

Transatlantic Economic Council

– Annexes to the TEC Joint Statement –

29 November 2011

Secure Trade and Supply Chain Security

On June 23, 2011 United States Secretary of Homeland Security Janet Napolitano and European Commission Vice-President Siim Kallas, Commissioner Algirdas Šemeta and Commissioner Cecilia Malmström signed a Joint Statement on Supply Chain Security. The Statement acknowledged that the U.S. and EU face similar challenges and must be constantly vigilant over terrorist attack or abuse of the supply chain and ensuring resilient trade and share a common approach to supply chain security. Below is an update on the potential areas for possible action identified in the annex to the Statement:

- The U.S. and the EU have completed the preparatory work on mutual recognition of trade partnership programs, namely the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and the EU Authorised Economic Operator (AEO) programs. Once Mutual Recognition is signed, reciprocal benefits to qualified AEOs and C-TPAT members may begin as of July 2012.
- We have agreed on the need for pre-lading information for air cargo and to work towards making this principle an international standard through the World Customs Organization (WCO). Advance information will allow for appropriate vetting and mitigation of risks prior to take off. We need to continue our joint efforts to revise the WCO SAFE Framework of Standards in this sense. Further, we see scope for the U.S. and EU to coordinate their views on the timelines and other conditions.
- We commend decisions by several EU Member States to join the World Customs Organization's *Program Global Shield*. Since its inception, the Program has aided many seizures of explosive precursor chemicals and has proved instrumental in high-profile cases. We recognize work within the EU-U.S. experts' forum on explosives, which brings together technical experts from law enforcement, policy and regulatory authorities and serves as a channel for technical exchange in the field of security of explosives and explosive precursors. Ongoing work includes exchanges on the proposed EU regulation to further control shipments of explosives precursors and comparable regulations proposed by the U.S. on the sale of such chemicals. As we move forward, we will look for opportunities to further coordinate our plans.
- With the International Atomic Energy Agency (IAEA) the DHS and the European Commission have begun testing currently available radiological/nuclear detection technologies through the Illicit Trafficking Radiation Assessment Program (ITRAP+10) to identify those technologies that meet internationally recognized standards promulgated by the American National Standards Institute (ANSI) and the International Electrotechnical Commission (IEC). Findings from these efforts will influence recommendations to the standard setting bodies regarding any shortfalls in current standards. We also highlight our continued efforts to support the IAEA's development of global implementation guidance with respect to developing "Nuclear Security Detection Architectures."

Intellectual Property Rights

TEC principals today welcomed the fruitful EU-U.S. cooperation on IPR, and the contributions of the Transatlantic Intellectual Property Rights Working Group. They encouraged the Group to continue their efforts to promote strong IPR protection and give special attention to the problem of IPR erosion in third countries and multilateral fora.

Established in 2005, the Transatlantic Intellectual Property Rights (IPR) Working Group (previously known as the U.S.-EU IPR Working Group) met most recently in Washington, DC in July 2011 to conduct government-to-government talks and consult with transatlantic stakeholders from both the business and NGO communities on a wide range of IPR-related issues. The U.S. delegation is co-chaired by the U.S. Trade Representative's Office and the U.S. Department of Commerce's International Trade Administration. The EU delegation is chaired by the Directorates General for Trade. The Working Group coordinates in three main areas under the U.S.-EU IPR Action Strategy: engagement on IPR issues in third countries, customs cooperation, and public-private partnerships.

In 2011, the Working Group accomplished the following: coordinating efforts to resolve issues in third-countries, with a primary focus on third countries, in particular emerging economies. The joint efforts of EU and U.S. officials contributed namely to assist industry in legitimizing the access to copyright content by important internet service providers, as well as to ensure that criminal enforcement will remain a usable tool. The U.S. and the EU also continue to work cooperatively to advance common objectives within multilateral forums such as the WTO, OECD and the UN, with the aim of ensuring a strong and effective protection and enforcement of IPR, as well as addressing concerns linked with the erosion of these rights.

The Working Group has begun to meet on a bi-monthly basis via digital video conference (DVC) in an effort to further strengthen our ongoing cooperation and to share updates on developments in key third country markets and international organizations. In addition, the Working Group has also discussed company specific IPR-related market access issues in an effort to identify new areas of commonality where the U.S. and Europe can cooperate to strengthen IPR protection and enforcement around the world. In 2012, the working group will be adding a focus on trade secrets to its agenda. DVCs were held in September and November of 2011.

In the area of customs, the cooperation between U.S. and EU customs authorities has been noteworthy since the formation of the Working Group in 2005. Activities have included joint IPR border enforcement operations at both U.S. and EU ports and the development of Web toolkit guidelines. Discussions are on-going for future joint operations between the two customs authorities.

In the area of public-private partnership, cooperation between the U.S. Department of Commerce and the European Commission's Directorates General (DG) for Enterprise and Industry continued to be strong in 2010. The two agencies continue to expand the resources found on the Transatlantic IPR Resource Portal. The Portal is an ongoing cooperative effort

to build the awareness and capacity of transatlantic businesses to protect and enforce their intellectual property rights when exporting to foreign markets. The goal of the Portal is to help companies and small business owners on both sides of the Atlantic fully utilize all the IPR-related resources and tools developed by both governments.

The next formal meeting of the IPR Working Group and its stakeholders is tentatively scheduled for mid-2012 in Brussels. It will include a meeting with stakeholders.

Investment

In August 2011, the United States and the European Union established a Work Plan for the Transatlantic High-Level Working Group on Investment (IWG) under the auspices of the Transatlantic Economic Council (TEC). We intend for the IWG to build on and strengthen existing cooperation on investment policy issues of mutual interest and to help ensure that our large and highly integrated investment relationship continues to set the standard for open, transparent, and non-discriminatory international investment policies.

On October 3, 2011, the United States and the EU held a senior-level meeting of the IWG. The productive full-day discussion covered a wide range of investment policy issues, including our respective approaches to investment agreements, global investment issues (such as the challenges posed by state influence in and policies/actions in relation to commercial enterprises) and shared concerns in key third-country markets. In addition to exchanging views regarding the opportunities and challenges that we each face, the two sides sought to identify priorities for cooperation on issues and countries where our (and our investors') interests are aligned. Through regular contacts, we intend to cooperate further on the following categories of issues.

Investment agreement practices: Given the similarities in our approaches to international investment agreements, we will consult regularly with a view to coordinating our respective efforts to secure high-standard investment agreements.

Third country issues: We will seek to coordinate our approaches to major investment policy challenges in key third countries. In broad terms, we will focus on increasing market access, promoting regulatory transparency and legal certainty, and enhancing opportunities for growth and development in important investment destination countries.

Global investment issues: We note that state influence in relation to commercial enterprises is playing an increasingly significant role in the global economy. We will foster our understanding on the concrete challenges this poses and work to coordinate our approaches to address these challenges, including through work in international organizations. The Organization for Economic Cooperation and Development (OECD) concept of "competitive neutrality", for example, focuses on the importance of public enterprises and private commercial enterprises being subject to the same external environment and competing on a level playing field in a given market. We support the OECD's efforts in this regard.

Shared investment principles: We broadly agree on many of the key elements of an open and attractive investment environment (including but not limited to strong investor protections, meaningful market access, and independent international dispute settlement). We will work expeditiously to develop a joint set of shared principles regarding international investment by the end of February 2012. It is our hope that such principles will serve as a "north star" for both our own governments and the governments of third countries in developing investment policy into the future.

Raw Materials

The TEC agreed today agreed on the following work plan for cooperation on raw materials. The teams will report back to the TEC by the end of March 2012 on progress in implementing this plan, and opportunities for further strengthening strategic cooperation in this area.

I. Trade Cooperation

Negotiated Disciplines on Export Duties

The United States and the EU will continue to reinforce the principle of elimination of all export duties in the bilateral and regional trade agreements that each negotiates, with a view to removing barriers to global trade in raw materials by reducing the incidence of export duties as more free trade agreements are negotiated.

Coordinated Outreach to Third Countries

The United States and the EU will build on their cooperation on outreach to third countries aimed at preventing, eliminating or reducing trade-distorting export restraint measures. Consistent with this objective, the United States and the EU have both raised concerns about export duties and other restrictions during the WTO Trade Policy Reviews of various countries and in the OECD Steel Committee, as well as in bilateral contacts.

Cooperation in the OECD

During 2011, the United States and the EU strengthened their cooperation on work at the OECD on export restraints and related policies. Together with Japan and other like-minded OECD members, the United States and the EU are supporting the Secretariat's development of a global inventory of export restrictions and analysis of these policy measures. The United States and the EU also worked at the OECD with other like minded countries to reach out to non-OECD economies of the G20 to support discussion of the detrimental effects of export restrictions on all nations and to examine less trade restrictive policy alternatives to export restrictions for the responsible development of mining and resource sectors. The two sides are exploring additional possibilities for sharing data and analysis of export restriction policies with non-OECD countries.

Cooperation in the WTO

During 2011, the United States and the EU intensified their joint efforts to identify and address potential concerns with respect to WTO member country and accession candidate compliance with WTO rules relevant to raw materials trade barriers. The two sides plan to develop a common checklist of raw materials-related trade disciplines that can be discussed with acceding countries. In accession negotiations, Trade Policy Reviews, and relevant WTO bodies, they will press their trading partners to abide by WTO rules and accession protocol commitments on export restrictions, licensing and duties, to promote transparency and proper notification of these measures, and to pursue policies that do not discriminate against foreign buyers of raw materials.

II. Raw Materials Data, Flows & Information Sharing

The United States and the EU will prepare a joint inventory of raw material data and analysis maintained by both sides. As part of this effort, the two sides will consider the results of ongoing European Commission and United States Government studies of raw materials resource availability, trade flows, criticality and other supply and demand analyses, such as the 2010 European Commission Report by the *ad hoc* Raw Materials Supply Group and the U.S. Department of Energy Critical Materials Strategy. The European Commission will host an expert workshop on raw materials resource availability and trade flows in Brussels during in the second half of 2012.

In addition the EU and U.S. will regularly and bilaterally exchange of information and views, as well as discuss priority actions, to further reinforce our cooperation in raw material discussions in international fora such as the World Bank, Extractive Industries Transparency Initiative, (EITI), G20 and the international metal study groups.

III. Resource Efficiency and Recycling

Resource Efficiency

The United States and the EU will collaborate to advance the work of the OECD Working Party on Resource Productivity and Waste, particularly its work on sustainable materials management (SMM). The two sides have encouraged efforts at the OECD to promote and increase materials recovery, resource efficiency and greater realization of resource productivity.

Recycling

In the context of the recycling and resource efficiency dimensions of the EU's Raw Materials Initiative, and the recently adopted Roadmap to a Resource Efficient Europe, the European Commission will over the next several years examine in depth a number of areas where recycling can be improved, in particular for materials that have a large impact on the environment during their life cycle and critical or rare metals found in consumer waste, such as e-waste and old car "wrecks." The EU is also currently finalising its revision of the Waste Electronics and Electrical Equipment (WEEE) Directive and will review in 2012 the Eco-design Directive to foster more efficient use of raw materials in, and the recyclability of products. Improving the handling of electronic waste and maximizing re-use and recycling are also priorities of the U.S. Government, which launched the National Strategy for Electronics Stewardship in July 2011.

In view of the similar policy goals and the work that is being done on both sides, the United States and the EU will seek to intensify their exchange of views on approaches to materials management. This dialogue could generate future joint initiatives and proposals within the OECD Working Party on Resource Productivity and Waste and other venues.

As part of this enhanced dialogue, the two sides will seek to conduct in mid-2012 a high-level meeting, with significant stakeholder participation, on sharing best practices in materials management through the full life cycle of electronic goods.

IV. Research and Development on Raw Material Technologies

The TEC acknowledges the valuable cooperation on bilateral energy innovation and research that has been pursued through the U.S.-EU Energy Council. This cooperation promises to promote innovations that increase economic efficiency, make raw materials supplies more secure, and encourage sound resource management.

The TEC also notes with appreciation the “Trans-Atlantic Workshop on Rare Earth Elements and Other Critical Materials for a Clean Energy Future” that was held in Boston in December 2010 and the “Trilateral Conference on Critical Materials for a Clean Energy Future” held in October 2011 in Washington. The TEC supports the continuation of these discussions, including a planned trilateral meeting with Japan during the spring of 2012.

In future this co-operation may extend to the establishment of regular and structured exchange of information on raw materials research projects, covering, for instance, supply and demand data, recycling, and substitution of rare earths and certain other critical metals.

V. Waste Shipments

The problem of illegal shipments of waste is increasing in importance for our societies. It is clear that although different countries have different legislation in this regard, we believe greater dialogue is important in addressing the problem of illegal shipments. Each side is seeking to strengthen enforcement of its regulations on shipments of waste. Recognizing the work being done to address illegal shipments of waste within multilateral organizations such as the Basel Convention, the United States and the EU will explore the possible added value of a bilateral discussion on this issue.

Chronology of Actual/Proposed Events

Project	Events/Timelines		
	2011	2012	2013
Trade	Ongoing		
Raw Material Data Cooperation		Workshop on "Availability and Trade Flows of primary and secondary raw materials," Brussels, late 2012	
Research (under the auspices of the US-EU Energy Council)	"Trilateral Conference on Critical Materials for a Clean Energy Future," Washington, October	Trilateral US-EU-JP meeting, Spring	Regular event (<i>subject, place and time to be identified</i>)
Recycling		Event on "Best Practices in Electronics Management/ Stewardship," Mid-2012, USA	
Waste Shipment			Potential meeting of enforcement authorities to be further discussed

Innovation Action Partnership: Innovation Best Practices

At the 2010 TEC meeting, the EU and the U.S. unveiled the work plan of the Innovation Action Partnership, whose aim is to stimulate economic growth and job creation by promoting the commercialization of emerging technologies and sectors. Through this cooperation, the EU and the U.S. seek to create a transatlantic market for innovative products and services with as few barriers to trade and investment as possible and to promote mutual learning and sharing of best practices.

One key work stream focuses on removing bottlenecks to the commercialization of research results in order to create innovative products and services, with particular attention to small and medium-size enterprises. Many actors are involved in having research results successfully commercialized and public policies play an important role in addressing the risks inherent to bringing innovations to the market. Given the size of the EU and the U.S. economies and the diversity of policy approaches to support commercialization, it is of mutual interest to engage in policy learning in this area.

The second key work stream concerns EU-U.S. cooperation on regional innovation clusters to enhance the competitiveness of regional economies by sharing information about existing and emerging clusters that are key drivers of economic prosperity. U.S. and EU experts have been exchanging information about research and policy approaches to better understand where these clusters are located, how they operate, and what governments at all levels can do to support their growth and development.

To kick off work on these two main work streams, the EU and the U.S. innovation experts are holding a workshop in Washington, D.C. on December 6 and 7, 2011 dedicated to the commercialization of research results and the utilization of cluster mapping. The workshop will provide an opportunity to identify areas of common interests on which concrete EU-U.S. initiatives could be launched in the near future, with a view to develop EU-U.S. Best Practices in both areas and report back on progress made at the next TEC.

Innovation Action Partnership

Bio-economy and Biobased products

In today's meeting the TEC called upon all actors concerned, in particular standardisation bodies on both sides of the Atlantic, to further intensify cooperation in the field of standardisation for various biobased product groups and the bio-economy as a whole, taking also actively into account the availability of different standardisation deliverables including various Technical Reports (TRs), Technical Specifications (TSs) and Norms from CEN and ASTM¹. The TEC principals tasked the relevant agencies and services to identify possible product sectors by the end of March 2012.

This will allow for the careful use of renewable biological raw materials, and, at the same time, promote continued innovation involving specific properties and capabilities of biobased products. Both parties will build upon the already successfully implemented cooperation at the technical and WG-level initiated at the Innovation Action Partnership in 2010.

Furthermore, the EU and the U.S., with a view to intensifying this cooperation in the area of biobased products, will explore the potential benefits of engaging in a more formal cooperation agreement.

The EU and the U.S. have both placed innovation for a 'greener' economy at the heart of their political agendas. The bio-economy will play an important role in achieving this objective. The EU has its Lead Market Initiative and the U.S. government launched the Biobased Markets Program, known as BioPreferred (R). By using renewable biological resources and different processes within various biorefineries, industry will become more innovative and sustainable. A wide range of sectors are concerned, including but not limited to intermediates, feedstocks, substances, forest-and fiber-based industries such as paper, pulp, and textiles. .

This is why, at the 2010 TEC meeting, the EU and the U.S. decided to intensify their cooperation on the bio-economy by launching the Transatlantic Innovation Action Partnership (IAP). The EU-U.S. cooperation is meant to facilitate international trade, and foster innovation policy activities, including strengthening supply and demand, as well as decreasing the time-to-market. In synergy with existing initiatives of the EU-U.S. Task Force on Biotechnology Research, and in coordination with the relevant activities under the EU-U.S. Energy Council, the transatlantic innovation work programme on biobased products and bio-economy will enable the entire value chain to be covered.

One important aspect of the IAP is to strengthen innovation and promote the development, commercialization, and use of sustainable biobased products, including the development of

¹Final Report of CEN/BT/WG 209 "Biobased products" on ftp://ftp.cen.eu/CEN/Sectors/List/bio_basedproducts/BTWG209finalreport.pdf or via <http://www.cen.eu/cen/Sectors/Sectors/Biobased/Pages/documents.aspx>).

common, interoperable, timely, descriptive and performance based standards and mutual recognition of certified products using those standards.

E-Health

At today's TEC meeting the EU and the U.S. stressed the importance of the ongoing fruitful collaboration on e-health, so as to contribute to meeting global health policy challenges. Together, the EU and the U.S. have a combined market for healthcare of more than 800 million people and are facing similar health problems, i.e. aging population and exploding public health care costs. At the same time, we have different regulatory systems, payment methods and market conditions. The ultimate goal of ongoing collaboration efforts is to deliver benefits to patients and providers of e-health services in the EU and the U.S. and possibly worldwide.

Collaboration between the EU and the U.S. on e-Health reflects a shared vision of the benefits that the use and deployment of e-Health applications bring to citizens, society and the economy. In December last year, Vice-President of the European Commission Neelie Kroes and the United States Secretary of Health and Human Services Kathleen Sebelius signed a Memorandum of Understanding (MoU) to "recognize the importance of health-related information and communication technologies (e-health/ health IT) in promoting individual and community health while fostering innovation and economic growth."

Principals today reaffirmed their commitment to swiftly implement the E-Health MoU, to make sure it produces tangible improvements for public and private stakeholders. In particular, principals asked for a report by May 1, 2012, on concrete steps towards achieve interoperability of electronic health records (such as common testing tools, common certification standards, lab tests and diagnoses).

Principals further welcomed good progress made in 2011, including the intensified outreach to stakeholders. Three public workshops were held respectively in Brussels (14 April 2011), Budapest, (11 May), and more recently by EABC in Washington DC (4 October) to launch the MoU and allow a debate with stakeholders on possible future orientations of EU-U.S. cooperation in this field. Moreover, eHealth was presented at the SMEs best practice workshop held in Washington (14 October) and at Brussels' TABD meeting (18 October). This exercise with participation from numerous European and U.S. businesses, consumer organisations and think tanks helped to shape the priorities in the implementation of the MoU, which as a very broad scope but points out to two areas where the potential for mutual benefit is particularly compelling. First, the cooperation on standardisation and interoperability of electronic health records (EHR) and, second, the joint development of strategies for developing a skilled health IT force and e-health IT proficiencies.

In the area of standardisation and interoperability of electronic health records the EU-U.S. cooperation has built on the work of the EU co-funded project epSOS² which aims at offering

epSOS is a Large Scale Pilot Project co-funded under the CIP ICT PSO programme. It involves 23 countries and over 47 beneficiaries including regional administrations and industrial partners. Key goals are to improve the quality and safety of healthcare for citizens when travelling to another European country. It enables secure and

seamless healthcare to European citizens. epSOS profiles of the electronic health records have been compared to those developed in the U.S. The preliminary results of this work are promising, despite the difficulty of the task which presents numerous challenges. Achieving a common approach to the standardisation and interoperability of electronic health records can greatly contribute to the diffusion of eHealth, and in turn deliver better care to patients and a more efficient use of resources allocated to health care service. It should be pointed out that the ongoing cooperation mainly addresses the technical aspects relating to the interoperability of electronic health records, without envisaging exchanging patient data.

The second area of work aims at achieving a common approach to training programmes for information technology and health professionals. Stakeholders involved in this area include several EU, American, and international medical informatics associations which have been collecting information on existing programmes and sharing information on curricula. The creation of a web repository on IT education is expected to contribute to sharing best practice and developing an IT skilled health workforce.

To continue working towards these two main objective the following steps are envisaged for 2012:

- A EU-U.S. discussion on the implementation of the MoU, taking place at the next e-Health week (Copenhagen , May 2012)
- Continuation of epSOS /ONC joint work on the interoperability of electronic health record (namely patient summary), which may include testing, if appropriate.

quick access to patient health information among different European healthcare systems and contributes to patient safety by reducing the frequency of medical errors.

ENERGY STAR Labelling

The EU and the U.S. have announced today at the Transatlantic Economic Council (TEC) meeting the conclusion of negotiations on a new ENERGY STAR Agreement. The new agreement will succeed the current one which expires at the end of this year. ENERGY STAR is a voluntary energy-efficiency labelling programme that was set up by the US Environment Protection Agency. On the basis of the Agreement it is jointly implemented in the EU and the U.S.

ENERGY STAR is a model for regulatory cooperation as it creates a common regulatory framework across the Atlantic. The rationale of the agreement is underpinned by the increasing energy consumption of office equipment and the global nature of the office equipment market. The Programme has been very effective in transforming the market towards greater efficiency. Estimates show that in the last 5 years the US ENERGY STAR program for Office Equipment resulted in energy savings of more than 223 TWh which translates into more than 22 billion U.S. dollars saved for consumers on their electricity bills and prevented the greenhouse gas emissions equivalent to those from 29 million cars. For the EU market, estimates show that in the last 3 years the ENERGY STAR program resulted in energy savings of more than 10 TWh which translates into 2 billion euro saved for consumers on their electricity bills.

The new Agreement will provide for some divergence between the EU and the U.S., notably regarding product-registration procedures. However the core elements of the Programme- the level of requirements and the timing for their introduction will remain common. Over the next months the EPA and the EU will jointly work on adding revised or new specifications for such products as computers, monitors and servers with the aim of covering almost the entirety of the energy consumption of office equipment.

ICT services trade related principles

On April 4, 2011, the United States and the EU endorsed a set of principles relating to trade in information and communication technology (ICT) services, with the aim of promoting the implementation of the principles within their bilateral economic relationship and in their trade negotiations with third countries. (The text of the principles can be found here: <http://www.state.gov/p/eur/rt/eu/tec/171020.htm>.)

The ICT services industry has welcomed this initiative on both side of the Atlantic, an acknowledgment that the principles address many of the industry's fundamental needs with respect to access to third-country markets and many of the most trade-distorting barriers EU and U.S. companies in this sector face abroad, especially in emerging markets.

The ICT services principles embody shared EU and U.S. objectives with regard to trade in ICT services. The two sides believe that joint advocacy will help the principles become an internationally recognised model for policies in this sector.

In keeping with this ambition, the United States and the EU presented the ICT services trade principles to the Members of the World Trade Organisation (WTO) and engaged in a preliminary discussion on their content in the Committee on Trade in Services. The two sides will continue exchanging views on the principles with interested WTO Members, with the goal of achieving the broadest possible support.

Over the past six months, we have raised the principles in the dialogues we each conduct with third countries on electronic commerce and related issues. We will coordinate our promotion of the principles in countries with which we each have bilateral dialogues, in an effort to reinforce our common interests in those markets.

We also plan to further integrate the principles into our ongoing free trade agreement (FTA) negotiations, and have begun to do so in negotiations with several partners. FTAs could provide a powerful vector to broaden support for the principles. In FTA and other negotiations, we will explore ways to convert the principles into legally binding disciplines.

The United States and the EU are committed to exchange, on an ongoing basis, their experiences in the implementation of the principles and their engagement with third countries.

SME cooperation

Best Practices Exchanges

In the European Union (EU) and the United States, small and medium-sized enterprises (SMEs) are critical motors of growth and job creation and key sources of innovation.

There are 23 million SMEs in the EU, representing more than 99 percent of all enterprises. SMEs account for about 87 million jobs in the EU.

In the United States, SMEs that export tend to grow faster, add jobs faster, and pay higher wages than SMEs that serve purely domestic markets. There are some 27 million SMEs in the United States, but only a small fraction of these companies export goods or services.

Difficulties in obtaining sufficient human and financial resources and barriers in foreign markets often pose challenges for SMEs. SMEs also struggle more than larger firms with the costs of complying with administrative burdens. A key policy challenge for the EU and the United States is to create conditions in which the potential gains from starting and building an enterprise and exploring export markets outweigh the costs and risks.

Recognizing these challenges, the European Commission and the U.S. Government decided at the December 2010 meeting of the Transatlantic Economic Council (TEC) to collaborate on ways to increase trade and investment opportunities for U.S. and EU SMEs, whose increased participation in international commerce can strengthen enterprises and create and support jobs and growth on both sides of the Atlantic.

Following up on this TEC commitment, the Office of the U.S. Trade Representative, the U.S. Department of Commerce, and the European Commission's Directorate General for Trade and Directorate General for Enterprise and Industry convened two best practices exchanges in 2011, the first in Brussels on June 28-29 and the second in Washington on October 13-14. Both meetings included substantial participation by SME stakeholders.

Based upon the discussions in the June and October meetings, the two sides have decided to take their collaborative work on SMEs forward in several ways.

First, the Department of Commerce's International Trade Administration (ITA) and the European Commission Directorate General for Enterprise and Industry will develop a Memorandum of Understanding guiding cooperation between the ITA and the Enterprise Europe Network (EEN) on joint SME trade promotion activities, including support for technological development and innovation and other activities. Examples of cooperation include sharing of SME support network contacts; joint trade shows in Europe and the United States, as well as in third-country markets, where appropriate; and joint efforts to expand business opportunities and business partnerships.

Second, U.S. Government agencies and the Directorate General for Enterprise and Industry will explore opportunities for linking SME regional innovation clusters on both sides of the

Atlantic. They will also exchange best practices, such as on cluster mapping and benchmarking activities, as well as on practical tools facilitating business cooperation between clusters.

Third, U.S. Government agencies and the Directorate General for Enterprise and Industry will exchange information and best practices relating to their respective resources and programs that provide counseling and training to SME entrepreneurs, such as the U.S. Small Business Development Centers (SBDCs), Women’s Business Centers (WBCs), and Service Corps of Retired Executives (SCORE); and the EU Erasmus for Young Entrepreneurs Programme, European Network of Female Entrepreneurship Ambassadors (ENFEA), and the European Network of Mentors for Women Entrepreneurs.

Fourth, building on the discussions in the two meetings, and particularly on contributions by stakeholders, U.S. Government agencies and the Directorate General for Enterprise and Industry will exchange information and experiences relating to SME finance. These exchanges will cover lessons each side has learned on effective venture capital policies and programs, and models used to provide loan guarantees (including micro credits) to SMEs as well as to venture capital general partners via the Small Business Investment Company Act (SBIC) of the United States. In addition, the two sides will compare the U.S. Small Business Innovation Research (SBIR) Program model with similar systems in use and planned within the EU.

Finally, U.S. Government agencies and European Commission services will conduct periodic meetings focusing on trade and other policies of particular relevance to SMEs. Future meetings will devote priority attention to challenges highlighted by SME stakeholders in the June and October meetings, including:

- Protection of intellectual property.
- Participation of SMEs in standard-setting and regulatory processes.
- Discussing challenges in transatlantic trade faced by both U.S. and EU SMEs.
- Participation of SMEs in the respective procurement markets.

To maximize the participation of SME executives in this work, the two sides will explore the possibility of future meetings on specific SME topics in cities outside of Brussels and Washington. The European Commission will also consider the participation of the two sides in a future meeting of the Network of SME Envoys, chaired by the EU SME Envoy.

U.S.-EU Consultation on Southern Mediterranean SMEs and on Procurement

In a government-to-government meeting on October 12, the U.S. Government and European Commission services discussed cooperation on support for SMEs in the Southern Mediterranean region and on the participation of SMEs in government procurement.

With respect to SMEs in the Southern Mediterranean region, and in consultation with partners in the region, the two sides intend to:

- Exchange information on technical meetings of experts in the Southern Mediterranean region, with a view to sharing U.S. and EU best practices for support of SMEs, building upon the work of the TEC SME exchanges.

- Identify opportunities for joint outreach to promote SME trade, including sharing information on the export and import regimes of the United States, the EU, and Southern Mediterranean countries, with the aim of helping SMEs take advantage of trade opportunities.
- Develop cooperation between the International Trade Administration's U.S. Commercial Service and the Enterprise Europe Network on specific SME support and trade promotion activities.

With respect to government procurement, the two sides agreed to continue exchanging information concerning their respective public procurement systems, paying particular importance to SMEs issues, with a view to enhancing mutual understanding of each other's system.

Cloud Computing

The trade principles for information and communication technology (ICT) services agreed between the U.S. and the EU on 4 April 2011, have relevance to the growing and rapid innovation in cloud computing as they refer to cross-border information flows.

In their discussion at the TEC meeting today principals stressed the importance of enabling the development of new cloud computing services helping to boost job creation and sustain economic growth across a wide range of goods and services sectors, particularly to the benefit of small and medium sized enterprises.

The TEC therefore welcomes the recent launch of a Dialogue on Cloud Computing within the framework of the EU-U.S. Information Society Dialogue. This Dialogue will be used to share information and best practices in cloud computing with a view to avoiding unnecessary divergences in regulations and standards in the transatlantic market, which would otherwise cause impediments to the efficient flow of data across jurisdictional boundaries. The leaders of the Dialogue will report on progress made after their next meeting, scheduled for June 2012, and propose ways to strengthen cooperation and mutual understanding of our respective approaches.

Nanotechnology

Advances in nanotechnology have great potential to create and transform industries, drive economic growth, and address a broad range of national challenges. Fulfilling this potential will require continued research, accelerated innovation, and flexible, adaptive, science-based approaches to regulation, to enable protection of public health, safety, and the environment while promoting responsible development.

The ability to image, measure, model, and manipulate matter on the nanoscale is leading to new technologies and promising new materials and applications across many fields – including medicine, information technology, aerospace, energy, and transportation. These innovations have the capacity to affect virtually every sector of our economy and many parts of our daily lives. Examples of potential nanotechnology applications include anti-cancer therapeutics, solar cells, and the next revolution in computing, but also products such as paints, adhesives or inks. U.S. and EU companies are already offering nanotechnology-enabled products with breakthrough capabilities in areas such as disease detection, lighter and stronger materials, and next-generation batteries.

The trust and confidence of stakeholders, consumers and businesses alike, in the soundness of regulatory approaches in the EU and the United States will be integral to fostering innovation and supporting the responsible development of nanotechnology applications. Transatlantic trade and investment and regulatory compatibility can play a critical role in stimulating the development and commercialization of nanotechnology applications and nanotechnology-enabled industries.

The TEC notes that the United States and the EU have established strong and successful cooperation on nanotechnology regulatory issues and research in support of regulation, implemented in a wide variety of fora, and together play a leading role in international organizations involved with nanotechnologies. The TEC encourages a consistent and coherent transatlantic approach on key issues such as risk assessment. This offers the best guarantee for promoting innovation and establishing a level playing field for trade in safe products of nanotechnology, which are TEC priorities.

In the light of the wide variety of authorities, parties, fora, and organisations involved, TEC principals highlight the importance of a consistent approach on each side and welcome the existence of the U.S. Emerging Technologies Interagency Policy Coordination Committee (ETIPC) nanotechnology working group, chaired by the Office of Information and Regulatory Affairs of the U.S. Office of Management and Budget, and of the European Commission's Interservice Group on Nanotechnology.

The TEC calls upon these two groups to enter into a regular dialogue and to report periodically to the High Level Regulatory Cooperation Forum on existing cooperation; to identify primary points of contact on each side for information exchange and queries; to exchange views on scientific developments relevant for regulatory compliance; and to report on regulatory developments. The nanotechnology dialogue will be conducted at least twice a year. Ad hoc exchanges will be conducted as appropriate. Overall progress should be reported to the TEC on an annual basis.

Points of interest include, but are not limited to:

- Newly developed nanotechnology-related nomenclature, terms, and definitions;
- Consistent use of the results of our cooperation in existing fora, in particular on risk assessment;
- Information on the developments of regulations and guidance in relation to specific sectors;
- Cooperation on the development of materials standards and harmonized test methods related to informing nanotechnology regulation and guidance;
- Views on underpinning research needs and how they inform regulatory developments;
- Views and approaches regarding hazard, risk and benefit assessment;
- Approaches to enhance responsible development and accelerate innovation.

The TEC encourages the leaders of the dialogue to reach out in their work to private sector stakeholders and U.S. and EU legislators. The TEC also encourages close consultation with the U.S.-EU Joint Consultative Group, which guides the development of strategies for joint research and development.

Work Plan for advancing transatlantic e-mobility cooperation

E-mobility is a key growth sector in the United States and the European Union. It is a rapidly developing and highly innovative area. It has considerable economic and employment potential. The uptake of electric vehicles will contribute to reducing emissions both locally and globally, to promoting green technology and to reducing our dependence on fossil fuels. Both the United States and the European Union aim at putting an ambitious number of e-vehicles on the streets: in the United States: more than 1 million vehicles by 2015; in the European Union: more than 6 million by 2020. The Transatlantic Economic Council has therefore decided to make a critical contribution to this development by helping to prevent unnecessary regulatory divergences in this area and promoting electric vehicle/smart-grid interoperability. We decided to co-operate in the following priority areas:

- Standards for electric vehicles and smart grids: we are working jointly towards the objective of common or compatible standards that are developed in accordance with the World Trade Organization Technical Barriers to Trade Committee Decision Principles. We will continue working with industry and encourage the necessary cooperation and coherence between relevant standardisation bodies in order to achieve this objective. We welcome the plan to organise a transatlantic e-mobility roundtable in spring 2012. At the next TEC meeting, we look forward to welcoming the progress made on the adoption of new standards – such as on the vehicle connectors linking them with the grid.
- Strengthening cooperation among regulators: we agreed to set up two informal groups on electric vehicles and safety and the environment that will focus on sharing information and research under the United Nations' Global Forum for the Harmonization of Vehicle Regulations (WP 29). We will also continue to explore the potential for future global technical regulations in this framework.
- Research initiatives: we will intensify our joint research efforts, in particular related to new technologies for the charging of electric cars and energy storage, including safety research.
- Communication methods between the vehicle and the grid: we will work to ensure their compatibility between the US and EU markets.

In addition, we intend to launch two transatlantic pilot projects:

- Science and Research cooperation on e-mobility: We welcome the signature of a Letter of Intent between the Department of Energy and the Joint Research Centre in which we agree the establishment of two Electric Vehicle/Smart Grid Interoperability Centres, one at Argonne National Laboratories and one at JRC-Ispra.
- A "Twin city" project to evaluate electric vehicles and a smart charging infrastructure as integral parts of a smart energy community approach.

Details of the work plan

Area of cooperation	Objective	Actions to be taken	Goalposts	TEC deliverable
<p>Joint standardisation activities</p>	<p>Facilitate the alignment of standards used in the United States and the European Union, while respecting each other's respective standards and regulatory frameworks.</p> <p>The joint promotion of global standards. If this is not yet feasible, transatlantic (common or compatible) standards should be pursued as a first step into that direction.</p>	<ul style="list-style-type: none"> • Joint work on standardisation of vehicles inlets: this is the initial key priority to take forward. The TEC will work closely with industry to promote the rapid refinement and adoption of relevant standards. • Joint requirements for vehicle-grid communication, in particular related to use cases defined for vehicle-grid connection, signals, protocols between vehicles, chargers and utility or grid service provider. <p><u>Other priority actions:</u></p> <ul style="list-style-type: none"> • Development of joint approaches for standardisation of cordless, inductive charging technologies. • Joint safety requirements for fast charging solutions. 	<p>The aim of this exercise is to identify explicit actions required to harmonize global standards in this area by, for example, addressing specific differences between standards in the United States and the EU, as appropriate, consistent with the timeframe of industry decisions required for production in the near future.</p> <p>The aim is to prepare for this work now so that relevant standards can be developed in the 2014-2016 horizon. TEC to identify specific timelines.</p>	<p>TEC to recommend to standardisation bodies to quickly establish a joint activity to define specific aspects of standards that must be addressed to achieve "harmonization" and to develop an industry-driven timeline for adoption of standards.</p>
<p>Intensify on-going cooperation between relevant standardisation bodies</p>	<p>Deliver the required standards solutions on time, meeting market requirements and providing fully interoperable solutions.</p>	<ul style="list-style-type: none"> • Urge more regular and structured working contacts between EU standardisation bodies and ANSI, including in the context of ongoing international standardization work. • Organise a "Transatlantic e-mobility standardisation Roundtable", bringing together all the relevant standards bodies that develop standards relating to electric vehicles and other key stakeholders. 	<p>At a meeting between EU standardisation bodies and ANSI on 11/12 October 2011 in Washington relevant issues were discussed and next steps identified.</p> <p>The Joint Research Centre organised a Transatlantic Scientific Bridge on 21 November 2011 in Brussels, which discussed energy and mobility related aspects with a focus on science and standardisation.</p> <p>A larger transatlantic e-mobility standardisation roundtable even, bringing together the different respective actors, will be organised in early 2012.</p>	<p>TEC to encourage closer cooperation among the different standardisation bodies. Emphasise need for a roundtable event, bringing together all relevant standardisation actors, to be organised in the first half of 2012.</p>

<p>Joint regulatory activities</p>	<p>Strengthen on-going co-operation between regulators and work towards a global technical regulation for electric vehicles safety and advance information and research sharing with regard to electric vehicles and the environment.</p>	<ul style="list-style-type: none"> • Continue regulatory cooperation in the World Forum for Harmonization of Vehicle Regulations (WP.29, 1998 Agreement) context on safety and environmental vehicle regulatory matters critical to the introduction of advanced technology vehicles, including electric vehicles. • Based on an inventory of best available data, research/studies and analysis, develop a roadmap on regulatory approaches for the safety of electric vehicles and energy battery/storage systems. 	<p>Establish two informal groups on electric vehicles and safety and the environment during the plenary session of WP 29, 1998 Agreement.</p>	<p>TEC to welcome these initiatives in the UNECE/WP 29 context.</p>
<p>Joint initiatives related to batteries/energy storage</p>	<p>Transatlantic alignment of technical regulations and conformity assessment procedures regarding the air transportation of batteries.</p>	<ul style="list-style-type: none"> • Support a joint approach to amended rules in the ICAO framework related to the safe air transportation of batteries, taking into account the input already received from stakeholders and ensuring an adequate level of safety. 	<p>Begin to coordinate joint approach ahead of the next ICAO meeting in January.</p>	<p>TEC to encourage a joint approach to this issue which can also be taken forward in ICAO.</p>

Joint research initiatives related to e-mobility	<p>Enhance research cooperation in the field of electric vehicles and e-mobility, taking into account ongoing parallel work in the Transatlantic Energy Council.</p>	<ul style="list-style-type: none"> • Exchange information on ongoing research programmes • Identify possibilities for coordinated/joint calls on relevant issues, including: <ul style="list-style-type: none"> ○ Inductive charging technologies ○ IT infrastructure / IT platforms ○ Batteries ○ Electric vehicle safety, including electric storage systems 	<p>The meeting of the Joint Consultative Group (a forum focused on advancing U.S.-EU science and technology under the U.S.-EU Science and Technology Agreement) identified possible areas for cooperation on research-related e-mobility initiatives and will keep the TEC apprised of its activities.</p> <p>Mutual (US-EU) participation in relevant workshops and conferences to allow visibility on ongoing research programmes. Sections on standardisation and international cooperation to be envisaged.</p> <p>Organisation of joint workshops with the involvement of R&D stakeholders. Topics to be included: state-of-the-art on both sides, common roadmap for future R&D, joint PR activities, standards, strategies and targets for greening/electrification of transport.</p>	<p>TEC to encourage intensified research cooperation in this field in coordination with the Joint Consultative Group.</p>
Smart grid communication methods	<p>Develop joint approaches for smart grid communication methods.</p>	<ul style="list-style-type: none"> • Joint activities to ensure the compatibility with smart grid communication methods in the context of ongoing work. • Joint activities to develop systems for metering and payments. • Joint activities to develop approaches for IT security, privacy and data protection. 	<p>Intensify exchange of information between ongoing projects (for example the EU "green e-motion" project and similar other EU and US projects).</p>	<p>TEC to welcome the cooperation ongoing between the different pilot projects.</p>
E-mobility pilot projects	<p>Ensure systemic exchange of information between relevant pilot projects.</p>	<ul style="list-style-type: none"> • Launch a "twin city" project between the EU and US: identify EU and U.S. cities where electric vehicles and smart grid infrastructure can be evaluated as part of a smart energy community approach. • Deepen cooperation between ongoing projects (for example the EU "green e-motion" project and similar other EU and US projects). 	<p>Taking into account ongoing activities in the SET Plan on EU side, and the U.S. investments in electric vehicle infrastructure and smart grid, jointly develop a concept for a twin city project.</p> <p>A joint workshop should be organized by the DoE, involving relevant actors of the Green e-motion project, in early 2012.</p>	<p>TEC to welcome and support the twin city idea.</p>

<p>Electric vehicle-smart grid interoperability</p>	<p>Promote alignment between U.S. and EU testing of relevant electric vehicle and smart grid equipment.</p>	<ul style="list-style-type: none"> Consider the establishment of comparable facilities and expertise with common test fixtures, procedures and protocols to directly support joint standardization activities, research initiatives and smart grid communication methods. The laboratories would play a leading role in supporting the development of (ideally globally) applicable standards. Each lab should perform pre-normative research. There could be an exchange of test protocols, participation in each others' inter-laboratory comparisons ("ring tests"/"round robins"), exchange of staff, joint publications. There would be close collaboration with industry organisations. 	<ul style="list-style-type: none"> The Joint Research Centre and Department of Energy undertook a fact finding mission in view of establishing two Electric Vehicle / Smart Grid Interoperability Centres, one at Argonne National Laboratories and one at JRC-Ispra. This plan will be implemented in the forthcoming weeks. 	<p>TEC to welcome the agreement on the planned establishment of two EV/SM Interoperability Centres. TEC to applaud the signature of a Letter of Intent which will be signed in the margins of the TEC meeting on 29 November 2011.</p>
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Letter of Intent

Co-operation between the United States Department of Energy and the Joint Research Centre of the European Commission on Electric Vehicle - Smart Grid Interoperability Centres

For over ten years, the United States and the European Union have sought to expand scientific collaboration across the Atlantic through their Science and Technology Agreement. Signed in 1997, this Agreement serves as a broad framework for cooperation, enabling some of our most distinguished scientists and best research institutions to collaborate on a wide range of scientific topics and initiate new joint programs. The Agreement encourages cooperation in areas where the United States and the European Union (EU) are doing some of the most advanced research in the world on energy and transport technology.

Following consultations between William Kennard, U.S. Ambassador to the EU, and Dominique Ristori, Director-General of Joint Research Centre (JRC), and exploratory missions of U.S. Department of Energy (DOE) representatives to the JRC Ispra facilities, and of JRC personnel to DOE's Argonne National Laboratory, the JRC and DOE seek to cooperate on e-mobility, focusing on electric vehicle interoperability with charging and smart grid equipment, as follows:

- Establish two Electric Vehicle / Smart Grid Interoperability Centres, one at Argonne National Laboratory in the United States and one at JRC-Ispra in Italy.
- Such interoperability centres could:
 - Establish state-of-the-art facilities for development and testing of vehicle-grid interface technologies – encompassing connectivity between electric vehicles, charging equipment, communication networks, electric transmission and distribution grid operators, and electricity service providers;
 - Play an active role in standardization; supporting data-driven standards refinement and development, a common approach between the U.S. and EU testing of relevant electric vehicle and smart grid equipment, all in an effort to promote cooperative development of and support for global standards;
 - Undertake projects to enhance the interoperability of electric vehicles, recharging systems, and smart grids through, among other things, the development of more harmonized standards for connectivity, communication, and component compatibility;
 - Participate with the EV/SG Interoperability testing facilities for electric vehicles and supply equipment in inter-laboratory comparisons through "round robin" testing;

- Establish a small DOE-JRC task force to prepare a work plan for these interoperability centres outlining common goals and final targets.

We believe that there is a great potential for cooperation between our two organisations that can yield great benefits for the advancement of evidence-based policy, as well as for economic growth and job creation in the transatlantic context.

This letter of intent is not intended to create any legal obligations, and its implementation is subject to the availability of funds, personnel, and other resources.

For the U.S. Department of Energy:

For the European Commission:

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Office of Policy and International Affairs

Dominique Ristori
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Joint Research Centre