

## Our position

# The future of the Trade and Technology Council

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 €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## Executive summary

The Trade and Technology Council (TTC) is a unique forum for the EU and the US to tackle emerging issues arising from the transformation of our economies and geopolitical shifts. In the past few years, the TTC has achieved several successes that have strengthened transatlantic cooperation. However, more should be done to amplify its impact. Policymakers have an opportunity to build a TTC fit for the future: refine its objectives, simplify workstreams and increase transparency and stakeholder engagement.

### 1. The TTC today

#### 1.1. Achievements

In 2021, the EU and the US launched the Trade and Technology Council. This new body offered a place to build common understandings, share information and strengthen mutual trust to solve external irritants between the transatlantic partners. The TTC has delivered a series of tangible outcomes.

A range of initiatives can be highlighted as successful deliverables of the TTC:

- Joint AI roadmap;
- Russia's and Belarus' export controls;
- Early-warning mechanism on semiconductors;
- Updates to mutual recognition agreements on marine equipment and pharmaceuticals;
- Joint connectivity projects in third countries;
- Common standards on charging heavy-duty electric vehicles; and
- Transatlantic Initiative for Sustainable Trade (TIST).

The TTC has also brought stability for businesses and strengthened public-private cooperation through stakeholder workshops and roundtables. It has also fostered joint responses to geopolitical challenges, including Russia's invasion of Ukraine and increased competition with China.

#### 1.2. Shortcomings

The business community has high expectations for the TTC. Three main shortcomings have limited its impact as a tool to expand and deepen bilateral trade and investment.

First, the TTC has not been able to reduce and avoid trade barriers or deliver significant trade facilitation measures. The business community hoped to see more rapid progress in this area. The TTC has focused on longer-term objectives, such as aligning standards for emerging technologies. Deliverables have centred around principles, guidelines, roadmaps and dialogues, most of them being ongoing processes. They will play an important role in the coming years, but they currently fail to bring immediate economic benefits. In addition, the sequential approach taken to address the identified

challenges risks neglecting specific sectors (eg, little progress achieved on medical goods until the work on semiconductors is completed).

Second, the convergence and mutual understanding reached under the TTC have not been sufficiently leveraged to bridge the gap between different approaches to longstanding trade irritants, such as the tariffs on steel and aluminium.

Third, the existing stakeholder engagement structure has not encouraged meaningful input. Consultation is inconsistent and, therefore, inefficient. The deadlines are too short to enable stakeholders to provide contributions; the way feedback is used is unclear and a proper transatlantic stakeholder platform is missing.

## 2. Institutionalising the TTC

The TTC can be an effective tool for EU-US alignment if leveraged to its full potential. Changes are therefore required to make it fit for the future. It must become a resilient forum that addresses global challenges and emerging issues.

### 2.1. Clarify its output and ensure razor-sharp focus

There are varied levels of expectations regarding the desired output of the TTC. From a business perspective, the EU and the US should prioritise addressing concrete common challenges, anticipating future issues and ensuring transatlantic unity. Disputes and irritants should be tackled outside the TTC to avoid hindering other projects within this framework, but it should remain aligned with the TTC's work.

The TTC needs to advance strategic workstreams that create transatlantic approaches to common global challenges, especially on economic security, resilience and multilateral governance. Examples include emerging technologies and related issues (eg, security of supply and standards), digital trade and cross-border data flows as well as approaches to the 'open strategic autonomy' agenda.

### 2.2. Create a more permanent platform

The existing arrangements under the TTC must be safeguarded and made permanent. Institutionalising the TTC by reassessing its structure, political component and voluntary nature should be the main priority. This can be achieved through:

- **Strong political will:** It is valuable for the TTC to include both political and technical levels. The role of the European Parliament and the US Congress could be strengthened to enhance the accountability of the TTC. Both sides must remain committed to ensuring a well-functioning forum and must prioritise clear and measurable benefits for citizens and businesses. For instance, a yearly summit should be reinstated to address political and commercial issues.
- **Structural changes:** Policymakers should reduce the number of working groups and specify what agencies, departments and officials are engaged in each working group. They should also create the right conditions, such as defining common approaches and principles, to encourage binding decisions to be enforced, even outside of the TTC. This includes maintaining the TTC's simple, dynamic and flexible structure.

## 2.3. Improve transparency and increase stakeholder engagement

The January 2024 TIST stakeholder workshop was a successful example of how to improve transparency. A similar format should be replicated for other relevant TTC working groups. EU and US policymakers should provide stakeholders with more targeted and realistic requests for input across all working groups. They should clarify how this information is used and what conclusions are reached from the input of stakeholders. This would encourage the involvement of senior stakeholders, including business leaders, which is crucial to ensure the relevance and effectiveness of the TTC.

## 2.4. Enhance its external dimension

The TTC should work in alignment with existing fora and dialogues between the EU and US and use them as a springboard to advance shared priorities. Transatlantic cooperation should be strengthened in international bodies such as the G7/G20, the Organisation for Economic Co-operation and Development (OECD) and the World Trade Organisation (WTO), as well as in international standardisation bodies. The ongoing coordination in the G7 Hiroshima AI process or in the G7 Coordination Platform on Economic Coercion are best practices in this regard. To make this possible, the EU and the US could involve third countries in TTC-related discussions.

## Conclusion

The transatlantic relationship needs a platform to advance the EU-US economic partnership. The TTC has demonstrated its value for decision makers, businesses and civil society. To address existing shortcomings and leverage the positive momentum, the EU and the US should identify more focused outcomes, make the platform permanent, improve stakeholder engagement and enhance its external dimension.