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Fact Sheet

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Fact Sheet: Advancing Transatlantic Economic Integration Through the Transatlantic Economic Council

President Bush and His Administration Are Working To Unleash the Potential of the Transatlantic Economy

This week, the Transatlantic Economic Council (TEC) met for the second time in Brussels, continuing its work to remove barriers to transatlantic trade and investment, and promoting economic integration. The U.S. delegation included Agriculture Secretary Ed Schafer, Labor Secretary Elaine Chao, U.S. Trade Representative Susan C. Schwab, Deputy Treasury Secretary Robert Kimmitt, Food and Drug Administration Commissioner Andrew von Eschenbach, Securities and Exchange Commissioner Paul Atkins, Assistant to the President for International Economic Affairs Daniel M. Price, Administrator of the Office of Information and Regulatory Affairs Susan Dudley and other senior Administration economic officials. The European Union delegation, led by Guenter Verheugen, Vice-President of the European Commission, included Commissioners Peter Mandelson, Charlie McCreevy, Meglena Kuneva, and Laszlo Kovacs, as well as other senior Commission economic officials.

During the course of the meeting, the U.S. and EU officials discussed on-going efforts to promote regulatory cooperation, eliminate barriers to transatlantic trade, advance capital market liberalization, and strengthen support for open investment regimes. The officials agreed to regulatory actions that will remove barriers to the export of U.S. poultry to Europe, minimize certain trade-disruptive impacts of the EU's chemical registration regulation, and facilitate trade in certain electrical equipment, as well as joint efforts to address the safety of imported products. The two delegations also met with Members of the European Parliament and officials from the Transatlantic Business and Transatlantic Consumers Dialogues.

Transatlantic Economic Integration Is Strengthening Economic Relationships

The transatlantic market today accounts for nearly 55 percent of global GDP. Transatlantic economic relations are strong, but can be made even stronger. Both the United States and Europe believe in strong and effective regulation to protect our citizens and the environment. However, in some cases, unnecessary differences in regulatory approaches make our companies less competitive, raise consumer costs, reduce consumer choice, and slow job creation.

According to the U.S. Chamber of Commerce and BusinessEurope, achievement of existing TEC goals could generate \$10 billion in saved costs and potential growth for the transatlantic economy. The Center for Transatlantic Relations estimates that further integration could have an even more substantial payoff – the equivalent of giving every European and American an entire year's extra salary over their working lifetimes.

At the meeting, the TEC:

- Received a joint statement from the U.S.-EU Investment Dialogue that commits to advancing open investment policies, both across the Atlantic and in third countries, while protecting national security;
- Received a briefing from the High Level Regulatory Cooperation Forum on its efforts to improve the quality of impact assessments, enhance transparency, identify opportunities for using common practices in completing risk assessments, and improve the analysis of the impact regulations can have on international trade and investment;
- Encouraged actions to increase cooperation and information exchange regarding the safety of imported autos, toys, food, pharmaceuticals, cosmetics, electrical equipment, and other products;

- Agreed to regulatory actions that will remove barriers to the export of U.S. poultry to Europe, minimize certain trade-disruptive impacts of the EU's chemicals registration regulation, and facilitate trade in certain electrical equipment;
- Encouraged actions that will allow American firms to use U.S. Generally Accepted Accounting Principles (GAAP) without reconciliation to International Financial Reporting Standards (IFRS) when filing financial statements in EU capital markets, following action last year to allow European and other foreign firms that use IFRS to access U.S. capital markets without reconciling their financial statements to U.S. GAAP;
- Discussed opportunities for facilitating cross-border financial services, such as providing relief from local licensing requirements for securities firms engaging in cross-border business with professional and other sophisticated investors, and advancing mutual recognition of securities regimes; and
- Discussed regulatory issues relating to the insurance sector.

The TEC also took note of efforts since its first meeting in November to:

- Implement a roadmap for mutual recognition of supply chain security programs;
- Identify areas of convergence on standards for biofuels;
- Identify ways to simplify administrative procedures for bringing new drugs to market and for facilitating the development of drugs for diseases that affect only a small number of patients in each region;
- Increase cooperation between U.S. and EU authorities in assessing the reliability of alternative testing procedures proposed to assess the safety of cosmetics and other products, in order to reduce, refine, and replace the use of animal testing;
- Enhance the ability of our food and drug regulators to share confidential information;
- Strengthen the protection of intellectual property rights, including a joint customs enforcement operation that resulted in the seizure of over 360,000 counterfeit integrated circuits and computer network components bearing over 40 different trademarks;
- Address jointly the threat of counterfeit products, including undertaking the first joint border enforcement initiatives, jointly undertaking enforcement capacity building initiatives, and committing to the successful conclusion of the Anti-Counterfeiting Trade Agreement (ACTA);
- Agree on a joint roadmap to achieve global patent harmonization; and
- Share best practices in encouraging innovation policy and metrics, in particular with respect to energy technologies, the exchange of electronic health records, Internet accessibility for the elderly and disabled, and radio frequency identification devices.

The Framework and the TEC process have accelerated our efforts to advance transatlantic economic integration, which will strengthen our competitiveness and advance the well-being of our consumers. The June 2008 U.S.-EU Summit will further these efforts, and will consider a joint progress report prepared by the TEC, as well as recommendations for new areas of cooperation, including clean energy technologies that will help us address our shared concerns about energy security and climate change.

The TEC was created in April 2007, under the Framework for Advancing Transatlantic Economic Integration signed by President Bush, German Chancellor Angela Merkel and European Commission President Jose Manuel Barroso during the U.S.-EU Summit in Washington, DC. The TEC met for the first time last November in Washington, DC. Under the Framework, the TEC is charged with overseeing the work to advance key priorities, including strengthening regulatory cooperation, capital markets integration, investment, innovation, intellectual property rights protection and secure trade.