U.S.-EU Trade & Technology Council
Policy Priorities

The U.S. Chamber of Commerce supports the new U.S.-EU Trade and Technology Council (TTC) as a platform to develop common approaches to shared challenges, collaborate on new standards for emerging technologies, enhance bilateral trade and investment, and bolster our competitiveness.

Even as the working group agendas are being developed, there are issues that fall outside the remit of the TTC that require immediate attention. Chief among these is restoring legal certainty to data flows between the U.S. and EU. Regardless of sector, companies depend on their ability to seamlessly share information with clients, customers, and regulators worldwide. But the 2020 *Schrems II* ruling by the European Court of Justice created massive uncertainty around such transfers. **Every item on the TTC agenda is connected to data flows, so securing those flows must be Job #1. Without clarity for ongoing data transfers, the TTC will lack a solid foundation and risks being hobbled before the real work on the broader agenda can begin.** As fellow democracies that value consumer privacy and share a common national security bond, Brussels and Washington must agree on a new deal quickly.

Another issue that needs quick resolution is lifting the Section 232 tariffs on imports of steel and aluminum and associated EU countermeasures. Resolution of these issues will demonstrate that the two sides are committed to collaboration and will build momentum for the work of the Council.

Finally, stakeholders must have a seat at the table as officials craft the TTC agenda, and we welcome the Administration's openness to this engagement. Active engagement with businesses and other stakeholders will increase prospects for addressing commercially significant barriers to trade and investment and spurring innovation. Together, businesses on both sides of the Atlantic employ over 16 million Americans and Europeans. Removing existing barriers and avoiding new ones will allow even more workers to benefit from the world's most prosperous and interconnected commercial relationship.[1]

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[1] U.S. Chamber of Commerce & AmCham EU, *The Transatlantic Economy 2021*, https://www.uschamber.com/report/the-transatlantic-economy-2021.

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Core Principles

The TTC should operate according to mutually agreed basic principles. Together, U.S. and EU policymakers should:

- Commit to increased transatlantic collaboration and investments in critical and emerging technologies, setting global standards for the digital age.
- Deepen U.S.-EU technology ties and avoid actions that could lead to technological fragmentation or that could disrupt integrated supply chains.
- Uphold principles of non-discrimination and avoid policies and regulatory measures that target businesses headquartered in the other party—explicitly or implicitly—through law or regulation.
- Establish a more transparent regulatory approach which ensures that new measures include due process protections, account for trade impact assessments, promote innovation, and reflect rule of law and sound science-based standards.
- Commit to a "first, do no harm" principle for new regulations and preferential trade agreements with third countries so that such policies do not disproportionately target international investors and employers.
- Consult with one another prior to developing or implementing new regulations so that potential divergences are clearly understood, each side has a meaningful opportunity to provide input, and efforts are made to mitigate differences before regulations are finalized and as they are implemented.
- Promote international interoperability—not necessarily similarity—of policy frameworks and standards among like-minded countries and regions. Cooperation under agreed plurilateral rules will boost innovation, productivity, and job creation while also increasing trust in technology.
- Seek outcomes across all TTC priority policy areas that bolster our ability to outcompete authoritarian regimes that do not share our core values.
- Ensure U.S. and European regulatory environments support future innovation and the wider adoption and use of all types of technology throughout the economy.
- Commit to regular stakeholder and legislator dialogues for all working groups to secure commercially significant outcomes and avoid new regulatory barriers.

Working Group Priorities

We support working group agendas that facilitate tangible progress on emerging technologies, advance our shared climate priorities, ensure the transatlantic digital economy remains connected, respond to common challenges from third countries, and continue to strengthen the multilateral trading system. Progress achieved here can

complement collaboration in other fora, including the WTO, G20, and OECD, as well as in bilateral discussions with our trading partners.

Ahead of the first ministerial meeting of the TTC, the Chamber proposes the following policy priorities for the working groups.

1. **Technology Standards Cooperation**
    - Emerging Technologies: Develop common approaches to the use of emerging technologies to build resilience against threats to transatlantic security and economic leadership
    - Collaboration: Avoid unnecessary or unintended regulatory divergences through dialogue and the promotion of common approaches or interoperable standards
    - AI: Pursue coherence of regulatory frameworks governing AI applications focusing on high-risk use cases to boost the use of AI and minimize the risk of market access barriers, promote the commercialization of AI capabilities, and enhance utilization of emerging advancements
    - 5G/6G: Facilitate technology-neutral policies that support open, interoperable, and virtualized solutions
    - Quantum Computing: Pursue collaborative and robust public-private partnerships and strong investments in these ecosystems. Ensure that export controls do not undermine transatlantic research efforts or inhibit movement of talent
    - Autonomous Vehicles: Encourage shared regulatory approaches where possible to ensure continued transatlantic leadership in this space while minimizing unnecessary or unintended regulatory divergences; and build on positive industry-led examples of collaboration in automotive electrification and common standards for chargers
    - Connected Vehicles: Pursue joint standards governing the use of 5G in vehicles and infrastructure to encourage widespread adoption of new technologies
    - Digital Health and Biotechnology: Collaborate to ensure effective future cooperation in biotechnology; promote effective transatlantic exchanges of health data to promote joint research; create new opportunities for innovation in digital health; and find additional efficiencies in the administration of public health policies. Incentivize voluntary data sharing approaches that facilitate data access and ensure continued trusted cross-border data transfers

2. **Climate and Green Tech**
    - Investment and Recovery: Promote sustainable economic recovery, including through removal of barriers to investment and trade in new environmental technologies, waste management infrastructure, and new carbon-free and low-carbon energy projects
    - Developing Shared Standards: Promote joint environmental standards to encourage increased sustainable trade and create a constructive R&D environment
    - Climate and Trade: Advance shared goals while ensuring WTO compatibility for measures such as the EU's proposed Carbon Border Adjustment Mechanism, or any parallel U.S. initiatives, which could escalate trade disputes through the imposition of new carbon tariffs
    - Circular Economy: Develop shared principles to encourage innovation in the use of finite resources and to boost trade
    - Sustainable Finance: Discuss common principles for ESG disclosures; promote coherence with other jurisdictions developing similar mandates; and encourage greater access to finance for investment in critical technologies and new energy sources
    - Build Modern Resilient Infrastructure: Establish joint priorities for sustainable investment and increased access to sustainable materials, focused on building smart, modern, comprehensive, and resilient infrastructure
    - Climate Accounting: Leverage existing and recognized science-based criteria when calculating the CO_2 content of goods
    - Multilateral Efforts: Work to support common positions at ongoing international negotiations, including at the COP26 summit and the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade. Resolve outstanding issues related to Article 6 of the Paris Climate Agreement that inhibit the development of a high credibility, liquid, voluntary carbon credit market at the international level
    - Third Country Cooperation: Coordinate bilateral policy guidance in promoting environmental sustainability in third countries

3. **Secure Supply Chains**
    - Trusted Supply Chains: Incentivize greater supply chain integration between transatlantic partners and like-minded third country democracies to support supply chain diversification, resilience, and risk management
    - Industry Collaboration: Work with industry to identify key gaps in diversifying supply chains, particularly in the development of battery technology, electric vehicles & infrastructure, semiconductors, and medical

equipment, including across the entire value chain from inputs to finished products

- ➤ Transatlantic Cooperation: Pursue joint approaches to supply chain security to ensure continued access to critical raw materials, health products, and key technologies; and work to ensure supply chains remain connected, can adapt quickly to disruptions, and provide continued supply in emergency situations including addressing supply chain logistic issues
- ➤ Joint Assessment: Develop a common assessment of vulnerabilities and work together to address them to avoid overcapacity or duplicative investments; identify what constitutes critical minerals and materials; and commit to a common standard and approach to build support for increased production and processing

4. **ICT Security and Competitiveness**
   - ➤ Cybersecurity: Strengthen existing mechanisms for bilateral collaboration and alignment by coordinating responses to shared threats and state-backed cyberattacks. Where possible, coordinate public attribution and the imposition of risk and consequences for indiscriminate attacks that run afoul of international law and norms. Strengthen bilateral cyber threat intelligence sharing across the entire security community
   - ➤ Best Practice Sharing: Encourage best practices and the adoption of industry-supported, consensus-based, technology-neutral international standards and frameworks and related mutual recognition mechanisms to enhance the cybersecurity and resilience of critical infrastructure, the Internet of Things, operational technology, and cloud systems
   - ➤ Data Security: Share best practices and coordinate approaches to counter industrial espionage
   - ➤ Cloud Market Access: Ensure that competitive market access principles govern the cloud marketplace, and allow foreign companies to participate in government-led cloud projects
   - ➤ Conformity Assessment: Build on and do not duplicate existing frameworks and best practices; promote voluntary use of cybersecurity certification schemes; and consider alternatives to third-party assessment—appropriate to the risk profile—such as self-assessment, vendor attestations, or accreditation of third-party assessors

5. **Data Governance and Technology Platforms**
   - ➤ Data Transfers: Conclude a durable framework to support data transfers and avoid data localization requirements; in addition to finalizing a Privacy

Shield successor agreement, ensure other tools such as Standard Contractual Clauses are reinforced and upheld

➢ Data Sharing: Recognize that data sharing of non-personal data should remain voluntary and should avoid cumbersome regulation over non-personal data.

➢ Regulation: Develop non-discriminatory approaches to digital market regulation that include appropriate procedural and substantive safeguards on IP, privacy, and security that reflect transatlantic norms

➢ Security and Competitiveness: Conduct assessments of new digital and technology regulations to ensure that such measures do not: undermine national security objectives; expose sensitive data or intellectual property (IP) to authoritarian regimes; or negatively impact competitiveness relative to companies from those jurisdictions

➢ Compliance Thresholds: Ensure U.S. and EU companies are not undercut by companies from third countries that are not subject to or do not comply with the same level of data security or privacy standards

➢ Intellectual Property: Oppose forced technology transfers and other practices that undermine the value of intellectual property rights

6. The Misuse of Technology Threatening Security and Human Rights

➢ Protecting Human Rights: Develop joint principles, where possible, to counter malign uses of technology that undermine human rights by authoritarian regimes

➢ Securing Democracy: Strengthen the resilience of democratic institutions, including elections infrastructure, against adversarial states and non-state actors

➢ Private Sector Partnership: Leverage the business community as allies in this effort; avoid overregulation and enforcement actions not targeted at adversarial states or non-state actors

7. Export Controls

➢ Proportionality: Pursue plurilateral controls to address shared security concerns without hampering the flow of legitimate commerce

➢ Multilateral Engagement: Seek coordinated multilateral engagement where possible (i.e. Wassenaar)

➢ Transatlantic Leadership: Leverage U.S.-EU leadership to build broader international support globally

➢ Foreign Capacity: Fully Assess the availability of technologies among foreign trade partners when proposing technology-specific controls

➢ Targeted Approach: Materials and other upstream inputs into sensitive products and technologies often go into a wide variety of products beyond those subject to export control measures. Work to ensure the core focus of controls are on end-products and technologies, rather than inputs

8. **Investment Screening**
➢ Open Investment Climate: Reaffirm our respective commitment to openness to foreign direct investment, including both inbound and outbound
➢ Transparency: Establish clear, common principles and thresholds for efficient screening of foreign direct investment where legitimate national security concerns may arise

9. **Global Trade Challenges**
➢ Anti-Competitive Subsidies: Develop common principles for measuring and tackling anti-competitive subsidies from nonmarket economies or that benefit state-owned enterprises
➢ Authorized Subsidies: Pursue common approaches and definitions for allowable subsidies (e.g. support for semiconductors, research and development, pandemic response) to ensure continued transatlantic market access for firms benefiting from these partnerships
➢ Sanctions Policy: Coordinate approaches to ensure that, wherever possible, sanctions are multilateral, targeted, and conduct-based rather than unilateral, broad, and punitive
➢ Taxation: Continue to pursue a multilateral approach to digitalization of the global economy and related issues in the negotiations taking place under the aegis of the OECD, and eliminate discriminatory unilateral digital services taxes
➢ Competition Policy: Discuss approaches to competition enforcement that retain a local nexus for merger review and that ensure antitrust investigations remain grounded in the consumer welfare standard, upheld by rigorous economic analysis, guided by the rule of reason
➢ WTO Collaboration: Seek joint positions to advance WTO reform and reinvigorate the multilateral trade negotiation agenda, including: functionality of the Appellate Body; a revised approach to special and differential treatment with clearer requirements, including data-driven approaches to country classification; supporting greater transparency and functionality in committee operations, including greater enforcement of members' obligations; ensuring meaningful and regular stakeholder engagement; agreement to discipline fisheries subsidies this year; and

progress in the negotiations on the Joint Statement Initiatives on both E-commerce and Services Domestic Regulation

➢ Trade in Health: Advance the objectives of the WTO's Trade in Health Initiative, including: eliminating tariffs on pharmaceutical and health products and inputs; facilitating trade in health goods and ensuring access to digital health tools; and avoiding restrictions on the export of health products or access to digital health tools to increase health system resilience and preparedness

➢ Health Equity: Foster investments in population health tools to identify disparities, address social determinants of health outcomes, monitor both chronic and communicable disease within communities

➢ Bilateral trade issues: We also encourage officials to consider how best to advance bilateral improvements. For example, in the health sector, the U.S. and EU should review—and expand where possible—bilateral mutual recognition agreements (MRAs) for pharmaceuticals, including for vaccines, veterinary products, and plasma-derived products. Negotiators also should endeavor to conclude a new MRA for clinical trials to reduce duplicative inspections and allow both industry and regulators to better focus limited resources on innovation and risk reduction.

10. Promoting SME Access to and Use of Digital Technologies

➢ Skills: Expand the availability of digital skills to ensure workers have the necessary abilities to succeed in an increasingly digitalized economy

➢ Trade Facilitation: Streamline export and import processes to ensure as many SMEs as possible are able to trade their goods across the Atlantic; ensure services trade remains as open as possible; and oppose new restrictions on data flows or local data storage requirements

➢ Incentives for Digitalization: Collaborate to provide resources for companies to digitalize their businesses; promote the digitalization of government services; and align customs procedures to support utilization of digital technologies and documents to streamline customs clearance

➢ Scale: Share best practices to ensure SMEs can utilize resources available from various platforms to reach larger audiences and secure additional market opportunities

Conclusion

The Trade and Technology Council represents a significant opportunity for the United States and European Union to respond in a coordinated way to today's greatest challenges: overcoming the COVID-19 pandemic and promoting a robust and durable economic recovery; addressing climate change and promoting

sustainability; ensuring the digital economy remains globally connected; and responding to commercial and security challenges posed by third countries. The TTC should strategically reorient our policymaking approaches to boost our future competitiveness and innovation potential. Done right, and in close coordination with stakeholders, the Council can strengthen our global leadership and deliver tangible results that benefit workers and citizens. The U.S. Chamber looks forward to working with governments and other stakeholders on both sides of the Atlantic to accomplish these ambitious yet achievable goals.