

2006 EU-U.S. Summit Progress Report on the Economic Initiative
21 June 2006, Vienna

Introduction

Following the commitment at the 2004 Dromoland Summit to further transatlantic economic integration, the June 2005 EU-U.S. Summit launched the “Initiative to Enhance Transatlantic Economic Integration and Growth”. This covers regulatory and standards cooperation, open and competitive capital markets, innovation and the development of technology, trade, travel and security, energy efficiency, protection of intellectual property rights, investment, competition policy and enforcement, procurement and services. A joint EU-U.S. Work Programme to implement the Initiative was welcomed at the informal EU-U.S. Economic Ministerial in November 2005. This report notes areas of progress made in the past seven months to implement this multi-annual programme under the Economic Initiative and in other areas of transatlantic cooperation.

Key Accomplishments

The joint **Action Strategy for the Enforcement of Intellectual Property Rights** in third countries is ready for endorsement at the Summit. Implementation has already started with concrete actions aimed at promoting strong and effective enforcement in third countries, strengthening cooperation to reduce global piracy and counterfeiting, and fostering public-private partnerships to protect intellectual property.

The renewal of the **Agreement on Higher Education and Vocational Training** will be signed in the margins of the Summit.

We look forward to concluding a first-stage **Air Transport Agreement** before the end of this year.

We also hope to conclude an **Agreement on Cooperation in the Regulation of Civil Aviation Safety** within the next twelve months, which will ensure safer transatlantic air travel.

The renewal of the “**Energy Star Agreement**” for the promotion of energy efficient office equipment has been initialled and will be signed by the end of the year.

A first phase Agreement was signed on **Trade in Wine**, which establishes mutual acceptance of existing wine-making practices on both sides and recognises each other’s names of origin. Negotiations on the second phase are now starting.

Regulatory Cooperation

Regulatory cooperation was enhanced in three ways. First, a dialogue was initiated between the **European Commission and the U.S. Office of Management and Budget** on issues of a "horizontal" nature, such as transparency and methodologies for impact and risk assessment, in order to improve our understanding of each other’s regulatory systems and practices. Second, a **High-level Regulatory Cooperation Forum** was established. It held its initial meeting in Brussels on "good regulatory practices" in January, followed by a meeting in Washington D.C. in May on "best cooperative practices and regulatory work plans". As a result, a set of best cooperative practices was established to guide regulators and complement

our Guidelines for Regulatory Cooperation and Transparency. Views were also exchanged on the way our respective regulatory work plans are created, and new topics for cooperation were identified. Building on the success of the first two meetings, the European Union and the United States will continue their exchanges in future Forum events. Third, regulators on both sides continued to work on sector-specific areas covered by the **Roadmap for Regulatory Cooperation**. There was notable progress in a number of dialogues, including those on pharmaceuticals, consumer product safety and energy efficiency. A detailed account of progress can be found in the Joint Report on the Roadmap for EU-U.S. Regulatory Cooperation.

Transatlantic Capital Market Integration

In the context of the EU-U.S. **Financial Markets Regulatory Dialogue**, progress has been made. On accounting standards, both sides confirmed their strong commitment to achieving the goal of eliminating reconciliation requirements and promoting convergence, clarifying the steps required to get there and enhancing cooperation among regulators to ensure optimal outcomes. Some other recent positive developments involve the supervision of financial institutions, notably the implementation of Basel II on international capital adequacy standards, and the supervision of financial conglomerates, reinsurance of collateral requirements; and proposed rules to facilitate deregistration of foreign firms that no longer want to trade in the U.S. stock markets.

Investment

The European Union and the United States recognise the importance of maintaining open investment regimes that can create new opportunities and build prosperity. We have agreed to continue our discussions on investment issues including to address any remaining significant obstacles to investment between us.

Energy Security

Joint cooperation on **energy security** has started with the aim of improving reliability of energy supplies by increasing diversification, making better use of renewable energy sources, using energy more efficiently and cooperating to encourage improved energy security policies in third countries. The European Union and the United States have held four joint workshops on energy technologies, efficiency and alternative fuels. An agreement on the International Thermonuclear Energy Reactor (ITER) was initialled in May 2006 and will be signed at the Fall ITER Ministerial. The European Commission is joining the **Methane-to-Markets Partnership**.

Innovation

In the field of spurring **innovation** and the development of technology, the European Union and the United States are cooperating to improve their common knowledge on how to measure their innovation performance and to understand better each other's **innovation policies**. A rolling work plan on **e-accessibility** has been agreed and has started, with a goal of reaching a coherent approach on our policies in this area. A new EU-U.S. **civil space dialogue** has been launched and will be continued next year. Transatlantic conferences have been held on the medical and health aspects of **nanotechnology**. A possible coordinated call for research proposals in the field of nano(eco)toxicology is being examined. The Commission has launched a wide public debate on **Radio Frequency Identification**

technology that will include a series of workshops with invited U.S. speakers. Discussions on **cyber security** policy are being planned. Ongoing EU-U.S. cooperation to tackle **spam** led to the organisation of a joint workshop on spam enforcement and contributed to the adoption by the Organisation for Economic Cooperation and Development (OECD) of a number of recent initiatives. We have started discussions on **e-health** initiatives, and will hold a first EU-U.S. workshop on patient safety, meet on joint research on biomedical informatics, and establish working groups on interoperability and certification of electronic health record systems. The renewal of the administrative arrangement for the **EU-U.S. Task Force on Biotechnology Research** has been signed in June 2006.

Trade, Travel and Security

Negotiations are being pursued on **visa exempt travel** and on comparable results aiming at equivalence between the EU **Authorised Economic Operator** provisions and the U.S. **Customs-Trade Partnership Against Terrorism**. The European Union and the United States are coordinating capacity building assistance for the implementation of the World Customs Organisation Framework of **Standards to Secure and Facilitate Global Trade**. EU and U.S. customs authorities are working on simultaneous **risk analyses** on identical data to facilitate exchange of information between customs administrations on the results of risk analysis, and to promote cooperation on enforcement and prevention of incidents. As part of **container security cooperation**, minimum requirements and control standards for feeder ports have been agreed and are currently being implemented. Discussions are taking place on ways of improving cooperation on **air transport security and cargo traffic**. There have been joint air cargo security training visits and joint air cargo inspection missions. Work on **security related technologies** is continuing with the aim of creating a better understanding of each others' security research programmes, sharing experiences on the potential use of sensor-network technologies in addressing security concerns, and discussing new rules for advanced notification of documentation prior to arrival at the port of entry.

Government Procurement

The European Union and the United States have worked extensively in order to advance the negotiations on the **revision of the WTO Government Procurement Agreement (GPA)** to reach the mutual goal of completing the review by the end of 2006, including through joint submissions to the GPA Committee. The European Union and the United States will take steps to ensure that negotiations on all pending **accessions to the GPA** are accelerated and that all countries that took commitments to start negotiations for accession to the GPA respect them.

Services

European and American architectural professional organisations signed a joint recommendation for a **Mutual Recognition Agreement for Architects** in November 2005. The European Commission and the U.S. government, in close cooperation with relevant regulators and professional associations, will consider options to promote progress towards such an agreement in accordance with each side's legal systems.