Trade and Technology Council

Priorities for the third ministerial meeting

The case for transatlantic cooperation has never been stronger in recent years. The difficult external environment – including the war in Ukraine, skyrocketing inflation, the compounded energy and food crisis as well as the disruption of global supply chains – requires strong alignment between the EU and the US. The Trade and Technology Council (TTC) is a unique forum for the EU and the US to engage with each other, deepen their economic relationship and tackle global challenges. The TTC played an important role in enabling a decisive and united transatlantic response to Russia's invasion of Ukraine. Both sides must use the upcoming ministerial meeting on Monday, 5 December to deliver concrete results for citizens and companies across the Atlantic.

Now is certainly not the time for new trade tensions. The EU and the US have announced the creation of a new Task Force on the Inflation Reduction Act. This initiative should help create a better understanding and foster dialogue. Reducing trade barriers, strengthening the resilience of supply chains, supporting the multilateral trading system as well as cooperating in standard-setting bodies should be core priorities for the EU-US agenda, including the work of the TTC.

Three principles should continue to guide the activities across all working groups:

- **Foster transparency and stakeholder engagement:** building a consistent system to collect input and engage with business and civil society will ensure the effectiveness of the TTC. Ensuring buy-in from all segments of society will be a key component of the success. Transparency efforts should also include more detailed reporting of the ongoing discussions.
- **Outline roadmaps and clear deliverables:** providing more clarity on the scope of the working groups' activities is critical to enable stakeholders to provide constructive input and for the TTC to deliver concrete outcomes in a timely manner.
- **Prioritise outcomes with concrete impact:** while both short-term and long-term areas of work are important, delivering on a few concrete outcomes first will help demonstrate the relevance of the TTC for citizens and businesses of all sizes.

The American Chamber of Commerce to the EU (AmCham EU) outlines eight priority areas for the next ministerial:

1. Emerging technology standards

The EU and the US should align their approaches on emerging technologies and strengthen their cooperation to set global standards on emerging technologies. They should define the scope of their cooperation and outline specific practices, timelines and objectives, as well as a list of ongoing initiatives within standard-setting bodies. Even though the ongoing efforts to implement the EU-US Data Privacy Framework take place outside of the TTC, the ability to transfer data between the EU and the US is critical to delivering an ambitious transatlantic digital agenda.

- **Artificial intelligence (AI):** The EU and the US should ensure coherence in the AI regulatory frameworks by minimising fragmentation, avoiding ambiguity and sharing best practices on the adoption of AI technologies. Common standards for testing or validating systems that embed responsible AI should ultimately lead to mutual recognition to attain regional regulatory requirements. Cooperation on international standards is also an important priority.

- **Cloud:** The EU and the US should develop a common cloud rulebook based on international standards and best practices. A partnership is needed to develop common trusted principles and enable a higher adoption rate of cloud technologies – including through public procurement –, support cloud and edge computing ecosystems and unlock the potential of the next generation of cloud infrastructures.

- **Cybersecurity:** The EU and the US should identify common approaches to detecting, mitigating and managing cyber risk at the transatlantic and global levels. They should draw upon consensus-based and international standards as well as industry-led best practices. Additionally, the transatlantic partners should cooperate towards cybersecurity certification that is non-discriminatory and compliant with the World Trade Organization (WTO). This can prevent the establishment of requirements that force businesses to fragment their technology operations along national borders, which negatively impacts security and resilience. Democratic resilience is also an area of alignment for the EU and the US, which includes responding to electoral interference and addressing the dissemination of disinformation online.

- **5G/6G:** The EU and the US should align policies on the development of 5G and 6G standards, the security of 5G networks, as well as promote the benefits of Open RAN and virtualisation. They should commit to supporting the development of interoperable, open and global 5G and 6G standards and work closely with industry to address cybersecurity and supply chain issues, including Open RAN interoperability and network visualisation.

- **Non-personal data transfers:** The EU and the US should develop policies that ensure non-personal data flows are protected, encouraged and developed. This will be critical to the development of emerging technologies that rely on diverse sets of data for analysis and research.

- **Advanced automotive standards:** The EU and the US should ensure that future advanced automotive standards are developed through reduced complexity and minimal regulatory divergence.

2. Clean technologies

The EU and the US need to accelerate the development and deployment of key technologies to decarbonise our economies. They also should clarify how the TTC interacts with other initiatives, such as the EU-US Energy Council, the Green Technology Alliance or the Global Arrangement on Sustainable Steel and Aluminium. Some other areas of focus at the TTC should be to:

- Strengthen **e-mobility** and interoperability with smart grids by, for example, advancing the deployment and expansion of standardised and connected charging infrastructures on both sides of the Atlantic.
- Develop **carbon** pricing mechanisms through common measuring and accounting standards that avoid trade tensions and reduce carbon leakage in a WTO-compliant way.
- Establish a transatlantic approach to competitive **electricity** markets extension that facilitates access to clean energy for customers and businesses.
- Create a common codification for '**responsible solar**' green claims.
- Promote the creation of a more **circular economy** through efforts such as advanced recycling and waste management as well as common approaches to initiatives such as Extended Producer Responsibility schemes, recycled plastic standards and electric vehicle battery passports.
- Align **green procurement** practices.
- Examine the role of **digital services** in decarbonisation and identify ways to accelerate deployment through trade, including in third countries.

3. Export controls

The TTC has played a key role in creating a united front against the war in Ukraine, in particular by establishing a joint approach to export controls. This positive momentum should be used to further harmonise the transatlantic export control regime. In particular, the EU and the US should align their export controls of sensitive emerging technologies (eg, quantum, artificial intelligence, semiconductors) where those technologies pose national security concerns, and coordinate the application of export controls to intangible technology and software transfers.

4. Semiconductors

The EU and the US should strengthen cooperation in the chips supply chain to improve its resilience, ensure fair transatlantic investment and boost research and development as well as manufacturing. They should clearly define the extent of tools such as certification, priority orders and export controls. This cooperation should also be reflected in ongoing domestic initiatives – notably the respective Chips Acts – and serve to secure the supply of critical materials and chemicals that are essential for the manufacturing of semiconductors.

5. Raw materials

The EU and the US should work towards increasing responsible investments for near-term rare earth elements and critical mineral projects to avoid uneven geographical concentration of rare earths. They must ensure that existing and future frameworks for securing the supply of raw materials are cooperative with third countries and prevent trade distortions. This also applies to a range of chemistries used in the manufacturing process that are in need of capacity expansion to support growing demand.

6. Multilateral trading system

The EU and the US should develop a joint strategic approach to non-market economies that addresses the root of unfair trade practices. Any future relationship with third-country partners must adhere to the fundamental principles and values of commitment to free trade, fair competition and the rule of law. Cooperation is required to defend the multilateral rules-based trading system and modernise the WTO. Continuing to support strong and balanced intellectual property rights will also be critical. More specifically, certain trade facilitation measures should feature on the agenda:

- Develop ambitious and modernised **customs facilitation measures** such as increasing the duty de minimis, simplifying customs documentation and harmonising data requirements, among others.
- Advance a unified approach towards **WTO e-commerce negotiations** including continuation or permanent WTO moratorium on customs duties for electronic transmissions as well as the expansion of Information Technology Agreement.

7. Forced labour

The EU and the US should develop a common approach to address the use of forced labour in supply chains, including the EU-US Trade and Labour Dialogue. They should coordinate and share best practices on restricting market access for products and goods made with forced labour and on developing targeted enforcement strategies that facilitate legitimate trade while focusing resources on higher risk trade.

8. Healthcare

The EU and the US should continue to work together to bolster biopharmaceutical supply chains in preparation for future health challenges. The COVID-19 pandemic has demonstrated the urgent need for more resilient supply chains that can ensure the free movement of pharmaceuticals and their input, key personnel and health-related data. Areas for further regulatory cooperation, which can strengthen supply chains, include expanding the scope of the EU-US Mutual Recognition Agreement on Pharmaceutical Good Manufacturing Practice to vaccines, pre-approval inspections, plasma-derived and veterinary medicines. Better and more globally standardised data would also improve supply chain information and resilience.