

# **Meeting on the European Parliament Transatlantic Relations Report**

## **Commissioner Mandelson at the EP Plenary Debate**

Brussels, 31 May 2006

I want to thank Erika Mann for having shepherded this impressive Report through the Parliament with her characteristic effectiveness and dedication.

The fact that the very comprehensive Report on Transatlantic Economic Relations has the input of half a dozen EP Committees, and that it would need at least the same number of Commissioners to discuss all the issues covered, shows how deep and intricate the EU-US economic relationship is.

This relationship operates at two levels. On one, steady leadership is required to promote a further convergence of our shared economic rules and regulatory frameworks. Our companies, jobs and competitiveness demand this. At the other level, what happens in the rest of the world also depends on whether and how the EU and US are able to react to events together. No political relationship in our time is of greater importance to the global economy than the transatlantic partnership. The response to the rise of China and India, to the pressures of globalisation, to the current challenges in the energy field, to the way multilateral institutions function, to climate change – all these depend on the ability of Europe and the US to cooperate effectively.

Nowhere is this more apparent than in the ongoing WTO negotiations. I am fortunate to have had a shared sense of purpose with my counterpart Rob Portman, and I look forward to continuing this with Susan Schwab, the new USTR (United States Trade Representative). I hope she will soon be confirmed by the Senate.

It is no secret that I think the EU and US need to bring our positions on the Doha Round closer together. The warning bell is ringing on the DDA, the danger lights are flashing, because if the gaps are not closed in the coming weeks, we will face serious institutional, legislative and political obstacles to ending this Round. The US will shortly swing into election mode, trade authority is set to lapse, there are electoral constraints in other parts of the world too – a coming election in Brazil for example. The window on the Doha Round is closing rapidly. Europe is ready to negotiate further, we have indicated our flexibility and no sector is out of bounds for us. We look to our partners to express the same sense of purpose and openness.

Let me say a few words now on Erika's report itself. I am glad that it shows strong support for the Work Programmes adopted last November to implement the EU-US Economic Initiative. In the progress report which we will present to the next Summit on 21 June, we will be able to list some good achievements. The EU-US Action Strategy for IPR (Intellectual Property Rights) Enforcement in third countries will be endorsed. It will contain a number of concrete cooperation measures, especially between our customs services and embassies in selected third countries.

On the high-level Regulatory Cooperation Forum too, I am satisfied that - after two meetings in Brussels and Washington within a short time frame - we have now clearly established the

Forum as “the place” for EU and US regulators to exchange best practice. We hope very much that the benefits of increased cooperation will soon be felt by companies on both sides of the Atlantic.

The signature of the long-awaited air services agreement as well as the agreement on civil aviation safety is now expected during the second half of the year. On the air services agreement, we will have to keep pushing the United States Government to go ahead with the rule-making changes and resist protectionist pressure from Congress. Here your help will be most valuable.

I note your continued interest in a “more visionary and strategic approach” and your calling for the 2006 EU-US Summit “to design a new Transatlantic Partnership Agreement that leads to the achievement of a “barrier-free transatlantic market” by 2015”. In my view the EU-US Economic Initiative has shown that we are getting there step by step. The right approach is to advance steadily on issues of mutual interest and to show (like in the areas of IPR and regulatory cooperation) concrete successes to our citizens rather than pursuing grand institutional projects.

In reality, there is no US appetite, (either in the Administration or in Congress) for any “big-bang EU-US scheme”. On issues like investment and public procurement, which you rightly identify as areas of enormous potential, the US has not, so far, shown interest to tackle bilateral barriers.

On the investment side, the Dubai ports fall-out requires careful handling. We have now at least established a “contact group” to address both old and new problems, and have proposed to the USG to include an investment paragraph in the Summit Declaration regarding the importance of an open transatlantic investment climate. This should send a strong message to the US Congress which is currently debating the Shelby bill on the tightening of the Exon-Florio Statute. Again your help with the US Congress would be greatly appreciated.

Finally I would like to point out that we have had a very good first half of the year clearing out some important EU-US trade disputes (FSC, Byrd, Telecoms sanctions). I hope we can keep up this momentum in other areas.

Especially FSC and Byrd prove that the WTO dispute settlement system works and that the availability of WTO-compatible sanctions can be an efficient way to obtain US implementation of WTO judgements. Given the good results of the WTO system, I do not see the necessity of the moment of a formal bilateral trade dispute settlement mechanism which you propose in your Report, but I do not want to reject the idea completely. Be assured that we exhaust all our informal channels with the US and try everything possible to avoid going down the expensive and time-consuming route to Geneva.

In conclusion, let me say that the transatlantic relationship is too often taken for granted. Especially at this time, what I think we need is renewed commitment to make it work even better. I am grateful for your report for having highlighted this once more.