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U.S. Chamber of Commerce

Transatlantic Business Works - Policy Priorities and Recommendations

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Today, the U.S. Chamber is proud to host our second annual Transatlantic Business Works Summit highlighting the strengths of the most successful bilateral commercial partnership in the world—between the United States and Europe. Companies, workers, and citizens on both sides of the Atlantic reap considerable benefits from the world's largest economic and strategic relationship.

According to our recently released Transatlantic Economy 2019 report, more than \$3.75 billion in goods and services are traded across the Atlantic each day, and two-way trade and investment supports more than 16 million high-skilled, high-paying jobs. Moreover, half of all U.S. companies' direct investments abroad are bound for Europe — and vice versa.

There are innumerable opportunities to strengthen this partnership. As economies that together account for well over one-third of the world's GDP and half of global personal consumption, the United States and Europe together can shape the rules of global trade for the 21st century as no others can. But, there are equally grave risks if transatlantic political tensions escalate. Following are suggestions on how the United States and Europe can boost growth, foster the creation of good jobs, and enhance our competitiveness through a reinforced partnership:

- **Pursue a positive trade agenda.** U.S. and European policymakers should seize the opportunity created by the July 2018 agreement between President

Trump and European Commission President Juncker to lower tariffs and non-tariff trade barriers—and they must avoid raising tariffs

- **Jointly address global challenges.** In a fast-changing global economy, the U.S. and Europe must work together to address shared challenges. This includes securing meaningful WTO reforms to address state subsidies, forced technology transfers, the theft of intellectual property, and to promote fair competition. The United States and Europe should also collaborate closely with other partners such as Japan to respond to the challenges posed by unfair trade and industrial policies.
- **Promote regulatory cooperation.** The United States and Europe should partner to establish common standards where none yet exist and pursue mutual recognition of existing regulations where different approaches meet common regulatory objectives. For example, as the automotive industry shifts its focus to electric and autonomous vehicles, there are ample opportunities for cooperation, including the development of smart infrastructure, new communications systems, and safety standards. The two sides should also expand existing regulatory cooperation and data-sharing practices in the life sciences sector, covering pharmaceuticals, medical devices, and biotechnology. Such cooperation can proceed regardless of whether formal trade talks are underway and should draw wherever possible on the work of voluntary, market-driven, and internationally recognized standards. Moreover, the United States and Europe should continue to support high-level intellectual property standards and work together to strengthen IP rights in third countries.
- **Partner to advance the digital economy.** The United States and Europe are pacesetters in digitalization. As we develop strategies on cybersecurity and AI, the two sides should develop common approaches reflecting our shared democratic values and commitment to transparent multi-stakeholder processes. Privacy Shield must be re-affirmed to ensure commercial data can continue to be lawfully transferred across the Atlantic. The United States and Europe should cooperate under the terms of the CLOUD Act to ensure law enforcement agencies have legal grounds to access personal data when necessary. Finally, both sides must take steps to ensure the Internet remains globally connected and interoperable. Our interdependent digital economies and security depends on the ability of data to move across borders efficiently and safely.
- **Enhance transatlantic energy security.** The United States should immediately pass legislation to facilitate exports of liquefied natural gas to Europe, and Europe should step up efforts to build the necessary infrastructure to import LNG and to transfer it across the continent. Additionally, the two sides should increase research and development funding for programs that boost energy efficiency.

- **Modernize tax policy to reflect digitalization of the global economy.** In light of the changing nature of the global economy, an informed and inclusive discussion on how to modernize the international tax system is in order. Consideration of any measures to modernize the international tax system should occur in multilateral settings like the OECD and should be adopted only after constructive dialogue with stakeholders. Unilateral actions threaten transatlantic economic interests including bilateral trade and investment, erode trust, and undermine prospects for international agreement.
- **Encourage opportunities for small and medium-sized enterprises.** Small and medium-sized businesses stand to benefit most from efforts to integrate the transatlantic marketplace and are among the most adversely affected by barriers to trade. The United States and Europe should build on their existing initiatives to educate smaller firms about the opportunities of transatlantic trade and make additional resources available to enable these firms to leverage them.
- **Focus on sustainable development and resource efficiency.** The United States and Europe should work closely with stakeholders to create incentives to boost the circular economy and promote resource efficiency. Transatlantic cooperation on sustainable agriculture, energy, waste, and water policy will make it easier for American and European companies to lead global efforts to address key resource challenges and a changing climate while protecting economic growth.
- **Reinforce cooperation in defense and security.** As NATO celebrates its 70th anniversary, the security relationship remains a cornerstone of cooperation between the United States and Europe. In light of a fast-changing global security environment, including new threats in the form of cyber-attacks and disinformation campaigns, transatlantic cooperation is vital. As the EU works to boost its own strategic capabilities and defense resources, its efforts must be complementary to and coordinated with NATO's priorities. Moreover, the two sides should work to ensure continued open and competitive defense procurement practices.
- **Close working relations between the United States and both the European Union and the United Kingdom are essential.** The UK's departure from the EU will require the U.S. and UK to reset the terms of our bilateral relationship. In no way does that alter or lessen the vital importance of continuing to strengthen the U.S.-EU relationship. Moreover, after Brexit, it will be essential for American and European companies that both the U.S. and EU continue to maintain close economic relationships with the UK.

