Recommendations to the Slovak Presidency of the Council of the European Union

1 July 2016 - 31 December 2016
Message to the Slovak Presidency of the Council of the European Union

Karl Cox
Chair
American Chamber of Commerce to the European Union (AmCham EU)

When Slovakia takes on the Presidency of the Council of the European Union on 1 July 2016, it will be doing so for the first time, just twelve years after its accession to the EU. In this short time, Slovakia has shown itself to be strongly pro-trade and pro-EU, and we are confident that the Slovak government will fully embrace this opportunity to demonstrate its leadership.

The Slovak Presidency comes at a time when the EU is facing a number of critical challenges, most notably on migration which remains a complex and difficult issue and constitutes just one element of a wider issue with fragmentation in the Single Market. The Presidency will also commence shortly after the referendum on the United Kingdom’s membership of the EU, and regardless of the result, the EU will need strong leadership and close cooperation in this time of uncertainty.

Nonetheless, the second half of 2016 will also bring a plethora of opportunities to drive Europe’s competitiveness and move forward on a number of hugely important policy areas. We particularly welcome the Slovak Presidency’s plan to focus on the Energy Union in this ‘year of delivery’ and the Digital Single Market which is critical to Europe’s competitiveness.

We also believe that the Slovak Presidency comes at an important time in the Transatlantic Trade and Investment Partnership (TTIP) negotiations and we hope that Slovakia will continue to help facilitate these and push for more enhanced cooperation across the Atlantic.

We look forward to working closely with Slovakia before, during and after the Presidency to ensure we reach our common objectives of a stronger and more competitive Europe. This is why I am delighted to present these recommendations to the Slovak government on behalf of AmCham EU and our 164 member companies. These recommendations come from our Agenda for Action in which we call for action in five key areas: building skills for the future, furthering integration of the single market, promoting revolutionary change for industrial leadership, developing new models of innovation and entrepreneurship, and fostering Europe’s leadership in an integrated global economy. We hope these recommendations will provide concrete input and direction to the Presidency’s work programme. We believe that many of the issues raised by AmCham EU in this report are vital to creating sustainable economic growth.

AmCham EU’s has already met with a wide range of leading Slovak political stakeholders and will continue to meet with them in the coming months. In our initial discussions it was clear that we share a number of policy objectives and in many areas, we have strong alignment on how to create the momentum Europe needs at this time. We are convinced that Slovakia will make progress and close several legislative files during its Presidency.

On behalf of the members of AmCham EU, we look forward to working with the Slovak Presidency and hope that it can bring the enthusiasm and stimulus that Europe needs. AmCham EU wishes the presidency every success!
AMCHAM EU’S FIVE KEY ACTION AREAS:

Build skills for the future

If Europe is to compete in an ever-changing global environment, policies need to be in place to ensure its citizens are well-equipped to meet the needs of the future marketplace. This will require investment in training and skills development at every stage of workers’ lives to remain relevant to the needs of society and the economy.

Drive integration to create an attractive internal market

Europe needs to complete the Single Market, particularly in the areas of services, the digital market, energy and transportation. Efforts also need to be made to improve harmonisation of policies and regulation. The objective should be to make Europe an attractive destination for investment and a hub of economic growth and innovation which contributes to global regulatory and industrial standards.

Embrace revolutionary change for industrial leadership

Europe has built a strong industrial foundation and now is the time to capitalise on its expertise across all sectors including pharmaceuticals, healthcare, energy, transport, aerospace, security, chemicals, biotech and digital technologies. The objective should be to establish policies to keep European industry at the cutting edge to ensure sustainable economic growth.

Develop new models of innovation and entrepreneurship

Innovation and entrepreneurship have been hailed as great drivers of growth. The next generation of entrepreneurs need to be supported and encouraged through incentive programmes. At the same time, fresh models of partnership between governments, businesses and the wider civil society need to be developed and promoted. The objective should be to foster dynamic and flexible thinking to generate economic opportunities for the future.

Lead by example toward global integration

Europe needs to remain a global hub for trade, investment and ideas, while taking advantage of the global economic landscape more systematically. The objective should be to ensure that European industries can compete successfully in an increasingly integrated global economy. The Transatlantic Trade and Investment Partnership (TTIP) agreement offers the opportunity to enhance cooperation between the EU and the US and the possibility of establishing regulatory standards which will have a profound impact on the way business is conducted globally for decades to come.

“This presidency is an unprecedented challenge not only for the Slovak Foreign Affairs Ministry and the cabinet but the whole country.”

Miroslav Lajčák
Deputy Prime Minister and Minister of Foreign and European Affairs of the Slovak Republic
<table>
<thead>
<tr>
<th>Issue</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Market</td>
<td>The Single Market is the foundation of European integration and bold efforts are needed to complete it. AmCham EU welcomes the Single Market Act (SMA) I and II, which we believe will help Europe move closer to completing a true EU Single Market. AmCham EU fully supports the review of EU legislation to address inefficiencies and new market developments. In tandem with the SMA proposals, Europe should do more to address the problem of uneven implementation and transposition of existing EU regulations into national law.</td>
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<td>Industrial policy</td>
<td>We believe that the Commission should continue to focus on getting the framework right for all the basics that make the eco-system work for manufacturing in Europe, and that political and legislative pressure should be maintained on the Member States. In effect, we urgently need the right conditions for good infrastructure, great skills and talent, innovation, and labour flexibility. Without an eco-system at an affordable cost, Europe’s industrial productivity and profitability level will not be sufficient to remain competitive world-wide. We strongly welcome the continuation of the European Commission’s European Semester reports and recommendations which should be fully leveraged in order to facilitate change in the Member States.</td>
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<td>Compatibility of EU and US security programmes for customs</td>
<td>Mutual recognition between the authorised economic operator status and the C-TPAT programme should be realised at the earliest opportunity. It should provide real benefits to business and should be used as the basis for all further mutual recognition agreements, thus providing business in the EU with standardised and harmonised procedures on a worldwide basis.</td>
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<td>Better regulation</td>
<td>We urge the Presidency to actively promote the better regulation agenda, and ensure that key elements of the Inter-institutional Agreement on Better Law-Making are fully implemented. We believe particular attention should be devoted to the introduction of transitional industry ‘lead-in’ periods following adoption of EU legislation, increased transparency in the functioning of Commission expert groups, and consultation of stakeholders for their views when assessing if delegated or implementing acts should undergo an impact assessment. Moreover, we recommend the Presidency to work to avoid the inappropriate use of soft law to extend the scope of binding provisions.</td>
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<td>Energy costs</td>
<td>Please see the TRANSPORT, TELECOMMUNICATIONS AND ENERGY section.</td>
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<td>Defence industrial and procurement issues</td>
<td>We encourage the Presidency to show leadership in ensuring that European defence markets are opened to allow participation by the global defence industry and to support efforts to foster increased transatlantic defence industrial cooperation.</td>
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<td>Promotion of intellectual property</td>
<td>The Presidency should support robust protection of intellectual property (IP). World-class IP protection for all fields of technology, including the market-based development and deployment of these technologies is vital for maintaining European competitiveness. Protection of inventions, content (consistent with international agreements) and the fight against counterfeiting and piracy should be pursued in the EU and third countries.</td>
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## Economic and Financial Affairs

### Transatlantic convergence in post-financial crisis financial services regulation

The global agenda regulatory reform in the wake of the financial crisis provides an unprecedented opportunity for coordination between EU and US policy-makers in financial services. Four specific issues act as a barrier to trade on EU-US financial services and need to be addressed as a matter of priority:

1. This can discourage third country investors from undertaking transactions that risk bringing them into the scope of the legal regime of a jurisdiction that is not their own, distorting economic decision making (e.g. the choice of counterparty) in a way that undermines market efficiency.

2. Greater attention needs to be paid to the timetables for the introduction of new rules stemming from the G20 and initiatives such as Basel III, to ensure that global markets are not disrupted by differentiated dates of application in different jurisdictions. Enough time should however be allowed to draw-up well thought-through and calibrated rules and implementing measures.

3. We strongly encourage a political declaration by EU and US policy-makers to avoid including provisions requiring ‘reciprocal’ action by the other regime before market access is granted in future legislation.

### Capital Markets Union

We warmly welcome the Commission's Action Plan on Building a Capital Markets Union (CMU), as we strongly believe that a well-functioning and appropriately regulated transatlantic capital market is key to driving long-term economic growth and competitiveness in Europe and the US. At present, the fragmented state of markets represents an obstacle to cross-border investments and the efficient allocation of capital.

We encourage the Presidency to keep the important transatlantic and global financial markets in mind while building a CMU, and not to neglect the important roles played by non-EU investors into the EU, investment opportunities for EU investors and companies outside the EU and non-EU financial market participants in Europe.

### Banking Union and the wider reform to EMU

We support the EU institutions and the Eurozone Member States in their efforts to develop a long-term strategy for Economic and Monetary Union. Such a vision for the long-term, with banking, fiscal, economic and political pillars, has the potential to make an important contribution to restoring investor confidence in the short term, to restoring the long-term financial stability that is essential to growth and to re-engaging citizens with the single currency and with the European Union.

The Single Supervisory Mechanism (SSM) is a necessary component of this. It is important to put a robust system in place to enhance the stability of the Eurozone banking sector yet we must not lose sight of the need to continue to develop the EU Single Market for financial services and to nurture global convergence around high regulatory standards. We believe that in developing this new regime EU leaders should ensure that four key principles are observed.
The new regime must:

1. **Deliver high-quality supervision of those banks that are within its remit**: There must be clarity about decision-making processes, so that it is clear for banks, for clients and for investors where key supervisory decisions will be taken and by which authority. Adequate resources and appropriate expertise should be made available to those operating the new regime. A full assessment should be made of the additional resources that might be needed and a firm commitment must be made to the timely delivery of these resources.

2. **Preserve and deepen the EU Single Market**: We believe that the preservation and deepening of the Single Market should be an explicit objective of the new regime to ensure that supervision takes appropriate account of the need to facilitate banking activity that flows across the 28 Member States. Discrimination between EU banks – or other market infrastructures – based on their location or the identity and status of their supervisor must be avoided. EU regulation and technical standards should be applied equally to all banks, with all EU supervisors held to consistent and high standards. The European supervisory authorities (ESAs) should retain responsibility for determining the technical standards applicable in all 28 Member States, providing an appropriate balance between the SSM and those that are outside the new regime. The ESAs role in mediating between supervisors should continue and should be applied symmetrically to Eurozone and non-Eurozone supervisors, as should the power to intervene directly in banks where EU law is not being observed.
3. **Contribute to global convergence in financial regulation:** The new supervisory regime has great potential to facilitate improvements to the functioning of global financial markets. It can further simplify the supervisory decision-making processes in the Eurozone, providing third country supervisors with a single interlocutor and providing a coherent Eurozone voice in international standard-setting organisations. Global convergence and openness should be specific objectives of the new supervisory arrangements. This is not a substitute for high standards and a clear focus on financial stability, but rather recognition that Eurozone banks and the wider Eurozone economy benefit from full participation in a global financial market that is based on high, common, standards.

4. **Contribute to the restoration of confidence in the Eurozone:** Practical and effective mechanisms must be found to ensure that there is appropriate oversight of any banking supervision function that the ECB is granted, without this altering (or being perceived by market participants to have altered) its independence on monetary policy. The independence of the ECB in this core function has been critical both to the delivery of price stability in the Eurozone over the last decade and to market confidence in its crisis-intervention role in more recent times.

**Bolstering the role of the European supervisory authorities**

As the financial services regulatory landscape develops the European supervisory authorities’ (ESA) role in mediating between supervisors should continue and should be applied symmetrically to Eurozone and non-Eurozone supervisors. The European Banking Authority should retain responsibility for determining the technical standards applicable in all 28 Member States, with an appropriate mechanism to ensure that decision-making provides a suitable balance between the new Eurozone central supervisor and those that are outside the new regime.

More broadly, a consistent approach to the ‘Level 2’ technical standards prepared by the ESAs should be developed, enhancing confidence in the consistency of the EU policy-making process.

**A holistic approach to EU policy-making; facilitating long term investment**

We encourage the Presidency to ensure a holistic approach to EU policy-making, ensuring that legislation designed to restore market confidence is consistent with EU goals to promote long-term investment. Initiatives aimed at facilitating access to finance should take existing financial services regulation into account and vice versa.

“We will build on the Dutch presidency and the Trio programme will serve as a basis for our priorities.”

**Ivan Korcok**

State Secretary of the Ministry of Foreign and European Affairs of the Slovak Republic and the Government Plenipotentiary for the Slovak Presidency of the Council of the EU
### Economic and Financial Affairs

#### Issue

#### Recommendations

**Taxation policy**

**Financial Transaction Tax (FTT):** We oppose proposals to introduce an FTT under enhanced cooperation. As proposed, an FTT will have serious implications, not just for financial institutions but for the ‘real economy’ - on businesses in every sector that legitimately use financial instruments in the normal course of their business, for example to manage risk.

**International tax coordination:** A unilateral EU approach to the direct taxation of multinational companies could create double-taxation problems and provoke concerns about protectionism if it is not coordinated with the ongoing multilateral tax discussion at the OECD level. The OECD is best place for a coordinated and coherent approach to the taxation of multinational companies. We welcome attempts to ensure a consistent adoption of the OECD’s BEPS recommendations across the EU, but we urge the Presidency to not go beyond them to avoid negatively impacting the EU’s attractiveness for investment from both EU and non-EU companies.

**Value added tax (VAT):** We look forward to the Presidency playing a role in fostering the debate and providing political guidance on the future of VAT. The revamped EU VAT system must be efficient and neutral for business and as robust and fraud-proof as possible, provided it does not impose a burden on taxpayers. The VAT Action Plan is an important aspect in that regard and should be promoted and implemented.
## General Affairs and External Relations

### Role of the World Trade Organization (WTO)
AmCham EU values a strong WTO that acts as an important guarantor of legal rights in international trade and investment for business and society. This is essential in today’s globalised economy, as is the WTO’s role to guard against current and future protectionist measures that could slow or reverse economic recovery. Further market liberalisation and development of multilateral rules would boost global economic recovery for developing and developed countries alike. Given the regrettable failure of the Doha Development Round negotiations to deliver a balanced and comprehensive agreement to date, AmCham EU calls on the Presidency to support alternative routes towards improving market access and the further development and application of WTO principles. It would be beneficial, for example, to rapidly conclude an agreement on trade facilitation, negotiate a plurilateral agreement on services and expand bilateral FTA negotiations.

### Transatlantic Trade and Investment Partnership
AmCham EU calls on the Presidency to support the efforts of the European Commission to successfully negotiate the Transatlantic Trade and Investment Partnership (TTIP).

### EU bilateral trade relations
The Presidency should support the early conclusion of free trade agreements that are:

- WTO-compatible;
- Ambitious in coverage;
- Balanced;
- Capable of strengthening and complementing the multilateral trading system;
- Contribute to the development of trade and investment friendly standards, rules and principles; and
- Promote better protection of intellectual property rights.

We support the development of constructive dialogue with major trading partners at all levels in order to enhance mutual understanding, economic growth and prosperity.

### Trade and investment
We support the Joint Statement of Shared Principles for International Investment agreed by the EU and US governments. AmCham EU calls on the Presidency to promote these principles, both within the EU and with third countries. Countries that apply these principles would significantly increase their chances of (re)building business confidence and attracting the investment needed to maintain and create sustainable jobs and prosperity.

### Enforcement of intellectual property rights (IPRs) in third countries
Improved protection of IPRs is crucial to encouraging innovation and building a European knowledge-based economy. Continued efforts in the enforcement of IPRs in non-EU countries are essential for the EU and its Member States to compete in the global economy.

### Conflict minerals
AmCham EU supports a voluntary scheme with a focus on upstream of the supply chain where the difference can be made. Concentrating on upstream operators and on facilitating transmission of quality information in the supply chain will leverage the appropriate point in the supply chain. It is also consistent with the OECD Guidance and various industry initiatives, as well as complementing Dodd-Frank. When trying to verify the source of minerals, focus should be placed on smelters or refiners because they are the key point of contact in the minerals supply chain. AmCham EU also believes that a clear process and criteria for identifying areas should be defined and industry initiatives such as the CFSI should be recognised.

AmCham EU strongly supports the Presidency in reaching a practical agreement.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Recommendations</th>
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<tr>
<td>Discriminatory taxation on food and non-alcoholic beverages</td>
<td>The attempts by a number of Member States to introduce special taxes on certain food and beverage products are not an effective approach to tackling complex diet and lifestyle-related problems such as obesity and could be harmful to the competitiveness of the EU and national budgets. Given the discriminatory nature of food taxes on specific products, they must prove to be necessary, effective and proportional. As none of the taxes introduced in Member States so far have fulfilled these conditions, neither from socio-economic nor from public health perspectives, we encourage a re-evaluation of these proposals.</td>
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<td>Implementation of the consumer acquis</td>
<td>AmCham EU is looking forward to the upcoming REFIT of the consumer acquis. We believe that the Presidency should ensure that existing consumer-related laws are transposed in national law and properly enforced before considering the adoption of new legislation.</td>
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<td>Consumer product safety and market surveillance</td>
<td>We welcome the Commission’s proposal to consolidate the highly complex legal framework, to create a level-playing field for all sectors and a transparent market surveillance system.</td>
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<td>The Presidency should clarify the new legal framework so that market operators and authorities know the rules that apply to each product. Proportionality and consistency with other regulations should be the overarching principles of this package.</td>
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<td>We appreciate the European Parliament’s inclusion of an injury database so that information is accessible to identify where injuries occur, in order to address safety concerns and guarantee consistent level of protection across Europe.</td>
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<td>We still hope that the impact assessment on “made-in” commissioned by the European Commission will help the negotiations move forward after more than 2 years of negotiations.</td>
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Employment, Social Policy, Health and Consumer Affairs

Issue | Recommendations
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**Online contracts** | AmCham EU welcomes the European Commission’s initiatives to improve the quality and coherence of European online contract law in the framework of the Better Regulation Agenda. However, the Commission’s proposed directive lacks harmonisation with contract law in the EU, which will result in companies still relying on different rules for different distribution channels. AmCham EU therefore urges the European institutions to devote attention to the harmonisation of the proposed directive with the EU acquis in the field of consumer protection, and to wait for the conclusions of the REFIT exercise, the European Commission’s Regulatory Fitness and Performance programme, which should clearly identify the gaps. These efforts will help to ensure that the proposed rules do facilitate easier online cross-border consumer transactions, benefitting business, consumers and society as a whole.

**Digital content** | AmCham EU welcomes the Commission’s proposal on digital content. However, further work needs to be undertaken to ensure that the proposed rules are to effectively deliver the promised benefits to consumers and traders of all sizes. In particular, the introduction for the first time of the monetisation of data is a worrying development, which could impede rather than boost the data economy in Europe. We are also foremost concerned with the disproportionate level of harmonisation. The relationship with other relevant existing rules should also be further assessed. We look forward to working with the European Parliament, the Council, and the Commission to develop the proposed text to ensure that it will drive online cross-border consumer transactions and consumer confidence.

**Consumer collective redress** | Alternative dispute resolution (ADR) and online dispute resolution (ODR) are cost effective and fair mechanisms to settle disputes arising from business-to-consumer contracts rendering collective redress mechanisms unnecessary.

**A strategic agenda for the life sciences industry** | AmCham EU recommends that the Presidency support the European Commission’s industrial policy framework for the pharmaceutical sector and consults industry and relevant stakeholders to define sector specific actions aiming to boost the competitiveness of the healthcare industry in Europe.

The European Commission Staff Working Document of 2014 presents a valuable assessment of the sector. The pharmaceutical sector is a major driver of the Innovation Union, investing more than any other sector in research and development (R&D), creating directly and indirectly highly-skilled jobs and strengthening Europe’s competitiveness in a global market.

As highlighted in the Commission’s document, key challenges for the pharmaceutical industry are:
- Demographic change;
- Financial constraints of national budgets; and
- Increasing competition from outside the EU.

To address these challenges, AmCham EU proposes establishing a multi-stakeholder platform to identify inefficiencies in regulations and policies. Considering the recent developments in the health industry such as personalised medicine, data analytics, eHealth/mHealth, or services, we recommend that the European Commission considers taking a broad approach towards a comprehensive life sciences strategy.
<table>
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<tr>
<th>Issue</th>
<th>Recommendations</th>
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| **Investing in healthcare to build effective, accessible and resilient health systems** | AmCham EU supports the European Commission’s view that health systems play a central role in modern societies in helping people maintain and improve their health. Furthermore, investing in healthcare can directly benefit the European economy and competitiveness by ensuring investment to encourage innovation.  

We believe that greater uptake of healthcare innovation in Europe, a more predictable framework for the healthcare industries and a strengthened role for consumers in healthcare are key prerequisites to ensure that EU health systems are more accessible, effective and resilient.  

AmCham EU supports a comprehensive multi-stakeholder approach towards a broader life-sciences strategy, by supporting public-private partnerships and empowering citizens to take responsibility for their own health. This can be achieved by progress on health literacy and mobile health as well as improving access to medicines with flexible pricing policies and developing smart regulations limited to their purpose. |
| **Public procurement of healthcare products (Implementation of Directive 2014/24/EU):** | By supporting the market uptake of innovative healthcare products, public procurement can contribute to increasing the efficiency of national health systems and help address major societal challenges including ageing.  

AmCham EU welcomes the revision of public procurement rules adopted in February 2014. The new criterion of the ‘most economically advantageous tender’ (MEAT) in the award procedure (article 67 of Directive 2014/24/EU) is expected to make it easier for public authorities to put more weight on ‘quality’ or ‘innovation’ criteria relative to ‘price’. Evidence collected by AmCham EU suggests that in many countries award criteria are still heavily price-biased even for complex medical devices or for pharmaceuticals for which interchangeability has not been established. In addition, processes and the lack of dialogue with bidding companies remain a challenge.  

We would like to encourage the Presidency to collect best practices and explore the opportunity of developing EU-wide guidance on the implementation of Directive 2014/24/EU and the procurement of healthcare products. |
| **Pharmaceutical products and the Single Market** | We recommend changes to the governance of pharmaceutical products to allow the Single Market to achieve its full potential. Firstly, there is a need to address inequalities in access to treatment. Policies such as price referencing, i.e. External Reference Pricing, in the context of the Single Market are preventing full implantation of equity-based pricing between markets in Europe and inadequate management of drug shortages. Using cost containment as a guiding principle without considering the health impacts exacerbates this problem. One way to create a practical pricing framework is through the principle of non-extraterritoriality of medicine prices set by governments.  

Lastly, we believe there should be a centralised authorisation procedure to switch appropriate medicines from prescription to non-prescription status. Legislation should be clarified to ensure that prior central authorisation does not prevent non-prescription status by national boards of health. |
Recommendations to the Slovak Presidency of the Council of the European Union

Employment, Social Policy, Health and Consumer Affairs

Issue

Medical devices and invitro diagnostics: making them safer and future proof

AmCham EU supports a modern and effective regulatory system for medical devices which ensures a high-level of patient safety while providing timely and continued access to the latest medical technologies. To do this the following is required: maintain a decentralised authorisation system; regulate the reprocessing of single-use devices; increase harmonisation and coordination across Member States; increase transparency and better coordinate market surveillance across Member States.

eHealth

We believe eHealth and mHealth are key enablers of more sustainable healthcare systems in Europe based on the exchange of electronic health information that will be highly personalised and focused on patient empowerment. In light of the transatlantic eHealth/health IT cooperation roadmap, AmCham EU encourages the Presidency to step up efforts to expand the adoption of interoperable electronic health records and allow citizens to access their medical information and related services online, including on mobile devices.

The steps undertaken as a result of the European Commission’s consultation on its Green Paper on Mobile Health should ensure policies that engage citizens, healthcare providers and productivity vendors to enhance care outcomes, promote self-management, improve safety and lower health costs.

Labour market reform

The Presidency should push for further mobility between jobs and countries and improve access to jobs. Today’s smart investments in new ideas, technologies and processes will lead to more numerous and high quality jobs in Member States. The Agenda for New Skills and Jobs provides the opportunity to implement much needed labour reforms to ensure the long-term competitiveness of the European workforce through flexicurity measures and ambitious reforms designed to promote economic growth and labour markets agility. For Europe to tap the full potential of these developments, policy frameworks must ensure a quick and smooth reallocation of resources, including human capital, from declining activities to emerging ones.
AmCham EU appreciates the several challenges highlighted in the background document such as the lack of availability of work-life balance solutions, of formal care services, of leave arrangements, of flexible working arrangements, the existence of work disincentives and the low progress towards a more equal sharing of caring and domestic activities between women and men. However, we regret that the importance of the active involvement of business leaders and men in diversity and inclusion (D&I) activities was not highlighted.

In order to advance work life balance and address the challenges of work-life balance, for example in relation to maternity leave, parental leave, flexible working arrangements, careers’ leave and/or paternity leave, AmCham EU would welcome further EU-level policy guidance, strengthened monitoring at EU-level, exchanges of good practices, and the development of meaningful benchmarks that could be monitored through the European Semester process. However, we do not believe that there a need to improve the EU-level legislative framework in order to address the challenges of work-life balance, for example in relation to maternity leave, parental leave, flexible working arrangements, careers’ leave and/or paternity leave.

In Europe, the imperative for improved gender diversity – in overall workforce participation, as well as in leadership and specialist roles – is real and growing. While we have seen progress in achieving a greater representation of females in senior-level positions, this success may not be sustainable. A strict ‘compliance’ approach to diversity on its own will not be enough for businesses to reap the full benefits of greater female participation. To make progress, the public and private sector need to partner to promote a balanced representation of both genders throughout an organisation’s hierarchy, as well as encourage work-life balance. Most significantly, organisations need to engage their leaders, both men and women. Simply implementing programs for women / working parents is not enough and may even slow down their trajectory in the absence of proactive management.

We welcome the agreement on intra-corporate transferees (ICTs) and the possibility for Member States to define fast-track application procedure for third-country ICTs temporarily assigned to the EU. ICTs may now work on a pan-European basis without having to apply for visas in each Member State in which the ICT will work.
### Agriculture and Fisheries

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<thead>
<tr>
<th>Issue</th>
<th>Recommendations</th>
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<tr>
<td><strong>Agro-Food supply chain</strong></td>
<td>AmCham EU encourages the Presidency to take a holistic and coherent approach to any policy-making that impacts the food and agricultural sectors. Policies in other sectors should always take food security issues into consideration.</td>
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<td><strong>Discriminatory Taxation in the Agro-Food Sector</strong></td>
<td>We are concerned about policy proposals to introduce special taxes on certain food and beverages to address obesity and unhealthy lifestyles. Taxation is not an effective tool to tackle complex diet and lifestyle-related problems which would affect lower income groups. It would harm the European economy and the competitiveness of the food supply chain.</td>
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<td><strong>Risk Assessment, Management and Communication in the Agro-Food sector</strong></td>
<td>A proper balance between risk assessment, management and communication is crucial for the integrity of the food chain. Risk management decisions must be communicated in a clear and transparent way. At the same time, the scientific and technical underpinning of risk management decisions must be demonstrated.</td>
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<td><strong>Sanitary and phytosanitary obstacles to trade and innovation</strong></td>
<td>The divergence between the EU's approach to risk assessment, risk management and risk communication measures and that of its main trading partners leads to significant sanitary and phytosanitary trade barriers. It is of utmost importance to make progress on these obstacles, in particular with regards to plant protection products, maximum residue levels and agricultural biotechnology crops. A more effective and progressive regulatory framework is necessary to address these obstacles and promote innovative solutions.</td>
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<td><strong>Sustainability aspects of international trade in agricultural products</strong></td>
<td>As sustainability of agricultural raw materials and greening of the supply chains are of increasing interest to the EU Institutions, environmental lawmaking is a potentially new non-tariff barrier to international trade. The establishment of new trade agreements is the right move to address certain potential/current barriers by seeking convergence and cooperation.</td>
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<td>Recommendations</td>
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<td><strong>Data protection</strong></td>
<td>We believe the GDPR misses its aim when it comes to striking the right balance between protecting personal data and promoting innovation through the free movement of data. We believe that the GDPR does not take EU-wide harmonisation far enough, and leaves too much space for Member State intervention. Harmonisation is especially crucial when taking situations such as the recently raised uncertainty on EU-US data transfer tools into account.</td>
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<td><strong>Integrated border management</strong></td>
<td>We urge the Presidency to strike a balance between border security and the need for more efficient movement of travellers and the individual's basic rights and privacy. A clear EU legal framework for sharing, retaining and storing data related to border protection needs to be created. This will help companies to develop innovative technical solutions to meet security and data protection requirements.</td>
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Transport, Telecommunications and Energy

Issue

Recommendations

**Energy Union Framework Strategy**

Competitiveness should be a guiding principle of the Energy Union Framework Strategy

Energy and climate policies are and will remain highly interlinked with competitiveness and industrial policies. All industries operating in Europe should be allowed to compete, develop and innovate on a level playing field to ensure Europe’s continued competitiveness while transitioning to a stable low-carbon global economy. Both the opportunities and risks to European business arising from this transition as well as global competition should be carefully calibrated. In this context, we think technological and tax neutrality should be the rule.

As companies with a strong investment presence in Europe, AmCham EU members have always advocated for a more coordinated and regional approach to European energy policy, rather than fragmented national policies. We see the proposed stronger governance process on energy policy as an opportunity to strengthen harmonised implementation of EU regulation.

Infrastructure investment is a key enabler of a secure, competitive and sustainable EU energy policy

Further developing energy grids, updating networks, addressing bottlenecks, deploying cross-border links, exchanging information on major national decisions and building new connections are crucial to delivering Europe’s Energy Security Strategy and 2030 energy and climate objectives.

A well-functioning internal market and the moderation of energy demand will be instrumental to supporting Europe’s energy security

We support the completion of a functioning, transparent and liberalised single energy market and promote a balanced approach between the objectives of security of supply, sustainability and competitiveness to transition to a low-carbon economy at the lowest possible cost. Therefore, affordability of energy prices supporting industrial competitiveness should be a key dimension of the Energy Union, as outlined by Member States in October 2014.

Energy costs

Addressing the wide impact of Europe’s high energy costs should remain a top priority of the Presidency, with a focus on defining and rolling out concrete measures to support the competitiveness of the manufacturing industry in particular energy intensive industries.

AmCham EU members in Europe have already significantly reduced their energy intensity. European manufacturing is already the least energy intensive, and therefore most energy efficient in the world. However, the price gap is such that ‘the reduction was not large enough to offset price increase’, as recognised by the Commission in its Competitiveness Report 2014.

AmCham EU calls on EU institutions and national governments to play their role in addressing this discrepancy in energy costs among the great regions of the world.

2030 Framework for Climate and Energy

Please see ENVIRONMENT section.
## Energy efficiency review

We ask the Presidency to:

- Give particular attention to significant energy-saving opportunities in the building sector. Energy efficient renovation of existing building stock can generate cost savings to both private and public purses, increase energy security, create a significant number of local jobs and bring about a range of environmental benefits.
- Support ambitious national renovation strategies and public sector renovation plans in the Member States.

## Security of supply and LNG strategy

The safe and continuing supply of energy to Europe is necessary for the region's economic competitiveness and for attracting investment into the EU. AmCham EU believes it is of paramount importance to improve the EU's preparedness in respect of possible disruptions and in this regard, welcomes the Energy winter Package released in February 2016. However, AmCham EU notes that the proposed regulation for gas supply security does not fully consider the potential of indigenous energy sources. We believe that it would be a missed opportunity for the EU not to tap into the potential of indigenous European energy sources, including conventional and non-conventional oil and gas. The proposal also puts the emphasis on transparency. In this regard AmCham EU members are concerned that the proposal could lead to companies having to disclose commercially sensitive information to the Commission. We therefore strongly encourage the Presidency to design the regulation carefully in order to avoid such a situation.

AmCham EU believes that the LNG strategy should remove obstacles to LNG imports, including from North America and newly discovered resources in the Eastern Mediterranean and North Africa, including all legal restrictions and non-tariff barriers to the import and export of oil, gas and coal in all their forms.

## Decarbonisation of transport

The transport sector is a driving force of the EU economy. It employs around 12 million peoples, which represents some 5% of the total workforce in Europe and with around €548 billion in Gross Value Added (GVA). AmCham EU promotes five key principles to be taken on board in achieving the decarbonisation of transport:

- **Support economic activity** – Sustainability in transport can only be ensured if the social, economic and environmental dimensions are considered equally important. As foreign investors in all parts of the EU, AmCham EU members see the huge potential of further completing the EU Internal Market for transport.
- **Address risks of climate change in an integrated and balanced manner** – Policies should avoid market distortions and take a technology/fuel neutral approach.
- **Invest in infrastructure** – Transport largely depends on further and accelerated investments in infrastructure, including Intelligent Transport Systems.
- **Maintain a level playing field between transport modes** – All modes of transport will be needed to move the growing transport volumes of the future.
- **Factor-in the international dimension of transport** – Maintaining an international level playing field goes hand in hand with finding global solutions for global challenges, which is crucial for the environment and competitiveness of Europe.
Transport, Telecommunications and Energy

<table>
<thead>
<tr>
<th>Issue</th>
<th>Recommendations</th>
</tr>
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| **Infrastructure: Juncker’s investment plan and EU project bonds** | AmCham EU welcomes Juncker’s plan for investment and the set-up of a new European Fund for Strategic Investment (EFSI). We equally support the European project bonds and public-private partnerships. Well managed pilot programmes can demonstrate the leverage factor and could significantly contribute to reversing the net decline in European investment over the last 30 years. 

EFSI and EU project bonds are part of the toolbox but they cannot replace Member States’ additional commitments and responsibilities for public investment and structural reform. They should also be supplementary to a strong European commitment to the completion of TEN-Ts/TEN-Es, a strong regional policy, an ambitious lending policy from the European Investment Bank and the earmarking of revenues. 

None of these instruments should lead to financial market distortion or market access restrictions; they should support the EU’s objectives while protecting the principles of technology neutrality. |
| **Aviation strategy** | AmCham EU recognises that aviation plays a crucial role in serving passengers and facilitating trade and tourism. Further liberalisation of international air service can lead to increased economic benefits. Therefore we strongly support the European Commission's Aviation Strategy for Europe. 

We believe that regarding aviation safety the strategy should deliver on increased regulatory convergence and harmonisation with other regulatory authorities and international organisation, while considering conflicting EU policies such as chemicals policy and emerging technologies. AmCham EU believes that European Aviation Safety Agency (EASA) should retain a clear focus on existing responsibilities despite its expansion, in particular a timely, efficient, and risk-based approach to product certification and validation. 

Sharing the sense of urgency on the need to implement more swiftly the Single European Sky, AmCham EU supports the implementation of a more efficient Air Traffic Management system. We also promote a measured, but effective, globally harmonised regulatory approach on the unmanned aircraft integration into civil airspace that focuses on safety and keeps up with evolving technology and market needs. 

To deliver on the EU’s ambitious climate objectives, AmCham EU believes that the work of ICAO and the development of advanced biofuels will be instrumental. |
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<thead>
<tr>
<th>Issue</th>
<th>Recommendations</th>
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<td><strong>Urban mobility</strong></td>
<td>We support the following principles related to urban mobility:</td>
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<td>• Using existing potential to improve air quality: air quality in cities has already significantly improved in recent years. Additional measures (green/environmental zoning, window times and urban charging) should go through cost-effectiveness, efficiency and proportionality tests.</td>
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<td>• Setting consistent and regionally harmonised city access standards: transport and logistics activities do not commence or stop at the borders of urban areas, but are in most cases part of international supply chains. If city access restrictions are deemed appropriate – as a last resort to combat congestion and reduce CO2 emission levels – these restrictions should be consistent and regionally harmonised.</td>
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<td>• Supporting economic activity: striking a good balance between residential development and commercial activity is fundamental to making cities economically viable and attractive. As the origin/destination of most passenger and freight transport; urban areas should be equipped for good access to public transport and efficient delivery networks to supply shops and businesses.</td>
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<td><strong>Digital Single Market</strong></td>
<td>The European Commission, Parliament, Council and several Member States have made digital a top priority. We support and are committed to completing the Single Market and recognise how digital is transforming the economy. The completion of the Single Market is a key objective for future European growth. To that extent and for the digital transformation of the economy to continue taking hold there are a couple of essential elements that need to be in place at various levels: technologies and data, trust, infrastructure, human/skills level and an enabling environment.</td>
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<td>It is crucial that policy-makers evaluate all existing tools and new market realities before deciding on policies, legislation or regulation. Analysis should be made of how these could impact digital innovation and transformation. Any policy actions – if needed – should be targeted, flexible, and future-proof. Policy actions must focus on synergies and measure the impact on the digital transformation of the European economy and its main industry sectors. Technology neutrality should be the cornerstone of policy-making.</td>
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Transport, Telecommunications and Energy

**Issue**

**Recommendations**

**Broadband and spectrum**

**Broadband**

We support a comprehensive policy approach to foster high investment levels in both fixed and mobile next generation access infrastructures. We agree that this is a prerequisite for Europe not to lag behind other parts of the world, thus maintaining a solid digital platform for innovation. The Presidency should continue to encourage the targeted use of European and national funds to help finance the deployment of fixed and wireless broadband networks. It is however important that public sector funding does not create disincentives for private investment in new areas and/or distort competition in already competitive broadband markets.

We advocate for the creation of a more consistent regulatory environment in information and communications technologies. Today, there is still a high-level of fragmentation in European communications markets mainly due to divergent regulatory approaches to comparable market situations. We support work aimed to tackle remaining obstacles to the completion of a full Digital Single Market.

**Spectrum**

Spectrum management should be seen as a priority because of the explosion in growth of mobile broadband traffic; the potential and benefits of wireless broadband for closing the digital gap are tremendous and favour the emergence of new services and applications for the benefit of the consumer and the EU economy. It is also important that EU and US authorities coordinate and study measures for enabling the growth of the wireless sector, in particular looking into issues around innovation and freeing-up additional spectrum. Spectrum is the lifeblood of mobile Internet and supply is not keeping up with consumer demand. The most important thing that governments can do is release more spectrum so that consumers can continue to drive the market they created by unleashing the power of technology. The Presidency should support a Wireless Action Plan that releases more spectrum and ensures further harmonisation of spectrum management throughout the Member States, bringing closer assignment conditions across Europe.

**Cloud computing**

We call on policy-makers to consider opportunities for facilitating responsible global information flows by evaluating interoperability of EU and US frameworks and by developing a global policy framework for the cloud. Greater harmonisation or interoperability across existing EU and global legal regimes will further enable businesses to adopt new technologies and implement new business models that can spur economic growth and provide societal benefit.

European and US companies have a substantial economic need for cross-border data flows between countries and regions with very different privacy regimes. An interoperable international privacy regime that recognises differing privacy rules (such as the US multi-stakeholder process) to the greatest extent possible and honours these rules would greatly accommodate companies operating in multiple jurisdictions and facilitate global economic growth.

Participation in international standards organisations and adoption of globally-accepted standards relating to cloud computing are important elements in ensuring that the full benefits of cloud computing can be realised.
We believe that governments and industry have a mutual desire to maintain and improve network and information security. The threat landscape is in constant evolution and the private-sector requires flexibility to respond without heavy-handed regulation stifling security innovation. The government has an important role to ensure the legal framework is conducive to information sharing and recognising the global nature of cyberspace and framing policy accordingly. Positioning the EU alongside its strategic partners and strengthening coordination between public-sector security institutions and conducting cyber exercises to improve preparedness is critical. Governments need to adopt appropriate legal frameworks and provide resources to go after cybercriminals and undertake education and awareness activities to better inform and equip citizens and businesses.

With that in mind, we urge the Presidency to encourage all Member States to transpose and implement the NIS Directive as harmoniously as possible, to avoid raising or maintaining market barriers on the pretext of cybersecurity, and to do every effort to preserve and further strengthen partnership with industry and bi-directional sharing of cybersecurity relevant information and resources.

Moreover, we remain concerned that upcoming European initiatives such as the contractual Public Private Partnership on Cybersecurity might not be as open, as transparent and as inclusive as we believe would be desirable in the interest of making Europe an attractive and world leading region in terms of advancing global cybersecurity research, development and innovation.

Finally, should the revision of the EU’s export control regulation come onto the agenda of the Presidency, AmCham EU Members would strongly encourage the Council to undertake in-depth consultations with relevant private sector and academia stakeholders on the creation or extension of any export control measures on cybersecurity relevant technologies such as intrusion and surveillance capabilities. Indeed, as illustrated by the difficulties that have arisen with the implementation of similar provisions introduced into the Wassenaar Arrangement in 2013, such measures need to be crafted and calibrated very carefully to avoid undesirable side-effects such as increasing legitimate technology users’ exposure to cyberthreats, hindering legitimate cybersecurity research, and preventing legitimate technology vendors from being able to improve the security of their products.

The decentralised and multi-stakeholder process has enabled the Internet’s evolution across the world and it will be crucial for the Internet’s future success. Given the rapid pace of technological change, any framework for Internet governance needs to be guided by fundamental principles for international cooperation. To protect and preserve the economic and social opportunity made possible by Internet investment and innovation, it is absolutely crucial for the Internet governance process to be transparent and open to all stakeholders. Accordingly, multi-stakeholder organisations involved in Internet-related issues have shared characteristics, such as open stakeholder participation, consensus-based decision-making, information sharing, outreach and collaboration.
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<th>Issue</th>
<th>Recommendations</th>
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| **Climate change and 2030 Climate and Energy Roadmap**<br>(Also relevant for the Energy and Competitiveness Councils) | EU energy and climate policies must promote a balanced approach between the objectives of security of supply, sustainability and competitiveness to transition to a low-carbon economy at the lowest possible cost. We believe that in order to re-launch investments and drive the move towards a low carbon economy the EU must improve the governance, clarity and predictability of the 2030 climate and energy package. We therefore support:  
• The completion of the internal energy market;  
• A diverse mix of energy sources, including renewables, nuclear, coal and conventional and unconventional oil and gas;  
• Leveraging the potential of energy efficiency;  
• Investing in infrastructure; and  
• Integrating the external dimension of energy and climate policies. |
| **Emissions Trading Scheme (ETS) reform proposal** | As global companies committed to carbon reduction, AmCham EU members consider the ETS as the keystone of EU climate policy. Nonetheless, we are concerned that the uncertainties in the current proposal may not encourage global business to invest in Europe and lacks key elements to support competitiveness. One example of this uncertainty is the late release of the new carbon leakage list (by 31 December 2019) which does not give affected industries enough opportunity to plan to absorb increased costs and assess the ROI of their projects. The absence of a credible carbon price trajectory also means investors have no way of assessing the cost of low carbon transformation.  
AmCham EU is concerned that the system does not reward best performers. The proposed fixed annual 1% flat-rate reduction threatens investments in new processes and technologies.  
AmCham EU takes note that trade intensity cease to be a standalone criterion which is sufficient ground for relief. Trade intensive sectors will probably represent the bulk of industries stricken out from the list. We therefore consider that any sector which believes its circumstances justify carbon relief should be able to reach out to authorities and present its argumentation.  
AmCham EU has consistently called for the compensation of ETS indirect costs. The proposed continuation of the status quo will mean continued ineffective protection of exposed industries and competitive distortions. The Commission should consider an EU-wide compensation mechanism.  
AmCham EU notes that energy costs are significantly higher in Europe than in other regions of the world. For instance, European electricity costs are more than twice those of the US and Russia, and are 20% higher than in China. A further increase in costs due to the EU ETS would constitute a major threat to European competitiveness. AmCham EU encourages policymakers to consider other ways of promoting decarbonisation without industry bearing a burden which is detrimental to its competitiveness on a global scale.  
Finally, AmCham EU welcomes the Commission’s efforts to increase investment in infrastructure through the Modernisation Fund as well as the broadened scope of the Innovation Fund. Nonetheless, greater clarity on how the funds will be governed and whether they will support industry projects and how they would be compatible would be beneficial. |
Since the adoption of the REACH Regulation our members have been working toward compliance. This is of paramount importance and requires an enormous effort.

In 2013 the Commission released an ‘SVHC Roadmap’ to help streamline the process of targeting substances under REACH. The objective is to help ensure there is no duplication of effort between Member State authorities and that the right procedures of REACH are selected to regulate the identified risks. We applaud the European Commission’s document and its objectives. We encourage the Presidency to keep this document in mind as it addresses sectoral legislation that impacts the availability of chemicals on the Single Market.

AmCham EU members are active stakeholders in the REACH process. As a body, our membership has experienced the REACH registration, authorisation, evaluation and restriction procedures. Although we have noticed improvements over the past few years—such as with the adoption of the Risk Management Option Analysis (RMOA) process—we continue to see shortcomings in the implementation of REACH, and have expectations these will be addressed during the 2017 REACH review. We would particularly welcome further improvements in terms of predictability and strongly encourage the Presidency to help stir the debate.

The American Chamber of Commerce to the European Union (AmCham EU) supports the underlying principles and objectives of the circular economy. Its members continuously work to develop and implement cost-effective and resource-efficient solutions, and have a proven track record of innovative developments. In July 2015, we had identified key principles on which we think the EU circular economy should be built:

1. More efforts need to be placed on consistent implementation across Member States and on developments of necessary infrastructure
2. It is crucial to factor in the international dimension: EU circular economy strategy should create global loops rather than closing borders
3. A proportionate sharing of costs and responsibility along the value chain and waste management chain is essential
4. There is no one size fits all solution and we support a sectoral approach to further promote the circular economy
The American Chamber of Commerce to the European Union (AmCham EU) is a firm advocate of the further development of the circular economy. However, when reviewing existing and adopting new legislation in this field, EU policy makers should ensure that the smooth functioning of already successful industrial processes is not compromised. With regards to the waste and packaging waste proposals, a sound, common methodology for calculating targets should be established.

Furthermore AmCham EU believes that some definitions should be clarified to enable the full potential of the circular economy, particularly for secondary products.

- On reuse and preparation for reuse: While ‘preparing for reuse’ applies to either products or waste, input for reuse can only be ‘products or components that are not waste’ 2. Thus to ensure consistency, products that go through ‘preparation for reuse’ should cease to be considered as waste. This is not explicitly laid out in the current proposal and clarity is needed in order to apply the waste hierarchy and encourage resource efficiency.
- The new proposed definition of backfilling may lead to separating backfilling from the recycling process which would make it very difficult for some industries to meet their recycling targets.
- We call for definitions at EU level to be as clear as possible to avoid diverging national interpretations. This is a problem some industries face regarding the end of waste criteria and this is an obstacle to the development of secondary products. Some AmCham EU members have concrete examples in this regard that we would be happy to present to you in further details.

With regards to Extended Producer Responsibility (EPR), minimum operating requirements as well as clarity on the roles and responsibilities of all actors involved will be key to ensuring a level playing field and fair competition between schemes. AmCham EU also believes that the circular economy package should enable the legitimate shipment of used equipment for repair, refurbishment, remanufacturing and reuse.

“We all have to work harder to strengthen people’s enthusiasm for the European project.”

Peter Javorčík
Ambassador, Permanent Representative of the Slovak Republic to the EU
For further information on any issue listed in this document please feel free to contact Roger Coelho at rco@amchameu.eu. For specific policy areas, the chairs of our sectoral committees listed above would be happy to discuss any of the issues in more detail.
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 €2 trillion in 2015, directly supports more than 4.3 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

List correct as of 1 January 2016

ZURICH INSURANCE