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## **REPORT**

on EU-US Transatlantic economic relations  
(2005/2082(INI))

Committee on International Trade

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on EU-US Transatlantic economic relations (2005/2082(INI))

*The European Parliament,*

- having regard to the Transatlantic Declaration on EC-US relations of 1990, the New Transatlantic Agenda (NTA) of 3 December 1995<sup>1</sup> and the Transatlantic Economic Partnership (TEP) of 18 May 1998<sup>2</sup>,
- having regard to the Commission Communication of 11 March 1998 entitled "The New Transatlantic Marketplace" (NTM);
- having regard to the Bonn Declaration of 21 June 1999<sup>3</sup> and, in particular, to its sections on "Promoting Prosperity and Development in a Rapidly Changing World" and "Improving Early Warning",
- having regard to the "Positive Economic Agenda" of 2 May 2002<sup>4</sup>,
- having regard to its resolution of 9 June 2005 on transatlantic relations<sup>5</sup> as well as to its previous resolutions of 17 May 2001<sup>6</sup>, 13 December 2001<sup>7</sup>, 15 May 2002<sup>8</sup> and 19 June 2003<sup>9</sup>, and to its resolutions of 22 April 2004<sup>10</sup> and 13 January 2005<sup>11</sup>,
- having regard to the Commission Communication of 20 March 2001 entitled "Reinforcing the Transatlantic Relationship: Focusing on Strategy and Delivering Results" (COM(2001)0154),
- having regard to the Commission Communication of 18 May 2005 entitled "A stronger EU-US Partnership and a more open market for the 21st century" (COM(2005)0196),
- having regard to the 2004 Declaration on "Strengthening Our Economic Partnership"<sup>12</sup>,
- having regard to the outcome of the EU-US Summit held on 20 June 2005 in Washington DC and, in particular to its Economic Declaration,
- having regard to the Joint EU-US Work Programme for the implementation of the Economic Declaration adopted at the EU-US Economic Ministerial of 30 November 2005,

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<sup>1</sup> Signed at the EU-US Summit in Madrid.

<sup>2</sup> Joint statement adopted at the EU-US Summit in London.

<sup>3</sup> Signed at the EU-US Summit in Bonn.

<sup>4</sup> Agreed at the EU-US Summit in Washington.

<sup>5</sup> Texts Adopted, P6\_TA(2005)0238.

<sup>6</sup> OJ C 34 E, 7.2.2002, p. 359.

<sup>7</sup> OJ C 177 E, 25.7.2002, p. 288.

<sup>8</sup> OJ C 180 E, 31.7.2003, p. 392.

<sup>9</sup> OJ C 69 E, 19.3.2004, p. 124.

<sup>10</sup> OJ C 104 E, 30.4.2004, p. 1043.

<sup>11</sup> OJ C 247 E, 6.10.2005, p. 151.

<sup>12</sup> Signed at the EU-US Summit in Shannon, 25-26 June 2004.

- having regard to US Congress Draft House Resolution 77 on Transatlantic Relations presented on 9 February 2005,
  - having regard to the study by the OECD on the benefits of liberalising product markets and reducing barriers to international trade and investment ('Preferential Trading Arrangements in Agricultural and Food Markets - The Case of the European Union and the United States', published in March 2005),
  - having regard to its resolution of 1 December 2005 on preparations for the Sixth Ministerial Conference of the World Trade Organisation in Hong Kong<sup>1</sup>,
  - having regard to the hearing of the Committee on International Trade on 26 May 2005 concerning transatlantic economic relations,
  - having regard to the working document of the Committee on International Trade (PE 364.940),
  - having regard to its resolution of ..... on improving EU-US relations in the framework of a Transatlantic Partnership Agreement<sup>2</sup>,– having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade and the opinions of the Committee on Economic and Monetary Affairs, Committee on Industry, Research and Energy, Committee on the Internal Market and Consumer Protection, Committee on Transport and Tourism and Committee on Culture and Education (A6-0131/2006),
- A. whereas this resolution concentrates primarily on EU - US economic relations, it should be acknowledged that the transatlantic relationship includes all European and American states,
- B. whereas deeper integration is the natural outcome for two economies that share similar backgrounds, resource endowments and economic models but which for historical, cultural and economic reasons will never be identical;
- C. whereas economic ties between the EU and the US are an important stabilizing factor for the transatlantic relationship in general and have grown so significantly over the last decades that both partners have an increasing stake in each other's economic development,
- D. whereas solid political and economic relations and the development of common standards between the EU and the US have an automatic positive spill over effect on North American Free Trade Agreement countries,
- E. whereas the most important trade barriers between the EU and the US are in agriculture, including tariffs, quotas, production, export and fiscal subsidies and technical barriers, and whereas levels of protection for trade in services have remained high while tariffs on manufactured goods have been progressively abolished with the exception of products in sensitive sectors,

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<sup>1</sup> Texts Adopted, 1.12.2005, P6\_TA(2005)0461.

<sup>2</sup> Texts Adopted, .....

- F. whereas greater political leadership and vision is needed in order to update the New Transatlantic Agenda (NTA) of 1995 and the Transatlantic Economic Partnership of 1998 to take account of new realities and old conflicts and to continue to deepen the transatlantic ties,
- G. whereas Europe and the US must venture into the future on the clear assumption that a stronger transatlantic bond will have global implications and therefore must take into due consideration the interests of other economic players, countries and peoples in order to share prosperity more equally and to successfully address the global challenges in the inter-related fields of security, world economic governance, environment and poverty reduction,
- H. whereas the EU-US bilateral economic relationship and the multilateral agenda should be seen in light of a complementary and mutually reinforcing positive process, and whereas the benefits from an even more integrated market will spill over onto the wider economic relationship of Europe with the Americas, provided that regional interests, are taken into due account in regional negotiations on market integration,
- I. whereas the use of different economic and legal instruments and procedures to address the same situations should be properly managed within the transatlantic economic partnership to prevent the dissolution of the transatlantic market,
- J. whereas a more harmonised regulatory environment between the EU and the US would be beneficial for all countries in general and for neighbouring trading partners and developing countries in particular,
- K. Whereas the Financial Services Action Plan, with Parliament's successful support, has played an important role in creating more competitive EU capital markets, which have strengthened Europe's competitiveness,
- L. whereas the increasing speed of change inherent in our technological and informational societies suggests that the EU should make a greater qualitative and quantitative effort in the sector of scientific and technological research so as to bridge sufficiently the 'technological divide' which separates it from the equivalent American sector, thus ensuring appropriate conditions for parity in bilateral trade,
- M. whereas strengthened transatlantic economic relations can provide vital input for achieving the Lisbon objectives,

#### ***A de facto* Transatlantic Market**

- 1. Stresses that although it may have appeared in recent years that the strain on EU-US relations in the political field had at times affected the economic sphere; and whereas it may have also appeared as if the appeal associated to globalization and emerging markets such as China, India and Brazil had reduced the magnitude or significance of EU-US economic ties; in fact, as recent works clearly demonstrate, the opposite is true: a) Trade between the two great markets has reached unprecedented levels with trade exchanges alone being worth a billion Euros a day; b) Trade in services has continued to grow significantly with the EU exporting almost EUR 120 billion to the US, which accounts for a third of total extra-EU trade in services and translates into a surplus of EUR 15 billion in

trade in services with the US; c) Mutual Foreign direct investment (the deepest form of cross-border integration) across the Atlantic now amounts to over EUR 1.5 trillion and has grown considerably; d) European and US foreign affiliates' profits in each others' markets have surged to record figures since 2003;

2. Underlines in this respect that such EU-US economic ties translate into a substantial volume of employment since close to 7 million jobs on either side are already provided by the transatlantic economy and therefore remain dependent on its functioning and expansion;
3. Notes that, although Europe and the US economies have become so intertwined and integrated that they form a genuine transatlantic market, a large potential for growth and employment still lies untapped due to remaining trade barriers;
4. States that the EU-US relationship is overshadowed to a considerable extent by political conflict and is quite often characterised by rhetoric and trade disputes; notes that on both sides of the Atlantic there is a neglect of how deep and integrated the transatlantic economy has become; warns therefore against the risks inherent in taking this unique relationship for granted, treating it with benign neglect rather than with the degree of political engagement and attention required;
5. Fears that the current framework for the transatlantic relationship does not adequately reflect the above-mentioned reality; therefore calls for a more visionary and strategic approach to respond properly to the pressing economic issues affecting the EU and the US economies, such as competition policies, standardised corporate governance, compatible or common standards and more effective regulatory cooperation;

#### **The way ahead: a stronger transatlantic economic partnership**

6. Notes that the above-mentioned Commission Communication of 18 May 2005 is a good basis for substantially strengthening transatlantic economic relations; stresses that further work is needed to translate the reality of the transatlantic market into an operational and strategic concept that can gather sufficient public and political support;
7. Recommends that by the next 2006 summit the EU and the US agree to both update the New Transatlantic Agenda (NTA) of 1995 and the Transatlantic Economic Partnership (TEP) of 1998 and design a new Transatlantic Partnership Agreement that covers both and leads to the achievement of a "barrier-free transatlantic market" by 2015 with a 2010 accelerated target date for financial services and capital markets; This initiative should be based on the Economic Initiative adopted at the June 2005 EU-US Summit and the Joint EU- US Work Programme, setting specific sector-by-sector objectives with a view to taking stock of the progress achieved in 2005-2006 and specifying future steps to be taken;
8. Stresses that the economic chapter of the proposed partnership agreement should provide for a new architecture that includes: 1) Regulatory co-operation; 2) A set of operational tools of an horizontal character (including an effective early warning system and a third-generation agreement on the application of Competition Law); 3) Sectoral economic co-operation agreements building on the above-mentioned Joint EU- US Work Programme;

9. Emphasises that the concept of a "barrier-free transatlantic marketplace" should not lead to downward harmonization in transatlantic regulatory cooperation that would erode consumer confidence with regard to health and safety; therefore urges that the Transatlantic Consumer Dialogue and the Transatlantic Environmental Dialogue be revitalized to develop "best practices" to advance consumer health, safety and environmental protection, thus facilitating a more sustainable transatlantic marketplace;
10. Reaffirms that, in the current environment of growing international competitive pressures, the vision of such a common economic area is essential to increase the political commitment to a more substantial economic agenda that enhances the competitive position of the knowledge-based economies of both partners; promotes growth and innovation and thereby creates new jobs and increases prosperity;
11. Notes that a fragmented international regulatory environment hampers the potential for the growth of international commerce and stresses that closer regulatory cooperation between the EU and the US is essential to advance towards a more harmonised regulatory environment whereby economic operators from all countries in general and developing countries in particular can operate with lower costs and greater freedom;
12. Points out that the positive state of the American and European Union economies and the strengthening of their economic relations, in particular through institutionalised instruments, are contributing in no small way, through the weight of the two areas in question, to the growth and development of the whole world economy;
13. Calls on the transatlantic partnership, which accounts for roughly 57% of world gross domestic product and remains the twin engine for the world economy, to exercise global leadership in a context marked by growing inter-dependence, the emergence of new economic powers and an increasing number of global challenges that cut across national boundaries; Recommends in this respect more in-depth and systematic consultations on common economic issues with other major economic players (including India, Japan, Brazil, Canada, Mexico, Chile, Russia and China);

#### *Doha Development Agenda*

14. Stresses that both the EU and the US carry a special responsibility and share common objectives, and consequently have every interest in working constructively together in the ongoing WTO multilateral negotiations; calls upon both partners to respect the ambitious and broad based programme of the Doha Development Agenda with full regard for the development dimension so as to pave the way for a successful completion of the round in 2006;
15. Hopes that there will be a substantial reduction in EU and US tariffs peaks and other significant tariffs regardless of whether the Doha Round is successfully concluded;
16. Welcomes the agreement within the WTO framework on the definitive elimination of all forms of agricultural export subsidies, including those in the form of food aid and other export refund systems, by 2013 and stresses that comparable progress has yet to be achieved in the areas of domestic support and market access;
17. Calls on the US to remove customs impediments such as the custom user fees and

excessive invoicing requirements on importers; regrets the US Bureau of Customs and Border Protection's lack of recognition of the EU as a Customs Union and as a "country-of-origin"; calls on the US Government to reverse its negative stance towards EU membership in the World Customs Organization (WCO);

### **Follow-up to the Economic Initiative and the EU-US Economic Ministerial of 30 November 2005**

18. Supports the adoption at the EU-US Economic Ministerial of the joint EU-US Work Programme for the implementation of the Economic Declaration, which contains concrete activities in 11 areas to move forward the transatlantic economic integration; calls, however, upon both partners to engage in genuine implementation and deepening of this joint Work Programme with a greater and more ambitious sense of direction, long term strategic objectives and a detailed timetable for the implementation of joint actions and projects that takes into account the specific role of independent regulatory agencies; notes in this respect that stakeholders from the already established transatlantic dialogues, including consumer groups, unions and environmental groups, should be more actively involved in the process of monitoring and review of the Economic Initiative and Work Programme;
19. Takes the view that the economic chapter of the proposed partnership agreement should provide, in line with the Economic Initiative, specific ideas for the removal of non-tariff barriers in key market sectors through a process of gradual regulatory alignment and mutual recognition of rules and standards;
  - I. *Promoting regulatory and standards cooperation*
20. Welcomes that the commitment to "establish a high-level Regulatory Cooperation Forum", a key element of the June 2005 Summit declaration, has been finally set in motion with the proposal to organise at least two meetings in 2006; recommends a swift and full implementation of the 2005 Roadmap for EU-US regulatory Co-operation; warns that without sufficient and timely involvement and support of the various stakeholders and agencies regulatory cooperation will not achieve the expected results;
21. Reiterates that a considerable number of obstacles to trade and investment still need to be tackled in both the EU and the US and notes with concern the increasing pressures to respond to foreign competition by means of protectionist or unfair trade measures; stresses that a renewed commitment to the principles of openness, transparency and the rule of law reflected in the Economic Initiative and the proposed new Transatlantic Partnership Agreement should help eliminate most of these problems;
22. Stresses that regulatory barriers have become one of the most significant obstacles to trade and investment between the EU and the US and warns, in particular, against the proliferation of additional regulations at State level, the non-use of relevant international standards as the basis for technical regulations, the excessively burdensome labelling requirements and the practice of excessive reliance on third-party certification in the US;
23. Expresses its concern about the lack of a clear definition of "national security" in the US and its excessive use as a restriction on trade and investment; regrets in particular the so-called "Berry Amendment" used by the Defense Department and the 1988 "Exon-Florio



Amendment" and subsequent legislation to restrain foreign investment in, or ownership of, businesses relating even tangentially to national security;

24. Notes that differences in court rules and the practice of recognizing court judgments within EU countries and among US States has a significant impact on the legal disputes over transatlantic transactions; asks the EU and the US to examine the feasibility of an agreement on jurisdiction, recognition and enforcement of court judgments related to civil and commercial questions;
25. Notes that the transatlantic telecommunication market is still hampered by regulatory barriers and incompatible standards which translate into a situation whereby, despite the fact that nine out of the ten biggest telecom companies in the world are based in the EU or the US, no US or European company is operating on both continents to any significant extent;

## *II. Stimulating open and competitive capital markets*

26. Calls for the mutual recognition of accounting standards followed by their progressive convergence, based on reliable regulatory supervision, so that companies can use a single standard in both markets and in order to reduce listing costs; asks the Commission, however, to monitor closely the full equivalence roadmap of the International Accounting Standards Board/Financial Accounting Standards Board, to avoid any pro-US bias;
27. Calls for the enhancement of the Financial Markets Regulatory Dialogue via a biannual policy review of transatlantic financial services matters between the Parliament, the Commission, the relevant US authorities, and the economic committees of the US Congress, to take place before and after every annual EU-US summit; commends the work done so far by industry members such as the Futures and Options Association;
28. Strongly rejects the US postponement of the implementation of the Basel II accord on capital requirements and calls on the US to honour its commitments in order to create a world-wide level playing field for banks; believes that diverging approaches might hamper EU banks with US operations from setting up integrated risk management systems;
29. Expresses dissatisfaction at the need for EU reinsurers in the US to fully collateralise risks, facing highly discriminatory State rules, which require them to over fund their liabilities by maintaining excessive levels of collateral (US accredited reinsurers operating in the US are subject to no such collateralisation requirements); calls on the competent US authorities to strive for further transatlantic mutual recognition and uniform solvency and reporting requirements;
30. Insists on the rapid convergence of delisting rules in US stock markets, which currently impose onerous requirements on EU firms wishing to deregister; welcomes the recent US Security Exchange Commission's proposal to consider trading volumes and not the number of shareholders as the main criterion; and asks the Commission to monitor these new developments to ensure the safeguard of EU interests;
31. Believes in a more coherent corporate governance dialogue, and in the harmonisation of demands concerning corporate governance and supervision, avoiding extra-territoriality incidents such as 'Sarbanes-Oxley', for instance by improving the Transatlantic Corporate

Governance Dialogue; calls for closer joint EU-US scrutiny of global hedge funds;

32. Requests a Commission update on the application of the EU Savings tax directive as regards the USA;

### *III. Money laundering and terrorist financing cooperation*

33. Notes that open markets are highly dependent on secure and reliable structures and that trust and confidence are vital to global trade relations; expresses its support for close EU-US collaboration to continue fighting corporate and financial fraud, money laundering and terrorist financing, while avoiding unnecessary disruption to normal commercial and private transactions;

### *IV. Spurring innovation and the development of technology*

34. Welcomes the aim to increase synergies across the Atlantic in a large number of crucial areas for the development of stronger knowledge-based economies;
35. Encourages the establishment of Transatlantic Research Partnerships involving SMEs in joint research projects, and the adoption of measures to encourage the return of European researchers to Europe;
36. Points out that it is beneficial to both sides to promote co-operation in research and development and to pursue investment programs, in, for example, the following fields:
  - a) technologies for high-speed ground transport and in particular new types of highly efficient mass transit systems for urban development;
  - b) the development of synthetic fuels and electric propulsion mechanisms for automobiles, trucks and buses, and the utilization of fuel cells and so on;
  - c) the development of new technologies for the reduction of emissions of green house gases;
37. Reminds, in this respect, Member States and the US of the commitment expressed by both parties in the Joint Declaration of 2003 on the promotion of the Hydrogen Economy and welcomes the progress made, but considers however that further collaboration is required;
38. Considers that information and communication technologies (ICT) are highly relevant for both economies; therefore recommends a series of joint measures in order to:
  - a) encourage the deployment of key technologies such as broadband, radio frequency identification devices and other innovative technologies, taking into account interoperability;
  - b) secure networks and facilitate the flow of information while paying special attention to spam;
  - c) ensure close cooperation between 'cyber-security' agencies;

- d) address the high cost of roaming;
39. Believes that the 7th Framework Programme on Research and Development will present a unique opportunity for common action in:
- a) identifying priority areas of research collaboration in order to develop new transatlantic markets (e.g. hydrogen fuel cell technologies and nanotechnology);
  - b) joint research in areas relevant to civil security and in the area of reliability of complex networked systems and the informational infrastructures underpinning information society technologies;
  - c) encouraging strong co-operation between the European Research Council (ERC) and the National Science Foundation (NSF);
40. Considers that new and existing space programmes offer to a certain degree an opportunity for joint undertakings in the exploration of outer space, by:
- a) promoting co-operation in key areas such as earth observation, satellite navigation (as provided for by Galileo and GPS), electronic communication, space science and exploration;
  - b) addressing regulatory barriers to the creation of a well-functioning transatlantic market for the space industry;
  - c) removing unnecessary controls under the US International Traffic in Arms Regulations and liberalising the international launcher market;
41. Asks the Commission to suggest a joint Malaria Research Programme in addition to already existing joint research on pandemic diseases;
42. Supports actions to enhance entrepreneurship and risk-taking in the EU, based on appropriate examples of the US' strengths in this area;

V. *Enhancing Trade, Travel and security*

43. Notes that visa policy is now a policy of exclusive Community competence; asks the Commission to commence negotiations with the US Administration without delay in order to make the Visa Waiver Program valid for all European citizens and to remove current discriminations, in particular against the citizens of the new Member States;
44. Stresses that the cumbersome procedures for the acquisition of visas has translated into increased costs for companies and citizens; welcomes the "Trusted Person" initiative, which should be based on mutually developed standards, as a means to facilitate travel for business or tourist purposes;
45. Regrets that most EU citizens are still subject to strict visa controls, which acts as a brake on the free movement and exchange of workers and all those who have to travel to or stay in the US on business; calls on the US to show more flexibility in this regard, particularly for European citizens who travel regularly to the US on business;

## VI. *Promoting energy efficiency*

46. Recommends, given that energy policy is essential for economic development and cannot be separated from crucial geopolitical issues and foreign policy, that a more frank and open exchange be held on ways to increase openness in world energy commerce, promote renewable energy worldwide, develop closer cooperation with supplying partners and define a common energy security strategy and other policies to encourage geopolitical and economic stability in supplier and transit nations;
47. Regrets that only the European Union is taking the lead on international climate policy, that the US is the world's largest emitter of greenhouse gases and that there is accordingly still a need to urge it, at all policy levels, to assume its responsibilities in terms of climate change;
48. Considers that the energy sector presents common challenges to both the EU and US and that although significant measures have been taken separately on both sides, the sector requires a *mutually beneficial* approach that seeks to:
  - a) devise a common strategy addressing the high dependence on fossil energy sources via the implementation of concrete measures regarding energy efficiency, renewable energies and security of supply, both in terms of energy and also in the transportation sector;
  - b) develop clean Combined Heat and Power (CHP) and renewable technologies (e.g. carbon capture and storage and other low carbon technologies);
  - c) after the Kyoto Protocol expires, encourage the US and economically-emerging, newly-industrialised countries such as China and India to develop, jointly with the EU, measures to achieve long-term and economically sustainable emissions reduction and to respond appropriately, taking account of cost and environmental issues, to damage already caused by climate change;
  - d) recognise the important role nuclear power plays in providing carbon-free power and continue joint research into the development of this vital technology and ways in which it can facilitate the hydrogen economy;
  - e) subsequently develop a common strategy, in relation both to other countries with large or fast-growing energy needs and to the producer countries;

## VII. *Intellectual Property Rights (IPR)*

49. Welcomes the agreement at the EU-US Economic Ministerial to produce by the 2006 EU-US Summit an IPR Enforcement Cooperation Strategy that will tackle IPR abuse, the lack of effective enforcement in third countries, China and Russia in particular, and that will improve customs and border enforcement cooperation, encourage public-private partnerships and coordinate technical assistance to third countries;
50. Regrets the lack of a common understanding on geographical indications; regrets that the co-existence of fundamentally different patent systems (the US with its "first-to-invent" system whilst the "first-to-file" system is followed by the rest of the world) continues to

create considerable problems for EU companies; encourages the US Congress to pursue the reform of the patent system by moving toward a “first-to-file” system;

51. Encourages the EU and US to work together using appropriate channels to combat the abuse of intellectual property rights in third countries, in particular China and Russia;

### *VIII. Investment*

52. Recommends that the 2006 Summit formally adopts a comprehensive inventory identifying the main remaining obstacles to mutual investment together with a list of the required specific actions to reduce or eliminate such obstacles;
53. Supports investment facilitation measures and the progressive removal of all transatlantic investment barriers through a) the convergence of accounting standards, b) a level playing field in financial markets, c) a mutually fair competition policy and (d) the phasing out of the protectionist measures still present in certain sectors; questions the remaining ownership restrictions in the US, particularly in the defence and aviation sectors and supports the reform of the US Committee on Foreign Investments; calls for a Commission study to be undertaken into the barriers to takeovers in the internal market, which disadvantage EU versus US acquirers; calls on the Commission to ensure that proprietary restrictions in the EU cannot be used as an argument for upholding US restrictions;

### *IX. Competition policy and enforcement*

54. Requests the creation of a joint transatlantic framework on competition policy, which increases the co-ordination of enforcement activities and facilitates confidential information exchanges; insists that the equal application of competition rules on both sides of the Atlantic, regardless of country of establishment, is of the essence in order to create a competitive and unified transatlantic market;
55. Supports the objective of concluding a further competition agreement with the United States which allows for the exchange of confidential information in investigations under the respective competition laws;

### *X. Procurement*

56. Recommends that the 2006 Summit formally adopts a comprehensive inventory of any legal, practical and technical barriers for cross border procurement between both partners together with a list of the measures to address them; encourages that both partners go beyond existing and future GPA-commitments, thus making it possible, on the one hand, to widen the field of opportunities for both parties and, on the other, to boost European competitiveness and create new markets for EU businesses, particularly SMEs;
57. Supports a strengthening of cooperation between the EU and the USA within the framework of the WTO, concerning the opening of the public procurements market; stresses that the adoption of equal conditions of competition in this sector will create new opportunities for EU undertakings and especially SMEs;
58. Regrets the fact that the US maintains a wide variety of discriminatory 'Buy America'

provisions to which others for federally funded infrastructure programmes are also being added; asks the US Congress to accept the reality of the transatlantic economy, even in security-related markets;

*XI. i. Services/ Mutual Recognition of qualifications*

59. Notes that only the guild of architects has encouraged the competent authorities on both sides to look into the mutual recognition of qualifications as part of the Work Programme; acknowledges that other professions seem to prefer to handle recognition procedures amongst partner associations in the EU and the US; asks the Commission to report to the relevant Committees of the European Parliament about existing barriers to mutual recognition of qualifications on both sides;
60. Notes that large differences still exist between the states of the US as regards the horizontal recognition of diplomas and professional qualifications, which discourages further development in the transatlantic market, particularly in the services sector; urges the Commission to initiate negotiations in specific sectors, such as pilot licenses, with a view to the conclusion of agreements; and urges the US to develop a system based on the European model whereby nearly all diplomas and professional qualifications are mutually recognised among states as it is the case within the EU's internal market;

*XI. ii. Services/Air Transport Services*

61. Welcomes recent progress in the negotiations for the liberalisation of EU-US air services and stresses the need to reach, as soon as possible, a full agreement based on reciprocity that solves the issue of ownership caps in US airlines;
62. Maintains that, since trade and tourism are vital to both sides, the Transatlantic Partnership Agreement to be concluded in 2007 must, without fail, include a separate chapter on transport policy supplemented by summits, meetings between the members of the US Congressional and European Parliamentary committees responsible for transport, meetings between the US Transportation Secretary and the competent EU Commissioner, and Commission officials, along with cooperation between agencies responsible for air safety and the appropriate bodies of the federal administration;

*WTO Dispute Settlement UE/US*

63. Insists that although WTO panels can provoke considerable political friction, trade or economic disputes are a natural component of the transatlantic economic relationship;
64. Recommends a common strategy based on three points to reduce the number of disputes between the largest world trading powers that spill over onto the wider WTO arena:
- a) a formal commitment at the highest level to respect agreed multilateral trade rules and to implement swiftly and fully WTO panel decisions;
  - b) enhanced political commitment to exhaust all bilateral diplomatic means before appealing to the WTO dispute settlement mechanism taking into account the need to protect the legitimate interest of operators and traders;

- c) both partners must recognise that legislators and governments have a legitimate right to protect the health and environment of their citizens but the EU and the US have to ensure that their regulations in these fields are non-discriminatory, proportionate and science-based in order to prevent protectionist abuses;
65. Asks the Commission to submit to the European Parliament a report evaluating the advantages and disadvantages of a more formal bilateral trade dispute settlement mechanism, bearing in mind similar existing arrangements between the EU and other third countries;
66. Notes that the methodology used by the US authorities on trade defence-related matters is, in some instances, an illegitimate trade barrier and stresses that the apparently protectionist application of US trade defence instruments has already, as in the case of the so-called "Byrd Amendment" or the US steel safeguards, been challenged successfully- and not only by the EU -within the WTO dispute settlement system;
67. Welcomes the "Deficit Reduction Act 2005" passed by the US Congress, which repeals the "Byrd Amendment", but regrets that, due to a transition clause, the repeal will not be effective immediately; calls therefore on the US Congress to urgently remove the transition clause so that the distribution of collected anti-dumping and anti-subsidy duties to US companies does not continue to distort the conditions of competition on the US market at the expense of imported goods for a number of years;
68. Reiterates its concern about the significant direct and indirect government support given to US industry, by means of direct subsidies, protective legislation and tax policies; stresses, in particular, that all the reports by the WTO Panel and the Appellate Body on the Foreign Sales Corporations (FSC) scheme have concluded that, despite some major changes to its legislation, the US has yet to fully abide by previous WTO rulings and the recommendations of the WTO DSB; calls therefore on the US Congress to bring "The American Jobs Creation Act" ("Jobs Act") which contains a "Grandfathering Clause" into full compliance with previous WTO rulings and DSB recommendations;
69. Regrets, with regard to the Airbus-Boeing case, that the US and the EU are unnecessarily engaged in probably the biggest, most complicated and costly legal dispute in the WTO's history; calls on both parties to increase consultations at the highest level in order to explore ways of reaching a pragmatic solution that avoids unnecessary recourse to the WTO;
70. Stresses that the WTO case on GMOs does not in any way call into question European legislation on the market authorisation of biotech products, but concerns outdated biotech assessment procedures that have already been revised since the initiation of the Panel proceedings;
71. Welcomes the EC decision to comply with the WTO ruling by modifying its legislation on hormones as of 2003; wishes that the persistent disagreement between the US (and Canada) and the EU on the continued application of countermeasures be resolved and urges the US to lift the trade sanctions that it has applied since 1999 against European products;
72. Regrets that the US has not yet abandoned its anti-dumping methodology known as

"zeroing" despite the fact that the WTO unambiguously condemned this practice in the bed linen case;

73. Emphasises that the WTO dispute settlement system is a central element in providing security and predictability to the multilateral trading system; expresses its concern that in some cases the US has adopted an approach inconsistent with its international obligations by applying or refusing to repeal laws which are in breach of WTO obligations and result in serious damage to the EU and third countries' industries; calls, therefore, on the US Congress to improve its record of compliance with WTO dispute settlement findings;

*Other global issues*

74. Regrets that co-operation on monetary and macroeconomic policy issues is not included in the Economic Initiative and Work Programme; reiterates its concern about the potentially dangerous impact of the large dual US federal budget and current account deficit on the global economy; calls therefore upon the European Central Bank and the Federal Reserve to co-operate more closely on global monetary policy and financial stability issues;
75. Reiterates its call for the transatlantic partners to jointly re-assess their development aid and humanitarian assistance strategies and instruments, including their co-ordination with the Bretton Woods institutions, so as to improve the effectiveness, coherence and complementarity of the EU and US response to global challenges, notably poverty reduction, communicable diseases and degradation of the environment;
76. Asks the Commission to evaluate the existing funding and programming mechanisms to finance EU-US joint programmes in third countries with a view to creating a more efficient and productive procedure;
77. Considers that the 'cultural key' can help to enhance transatlantic relations and thus serve to foster partnership and mutual comprehension between Europeans and Americans;
78. Calls on the European and American partners to take account, in their economic relations, of the role and special features of the culture and education sectors;
79. Calls, therefore, for the establishment of a transatlantic dialogue on the subject of culture (including the audiovisual sector) and education which will encourage regular exchanges of good practice and past experience, particularly with regard to:
- action to combat piracy and counterfeiting,
  - introducing better legal methods of distributing audio and audiovisual content over the Internet and ensuring their compatibility with copyright and authors' rights and remuneration,
  - awareness of the American and European cinematic heritage - especially awareness of European films in America, where they are less widely shown - as a means of promoting mutual understanding;
  - measures to promote more balanced film distribution and prevent unfair competition or abuse of a dominant market position in certain markets within the European Union



together with the removal of any de jure or de facto barriers to the distribution of European audiovisual material in the United States;

- the establishment of suitable mechanisms to develop and strengthen cultural tourism between the two continents,

80. With regard to education calls for the dialogue to focus, in particular, on:

- enhancing mutual recognition of professional qualifications, particularly in the arts disciplines, with a view to facilitating the mobility of 'cultural actors' and exchanges of artists and performers,
- promoting research and exchanges by university teachers, research staff and students in fields which help to consolidate economic and scientific relations between the European Union and the United States, bearing in mind in particular their cooperation programme in higher education and vocational education and training<sup>1</sup>;
- awareness of the importance of a knowledge-based society and the consolidation of life-long learning;

81. Mindful of Articles 133(5) and 151 of the EC Treaty, considers that the special nature of the audiovisual sector makes it essential for transatlantic exchanges to take place on the basis of respect for the European Union's cultural and linguistic diversity: calls, in this regard, for the implementation of suitable measures to promote cultural diversity and step up cultural exchanges;

82. Calls on the European Institutions to raise the awareness of their American partner regarding measures by the European Union in support of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

83. Stresses the importance of focusing on data protection issues in the context of transatlantic relations; notes, in view of the lack of data protection in transatlantic exchanges in certain respects, that it is appropriate to evaluate those areas in which the exchange of information with third countries appears to work well (such as the Safe Harbour Privacy Principles) in order to disseminate successful solutions to more areas;

84. Welcomes the recent study conducted by the Organisation for Economic Co-operation and Development (OECD) into the macroeconomic benefits of promoting further economic integration between the EU and the US, estimating the gains in GDP per capita of significant reductions in the barriers to market access, foreign direct investment and trade in the E U and the U S at 2 to 3.5 per cent and 1 to 3 per cent respectively;

85. Requests that the EU carry out a more detailed and comprehensive study that: (a) identifies the consequences of removing remaining tariff and non-tariff barriers to trade and investment between the EU and the US; (b) examines across the board the potential for, as appropriate, ex ante or ex post regulatory alignment; (c) evaluates the impact of EU-US regulatory alignment or convergence on third countries; (d) examines the feasibility of a "regulatory bridge" according to which once a good or service is approved,

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<sup>1</sup> OJ L71 of 13.3.2001, p.8

it becomes acceptable everywhere in the transatlantic market;

### *Transatlantic dialogues*

86. Stresses the importance of the transatlantic dialogues in fostering ties between the EU and the US; notes that by working on major issues within their respective areas, and making valuable contributions to the shaping of the transatlantic relationship, its objectives and activities, the dialogues are closely involved in transatlantic decision-making and help to ensure that efforts in the various fields are genuinely responsive to the real needs of the citizens;
87. Notes that the Transatlantic Legislators Dialogue (TLD) has helped to strengthen interparliamentary relations between the EU and the US; reiterates the need to build synergies between the TLD and the other NTA dialogues, inter alia by launching new jointly-funded programmes for exchanges between legislative staffers and by creating a small TLD secretariat;
88. Takes note of the fact that the Transatlantic Business Dialogue (TABD) has successfully reshaped its format to provide more efficient business input with a view to strengthening the economic partnership;
89. Stresses that both sides of the Transatlantic Labour Dialogue should become more proactive and visible in shaping responses and recommendations on common issues; recommends that the Transatlantic Labour Dialogue focus on critical areas of cooperation through a more sector-oriented approach;
90. Notes that the EU-US Science and Technology Agreement is a key instrument for advancing EU-US scientific relations; calls for the creation of an official Transatlantic Research Dialogue to promote and coordinate research collaboration and new initiatives in selected scientific fields that go beyond existing structures;
91. Notes that other transatlantic dialogues existing outside the official agreements also contribute to foster ties between the EU and the US; recommends that the current structure of the transatlantic dialogues be reviewed and new promising areas for enhanced cooperation be explored;

### **The Role of the European Parliament**

92. Stresses that while the tasks mapped out in the Economic Initiative concern the regulators first and foremost, in order to achieve an integrated transatlantic market, the active involvement of both sides' legislators is also desirable; underlines that EU-US Summits should incorporate an adequate level of parliamentary participation to provide parliamentary input into this administrative process led by the two executives; calls for a meeting prior to every Summit between the TLD and the Senior-Level Group to exchange views on the progress of the Work Programme;
93. Calls for a meeting prior to every summit between the TLD and the Senior-Level Group to exchange views on relevant economic issues and in particular on the progress of the Work Programme;

94. Recommends that at least the President of the European Parliament and US Congress leadership participate in the next EU-US Summit and, as a general rule, that the European Parliament and the US Congress be associated with the preparation and actual holding of all future EU-US summit meetings;
95. Welcomes efforts aimed at strengthening the Transatlantic Legislators' Dialogue (TLD) between the European Parliament and the US Congress including, in particular, the implementation of an effective "early warning" mechanism and a reporting system between parliamentary committees on both sides of the Atlantic;
96. Asks the House of Representatives to consider setting up a permanent delegation in order to ensure continuity to the TLD; furthermore, a regular dialogue should be instituted also between the European Parliament and the US Senate;
97. Calls on its relevant committee to use the budget for 2007 to provide the necessary funds for establishing a permanent European Parliament official post in Washington DC that ensures proper institutionalisation of Parliament's own activities and allows for improved liaison between the EP and the US Congress;
98. Instructs its President to forward this resolution to the Council and Commission, the governments and parliaments of the Member States and the President and Congress of the United States of America.

## EXPLANATORY STATEMENT

In recent years, it may have appeared as if the strain on transatlantic relations in the political field had at times affected the economic sphere. It may have also appeared as if the appeal associated to globalization and emerging markets such as China, Brazil or India had reduced the magnitude or significance of transatlantic economic ties. In fact, as recent academic work has demonstrated, and as reflected in this report, the opposite is true: transatlantic commercial and investment ties have never been stronger. For all practical purposes, we are dealing with a genuine transatlantic market with powerful economic glue and a shared sense of common values and standards.

Indeed, against the backdrop of tense political relations following the rows over Iraq, and despite the fact that bananas, export credits and aircraft subsidies keep on capturing media attention, the truth is that economic ties between the EU and the US have become an important stabilizing pillar for the broader transatlantic relationship.

This report focuses on the economic dimension of EU-US relations. It is set to run in parallel and synchrony with Mr. Brok's report in the Committee on Foreign Affairs, which concentrates on the political and foreign affairs issues.

The rapporteur, on the basis of a well established parliamentary co-operation, has undertaken to focus on the overarching framework and main elements of the external dimension of EU-US economic relations while other parliamentary committees are concentrating in their opinions to this report on the specific issues falling under their area of responsibility. The overall result should be a comprehensive, structured and well-balanced report covering the main areas of co-operation and making proposals on key issues.

The report is structured under four main sections. First, the section "A de facto Transatlantic Market" analyses the extent to which the EU and the US economies have become interdependent. The second section, "the way ahead: a stronger transatlantic partnership" proposes a new Transatlantic Partnership Agreement that leads to the achievement of a "barrier-free transatlantic market" by 2015. In view of the upcoming 2006 Summit, the third part deals with the results of the EU-US Economic Ministerial of November 2005. It covers the 11 areas of the Joint EU-US Work programme to move forward transatlantic economic integration. Contributions from other committees are particularly relevant here. The second part of this section deals with issues that go beyond the Work Programme but do require specific attention (i.e WTO Dispute Settlement or the DDA). Last but not least, the fourth and last part of the report is devoted to the role of the European Parliament.

### **I. A de facto Transatlantic Market**

While much has been written and said about the transatlantic divide, there has been little analysis or recognition of the degree of transatlantic economic integration and interdependence.

#### *Trade*

Trade between the two great markets has reached unprecedented levels, making the United

States and the European Union each other's main trading partner by far, with a trade relationship alone that is worth a billion Euros a day.

### *Investment*

Mutual Foreign direct investment (the deepest form of cross-border integration) across the Atlantic now amounts to over € 1.5 trillion and has grown considerably, even as political dissent flared over Iraq: over half the EU's foreign direct investment goes to the US, while almost two thirds of foreign investment inflow into the EU comes from the US.

### *Affiliate profits*

The activities of European and US foreign affiliates in each others' market have also witnessed record figures for transatlantic profits as measured by foreign affiliate income over the last years: U.S. foreign affiliates in Europe benefited from record profits (\$101 billion in Europe in 2004) and, despite the strength of the Euro, European affiliate earnings in the US surged to a record \$66 billion in 2004, well over the record earnings of \$47 billion in 2003.

All these numbers show revealingly to which extent US and European economies are interdependent for growth and employment. A recent OECD study<sup>1</sup> of this phenomenon concluded that a fully integrated transatlantic economy, eliminating all of the remaining non-tariff barriers could yield GDP growth of up to 3 %, both in the US and in Europe. EU-US economic ties translate into a substantial volume of employment since close to 7 million jobs on either side are already provided by the transatlantic economy and therefore remain dependent on its improved functioning and expansion.

In view of these facts and figures, the rapporteur puts forward two main conclusions: first, there is a sizeable potential for growth and employment in the Transatlantic market that lies untapped due to remaining barriers, and second, this unique relationship should not been taken for granted, treating it with benign neglect rather than the required degree of political engagement and attention.

## **II. The Way Ahead: Stronger Transatlantic Economic Partnership**

The key question, then, in view of these facts and figures is where to take the EU-US relationship.

The status-quo is not the answer. As underlined by the European Parliament resolution on ensuring the success of the forthcoming EU-US Summit in Washington DC - adopted on 9 June 2005- the status-quo is not sufficient: "the moment has therefore arrived for the New Transatlantic Agenda of 1995 to be urgently revised in order to take account of current realities and further deepen transatlantic relations on the clear assumption that working together brings more benefits to each partner than working in different, or indeed opposing, directions".

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<sup>1</sup> OECD Economics Department: *Working Paper "The Benefits Of Liberalising Product Markets And Reducing Barriers To International Trade and Investment : The Case of The United States and the European Union"*. May 2005

Indeed, the rapporteur believes that new challenges—new security risks and taking advantage of the geopolitical and economic opportunities of the new century—demand a renewed transatlantic partnership.

The moment has therefore arrived for greater political leadership and vision from both partners in order to define a common sense of strategic mission and organizational purpose. After a decade of EU-US relations governed by the 1995 New Transatlantic Agenda, a new ambitious and re-focused transatlantic partnership should be put into motion in order to make the relationship with the US less rhetorical and more programmed towards generating economic growth and job creation. The reality of the transatlantic market should be put into an operational and strategic concept that can gather sufficient public and political support. That is why the rapporteur recommends that by the next 2006 summit the EU and the US agree to update the New Transatlantic Agenda (NTA) of 1995 and the Transatlantic Economic Partnership (TEP) that leads to the achievement of a "barrier-free transatlantic market" by 2015 with a 2010 accelerated target date for financial services and capital markets.

The rapporteur believes that the economic chapter of such new partnership agreement should provide for a new architecture based on three main pillars: 1) Regulatory co-operation; 2) A set of operational co-operation tools of an horizontal character, including an effective early warning system, a bilateral mechanism for the settlement of trade disputes and a third-generation agreement on the application of Competition Law, and 3) Sectoral economic co-operation agreements building on the Joint EU- US Work Programme.

This new economic chapter of the proposed partnership agreement should provide, in line with the Economic Initiative, a specific programme for the removal of non-tariff barriers in key markets, mainly through a process of gradual regulatory alignment and mutual recognition of rules and standards.

### **III. Follow-up to the Economic Initiative and the EU-US Economic Ministerial of 30 November 2005**

The "Initiative to Enhance Transatlantic Economic Integration and Growth", which was launched at the June 2005 Summit in Washington, DC outlines an ambitious agenda for deepening economic relations. The most important step since the Summit was the first ever EU-US economic ministerial, held in Brussels on 30 November, and which adopted three important decisions:

- The joint work programme to implement the Economic Initiative of the 2005 EU-US Summit.
- The launching of an IPR enforcement cooperation strategy to be agreed by the 2006 Summit and the creation of an IPR working group.
- The establishment of the high-level Regulatory Cooperation Forum with two events in the first half of 2006.

The joint EU-US Work Programme contains concrete activities in 11 areas to move forward the transatlantic economic integration. This report highlights the 11 areas, makes specific demands on several of them and calls, in line with the previous section, upon both partners to engage in a more ambitious process with a greater sense of direction, long term strategic objectives and a detailed timetable for the implementation of joint actions and projects. The

rapporteur believes that it is vital that this process takes into account the specific role of legislators and independent regulatory agencies, which convert legislation into regulation, implement the regulations, and supervise compliance. Agencies such as the Food and Drug Administration (FDA) or the SEC are not answerable to the priorities of the executive branch, but rather receive their mandate from legislators.

#### *Differences are inherent in partnerships*

Unsurprisingly, differences and trade or economic disputes are a natural component of the broad and deep transatlantic partnership. The key lies in not trying to avoid differences altogether but in learning to manage them properly, not allowing small or even big conflicts to interfere with the broader transatlantic agenda. After all, although WTO panels can provoke considerable political friction, trade or economic disputes, concern less than 2 % of exchanges.

#### *Dispute settlement*

The rapporteur also stresses that an increasing number of trade disputes relate to health, environmental or safety concerns. Some of these differences are in fact deeply rooted in distinct collective preferences and cultural peculiarities which have developed over two centuries and are unlikely to be eliminated by decree. While both the EU and the US have to ensure that such regulations are non-discriminatory, proportionate and science-based to prevent protectionist abuses, both sides must recognise that governments have a legitimate right to protect the health and environment of their citizens. A more pro-active regulatory dialogue could be one way to ensure that EU and US regulations – which often pursue similar health & environmental objectives – are also mutually supportive to trade.

As part of the proposed Transatlantic Partnership Agreement's economic chapter and in order to reduce the number of bilateral disputes that spill over onto the wider WTO arena, the rapporteur recommends the creation of a more formalised first-step bilateral trade dispute settlement mechanism that ensures contacts and strong political commitment to exhaust all bilateral diplomatic means before appealing to the WTO dispute settlement mechanism.

#### *Early warning system*

In a world where it is increasingly difficult to regulate one's own territory without affecting others' regulations, the ways and means to strengthen the "early warning mechanism" at both the regulator and legislator level should be further explored. Both ex-ante (alignment of future regulations) and ex-post (mutual recognition of existing regulations) are needed. The early warning system should be also increasingly instrumental in identifying at an early stage potential trade disputes.

### **IV. The Role of the European Parliament**

While the tasks mapped out in the Summit Initiative concern the regulators first and foremost, achieving a fully integrated transatlantic market will require the active involvement of both sides' legislators.

In view of the regular review of the Initiative which is to take place at EU-US summits, it

seems obvious that legislators ought to have an increased input there. Besides achieving a sufficient level of parliamentary participation at EU-US summits, it is necessary to convene a meeting prior to every Summit between the TLD and the Senior-Level Group to exchange views on the progress of the Work Programme.



21.2.2006

## **OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS**

for the Committee on International Trade

on Transatlantic economic relations  
(2005/2082(INI))

Draftsman: Gunnar Hökmark

### **SUGGESTIONS**

The Committee on Economic and Monetary Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. Whereas the Financial Services Action Plan, with Parliament's successful support, has played an important role in creating more competitive EU capital markets, which have strengthened Europe's competitiveness,
- B. Whereas high volumes of foreign direct investment and numerous foreign affiliates in the EU and the US constitute the core of the transatlantic economy; whereas cross-ownership of assets (US-based EU assets are worth over USD 3 trillion) link both blocs via investment<sup>1</sup>, representing 80% of total transatlantic commerce and employing 14 million workers; whereas the sales of US and EU foreign affiliates<sup>2</sup> outnumber imports/exports, establishing a single market on which the world's leading companies can thrive,
  1. Believes that the two economies are by far the most important for each other and that the USA and the EU face comparable challenges as regards their financial situation and economic development; considers that this bond strengthens our global competitiveness in an open world economy; calls on the Commission to consider transatlantic economic links as crucial to the Lisbon process;
  2. Welcomes the latest efforts to strengthen economic integration and calls upon leaders to make the European Council of June 2006 the starting point of a new economic era, and to commit to a full transatlantic capital market by 2010 at the latest; welcomes the May 2005 OECD reports and the conclusions of the European Council of June 2005, which point to

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<sup>1</sup> Nearly 75% of all foreign investment in the US is of EU origin and 60% of US corporate assets abroad are located in the EU.

<sup>2</sup> Sales of EU affiliates in the US were EUR 1 trillion and sales of US affiliates in the EU were EUR 1.2 trillion.

the economic gains to be reaped by reducing barriers to financial services<sup>1</sup>, such as higher liquidity and a lower cost of capital<sup>2</sup>; calls for clear joint leadership to push for the further opening of financial services markets in the Doha trade round;

3. Recommends a strengthening of the dialogue and cooperation between financial regulatory authorities with a view to the adoption of rules which are more conducive to improving transatlantic markets on the one hand, and reducing regulatory divergences on the other;
4. Supports investment facilitation measures and the progressive removal of all transatlantic investment barriers through a) the convergence of accounting standards, b) a level playing field in financial markets, c) a mutually fair competition policy and (d) the phasing out of the protectionist measures still present in certain sectors; questions the remaining ownership restrictions in the US, particularly in the defence and aviation sectors and supports the reform of the US Committee on Foreign Investments; calls for a Commission study to be undertaken into the barriers to takeovers in the internal market, which disadvantage EU versus US acquirers; calls on the Commission to ensure that proprietary restrictions in the EU cannot be used as an argument for upholding US restrictions;
5. Calls for the mutual recognition of accounting standards followed by their progressive convergence, based on reliable regulatory supervision, so that companies can use a single standard in both markets and in order to reduce listing costs; asks the Commission, however, closely to monitor the full equivalence roadmap of the International Accounting Standards Board/Financial Accounting Standards Board, to avoid any pro-US bias;
6. Requests the creation of a joint transatlantic framework on competition policy, which increases the co-ordination of enforcement activities and facilitates confidential information exchanges; insists that the equal application of competition rules on both sides of the Atlantic, regardless of country of establishment, is of the essence in order to create a competitive and unified transatlantic market;
7. Supports a strengthening of cooperation between the EU and the USA within the framework of the WTO, concerning the opening of the public procurements market; stresses that the adoption of equal conditions of competition in this sector will create new opportunities for EU undertakings and especially SMEs;
8. Calls for the enhancement of the Financial Markets Regulatory Dialogue via a biannual policy review of transatlantic financial services matters between the Parliament, the Commission, the relevant US authorities, and the economic committees of the US Congress, to take place before and after every annual EU-US summit; commends the work done so far by industry members such as the Futures and Options Association;
9. Strongly rejects the US postponement of the implementation of the Basel II accord on capital requirements and calls on the US to honour its commitments in order to create a

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<sup>1</sup> Both together have a joint 2/3 share of global bond and stock market capitalisation. The US is the main market for EU financial services exports and vice versa; transactions by EU investors in US equities were EUR 85 billion in 2003-4 (transactions by US investors in EU equities were EUR 40 billion during the same period).

<sup>2</sup> A 9% decline in the cost of equity capital could be reached according to the Commission, with a consequent 50% increase in trading volumes.

world-wide level playing field for banks; believes that diverging approaches might hamper EU banks with US operations from setting up integrated risk management systems;

10. Expresses dissatisfaction at the need for EU reinsurers in the US to fully collateralise risks, facing highly discriminatory State rules, which require them to over fund their liabilities by maintaining excessive levels of collateral (US accredited reinsurers operating in the US are subject to no such collateralisation requirements); calls on the competent US authorities to strive for further transatlantic mutual recognition and uniform solvency and reporting requirements;
11. Insists on the rapid convergence of delisting rules in US stock markets, which currently impose onerous requirements on EU firms wishing to deregister; welcomes the recent US Security Exchange Commission's proposal to consider trading volumes and not the number of shareholders as the main criterion; and asks the Commission to monitor these new developments to ensure the safeguard of EU interests;
12. Calls for close a dialogue between the ECB and the Federal Reserve on global monetary issues and financial stability to cater for the needs of both economic blocs and the global economy;
13. Supports actions to enhance entrepreneurship and risk-taking in the EU, based on appropriate examples of the US' strengths in this area;
14. Believes in a more coherent corporate governance dialogue, and in the harmonisation of demands concerning corporate governance and supervision, avoiding extra-territoriality incidents such as 'Sarbanes-Oxley', for instance by improving the Transatlantic Corporate Governance Dialogue; calls for closer joint EU-US scrutiny of global hedge funds;
15. Expresses its support for close EU-US collaboration within the Financial Action Task Force to continue fighting corporate and financial fraud, money laundering and terrorist financing, while avoiding unnecessary disruption to normal commercial and private transactions; demands further legal protection for EU banks against the extraterritorial effects of the US Patriot Act;
16. Requests a Commission update on the application of the EU Savings tax directive as regards the USA; reiterates its rejection of the Foreign Sales Corporation Tax, which remains in place despite an unfavourable ruling of the WTO Appellate Body.

## PROCEDURE

<b>Title</b>	Transatlantic economic relations
<b>Procedure number</b>	2005/2082(INI)
<b>Committee responsible</b>	INTA
<b>Opinion by</b> Date announced in plenary	ECON 9.6.2005
<b>Enhanced cooperation – date announced in plenary</b>	
<b>Draftsman</b> Date appointed	Gunnar Hökmark 4.7.2005
<b>Previous drafts(wo)man</b>	
<b>Discussed in committee</b>	10.10.2005    22.11.2005    23.1.2006
<b>Date adopted</b>	20.2.2006
<b>Result of final vote</b>	+:            27 -:            2 0:            0
<b>Members present for the final vote</b>	Zsolt László Becsey, Pervenche Berès, Sharon Bowles, Udo Bullmann, Ieke van den Burg, David Casa, Jonathan Evans, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Robert Goebbels, Gunnar Hökmark, Karsten Friedrich Hoppenstedt, Sophia in 't Veld, Wolf Klinz, Guntars Krasts, Astrid Lulling, Cristobal Montoro Romero, Joseph Muscat, John Purvis, Karin Riis-Jørgensen, Dariusz Rosati, Peter Skinner, Margarita Starkevičiūtė, Sahra Wagenknecht
<b>Substitute(s) present for the final vote</b>	Harald Ettl, Klaus-Heiner Lehne, Thomas Mann, Diamanto Manolakou, Corien Wortmann-Kool
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	
<b>Comments (available in one language only)</b>	...

21.2.2006

## OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on International Trade

on Trans-Atlantic economic relations  
(2005/2082(INI))

Draftswoman: Lena Ek

### SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Suggests two criteria for strengthening the Transatlantic Economic Partnership: an *index of interdependence* in assessing the effectiveness of policies pursued and the *policy instruments* capable of coping with the impact of globalisation;
2. Is of the view that a *rules-based approach* to the Partnership is welfare enhancing and should be used for removing unnecessary non-tariff barriers that impede transatlantic trade, investment and technology transfers;
3. Supports enhanced transatlantic economic integration based upon the three pillars of the Lisbon agenda: economic growth and job creation, social cohesion and environmental considerations, with particular emphasis on research and development cooperation and energy policy;
4. Insists on the need to prevent downward harmonization in transatlantic regulatory cooperation which further erodes consumer confidence with regard to health and safety; urges therefore that the Trans Atlantic Consumer Dialogue and the Transatlantic Environment Dialogue be revitalized to develop best practices which advance consumer health, safety and environmental protection, thus facilitating a more sustainable transatlantic marketplace;
5. Considers that the proposed index, the three Lisbon pillars and the rules-based approach should underpin all measures to be taken in the following areas:
  - (a) EC legislation governing industrial sectors that are interdependent with their US

counterparts should be assessed, with a view to establishing common customs procedures and developing mutually acceptable security procedures and technological standards;

- (b) administrative cooperation in highly-regulated sectors should be enhanced;
  - (c) counterfeiting and intellectual property piracy should be tackled urgently, by aligning the relevant legislation in the two regions, and by closer cooperation in establishing intellectual property rights in third countries;
  - (d) corporate social and environmental responsibility should be consistent with the norms and practices seeking to improve corporate transparency;
6. Considers that information and communication technologies (ICTs) represent a technological breakthrough; calls, therefore, for a series of joint measures in order to:
- (a) encourage the deployment of key technologies such as broadband, radio frequency identification devices and other innovative technologies, taking into account interoperability;
  - (b) secure networks and facilitate the flow of information while paying special attention to spam;
  - (c) ensure close cooperation between 'cyber-security' agencies;
  - (d) address the high cost of roaming;
7. Encourages the establishment of Transatlantic Research Partnerships involving SMEs and others in joint research projects, and the adoption of measures to enhance the repatriation of European researchers to Europe;
8. Believes that the 7th Framework Programme on Research and Development will present a unique opportunity for providing proactive support, based on transparency, so as to reap the benefit of:
- (a) identifying priority areas of research collaboration in order to develop new transatlantic markets (e.g. hydrogen fuel cell technologies and nanotechnology);
  - (b) joint research in areas relevant to civil security and in the area of reliability of complex networked systems and the informational infrastructures underpinning information society technologies;
9. Points out that it is beneficial to both sides to promote co-operation in research and development and to pursue investment programs, in, for example, the following fields:
- (a) technologies for high-speed ground transport and in particular new types of highly efficient mass transit systems for urban development;
  - (b) the development of synthetic fuels and electric propulsion mechanisms for automobiles, trucks and buses, and the utilization of fuel cells and so on;

- (c) the development of new technologies for the reduction of emissions of green house gases;
10. In this respect, reminds Member States and the US of the commitment expressed by both parties in the Joint Declaration of 2003 on the promotion of the Hydrogen Economy and welcomes the progress made, but considers however that further collaboration is required;
  11. Considers that the European space programme offers an opportunity for a joint undertaking by the EU and US in the exploration of outer space, by:
    - (a) promoting co-operation in key areas such as earth observation, satellite navigation (as provided for by Galileo and GPS), electronic communication, space science and exploration;
    - (b) addressing regulatory barriers to the creation of a well-functioning transatlantic market for the space industry;
    - (c) removing unnecessary controls under the US International Traffic in Arms Regulations and liberalising the international launcher market;
  12. Considers that the energy sector presents common challenges to both the EU and US and that although significant measures have been taken separately on both sides, the sector requires a *mutually beneficial* approach that seeks to:
    - (a) devise a common strategy addressing the high dependence on fossil energy sources via the implementation of concrete measures regarding energy efficiency, renewable energies and security of supply, both in terms of energy and also in the transportation sector;
    - (b) develop clean Combined Heat and Power (CHP) and renewable technologies (e.g. carbon capture and storage and other low carbon technologies);
    - (c) after the Kyoto Protocol expires, encourage the US and economically-emerging, newly-industrialised countries such as China and India to develop, jointly with the EU, measures to achieve long-term and economically sustainable emissions reduction and to respond appropriately, taking account of cost and environmental issues, to damage already caused by climate change;
    - (d) recognise the important role nuclear power plays in providing carbon-free power and continue joint research into the development of this vital technology and ways in which it can facilitate the hydrogen economy;
    - (e) subsequently develop a common strategy, in relation both to other countries with large or fast-growing energy needs and to the producer countries, and in this context propose a dispute settlement procedure for energy supply conflicts;
  13. Welcomes the Joint EU-US Work Programme implementing the Economic Initiative of the June 2005 EU-US Summit;
  14. Believes that the Transatlantic Economic Partnership - as agreed at the London EU-US

Summit of 18 May 1998 - is incomplete due to its missing institutional structure; proposes therefore the setting up of an EU-US Arbitration Body endowed with independence, whose mission would be the settlement of trade disputes, without undermining the competence of the WTO in that regard, and the management of a compensatory mechanism to deal with liability issues.



## PROCEDURE

<b>Title</b>	Trans-Atlantic economic relations
<b>Procedure number</b>	2005/2082(INI)
<b>Committee responsible</b>	TRADE
<b>Opinion by</b> Date announced in plenary	ITRE 9.6.2005
<b>Enhanced cooperation – date announced in plenary</b>	
<b>Drafts(wo)man</b> Date appointed	Lena Ek 14.7.2005
<b>Previous drafts(wo)man</b>	
<b>Discussed in committee</b>	11.10.2005    29.11.2005    24.1.2006    21.2.2006
<b>Date adopted</b>	21.2.2006
<b>Result of final vote</b>	+:            41 -:            3 0:            2
<b>Members present for the final vote</b>	Šarūnas Birutis, Jan Březina, Jerzy Buzek, Joan Calabuig Rull, Pilar del Castillo Vera, Jorgo Chatzimarkakis, Giles Chichester, Den Dover, Lena Ek, Adam Gierek, Norbert Glante, Umberto Guidoni, András Gyürk, David Hammerstein Mintz, Rebecca Harms, Erna Hennicot-Schoepges, Romana Jordan Cizelj, Werner Langen, Anne Laperrouze, Vincenzo Lavarra, Pia Elda Locatelli, Angelika Niebler, Reino Paasilinna, Miloslav Ransdorf, Vladimír Remek, Herbert Reul, Teresa Riera Madurell, Mechtild Rothe, Paul Rübig, Andres Tarand, Britta Thomsen, Patrizia Toia, Catherine Trautmann, Claude Turmes, Nikolaos Vakalis, Alejo Vidal-Quadras Roca
<b>Substitute(s) present for the final vote</b>	Jean-Pierre Audy, María del Pilar Ayuso González, Ivo Belet, Dorette Corbey, Françoise Grossetête, Matthias Groote, Edit Herczog, Mieczysław Edmund Janowski, Lambert van Nistelrooij, Vittorio Prodi, Peter Skinner
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	
<b>Comments (available in one language only)</b>	...

24.3.2006

## **OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION**

for the Committee on International Trade

on Trans-Atlantic economic relations  
(2005/2082(INI))

Draftsman: Bill Newton Dunn

### **SUGGESTIONS**

The Committee on the Internal Market and Consumer Protection calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the EU and the USA represent the world's largest bilateral partnership for trade in goods and services, which was worth more than EUR 600 billion in 2003 and whereas the jobs of 14 million workers in the European Union and the United States depend on transatlantic trade links,
- B. whereas more than half of foreign direct investment by the European Union goes to the United States, while most foreign direct investment by the United States goes to the European Union; whereas investment flows between the EU and US are much higher than the investment flows into lower wage markets,
- C. having regard to the importance of subsidiaries in the transatlantic market as regards sharing the global market and the local market and the many benefits deriving therefrom,
- D. whereas a fully integrated transatlantic economy with lower tariff barriers could produce GDP growth both in the United States and in Europe and could help boost employment,
- E. whereas the economies on either side of the Atlantic, two of the most powerful in the world, also have specific obligations to meet the needs of the other countries, in particular the poorest countries, and should therefore work harmoniously together, not only in the interests of their bilateral relations, but also to meet the needs of the other peoples and societies of the international community,
- F. whereas the increasing speed of change inherent in our technological and informational societies suggests that the EU should make a greater qualitative and quantitative effort in the sector of scientific and technological research so as to bridge sufficiently the 'technological divide' which separates it from the equivalent American sector, thus

ensuring appropriate conditions for parity in bilateral trade,

- G. whereas transatlantic economic relations have a significant impact on economic policy-making and socio-economic models in the EU, and, as a consequence, on the functioning of the internal market,
- H. whereas strengthened transatlantic economic relations can provide vital input for achieving the Lisbon objectives,
- I. whereas, in order to achieve the goals of higher economic growth and job creation, it is necessary to eliminate existing barriers, which in many cases are due to over-regulation,
- J. whereas the differences between the transatlantic partners on disputed issues account for less than two percent of transatlantic commerce,
- K. whereas the main barriers to transatlantic trade relations are in the sphere of regulation,
- L. whereas consumers on both sides of the Atlantic share the same interests and concerns, that is, safe and healthy products, fair and transparent market rules and a competitive environment offering value for money,
- M. whereas economic relations between the European Union and the United States are hampered by the existence of different specifications, which in practice prevent both sides from exporting their industrial products,
  - 1. Urges the Commission and Council to spare no efforts to contribute to improving the economic relationship between the EU and the US by exploring means to reduce regulatory, trade and investment obstacles, while ensuring that these means are not contrary to and do not undermine certain basic achievements regarding the social 'acquis', labour relations and the environmental balance;
  - 2. Calls on the Commission to work closely together with its US counterparts towards the creation of a level playing field in the transatlantic market, particularly in the field of services;
  - 3. Calls on the Commission to enhance cooperation between regulators, as outlined in the 2004 Roadmap for EU-US Regulatory Cooperation and Transparency, proposing a clear timetable for joint actions and projects;
  - 4. Believes that the existence of a mutual recognition clause is vital to facilitate economic relations between the European Union and the United States;
  - 5. Stresses the importance of focusing on data protection issues in the context of transatlantic relations. In view of the lack of data protection in transatlantic exchanges in certain respects, it is appropriate to evaluate those areas in which the exchange of information with third countries appears to work well (such as the Safe Harbour Privacy Principles) in order to disseminate successful solutions to more areas;
  - 6. Stresses the importance of implementing the mutual recognition of professional qualifications, calling on the Commission to sustain efforts for the negotiation of mutual recognition agreements in close coordination with the competent authorities and

professional organisations and associations concerned; proposes that consideration be given to providing the relevant information necessary through these bodies both to professionals in the European Union wishing to work in the United States and professionals in the United States coming to work in the European Union;

7. Calls on stakeholders on both sides of the Atlantic to step up efforts to bring negotiations on public procurement to a positive conclusion, in the framework of the GATS, by gradually opening up procurement markets on a reciprocal basis, thus favouring a more competitive environment and new opportunities for business; also requests that appropriate additional measures be drawn up to improve mutual access to tender invitations, including electronic access;
8. Calls for coordination in the uniform application of competition standards by both sides, with the aim of facilitating the establishment of a transatlantic market;
9. Calls on EU and US legislators at all levels to intensify their exchange of best practice on consumer protection issues and to coordinate their actions, making use of existing and already operative channels such as the Trans Atlantic Consumer Dialogue;
10. Stresses the importance of establishing common customs procedures, with mutually accepted security procedures and standards, and of cooperating closely in the fight against intellectual property piracy and counterfeiting;
11. Points out that there are different entry requirements for the United States for nationals of different Member States and calls for the necessary measures to be taken to ensure that preferential conditions, such as short-stay visa exemptions, are extended to all nationals of all EU Member States;
12. Supports the Commission's proposal that both partners should consider the possibility of introducing a 'trusted passenger' status which, while complying with security procedures, would make travel between the two parties easier;
13. Calls on the Commission and Member States to develop a clear roadmap for the creation of a transatlantic market and to make greater use of the Transatlantic Business Dialogue forum;
14. Call on both parties to establish a framework for liberalisation and removal of non-tariff barriers, particularly those deriving from regulation, in order to create an obstacle-free transatlantic market;
15. Calls on legislators and regulators on both sides of the Atlantic to develop better coordinating arrangements so as to establish an 'early warning mechanism' to identify potential trade conflicts and resolve them as swiftly as possible and to settle both their economic and environmental disputes at the earliest stages;
16. In order to achieve this integrated transatlantic market, calls for the parliamentary dimension of the Transatlantic Partnership to be strengthened, so as to transform the Transatlantic Legislators Dialogue into an ongoing dialogue which will be included and fully integrated in the debates of the annual EU-US summits, in order to forge closer ties between legislators on both sides of the Atlantic;

17. Considers that the opening of a permanent European Parliament liaison office in Washington is overdue, as it would provide a key means of strengthening contacts between the EP and TLD, on the one hand, and Congress, on the other.

## PROCEDURE

<b>Title</b>	Trans-Atlantic economic relations
<b>Procedure number</b>	2005/2082(INI)
<b>Committee responsible</b>	INTA
<b>Opinion by</b> Date announced in plenary	IMCO 9.6.2005
<b>Enhanced cooperation – date announced in plenary</b>	No
<b>Drafts(wo)man</b> Date appointed	Bill Newton Dunn 11.7.2005
<b>Previous drafts(wo)man</b>	
<b>Discussed in committee</b>	21.11.2005. 30.1.2006 21.3.2006
<b>Date adopted</b>	21.3.2006
<b>Result of final vote</b>	+ : 27 - : 3 0 : 0
<b>Members present for the final vote</b>	Charlotte Cederschiöld, Mia De Vits, Janelly Fourtou, Małgorzata Handzlik, Malcolm Harbour, Anna Hedh, Edit Herczog, Pierre Jonckheer, Henrik Dam Kristensen, Kurt Lechner, Lasse Lehtinen, Arlene McCarthy, Toine Manders, Manuel Medina Ortega, Bill Newton Dunn, Zita Pleštinská, Giovanni Rivera, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Andreas Schwab, Eva-Britt Svensson, József Szájer, Marianne Thyssen, Jacques Toubon, Bernadette Vergnaud, Barbara Weiler, Glenis Willmott
<b>Substitute(s) present for the final vote</b>	Šarūnas Birutis, Joel Hasse Ferreira, Gisela Kallenbach, Joseph Muscat
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	
<b>Comments (available in one language only)</b>	...

31.1.2006

## OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on International Trade

on Trans-Atlantic economic relations  
(2005/2082(INI))

Draftsman: Stanisław Jałowiecki

### SUGGESTIONS

The Committee on Transport and Tourism calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- having regard to its resolutions of 13 January 2005 on transatlantic relations<sup>1</sup> and of 9 June 2005 on ensuring the success of the EU-US summit in Washington DC of 20 June 2005<sup>2</sup>,
  - having regard to the results achieved so far in the cooperation between the United States and the European Union, which have been analysed in an independent report marking the 10th anniversary of the New Transatlantic Agenda,
- A. whereas the object of this opinion is not so much to analyse and assess EU-US cooperation, but rather to examine the effectiveness of the forms and methods used,
- B. whereas in earlier resolutions on transatlantic relations it has already pointed several times – most recently in its resolution of 9 June 2005 – to the particular need for a transatlantic air transport agreement,
1. Notes that the global challenges facing the EU and the US make it necessary to further intensify the cooperation between them, focussing on those areas which will strengthen the leading role of the EU and USA in the world;
  2. Maintains that, since trade and tourism are vital to both sides, the Transatlantic Partnership Agreement to be concluded in 2007 must, without fail, include a separate chapter on transport policy and, further, that a comprehensive transatlantic air transport agreement should be concluded without delay;

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<sup>1</sup> P6\_TA(2005)0007.

<sup>2</sup> P6\_TA(2005)0238.

3. Considers that cooperation in the transport sector above and beyond traditional transport relations can be shaped more effectively in new areas not governed by outdated laws (such as Galileo) ;
4. Recognises the need to facilitate tourism between the EU and the US, which can, inter alia, bring the peoples of Europe and the United States closer together.
5. Emphasises that, despite the suggestions sometimes made, transatlantic relations do not require new and revolutionary initiatives in the form of a transatlantic treaty, but can be conducted under existing instruments in amended form, in particular the New Transatlantic Agenda, now 10 years old, which should be transformed into a transatlantic partnership agreement with a separate chapter on transport, supplemented by summits, meetings between the members of the US Congressional and European Parliamentary committees responsible for transport, meetings between the US Transportation Secretary and the competent EU Commissioner, and Commission officials, along with cooperation between agencies responsible for air safety and the appropriate bodies of the federal administration;
6. Stresses that, in the long-term, cooperation between the US Congress and the European Parliament should be stepped up and should take the form of an on-going dialogue within the framework of a transatlantic assembly;
7. Considers that, while some of the difficulties in negotiating a definitive EU-US air transport agreement are attributable to the US administration, which wants nonetheless to resolve highly important issues by means of bilateral contacts, a similar attitude can also be seen on the part of some Member States; believes that it is therefore necessary to harmonise action within the EU, since the success of external relations depends essentially on harmonisation that reconciles our different points of view (as has been seen with Galileo and GSM, for example).



## PROCEDURE

<b>Title</b>	Trans-Atlantic economic relations
<b>Procedure number</b>	2005/2082(INI)
<b>Committee responsible</b>	INTA
<b>Opinion by</b> Date announced in plenary	TRAN 9.6.2005
<b>Enhanced cooperation – date announced in plenary</b>	
<b>Drafts(wo)man</b> Date appointed	Stanisław Jałowiecki 1.7.2005
<b>Previous drafts(wo)man</b>	
<b>Discussed in committee</b>	11.10.2005    23.1.2006
<b>Date adopted</b>	24.1.2006
<b>Result of final vote</b>	+:            34 –:            1 0:            0
<b>Members present for the final vote</b>	Inés Ayala Sender, Etelka Barsi-Pataky, Philip Bradbourn, Paolo Costa, Michael Cramer, Luis de Grandes Pascual, Christine De Veyrac, Arūnas Degutis, Armando Dionisi, Saïd El Khadraoui, Emanuel Jardim Fernandes, Roland Gewalt, Mathieu Grosch, Ewa Hedkvist Petersen, Jeanine Hennis-Plasschaert, Georg Jarzembowski, Dieter-Lebrecht Koch, Eva Lichtenberger, Erik Meijer, Michael Henry Nattrass, Seán Ó Neachtain, Janusz Onyszkiewicz, Josu Ortuondo Larrea, Willi Piecyk, Reinhard Rack, Renate Sommer, Marta Vincenzi, Corien Wortmann-Kool, Roberts Zīle
<b>Substitute(s) present for the final vote</b>	Guy Bono, Elisabeth Jeggle, Anne E. Jensen, Rosa Miguélez Ramos, Jan Marinus Wiersma
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Zbigniew Zaleski
<b>Comments (available in one language only)</b>	...

26.1.2006

## **OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION**

for the Committee on International Trade

on Transatlantic economic relations  
(2005/2082(INI))

Draftswoman: Marie-Hélène Descamps

### **SUGGESTIONS**

The Committee on Culture and Education calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Considers that the 'cultural key' can help to enhance transatlantic relations and thus serve to foster partnership and mutual comprehension between Europeans and Americans;
2. Calls on the European and American partners to take account, in their economic relations, of the role and special features of the culture and education sectors;
3. Calls, therefore, for the establishment of a transatlantic dialogue on the subject of culture (including the audiovisual sector) and education which will encourage regular exchanges of good practice and past experience, particularly with regard to:
  - action to combat piracy and forgery,
  - introducing better legal methods of distributing audio and audiovisual content over the Internet and ensuring their compatibility with copyright and authors' rights and remuneration,
  - awareness of the American and European cinematic heritage - especially awareness of European films in America, where they are less widely shown - as a means of promoting mutual understanding;
  - measures to promote more balanced film distribution and prevent unfair competition or abuse of a dominant market position in certain markets within the European Union together with the removal of any de jure or de facto barriers to the distribution of

European audiovisual material in the United States;

- the establishment of suitable mechanisms to develop and strengthen cultural tourism between the two continents,
4. With regard to education calls for the dialogue to focus, in particular, on:
- enhancing mutual recognition of professional qualifications, particularly in the arts disciplines, with a view to facilitating the mobility of 'cultural actors' and exchanges of artists and performers,
  - promoting research and exchanges by university teachers, research staff and students in fields which help to consolidate economic and scientific relations between the European Union and the United States, bearing in mind in particular their cooperation programme in higher education and vocational education and training<sup>1</sup>;
  - awareness of the importance of a knowledge-based society and the consolidation of life-long learning;
5. Mindful of Articles 133(5) and 151 of the EC Treaty, considers that the special nature of the audiovisual sector makes it essential for transatlantic exchanges to take place on the basis of respect for the European Union's cultural and linguistic diversity;
6. Calls for the implementation of suitable measures to promote cultural diversity and step up exchanges, in accordance with Articles 133(6) and 151(4) of the EC Treaty.
7. Calls on the European Institutions to raise the awareness of their American partner regarding measures by the European Union in support of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

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<sup>1</sup> OJ L71 of 13.3.2001, p.8

## PROCEDURAL PAGE

<b>Title</b>	Transatlantic economic relations
<b>Procedural number</b>	2005/2082(INI)
<b>Committee responsible</b>	INTA
<b>Opinion by</b> Date announced in plenary	CULT 9.6.2005
<b>Enhanced cooperation - date announced in plenary</b>	
<b>Drafts(wo)man</b> Date appointed	Marie-Hélène Descamps 16.6.2005
<b>Previous drafts(wo)man</b>	
<b>Discussed in committee</b>	23.11.2005 29.11.2005
<b>Date adopted</b>	23.1.2006
<b>Result of final vote</b>	+ : 25 - : 0 0 : 2
<b>Members present for the final vote</b>	Christopher Beazley, Ivo Belet, Giovanni Berlinguer, Guy Bono, Marie-Hélène Descamps, Jolanta Dičkutė, Milan Gaľa, Claire Gibault, Vasco Graça Moura, Luis Herrero-Tejedor, Bernat Joan i Marí, Manolis Mavrommatis, Doris Pack, Zdzisław Zbigniew Podkański, Christa Prets, Matteo Salvini, Pál Schmitt, Nikolaos Sifunakis, Hannu Takkula, Henri Weber, Thomas Wise, Tomáš Zatloukal
<b>Substitute(s) present for the final vote</b>	Emine Bozkurt, Alejandro Cercas, Erna Hennicot-Schoepges, Catherine Trautmann, Jaroslav Zvěřina
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	
<b>Comments (available in one language only)</b>	...

## PROCEDURE

<b>Title</b>	EU-US Transatlantic economic relations				
<b>Procedure number</b>	2005/2082(INI)				
<b>Committee responsible</b> Date authorisation announced in plenary	INTA 9.6.2005				
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary	ECON 9.6.2005	ITRE 9.6.2005	IMCO 9.6.2005	TRAN 9.6.2005	CULT 9.6.2005
	AFET 9.6.2005	LIBE 9.6.2005			
<b>Not delivering opinion(s)</b> Date of decision	AFET 28.6.2005	LIBE 7.7.2005			
<b>Enhanced cooperation</b> Date announced in plenary					
<b>Rapporteur(s)</b> Date appointed	Erika Mann 13.6.2005				
<b>Previous rapporteur(s)</b>					
<b>Discussed in committee</b>	12.9.2005	23.11.2005	21.2.2006		
<b>Date adopted</b>	18.4.2006				
<b>Result of final vote</b>	+: 15 -: 4 0: 0				
<b>Members present for the final vote</b>	Kader Arif, Jean-Pierre Audy, Enrique Barón Crespo, Daniel Caspary, Christofer Fjellner, Jacky Henin, Syed Kamall, Alain Lipietz, Erika Mann, Helmuth Markov, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Zbigniew Zaleski				
<b>Substitute(s) present for the final vote</b>	Panagiotis Beglitis, Margrietus van den Berg, Albert Deß, Pierre Jonckheer				
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	Paul Rübig				
<b>Date tabled</b>	20.4.2006				
<b>Comments (available in one language only)</b>	...				