



TABC initial recommendations for EU-U.S. Trade and Technology Council

Introduction

The Trans-Atlantic Business Council (TABC) is a cross-sectorial business association representing companies headquartered in the European Union and United States that serves as a key business interlocutor to both the U.S. government and the EU institutions on issues impacting the transatlantic economy.¹

The TABC aims to promote and enhance transatlantic economic integration and strengthened political ties between the European Union and United States, while reinforcing the role of business as a major stakeholder in various EU-US official dialogues.

As the European Commission has indicated, the “transatlantic relationship is the biggest and most economically significant partnership in the world”.² In numbers, as the Transatlantic Economy 2021 report showcases, the EU and the U.S. economies yield US\$6.2 trillion in total commercial sales annually and account for half of total global personal consumption.³

The EU-US Trade and Technology Council (TTC) is an enormous opportunity for the European Union and United States to work together at the highest levels to strengthen their industrial leadership and stir the transatlantic and global technological landscape in a positive and constructive direction.

In recent years, we have seen the erosion of a carefully nurtured system of global technological trade that has contributed to progress and prosperity around the world. Even the EU-U.S. technology relationship, once one of the closest in the world, is fraying. New global trends of digital protectionism, fragmentation, and authoritarian technological control threaten to splinter the development of new technologies and divide democracies at a time when a common approach and shared values are needed.

¹ The TABC was created in 2013 as the result of a merger between TransAtlantic Business Dialogue (TABD) and European American Business Council (EABC). The TABD was convened in 1995 by the U.S. Department of Commerce and the European Commission to serve as the official dialogue between American and European business leaders and U.S. Cabinet Secretaries and EU Commissioners.

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Trade Policy Review - An Open, Sustainable and Assertive Trade Policy, COM(2021) 66 final.

³ “The Transatlantic Economy 2021”, a study from the U.S. Chamber of Commerce and the American Chamber of Commerce to the EU (AmCham EU).

www.transatlanticbusiness.org

TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.



With the TTC, the European Union and United States have a chance to reverse these trends and rebuild a vision of shared technological prosperity that works to the benefit of all on both side of the Atlantic and beyond.

We had the work of the Transatlantic Economic Council (TEC) and the Transatlantic Trade and Investment Partnership (TTIP) regulatory fora in the past. Now we see great potential in “new” technologies, which will offer great opportunities for cooperation. We also know, on the basis of past experiences, for instance with regard to e-mobility, that the challenges are often very similar on both sides of the Atlantic. The transatlantic partnership is thus key to address these common challenges and for the future development of leading-edge sectors such as Artificial Intelligence (AI), clean energy, autonomous cars etc.

TABC key expectations for the TTC’s approach and modus operandi

It is critical that the TTC get off to a strong start, so that it can address some of the most challenging aspects of the transatlantic trade and digital relationship. This would help to build momentum as well as support from various stakeholders and the public opinion. Confidence-building and momentum-building measures at the very beginning of the TTC work would be paramount.

First and foremost, it will be very important for EU and U.S. leadership to agree on a set of key principles and shared values covering issues like non-discrimination, security, countering of authoritarian surveillance, due process, the rule of law, technology accessibility and digital inclusion, digitally-driven sustainability etc. All these principles should guide future engagement and outcomes under the TTC, and are preconditions to building a transatlantic digital ecosystem that works for everyone.

We understand that the core objective of the TTC is to “coordinate approaches to key global trade, economic, and technology issues and to deepen transatlantic trade and economic relations based on shared democratic values.”

To accomplish this objective, we take the view that the TTC work and deliverables should be based on some key approaches:

First, **engagement in and commitment to the TTC from EU and U.S. leadership will be key.** We expect high-level officials in the United States (Secretary Raimondo, Secretary Blinken, and Ambassador Tai) and the European Union (Commission Executive Vice-Presidents Dombrovskis and Vestager) to be actively engaged in the TTC and to be accountable for outcomes and deliverables.

Second, **the TTC should foster economic growth and job creation, and work towards inclusive outcomes.** It must show that it can deliver positive outcomes for businesses, including small and medium-sized

www.transatlanticbusiness.org

TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.



enterprises (SMEs), workers, and everyone who has been left behind by trade and innovation on both sides of the Atlantic. In other words, the TTC should actively demonstrate that the future of trade and technology is relevant for everyone, and everyone has a stake in it.

Third, **the TTC should take risks and have an ambitious approach.** It should not shy away from addressing potential conflicts and roadblocks between the European Union and United States, for example on technological issues (e.g., Schrems II, Digital Markets Act, Digital Services Act, Digital Services Taxes etc.), and it must be ready to delve into complex digital matters where both the European Union and United States are actively looking for groundbreaking solutions. To this end, consultations between the two parties on critical issues of concern will be key, and informal and formal mechanisms should be developed for resolving disputes and disagreements between the parties.

Fourth, **the TTC should be based on and strongly uphold transatlantic values, while aiming to have a broad, international outlook.** It should provide a forum for the European Union, United States and possibly other digital democracies to establish a values-oriented approach to trade and technology and to build common ground against emerging threats to transatlantic security and economic leadership in the trade and digital space.

Initial priorities for TTC working groups' work and agendas

Among the different TTC working groups, it will be important to prioritize the work of those that are most relevant to addressing current, pressing trade and digital issues.

We take the view that particularly relevant working groups include the following: **data governance and technology platforms; technology standards cooperation; export controls; reviewing and strengthening the most critical supply chains; global trade challenges; and promoting SME access to and use of digital technologies.**

First and foremost, ***the data governance and technology platforms working group*** should drive some of the most complex and important discussions around proposed regulatory and legislative measures, including the Digital Markets Act, Digital Services Act, U.S. federal privacy legislation, and actions to restore transatlantic data flows after the Schrems II decision. Here, regular dialogue and cooperation between the data governance and technology platforms working group and the proposed EU-U.S. Joint Technology Competition Policy Dialogue will be paramount to avoid conflicting approaches and operating in silos.

www.transatlanticbusiness.org

TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.

EU Transparency Register Number: 053357941086-74



Specifically on the ***working group on technology standards cooperation***, it is worth noting that historically it has been very hard to align EU and U.S. standards. In the past, the European Union suggested a Transatlantic Regulators Forum (TRF) that was not really established. A strong political will is thus needed and sectors have to be found where policy is more aligned or not yet specified. Otherwise there is a risk that national players will concentrate on national references. Ideally, the European U and United States should aim at international standard harmonization, and where this may not be possible, mutual recognition of conformity assessments should be pursued.

We strongly support work on AI, cybersecurity, internet of things robotics, and a focus on emerging tech and tech procurement, including ensuring equal transatlantic access to public procurement markets for emerging tech. There also some very specific areas in which TABC members would be particularly supportive of standards alignment/cooperation.

For example, we support standardisation in the field of robotics, where some of the European regulation could be considered as a good basis for international standards for robotics. We would also support a strong focus on safety-related standards for mobile robotics (visual & audible communication - effectiveness testing methods; guidance for risk assessment for user groups other than adults (children, elderly, disabled persons & domestic animals), and safety-related sensors (e.g., validation of environmental influences).

Regarding AI and cybersecurity, there is a need to refer to internationally recognized and consensually created technical standards, for example, those of the International Organization for Standardization, and, as much as possible, to adopt non-fragmented legislation. Work on standards for autonomous driving robots could be relevant in light of the fact that warehouse picking will eventually be automated (ergonomics, cost, (un)availability of workforce).

Regarding the ***working group on export controls***, discussion should focus on new, emerging and foundational technologies, with the aim to revive the existing multilateral export control regimes and ensure that efforts to address current challenges do not cause unintentional harm to the transatlantic industry. On new, emerging technologies in particular, the European Union and United States should work towards finding agreement on which technologies would require particular controls, licensing, and promote joint solutions.

The proposed working group on ***reviewing and strengthening our most critical supply chains*** is also very important, in light of recent critical shortages e.g., semiconductors. Here, the European Union and United States will need to identify common vulnerabilities or dependencies and work together in addressing them. Exchanges and cooperation with the recently announced European Industrial Alliance on Processors

www.transatlanticbusiness.org

TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.

EU Transparency Register Number: 053357941086-74



and Semiconductor Technologiesⁱ should be explored. Beyond looking at alternative sources of supply and diversification, work should also include public procurement and other policies that are likely to introduce market access restrictions and have a negative impact on supply chains. It will be important to bring together public-private funding for joint or aligned research & development initiatives, so that more technological autonomy can be achieved, and cooperation with international partners can be sustained, while core values and principles are preserved.

The global trade challenges working group will be critical to tackle difficult and time sensitive issues, like World Trade Organization (WTO) reform, in particular the Appellate Body crisis, and issues posed by State-Owned Enterprises (SOEs). It will also be an important forum to ensure that the TTC digital and tech discussions are properly assessed from a trade perspective, so that the European Union and United States can steer away from discriminatory or unilateral outcomes and make sure that they develop measures that are consistent with WTO commitments.

As regards the working group on ***promoting SME access to and use of digital technologies***, the TTC should strive to develop programs and approaches to enhance digital skills, access to information and communications technology and availability of technological tools. The overall objective of this working group should be to promote the digital transformation of SMEs on both sides of the Atlantic, including by developing and coordinating common strategies and investments in digital infrastructures. Furthermore, the TTC should encourage the sharing of best practices on how to enable SMEs to trade across borders in the United States and the European Union across public bodies and nonprofit organizations. It should also promote digitalization in trade, customs procedures and standards and promote the reduction of trade barriers globally.

Stakeholders' involvement

We learned from past experience that transparency is a necessary prerequisite for business cooperation. It would be very important for the industry to be sighted on who is discussing which topic, in which specific working group, and when. Importantly, the TTC work needs to be rooted in trust and transparency. Only trust and transparency can enable regulatory cooperation among two different regulatory cultures.

We strongly support the creation of a ***TTC industry forum/platform***, which would both provide practical, technical expertise and engage with the TTC technical level on key issues in the various working groups; and regularly involve top level industry leaders and officials.

www.transatlanticbusiness.org

TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.

EU Transparency Register Number: 053357941086-74



The TABC has traditionally played an official businesses representation role in the framework of various EU-U.S. official fora, including for example the Transatlantic Economic Council and the EU-U.S. IPR Working Group. We thus stand ready to thoroughly engage with the TTC and be an integral part of a TTC industry forum/platform, on behalf of the transatlantic business community.

ⁱ <https://digital-strategy.ec.europa.eu/en/policies/alliance-processors-and-semiconductor-technologies>

Bart Gordon
Washington, DC Office
1601 K Street NW
Washington, DC 20006
U.S.
bgordon@transatlanticbusiness.org
(T) +1.202.778.9073

Giovanni Campi
Brussels Office
Rue de l'Industrie 26/38
1040 Brussels
Belgium
gcampi@transatlanticbusiness.org
(T) +32.(0)2.336.1910

www.transatlanticbusiness.org

TABC provides a platform for EU and U.S. companies to develop common positions on policy issues impacting the transatlantic economic space.

EU Transparency Register Number: 053357941086-74