



Second Meeting of the Transatlantic Economic Council: Joint Statement of the European Commission and the United States

Bureau of European and Eurasian Affairs
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A year ago, at the EU-U.S. Summit meeting of 30 April 2007, our leaders committed themselves to deepen and broaden transatlantic economic ties and signed the Framework for Advancing Transatlantic Economic Integration (Framework), which set up a joint political-level body, the Transatlantic Economic Council (or TEC), comprising U.S. Cabinet Members and European Commissioners, to oversee implementation of the Framework's work program. Since last April, we have been working energetically towards that goal.

We believe that transatlantic economic integration will maximize economic benefits for our citizens through competition and stronger growth, while maintaining high standards of safety and protection. Seeking, through the use of good regulatory practices, to bridge our current regulatory divergences and avoid the creation of new ones is essential to advancing economic integration.

A first meeting of the TEC was held in November 2007 in Washington, DC, and today the TEC has met for a second time in Brussels, under the chairmanship of Guenter Verheugen, Vice President of the European Commission, and Daniel Price, Assistant to the President for International Economic Affairs.

The outcomes of today's meeting show the firm commitment of both sides to reach our common objective of economic integration. Our meeting has shown clear signs of steady progress towards a more convergent transatlantic regulatory environment in a number of priority areas.

In particular, today we have taken the following steps towards closer integration:

- In line with its commitment at the last TEC meeting, the European Commission will, before the EU-U.S. Summit in June, propose changes to EU regulations that will allow the importation of poultry meat processed using pathogen reduction treatments, as well as the use of such treatments in EU Member States in the production of poultry meat for consumption in the EU. Further, the Commission expressed its determination to find an agreed solution to this issue, working with Member States and the European Parliament, before the next TEC meeting, planned for autumn 2008.
- The United States Occupational Safety and Health Administration will publish a new request for information (RFI) concerning suppliers' declaration of conformity as a basis for certifying that certain electrical and electronic equipment is safe for use in U.S. workplaces.
- The European Commission will take concrete action to ensure that trade in cosmetics and personal care products is not disrupted by REACH implementation. The Commission will undertake the necessary steps, within its competence, to ensure transparent implementation, legal certainty, and non-discriminatory trade.
- The TEC will submit to the EU-U.S. Summit an Open Investment Statement which affirms our commitment to promoting open investment policies at home and to working together to oppose protectionism abroad.
- The European Commission will propose a positive decision on the equivalence of U.S. accounting standards (GAAP) to EU rules in the course of 2008.
- Work on mutual recognition in securities regulation has intensified and the EU and SEC will define a process for carrying out comparability assessments of their securities regimes later this year. The TEC also encourages the implementation of other approaches to facilitate cross-border financial services, such as providing relief from local licensing requirements for securities firms engaging in cross-border business with certain sophisticated investors.
- We have urged our financial markets regulators to make significant strides by the end of 2008 to identify the steps that need to be taken to create a true level playing-field for EU and U.S. insurance companies in each other's jurisdiction.
- U.S. Customs and Border Protection and the European Commission will work to implement the roadmap for achieving mutual recognition of trade partnership programmes which they agreed on 6 March 2008 and achieve mutual recognition of the relevant EU and U.S. programmes in 2009.
- Cooperation between the U.S. Food and Drug Administration (FDA) and the European Commission has been intensified in several areas which will facilitate transatlantic trade. These areas include: validation of alternative methods to animal testing for cosmetic ingredients, administrative simplification for medicinal products, and the provision of parallel scientific advice from the FDA and the European Medicines Agency (EMA) to veterinary medicine manufacturers.
- The EU-U.S. High Level Regulatory Cooperation Forum has presented a report on strengthening our cooperation on the safety of imported products, including concrete recommendations on how to overcome current constraints on effective information sharing, and a report on the analysis of international trade and investment impacts in our respective regulatory impact assessment guidelines. These reports confirm a common interest in working more closely together on these issues.
- Closer EU-U.S. cooperation has been reported in a number of other areas, such as intellectual property rights enforcement, automobile safety, consumer protection on the internet, work by technical experts to identify potential areas of convergence in standards for biofuels, and the use of radio frequency identification technology.
- The United States Patent and Trademark Office and the European Commission have agreed to a roadmap to advance global patent harmonization.

Further details on these and other parts of our work programme will be addressed in the Progress Report of the TEC to the Summit.

Although much has been achieved in the last year, much remains to be done. Neither side, for example, is completely satisfied that its concerns are yet being fully addressed in the TEC process. The U.S. side has expressed concerns that the REACH regulation and its implementation are already causing serious problems for the export of U.S. chemical products and goods that contain or are produced using those products to the EU market, and the Commission has expressed its concerns that U.S. legislation requiring 100 percent scanning of containers bound for U.S. ports starting in 2012 or later may cause problems for the export of EU products.

Nevertheless, the TEC is yielding concrete results, and we believe our successes to date justify confidence that the TEC can achieve the important objectives for which it

was created. We intend to take our current work programme forward and to take stock of progress in a third meeting before the end of this year.

The United States and the European Union share the largest economic relationship in the world. We also share core values, including a belief in the importance of open economies, transparency and the rule of law. These bonds are strong. They inform our approach to each project we pursue. It is because of the breadth and depth of what unites us that we expect the TEC to continue playing a vital role in the U.S.-EU relationship.

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