unfair disadvantage. This will support international cooperation in this area and preserve the EU's competitiveness.

Recommendations:

- Align export control regimes between Member States and the US via regulatory exchanges and joint actions, notably in the context of the TTC and the provisional political agreement on the revised EU Dual Use List regulation.
- Align guidelines between the Commission and the US Advisory Opinion on Cloud Computing and Deemed Exports to address the miscommunication regarding intangible technology transfers.

Strategic Compass

The Strategic Compass lays out the EU's long-term strategic concept for security and defence. If properly implemented, it has the potential to strengthen the EU's role as a security provider, the European Defence Technological and Industrial Base and ensure closer cooperation with like-minded allies.

Recommendations:

- Consider strengthening the EDF by increasing its budget and focusing on a multiannual approach.
- Encourage the participation of like-minded third-country entities in EDF projects, not only as subcontractors to EDF consortium members but also as consortium members.

Transatlantic Defence Industrial and Technological Cooperation (TADIC)



A strong and prosperous TADIC is instrumental to maintain the transatlantic relationship, ensure sustainable growth and achieve collective security.

Recommendations:

- Encourage capability development programmes that include both EU and US stakeholders to enhance cost-effective innovation, standardisation, interoperability and technological leadership on both sides.
- Establish open defence markets based on reciprocity to guarantee similar regulatory conditions on both sides of the Atlantic.

Justice and Home Affairs



ISSUE

New Consumer Agenda



RECOMMENDATIONS

The European New Consumer Agenda has a strong focus on online enforcement, which risks creating gaps in the offline world and increasing risks for consumers. Enforcement gaps in the EU can lead to consumer harm and mistrust, as well as commercial detriment for the EU industry.

Recommendations:

- Streamline the information available to consumers regarding the sustainability performance and safety of products in online and offline channels.
- Ensure that consumers stay protected and aware of their rights in the New Consumer Agenda.
- Ensure harmonisation and strong enforcement of the existing legal framework of European consumer rules.
- Highlight the importance of general product safety and sustainability in future legislation and of good coordination and information exchange between authorities and private actors. The quality of notifications also can be improved.
- Provide for accessible and transparent information on rights in any new consumer legislation.
- Focus on enforcement against bad actors: without enforcement commitments action by private actors, the New Consumer Agenda is far less powerful – bad actors can be removed from the online world, but they will keep coming back.
- Maintain a risk-based approach when dealing with product safety legislation.

Representative actions for the protection of collective interests of consumers

With the adoption of the proposal on representative actions, Member States should ensure coherent enforcement and harmonisation. Forum shopping prevention should remain a key pillar of any collective redress mechanism, and the proposal should promote a narrower definition of a domestic action when evaluating national vs cross-border cases.

Recommendations:

- Create stronger safeguards, including through swift and adequate regulation of third-party litigation funding, to harmonise the practice in the EU and grant transparency and high protection to all parties.
- Establish strong criteria for the types of entities that can represent consumers in the EU, such as public bodies and consumer organisations, and require consumers' consent before actions are launched on their behalf.

ISSUE

Third-party litigation funding (TPLF)

RECOMMENDATIONS

The practice of TPLF notably lacks sufficient protection for claimants and risks Single Market fragmentation, especially given its novel nature.

Recommendations:

- Introduce a robust and harmonised regulatory regime for TPLF based on transparency and with clear guarantees for claimants and defendant.

Cross-border access to electronic evidence (e-evidence)



The Commission has proposed and adopted a negotiation mandate for an EU-US agreement on electronic data, which is a step in the right direction to increase legal certainty.

Recommendations:

- Safeguard data subjects' fundamental rights with transparent and balanced rules, while allowing for effective policing of cross-border access to data in criminal investigations.
- Work towards a balanced and harmonised framework, a pre-condition for concluding any international agreement.

General Data Protection Regulation (GDPR)



The GDPR has introduced important benefits for American companies in Europe: increased legal certainty, harmonisation and flexibility. However, there remains a long journey ahead around privacy and data protection.

Recommendations:

- Promote a uniform and balanced application of the GDPR across Europe.
- Ensure any additional regulation on privacy is fully consistent with the GDPR (see issue: ePrivacy).
- Ensure transfers of personal data can happen across the Atlantic and globally, as they are essential for the competitiveness of many sectors (see issue: SCCs and Transatlantic Data Privacy Framework).
- Ensure Data Protection Authorities interpret the GDPR in a harmonised way and that cooperation and enforcement are taking place in accordance with the mechanisms described in the GDPR.

ISSUE

Corporate sustainability and due diligence



RECOMMENDATIONS

The cross-sectoral proliferation of due diligence policies, legal frameworks and regulations at Member State, EU and international levels risks diverting resources towards compliance instead of promoting collective action to address the negative impacts on human rights and the environment. The recent EU proposal for a Corporate Sustainability Due Diligence Directive aims at stipulating the same human rights and environmental due diligence requirements for EU companies and third-country companies active in the EU.

Recommendations:

- Avoid augmenting Single Market fragmentation by providing strong guidance to Member States and ensuring close cooperation across the proposed network of supervisory authorities for the implementation and enforcement of the directive.
- Ensure harmonisation of due diligence reporting requirements with the Corporate Sustainability Reporting Directive as well as full coherence with other relevant EU laws (batteries, minerals, ecodesign, etc.).
- Clarify definitions such as ‘established business relationships’ and provide guidelines for companies to implement due diligence – notably environmental – and to set up a ‘climate plan’.
- Recognise proven industry schemes and allow a minimum level of flexibility to help companies comply with the requirements.
- Encourage multi-stakeholder collaborative partnerships to accompany and help achieve the objectives of the legal framework.

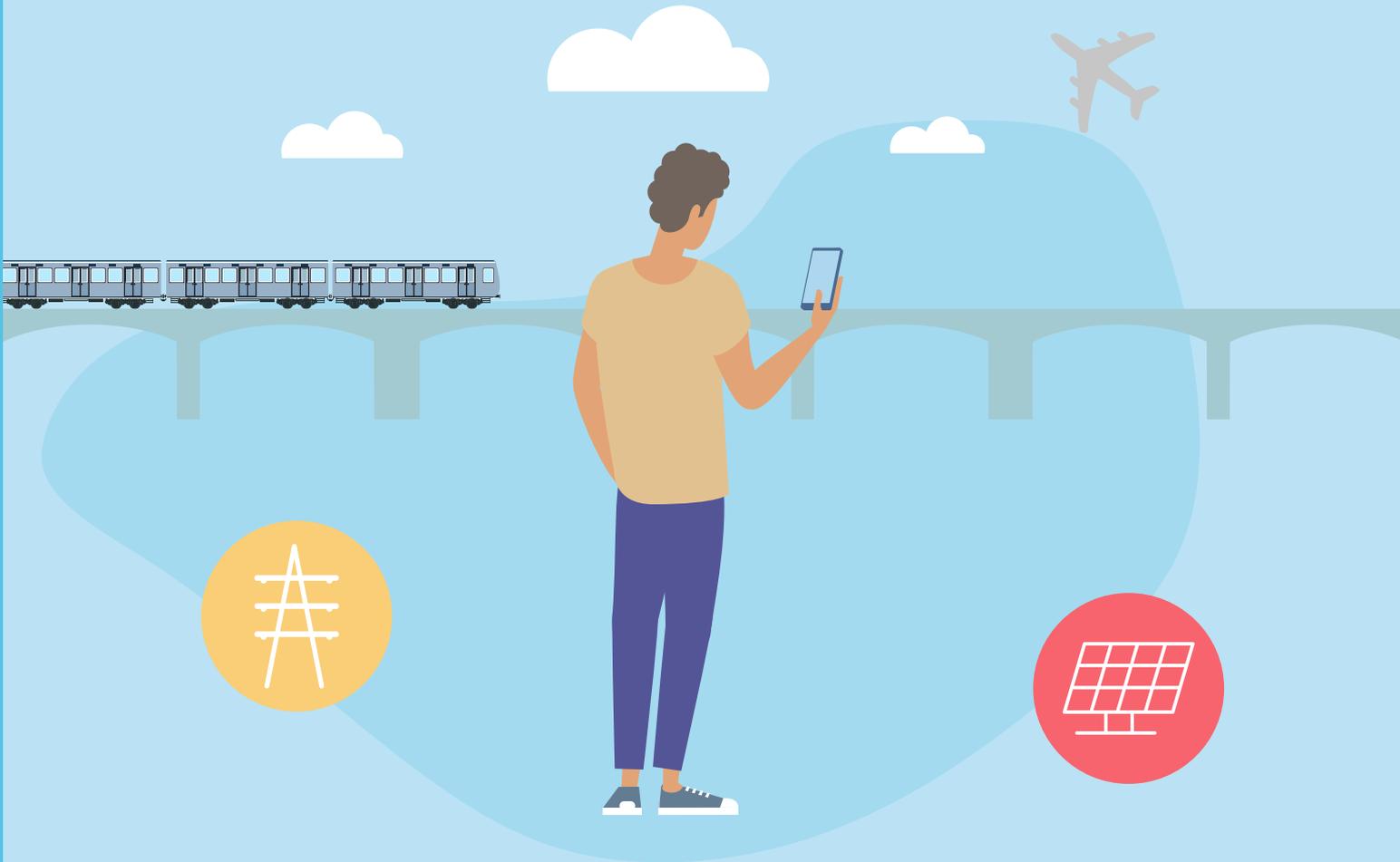
Responsible business conduct

The Commission aims to establish new rules regarding mandatory due diligence and directors’ duty of care, building on existing human rights due diligence obligations.

Recommendations:

- Ensure a proportionate legal framework that is complementary and ensures harmonisation with existing national and international principles.
- Minimise administrative burden with consistent rules, harmonisation and industry standards that effectively identify risks and adverse impacts.
- Address directors’ duty of care through recommendations and guidance for companies, rather than binding legislation.

Transport, Telecommunications and Energy



ISSUE

Decarbonised Gas and Hydrogen Package



Energy Performance of Buildings Directive (EPBD) / Energy Efficiency Directive



RECOMMENDATIONS

The reform of the gas market will likely need to be revised and expedited in light of the Russian invasion of Ukraine. Reducing the EU's dependence on Russian natural gas is now one of the EU's main objectives. The regulatory framework needs to enable the ever-faster deployment of renewable and low-carbon alternatives to natural gas.

Recommendations:

- Harmonise the definition of low-carbon hydrogen, gases and fuels throughout the EU.
- Treat low-carbon hydrogen, gases and fuels in a non-discriminatory way compared to renewable fuel and support them equally in a technology-neutral way, in view of their respective climate benefits.
- Clarify the prohibition of long-term supply contracts for 'unabated fossil gas' based on gas usage to ensure the security of supply for EU regions. The use of carbon capture and storage technology should also be promoted.

The renovation of buildings will play a critical role in helping the EU reach its climate goals. The building sector has the potential to accelerate energy efficiency across the EU.

Recommendations:

- Harmonise targets to reach overarching climate goals.
- Promote comprehensive and integrated renovation interventions for smart buildings and the use of smart ICT technologies, including building automation where data sharing provisions work in practice.
- Ensure that data centres are considered industrial facilities for the purpose of the EPBD so that a requirement for zero-emission buildings does not include data centres.
- Encourage increased financing for required energy renovations in Member States and cultivate financial incentives to increase energy efficiency that can drive economic recovery.
- Provide the needed levels of indoor air quality in response to changing indoor and outdoor conditions, while also managing energy consumption and operating costs.
- Align net-zero building certifications with international standards.

ISSUE

Energy Performance of Buildings Directive (EPBD) / Energy Efficiency Directive (cont.)



RECOMMENDATIONS

- Increase levels of ambition in the EPBD revision for electric vehicles charging infrastructure in private buildings.
- Ensure coherence with ecodesign measures by considering that other sustainability criteria do not impact the EPBD requirements.

Infrastructure investment



Future infrastructure investments must focus on creating growth and jobs in Europe and supporting the EU economic recovery. International cooperation and third-country participants in the MFF 2021-2027 add value by enabling the EU to act as a world leader in global talent and research.

Recommendations:

- Use European funding to promote technological neutrality and co-modality as well as to avoid market distortion.
- Support funding at the EU level with ambitious commitments from Member States.
- Prioritise the completion of the Trans-European Transport Network (TEN-T).
- Use the completed TEN-T to connect European regions, alleviate congestion, improve interoperability and facilitate the use of different transport modes, as well as help to achieve the EU's climate objectives.
- Leverage the Trans-European Networks for Energy to encourage the development of cross-border energy infrastructure, ensure the functioning of the internal energy market and security of supply, promote energy efficiency and meet the EU's energy and climate objectives.

Alternative Fuels Infrastructure Regulation proposal (AFIR)



The AFIR seeks to ensure proper deployment of an alternative fuels infrastructure to make EU-wide infrastructures for liquid natural gas, compressed natural gas, hydrogen and electric charging points available by 2025 and significantly increase by 2030. The AFIR will be instrumental in supporting low-carbon road transport in Europe and in reaching this sector's decarbonisation target.

ISSUE

Alternative Fuels Infrastructure Regulation proposal (AFIR) (cont.)



Efficient and green mobility



RECOMMENDATIONS

Recommendations:

- Coordinate AFIR's ambitions and CO2 fleet targets for cars, vans and trucks. Any CO2 reduction targets can only be met if they are accompanied by equally ambitious, and mandatory, infrastructure targets for all 27 Member States.
- Ensure EU-wide infrastructure is available when and where needed and that administrative burdens are minimised.
- Ensure interoperability for a seamless user experience. This relies on transparent market rules that avoid unnecessary costs.
- Ensure that ambitious and binding targets are set for charging and hydrogen infrastructure for 2050 and 2030, in line with the CO2 fleet targets for cars, vans and trucks.
- Coordinate energy, digital and transport policies to leverage the flexible energy demand potential of e-mobility and ultimately support the integration of more renewables into the grid.
- Support strong funding programmes for stations and hydrogen generation as part of national policy frameworks.

The transport sector is facing enormous challenges to further reduce emissions in all modes of transport. Deployment of cooperative, connected and automated mobility (CCAM) and Intelligent Transport Systems in Europe has the potential to increase road efficiency and improve the safety and environmental performance of vehicles.

Recommendations:

- Clearly define 'sustainable' mobility in terms of quantitative emissions reduction targets.
- Adapt to the requirements for various types of transport while accounting for the complexity of technical data use in the mobility sector and ensuring harmonisation across Europe.
- Incentivise the aviation sector to continue to increase the uptake of sustainable fuels and reduce emissions.
- Encourage investment in CCAM systems to ensure interoperability, user safety, trust and liability.
- Adapt road infrastructure ahead of the deployment of autonomous vehicles.
- Foster flexible and technology-neutral rules for data processing.

ISSUE

ReFuelEU Aviation



RECOMMENDATIONS

Sustainable aviation fuels (SAF) are vital for the sector's transition to a net-zero future. Increased supply and demand of SAF is required to help reach the EU's climate ambitions.

Recommendations:

- Develop regulatory and financial incentives for the research, development and deployment of SAFs.
- Support a definition of sustainable feedstock intended to produce SAF that is fully in line with the ambition of blending mandates.
- Support market-based mechanisms and industrial alliances that can support SAF uptake. The EU ETS should accommodate additional support through the expansion of the 'zero' rating for SAF.
- Avoid a potential patchwork approach by ensuring that there is a uniform blending mandate across the EU that limits any national deviations.

Sustainable aviation



The aviation sector is committed to the Green Deal and the decarbonisation of flight. While no single solution can support the achievement of this goal, industry and regulators will need to pull on many different levers.

Recommendations:

- Incentivise the development of next-generation technologies as key enablers of fuel efficiency to reduce emissions in the mid- to long-term.
- Develop regulatory and financial incentives for the research, development and deployment of SAF.
- Implement the Single European Sky via a full integration of EU air traffic management networks.
- Ensure a coherent mission reporting framework as proposed by CountEmissions EU and in line with existing industry methodologies and the European Union Aviation Safety Agency's environmental label.
- Open the ETS Innovation Fund for reinvestment into the aviation sector, specifically in next-generation aircraft and propulsion technologies.

5G



The deployment of 5G will be one of the most critical building blocks of our future digital economy and society.

ISSUE

5G (cont.)



Artificial Intelligence (AI) Act



RECOMMENDATIONS

Recommendations:

- Adopt and implement Member States' 5G roadmaps and 2030 digital decade targets swiftly.
- Release both licensed and unlicensed spectrum in a timely and coordinated fashion.
- Finalise the implementation of the Electronic Communications Code in Member States quickly and consistently.
- Ensure the freedom to develop new business models, as 5G will be crucial for business digitisation.
- Consult and coordinate among stakeholders to ensure Europe and consumers reap the full potential of 5G.
- Continue to ensure a shared European approach to trustworthy, resilient, diverse and competitive supply chains for ICT, especially as the rollout of 5G accelerates.

The AI Act is the first attempt at a comprehensive legislative framework for the development and use of AI. The proposal has room for clarification and improvement.

Recommendations:

- Develop a more precise definition of AI, as the current one is excessively broad and could encompass techniques and software that do not perform functions normally associated with AI.
- Tighten up the list of high-risk AI systems, which may include systems that are not inherently high risk.
- Maintain the principle of self-assessment and declaration of conformity for high-risk AI systems, as subjecting high-risk AI systems to prior third-party assessment would delay product launches and hinder AI uptake.
- Reconsider the proposal's horizontal product safety framework.
- Redefine some of the overly prescriptive and unrealistic requirements for high-risk AI systems. All the demands should be flexible and attainable.
- Allow providers and users of AI systems to contractually allocate their responsibilities.
- Safeguard innovation by ensuring that requirements are manageable and realistic.
- Commit to achieving concrete EU-US advancements in the AI sphere in the context of the TTC.

ISSUE

Cybersecurity of Internet of Things (IoT)



RECOMMENDATIONS

Given the rising complexity of value chains, the diversity of business models and fast-developing cyber threats, companies need to retain the ability to develop and continually update the security features for their unique risk situation.

Recommendations:

- Create strong public-private partnerships to maintain a voluntary and market-driven approach to tackle IoT security.
- Base any requirements on secure networks and information regarding the application's risk profile.
- Ensure consistency between IoT security solutions and existing international practices and standards.
- Raise awareness of IoT security amongst vendors, service providers, industry, employees and consumers.
- Build and improve cybersecurity skills.

Electronic identification scheme (eID) Regulation



The EU needs a common framework and technological architecture for a European Digital Identity Wallet so that both citizens and businesses can prove their identities and harness the benefits of boosted efficiencies, lower costs and a more favourable digital customer experience.

Recommendations:

- Leverage the existing international standards and ensure clarity and predictability on the interplay with other related draft regulations.
- Develop safe, user-friendly and convenient digital solutions, without resorting to a mandatory acceptance approach.
- Ensure a high degree of data protection.
- Withdraw proposals for automatic recognition by web-browsers of (and interoperability with) Qualified Website Authentication Certificates.

ISSUE

European Cybersecurity Competence Centre and Network



RECOMMENDATIONS

The European Cybersecurity Competence Centre and Network initiative has the potential, if implemented appropriately, to reduce fragmentation and create synergies across the EU in research and investment on cybersecurity.

Recommendations:

- Keep the European Cybersecurity Competence Centre and Network open to all companies.
- Base participation on relevance and excellence, rather than establishment.

European data strategy



The European data strategy has transformative potential, but data must be high-quality, credible, timely and available in machine-readable formats, while cloud infrastructures must be trustworthy, secure and energy efficient.

Recommendations:

- Collaborate to ensure access to a wide range of technology and partner options.
- Invest significantly to deliver the strategy and achieve the EU's aims in competitive storage, processing and profitable use of data.
- Assess new regulatory initiatives against existing regulations (including personal data protection or liability for defective products) to avoid conflicting obligations.
- Ensure that rules concerning data access and use are fair, clear and comply with European values and competitiveness.
- Involve and encourage industry to bring the skills and data literacy needed to fulfil this vision.
- Prevent the Data Act from disrupting functioning data sharing and processing models, make collaboration more difficult, or impose unjustified and unnecessary mandatory data sharing or portability obligations. It should remove – not institute – conflict of laws and enable – not restrict – the free flow of data, all the while acknowledging IPR and protecting trade secrets.
- Ensure the upcoming Cloud Rulebook and Marketplace Services Requirements catalogue considers broad feedback from the relevant stakeholders and reflects the market reality and diversity of applicable initiatives.

ISSUE

Europe's digital decade - 2030 targets



RECOMMENDATIONS

The EU aims to transform the 2020s into Europe's 'digital decade' and achieve its digital ambitions for 2030.

Recommendations:

- Accelerate and facilitate investment, innovation in broadband networks and entrepreneurship to create financial incentives and foster uptake of new technologies with high economic and social potential for the digital transformation of EU businesses and the public sector.
- Enhance digital skills and inclusion to build and preserve trust between society and technology. Skills and inclusion must be central tenets of any public and private digital transformation strategies.
- Ensure a common approach toward the digital decade, including measures such as the pooling of resources across the Member States and the alignment of all actors.
- Define the perimeter of digital sovereignty, oppose protectionist measures and allow American companies to be trusted digital enablers and business partners in Europe.

Privacy and Electronic Communications (ePrivacy) Regulation



The Regulation seeks to build trust in services for consumers and businesses. Since the proposal was presented, the importance of metadata and electronic communications has been reinforced, especially for new technologies like IoT.

Recommendations:

- Ensure clarity on the scope and guarantee alignment with the GDPR – including on the legal basis for data processing – whilst adopting a risk-based approach.
- Encourage additional permitted data processing for software updates, security, compatible processing and statistics.
- Include additional lawful bases in privacy settings to allow the use of storage capabilities on-device for limited processing activities and further exemptions to privacy-enhancing technologies.

ISSUE

Security of Network and Information Systems Directive review



RECOMMENDATIONS

The revised Directive aims to establish a more secure cyber environment by defining legal obligations of entities tangent to cyber risks.

Recommendations:

- Implement a risk-based approach to limit the scope and seek alignment with the existing and draft legislation.
- Revise the reporting requirements to allow companies to provide regulators with more detailed and valuable information.
- Maintain a voluntary certification mechanism and ensure these certifications are inclusive, transparent, non-discriminatory, technology-neutral and consistent with relevant international standards.
- Maintain and enhance the possibility to involve industry in the computer security incident response teams Network and Cooperation Group and further incentivise voluntary private-public information sharing.

Shaping Europe's digital future



The comprehensive strategy can unlock the potential of data and digital technologies.

Recommendations:

- Deliver the investment in skills, infrastructure and emerging technologies needed to deliver on this strategy.
- Build citizens' trust in innovative digital technologies.
- Prioritise data integrity and security to fulfil the realisation of the digital economy.

AmCham EU leadership

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