

# ACCELERATING GROWTH AND VITALITY IN THE EUROPEAN ECONOMY – AMCHAM EU 2014-2019 AGENDA FOR ACTION

## POLICY ACTION RECOMMENDATIONS FOR 2014

### BUILD SKILLS FOR THE FUTURE

**Labour market reform:** Implement labour reforms that enhance the long-term competitiveness of the European workforce. Make pensions portable across the EU.

**Employment:** Enact policies that help citizens obtain the skills in demand by the market. Utilise flexsecurity measures where feasible and promote labour market mobility across the EU. Skills and qualifications should be made recognised across EU borders.

**Intra-corporate transferees:** Establish a common regime for intra-corporate transferees (ICTs) including an EU fast track application procedure for third-country ICTs temporarily assigned to the EU.

**Training and education:** Increase investment in training and education. Promote lifelong learning through classes, online training, on-the-job training and make use of new technologies. Encourage science, technology, engineering and mathematics education.

### DRIVE INTEGRATION TO CREATE AN ATTRACTIVE INTERNAL MARKET

**EU Single Market:** Deepen and widen the Single Market and fully implement the Single Market Acts I and II. Address the uneven implementation and transposition of existing EU regulations into national law.

**Better regulation:** Promote all key components of the better regulation strategy, including effective and consistent implementation and enforcement of regulation, simplification of EU law and reduction of administrative burdens. Aim for a single certification scheme and harmonisation of EU standards.

**Impact assessments:** Incorporate quantitative and fact-based impact assessments for all proposed directives and regulations.

**Economic and monetary union:** Develop a long-term strategy for economic and monetary union (EMU) to enhance the stability of the Eurozone banking sector. Fiscal and economic policies should be coordinated to create a single market for financial services in the EU.

**Single resolution mechanism:** Banks and authorities should implement effective national and cross-border resolution mechanisms to ensure that banks can be resolved in an orderly way and without recourse to the taxpayer. Implement legislation to manage and resolve bank crises in a manner that is compatible with the US approach by removing obstacles to cross-border resolution.

**European Supervisory Authorities:** The European Supervisory Authorities' role in mediating between supervisors should continue and be applied symmetrically to Eurozone and non-Eurozone supervisors.

**Value-added tax:** The revamped EU value-added tax system must be efficient and fraud-proof.

**Common agricultural policy (CAP):** Continue to reform the CAP. Remove remaining quotas, promote funding for research and innovation and greening measures.

**Discriminatory taxation:** Special taxes on certain food and beverage products are not an effective solution to tackling complex dietary and lifestyle-related issues and should be discouraged.

**General product safety and market surveillance:** The framework needs to be consolidated to achieve a level playing field for all sectors and a transparent market surveillance system need to be put in place.

**Energy liberalisation:** Implement the third EU Energy Package to achieve a transparent, liberalised single energy market. Encourage energy efficiency and promote sustainable energy policies. Ensure a secure energy supply through external energy relations.

**Energy and transport infrastructure:** Ensure adequate funding to upgrade EU infrastructure, for example through the Connecting Europe Facility and Project Bonds from the European Investment Bank.

**Climate policy:** EU industrial and energy policies and national and EU-level initiatives need to be cost-effective, technology-neutral and coherent.

**Transport policy:** Continue efforts to achieve a single European transport area; further liberalise road transport and the rail market; and open ground-handling activities at airports to competition. Complete the blue belt project that would allow for free movement across the EU's maritime space.

**Common European sales law:** The new proposal should not create more legal uncertainty and confusion with respect to the current legal framework and should not be overly complex and difficult to put into practice.

**Common Consolidated Corporate Tax Base:** While offering advantages, the Common Consolidated Corporate Tax Base (CCCTB) also brings additional costs and, therefore, organisations must be able to elect whether to be subject to the CCCTB. Additionally, the CCCTB must be simple to administer and allow consolidation as part of the initial implementation.

**Anti-trust damages actions:** Europe needs effective mechanisms that enable victims of breaches of EC antitrust rules to be compensated in a fair and efficient manner for harm suffered. The system should be fair and efficient for both the claimant and the defendant.

**Financial transaction tax:** Initiatives to introduce financial transaction taxes increase costs for all users of financial products, damaging the sector and the wider economy. Implementation on an enhanced cooperation basis would hinder a single market for financial services.

**MiFID:** Regulation of markets in financial instruments should not limit or discourage access to and from third country markets. Support international standards for pre- and post-trade transparency.

**Money market funds:** Alternative liquidity in the financial markets should be strengthened by creating a framework that allows MMFs to invest in a wide range of money market instruments.

**Payments:** Long-term harmonisation of interchange fees, co-badging of cards and the separation of schemes and processing entities should be done on a voluntary, industry-led basis in order to ensure proper competition, transparency and innovation for consumers.

## EMBRACE REVOLUTIONARY CHANGE FOR INDUSTRIAL LEADERSHIP

**Innovation:** Create an environment and regulatory approval process that will encourage innovation.

**Nanotechnologies and materials:** Adopt an EU-wide harmonised regulatory framework that facilitates the use of nanotechnologies and materials. Regulation should be science-based, technologically suitable and legally enforceable.

**Aviation biofuels:** Integrate all renewable energy/sustainable bio-fuel incentives into a consistent framework that allows all carbon reduction technologies to compete on an equal basis.

**Defence procurement:** Ensure the Directive on Defence Procurement is transparently implemented. The EU and the US will benefit from a level playing field and maximum flexibility in competing for new security and defence procurements.

**Shale gas:** Shale gas opportunities should be explored. The regulatory framework underlying shale gas exploration should be science-based and take subsidiarity into account.

## DEVELOP NEW MODELS OF INNOVATION AND ENTREPRENEURSHIP

**Digital single market:** Establish a more consistent regulatory environment to achieve a digital single market. A comprehensive policy approach and regulatory environment to yield high investment levels in both fixed and mobile Next Generation Access infrastructures to avoid market fragmentation.

**Cloud computing:** Develop a global policy framework for cloud computing and achieve greater harmonisation or interoperability across existing EU and global legal regime.

**Spectrum management:** Ensure European-wide allocation of radio spectrum. Support a Wireless Action Plan that finds more spectrum and ensures further harmonisation of spectrum management.

**Cybersecurity:** Improve network and information security and establish a legal framework that is conducive to information sharing while recognising the global nature of cyberspace. Strengthen coordination between public sector and security institutions.

**Data protection:** Craft a harmonised data protection framework across the EU to better protect data while avoiding unworkable and prescriptive rules that could hinder innovation. Allow the free flow of data across national and international borders and adopt privacy laws that are globally consistent and clear.

**Intellectual property:** Ensure a robust protection of intellectual property and the fight against counterfeiting and piracy. Any policy changes that result in the weakening of intellectual property protection levels would reduce incentives to innovate and invest and have a detrimental effect on jobs and competitiveness in Europe.

### Technology in agriculture and food:

Encourage investment in food and agricultural technologies by the public and private sectors and ensure there is a science-based regulatory framework that facilitates innovation.

**Investment in healthcare:** Healthcare requires smarter and more focused regulations, innovative partnerships, consumer approach to empower citizens and improved access to medicine through more flexible pricing policies.

**Medical devices:** The regulatory system for medical devices should balance patients' safety and access to the latest medical developments through decentralised marketing authorisation procedures, increased available information, harmonised procedures and criteria and enhanced market surveillance through stakeholder involvement.

**Pricing and reimbursement for pharmaceuticals:** The introduction of a patent linkage prohibiting pricing and reimbursement needs to be resolved to avoid reducing IP enforcement rights of innovators and interference with the judicial order of the Member States.

**Clinical trials:** The new proposal should streamline procedures for submission, assessment and authorisation of clinical trials. It should also address the differing implementation by Member States of the 2011 Directive.

**E-Health:** Interoperable electronic health records should be expanded and citizens should be allowed access their medical information and related services online and on mobile devices. The new data protection framework currently under discussion should enable effective health data exchange.

**Technology Transfer Bloc Exemption:** The review of the technology transfer rules should not lead to the repeal without any replacement of the Block Exemption Regulation and the Guidelines and should create legal and commercial certainty to parties engaging in technology transfer.

**Consistency of environment legislation:** A predictable regulatory environment requires consistency and coherence of EU environmental laws, as well as an EU-wide legislative framework, where Member States do not come forward with contradictory national initiatives.

**Endocrine disruptors:** The EU needs a regulatory approach based on robust science and the evaluation of chemicals on substance-by-substance basis. The threshold/non-threshold assessment should also be evaluated on a substance-by-substance basis.

**F-gases:** The F-gas regulation should be considered through a cost-benefit analysis and in line with single market principles of free movement of products and services.

## LEAD BY EXAMPLE IN THE PROCESS OF GLOBAL INTEGRATION

**World Trade Organization:** Support a strong World Trade Organization (WTO) that acts as an important guarantor of legal rights in international

trade and investments for business and society globally. The application of WTO principles should underpin any trade agreement, multilateral or bilateral.

### Transatlantic Trade and Investment

**Partnership:** Conclusion of a comprehensive trade and investment agreement with the United States striving for regulatory convergence and, where possible, mutual recognition of regulations and standards.

**Financial services regulation:** Strengthen coordination between EU and US policy-makers in financial services regulation. Regulations should, where possible, be compatible across jurisdictions, especially where detailed regulation has been set-out by international bodies under the auspices of the G20.

**Trade and investment:** Promote globally the Joint Statement of Shared Principles for International Investment agreed to by the European Union and United States.

**Trade in services:** Work to achieve an international agreement on trade and services that promotes fair competition and a global level playing field, facilitates customs processes and protects against forced localisation barriers.

**Free trade agreements:** Conclude and effectively implement free trade agreements which are WTO-compatible, ambitious in coverage, capable of strengthening and complementing the multilateral trading system, notably with India, Ukraine, Japan, Canada, Malaysia, and Vietnam.

**Union Customs Code:** The Union Customs Code should be implemented in a manner to achieve truly simplified, standardised and automated customs procedures throughout the European Union.

**County-by-country reporting:** Extension of country-by-country reporting ('CbC') to additional sectors outside those already covered should only take place after: (a) a rigorous impact assessment, and (b) a review of current initiatives in the banking and extractive sectors. Account should also be taken of other CbC initiatives undertaken by individual or groups of countries.

**Merger control regulation:** The merger regulation should be more focused and its application more restricted rather than expanded.

**Competition policy across the global antitrust community:** Enforcement of antitrust laws should be based on a sound analytical framework, consumer welfare, and procedural fairness. Antitrust laws should also avoid extraterritorial impact of local enforcement actions.

*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 €1.9 trillion in 2012 and directly supports more than 4.2 million jobs in Europe.*