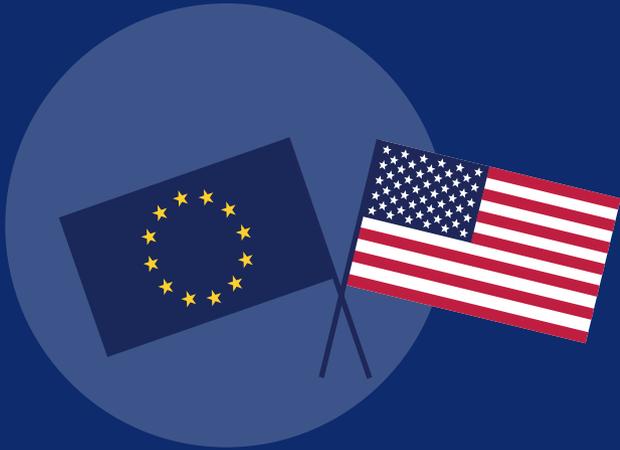




Ready, set, go:

**Emerging areas
for EU-US cooperation**



Emerging areas for EU-US cooperation

The transatlantic economy remains the largest, most prosperous and most innovative of its kind in the world – and it continues to grow. The EU and the US should seize the renewed optimism and positive momentum to advance and deepen the world’s largest trade and investment relationship. While they can build on decades of efforts to enhance regulatory cooperation and remove barriers to trade and investment, they should also address new and emerging issues that arise from the transformation of our economies. In addition, the EU and the US have a key role to play as champions of multilateralism, upholding shared values such as democracy and the defence of human rights across the Atlantic. Transatlantic leadership is critical to finding common solutions to global challenges.

In the midst of a global pandemic with a devastating social and economic impact, both sides have agreed on ambitious recovery programmes. As their economies are so closely integrated, the EU and the US should cooperate closely on their recovery efforts. A strong transatlantic partnership can help create jobs and deliver inclusive and sustainable growth.

In this document, the American Chamber of Commerce to the EU (AmCham EU) presents ideas for EU-US cooperation across a wide range of sectors and industries.



Trade and investment

The EU and the US are each other's largest trading partner. The EU's proposal to set up an EU-US Trade and Technology Council would offer an important platform for both sides to further advance their trade and investment relationship, with a focus on emerging technologies; to develop globally recognised standards and interoperable rules; as well as to support the multilateral trading system (see also 'digital' section).

- **Bilateral trade:** facilitate bilateral trade by eliminating tariffs and non-tariffs barriers (aim of zero tariffs, zero non-tariff barriers and zero subsidies on non-auto industrial goods) and deepen EU-US regulatory cooperation.
- **Industrial policy:** collaborate to avoid unfair market practices and anti-competitive behaviour, including unfair restrictions to foreign investments in third countries.
- **Multilateralism:** cooperate on the reform of the World Trade Organization (WTO), with a focus on revitalising its negotiating function, strengthening the monitoring role of the Secretariat and the dispute settlement mechanism.
- **Security, defence and space:** maintain EU-US technological edge, increase standardisation and interoperability, foster transatlantic defence technological and industrial cooperation (TADIC) as well foster mutual recognition arrangements in air cargo security policies.
 - Issues: potential barriers in obtaining access to each other's publicly funded research and development (R&D), acquisition, sustainment and disposal programmes; and recognition of the validation findings of each other's screening programmes.
- **Supply chains and exports control:** intensify dialogue across the Atlantic to build supply chain resilience and diversity in close collaboration with industry. New export control measures risk disturbing tightly calibrated supply chains, leading to interruptions, hindering supply and sparking retaliation from international partners.

- **Trade facilitation:** develop ambitious, modernised customs facilitation measures to significantly reduce the costs of doing transatlantic business, particularly for small and medium-sized enterprises (SMEs). This could include, for example, increasing the duty de minimis to a commercially meaningful level, simplifying customs documentation and harmonising data requirements, developing a Single Window for submission of all documentation, moving the duty and tax collection process away from the border, and establishing a truly advanced and inclusive Authorised Economic Operator (AEO) mutual recognition programme.



Digital

The transatlantic space is the heart of the global digital economy. Trusted technological solutions have enabled us to sustain social, economic, healthcare and educational interactions, as well as information flow and research. Close EU-US cooperation will be critical to enabling the digital transformation. These ideas could be addressed under a newly set-up EU-US Trade and Technology Council to ensure transatlantic partners remain technology leaders and standard setters (see also ‘trade and investment’ section).

- **AI and emerging technologies (quantum computing, Internet of Things, 5G, etc):** advance their development, deployment and use by addressing their legal, social and ethical dimensions. Transatlantic initiatives could help identify governance models and best practices necessary for society to benefit from emerging technologies while responsibly managing their risks.
- **Cloud:** develop common trusted principles to enable a higher adoption rate of cloud technologies, support the cloud and edge computing ecosystem as well as unlock the potential of the next generation of cloud infrastructures.

- **Cybersecurity:** cooperate on cybersecurity, cyberespionage and supply chain security through public-private partnerships to develop interoperable policies and to ensure that networks and systems are resilient against evolving cyberattacks. Greater collaboration specifically on systemic risks to the financial system would encourage mutual understanding and risk identification.
- **Data transfers:** prioritise early solutions to ensure the ability to transfer personal data between the EU and the US as both sides re-negotiate the Privacy Shield, with a focus on promoting greater trust. In accordance with the EU-US agreement on e-evidence, cross-border demands for electronic data should follow clear, mutually-agreed rules that help law enforcement authorities fight crime quickly and effectively. Finally, fragmentation of regulation increases risk, the EU and the US should ensure that their respective regulatory environments allow firms to manage risk holistically across borders.
- **Data collaboration:** encourage cross-border and transatlantic data collaboration projects, leveraging free flow of data principles.
- **E-commerce:** promote ambitious, binding rules for global e-commerce through the conclusion of the ongoing WTO negotiations.
- **Sectoral collaboration:** foster sectoral transatlantic dialogue on digital issues to address specific opportunities and challenges (eg, health data flows, agriculture, etc).
- **Standards:** support the development of 5G and 6G international standards as well as innovative deployment approaches and projects such as Open RAN and virtualisation.



Financial services

The EU and the US should ensure transatlantic alignment on rules around financial services to reflect the global and interconnected nature of financial markets, and to better apply broader policy goals to the financial sector, such as digital and sustainability (see relevant sections for broader approach).

- **Anti-money laundering (AML):** deepen coordination and cooperation between EU and US authorities as well as the private sector, as the EU reforms its AML legislative and supervisory framework. This could better serve to protect the sector and assist in more effective use of resources to align with law enforcement priorities.
- **Digital finance:** encourage close collaboration between the EU, the US and international standard-setting bodies to ensure that the global regulatory framework for innovative technologies is principles-based, globally consistent, technology neutral and future-proof.
- **Sustainable finance:** support an open, flexible and outward-looking approach towards sustainable finance regulation. This would ensure equal and non-discriminatory access for third-country financial institutions, businesses and investors as well as boost the mobilisation of global financial markets towards the energy transition targeted in the Paris Agreement. International standardisation will both prevent fragmented jurisdictional approaches and promote harmonisation.



Healthcare

Innovation and long-term investments in R&D on both sides of the Atlantic have made the EU and the US global leaders in the life sciences industry. Increased regulatory cooperation between the European Medicines Agency (EMA) and the US Food and Drug Administration (FDA) can create global 'gold standards' to the benefit of all patients.

- **Antimicrobial resistance (AMR):** encourage the EU and the US to implement robust and sustainable pull incentives to boost R&D in novel antimicrobials to fight AMR. In addition to the Transatlantic Task Force on Antimicrobial Resistance, the EU and the US should lead G7/G20 consensus.
- **Clinical research:** establish a mutual recognition agreement (MRA) in the area of Good Clinical Practice (GCP) inspections. Clinical research is global; differences in standards or interpretations of GCP create unnecessary burdens. Duplicate inspections expend resources for regulators and industry alike as well as increase the risk of error and confusion.
- **New technologies and data flows:** encourage the use of regulatory technological innovations (eg, cloud-based submissions or advanced analytics) to harness the power of these new technologies. This includes fostering a strong transatlantic dialogue on data flows and leveraging advanced technology and tools for data exchange to bring safe and effective medicines to patients faster.
- **Paediatric medicines:** develop a mutual reliance of the EU and the US on required regulatory assessments of paediatric medicines development plans to support faster paediatric medicines development and reduce testing on children.

- **Pandemic preparedness and response:** foster EU-US collaboration on the development of the European Health Emergency Response Authority (HERA), modelled after the US Biomedical Advanced Research and Development Authority (BARDA) to leverage industry, academic and institutional collaboration.
- **Vaccines and third-country inspections:** expand the scope of the EU-US MRA on Good Manufacturing Practices (GMP) inspections for pharmaceuticals to additional areas, including vaccines and third-country inspections. This would remove the need for duplicative inspections and contribute to a quicker delivery of new medicines to patients.



Innovation

The EU and the US should seek to promote more investments in R&D on both sides of the Atlantic.

- **Ecosystems:** support the creation of transatlantic ecosystems through partnerships and joint-ventures to complement in-house corporate investment in R&D.
- **Innovation in the agri-food sector:** develop the existing EU-US dialogue on innovation to guarantee high-level quality and safety requirements in the sector (eg, safe chemicals, more biological solutions, and a strong push in digital farming) and to optimise product packaging and storage.
- **Investment:** increase funding for horizontal R&D, primarily with a focus on collaborative research that contributes to market-driven investments and long-term competitiveness. Funding programmes should have the capacity to extensively support research, science, innovation, public-private partnerships as well as the deployment and piloting of new technologies.

- **Intellectual property (IP):** continue to promote strong IP protection in a global setting as a key incentive to investment in innovation and an enabler of a transatlantic innovation ecosystem that brings cutting-edge innovation to society.



Sustainability

The EU and the US should work together to tackle climate change and protect the environment. The creation of a **Green Technology Alliance** would provide a much-needed forum to discuss emerging issues and help define an ambitious transatlantic agenda. It will be most effective if it involves private sector contributions. The EU and the US could benefit from each other's experience in the sustainability area, for example by sharing best practices on the issue of strong enforcement. There is significant value in further discussion and collaboration on the following issues: energy storage, sustainable aviation fuels, renewables, grid-scale energy storage, clean hydrogen, carbon capture, storage and utilisation, etc.

- **Carbon border adjustment mechanism:** align transatlantic efforts to avoid trade tensions by clearly defining the scope of initiatives which aim to reduce carbon leakage.
- **Clean technology:** accelerate the speed of deployment of technological breakthroughs by removing regulatory hurdles in the EU and the US. This could include opening dialogue on removing obstacles and successes on both sides of the Atlantic.
- **Climate diplomacy:** continue to play a leading role in international negotiations under the Paris Agreement.

- **Renewable technologies:** encourage the exchange of best practices between the EU and the US to increase investment in renewables.
 - Issues: access to land, grid connection, ancillary services, corporate sourcing of renewables, etc.
- **Reporting regimes:** promote international convergence of non-financial reporting frameworks. Similarly, deference to other jurisdictions' regulatory regimes avoids duplicative frameworks, ensures comparability between firms and prevents impediments to cross border investing across the Atlantic.

AmCham EU speaks for

American companies **committed to Europe** on trade, investment and competitiveness issues. It aims to ensure a **growth-orientated business and investment climate** in Europe. AmCham EU facilitates the **resolution of transatlantic issues** that impact business and plays a role in creating **better understanding** of EU and US positions on business matters. Aggregate US investment in Europe totalled more than **€3 trillion in 2020**, directly supports more than **4.8 million jobs** in Europe, and **generates billions of euros** annually in income, trade and research and development.

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