

**FRAMEWORK FOR ADVANCING
TRANSATLANTIC ECONOMIC INTEGRATION
BETWEEN
THE EUROPEAN UNION
AND
THE UNITED STATES OF AMERICA**

We, leaders of the European Union and the United States of America:

Believing that deeper transatlantic economic integration and growth will benefit our citizens and the competitiveness of our economies, will have global benefits, will facilitate market access for third countries and will encourage other countries to adopt the transatlantic economic model of respect for property rights, openness to investment, transparency and predictability in regulation, and the value of free markets;

Affirming our shared commitment to increase the transparency and efficiency of our economic cooperation and to accelerate the reduction of barriers to international trade and investment;

Desiring to improve the effectiveness of existing economic cooperation and to elevate and accelerate existing work to achieve tangible progress;

Recognizing that the transatlantic economy remains at the forefront of globalization, and that the European Union and the United States are each other's most important economic partners, reflecting historical ties as well as a wide range of common fundamental values, such as the importance of free enterprise, rule of law, property rights, free trade, and competition, and the protection of health, safety and the environment for our citizens and workers;

Reaffirming our commitment to the 2005 EU-U.S. Summit Declaration on Enhancing Transatlantic Economic Integration and Growth, in which we resolved to pursue a forward-looking agenda to enhance transatlantic economic integration and growth, and our commitments from the June 2006 Summit to redouble our efforts to reduce barriers to transatlantic trade and investment and our pledge to keep our investment regimes open and to build on existing investment flows to boost growth and create jobs in the transatlantic economy;

Recognizing further that we have established a wide range of joint work in the areas of regulatory cooperation, financial markets, trade and transport security, innovation and technological development, intellectual property rights, energy, investment, competition, services, and government procurement;

Welcoming the launch of a study funded by the European Commission to identify existing barriers to trade and investment and estimate the benefits of removing such barriers.

Have reached the following shared understandings:

Section I Purposes

We seek to strengthen transatlantic economic integration, with the goal of improving competitiveness and the lives of our people. To that end, this Framework reaffirms a multi-year program of cooperation that emphasizes results and provides accountability.

Section II Fostering Cooperation and Reducing Regulatory Burdens

In light of our shared commitment to removing barriers to transatlantic commerce; to rationalizing, reforming, and, where appropriate, reducing regulations to empower the private sector; to achieving more effective, systematic and transparent regulatory cooperation to reduce costs associated with regulation to consumers and producers; to removing unnecessary differences between our regulations to foster economic integration; to reinforce the existing transatlantic dialogue structures in regulatory cooperation both by intensifying our sector-by-sector EU-U.S. regulatory cooperation and our dialogue between the European Commission services and the U.S. Office of Management and Budget on methodological issues: we resolve to achieve the goals set out in Annex 1 in a timely manner.

Section III Lighthouse Priority Projects

We have identified in Annex 2 priority growth projects, selected from the existing work program and other programs within the existing transatlantic dialogue, that will significantly enhance transatlantic economic integration, and we resolve to achieve progress on these projects within six to eight months of the effective date of this Framework, and at latest by the time of the 2008 EU-U.S. Summit. We resolve that future priorities are to be reflected by updating the Lighthouse Priority Projects identified in Annex 2.

Section IV Transatlantic Economic Council

The Transatlantic Economic Council is hereby established, to be co-chaired, on the U.S. side, by a U.S. Cabinet-level official in the Executive Office of the President (currently Allan Hubbard) and, on the EU side by a Member of the European Commission (currently Vice President Guenter Verheugen), collaborating closely with the EU Presidency. The Council is to:

1. Oversee the efforts outlined in this Framework, with the goal of accelerating progress;
2. Guide work between EU-U.S. Summits with a focus on achieving results, including setting goals for achieving the purposes of this Framework, developing metrics, setting deadlines and targets, and monitoring progress;
3. Adopt a work program, drawn initially from the existing work program under the 2005 U.S.-EC Economic Initiative, with the goal of achieving the objectives of this Framework, and shall adapt this work program and otherwise organize its activities in the manner best suited to achieving those objectives;
4. Review at least semi-annually its progress in achieving the objectives of this Framework;

5. Facilitate joint action under this Framework to advance its purposes;
6. Review ongoing EU-U.S. economic engagement in order to maximize progress in existing transatlantic dialogues with a view to consider phasing out technical dialogues that have completed their work or are otherwise no longer necessary;
7. Meet at least once a year at such time as the co-chairs decide;
8. Oversee preparation of annual reports to the EU-U.S. Summit leaders on goals, metrics for meeting those goals, deadlines, achievements, and areas where more progress is needed;
9. Facilitate closer cooperation between the European Union and the United States and our legislators and stakeholders;
10. Convene a group comprised of individuals experienced in transatlantic issues drawing in particular from the heads of existing transatlantic dialogues to provide input and guidance to the EU-U.S. Summit on priorities for pursuing transatlantic economic integration; and
11. Include representatives of other governmental entities as the Council determines to be appropriate.

Section V Work Program of Cooperation

We resolve to work to promote transatlantic economic integration in the following areas: intellectual property rights, investment, secure trade, financial markets, and innovation as set forth in the attached Annexes 2-7.

Signed at [LOCATION] on this ___ day of April, 2007, in two originals.

FOR THE EUROPEAN UNION:

FOR THE UNITED STATES OF AMERICA:

Angela Merkel
President of the European Council

George W. Bush
President

José Manuel Barroso
President of the European Commission

Annex 1
Fostering Cooperation and Reducing Regulatory Burdens

A. Take the following steps to reduce barriers to transatlantic economic integration posed by new regulations by reinforcing the existing transatlantic dialogue structures:

1. Pursue development of a methodological framework to help ensure the comparability of impact assessments, particularly risk assessment and cost-benefit analysis;
2. Appoint heads of regulatory authorities as permanent members of the EU-U.S. High-Level Regulatory Cooperation Forum to report on any risks or benefits from significant differences in regulatory approaches identified in the sectoral dialogues or the European Commission Secretariat General (EC)-U.S. Office of Management and Budget (OMB) dialogue called for under the 2005 EU-U.S. Economic Initiative, recognizing that the Financial Markets Regulatory Dialogue will continue its own, separate, work program described in Annex 6, and updating the Council on its progress as appropriate.
3. Reinforce the existing transatlantic dialogue on regulatory cooperation by cooperating to improve regulation, specifically through cooperation between OMB and the EC to:
 - a) Taking into account, among other things, the impact assessment considerations in place, evaluate progress regarding this cooperation, and consider a more formal basis to enhance this cooperation;
 - b) Intensify their dialogue focusing on issues of methodology;
 - c) Hold regular and active exchanges on the overall framework of our regulatory cooperation and on methodological issues which may arise in individual cases;
 - d) Review the application of their respective regulatory impact analysis guidelines so that the regulatory impacts on trade and investment are considered, as appropriate; and
 - e) Share forward planning schedules.

B. Take the following steps to reduce barriers to transatlantic economic integration posed by regulations in specific sectors by intensifying sector-by-sector regulatory cooperation, including through enhanced EC-OMB cooperation, including the following:

1. Encourage further cooperation in the areas of agriculture, sanitary and phyto-sanitary measures, and food safety;
2. Promote the application of the 2002 EU-U.S. Guidelines for Regulatory Cooperation and Transparency for specific sectoral pilot projects to be determined in consultation with stakeholders. We agree to discuss additional pilot projects on a case-by-case basis for exploring improved EU-U.S. regulatory cooperation.
3. Pursue implementation of the Roadmap for Regulatory Cooperation, including the following priority projects to be pursued in 2007 and 2008:
 - a) Collaborating on cosmetics regulations, in particular with a view to reducing the need for animal tests by cooperating on alternative testing methods;
 - b) Seeking final agreement between EU and U.S. regulators on shifting resources away from implementation of the Medical Device Annex of the Mutual Recognition Agreement between the European Community and the United States to a more productive bilateral collaboration on medical devices;
 - c) Promoting administrative simplification in the application of regulation of medicinal products;
 - d) Addressing common concerns in the automotive sector in the area of road safety and fuel economy in order to avoid or reduce barriers to transatlantic trade;

- e) Expanding cooperation on OECD activities relating to risk assessment, Good Laboratory Practices and the Globally Harmonized System of Classification and Labelling of Chemicals, study templates, information technology for data submissions, as well as on alternative test methods (QSAR), test methods and risks of manufactured nanomaterials; and
- f) Initiating an exchange on conformity assessment procedures for the safety of electrical equipment.

Annex 2

Lighthouse Priority Projects

- A. **Intellectual Property Rights.** Develop procedures for the exchange of information relating to goods suspected of infringing intellectual property rights, the exchange of customs officials, and the organisation of joint technical assistance and/or enforcement missions and seek progress in the harmonisation of the different patent regimes.
- B. **Secure trade.** Develop common and accepted standards to maximize security, safety and facilitation of international trade supply chain that could lead to mutual recognition of programs for economic operators. Begin to exchange information on validation results associated with the Customs Trade Partnership Against Terrorism and Authorized Economic Operator programs in order to avoid the duplication of controls and to reduce business costs by avoiding divergent control requirements, as appropriate.
- C. **Financial Markets.** Promote and seek to ensure conditions for the U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards to be recognized in both jurisdictions without the need for reconciliation by 2009 or possibly sooner.
- D. **Innovation and Technology.**
 - 1. Conduct a high-level conference on innovation in health-related industries and a workshop on best practices in innovation policies;
 - 2. Develop a joint framework for cooperation on identification and development of best practices for Radio Frequency Identification (RFID) technologies and develop a work plan to promote the interoperability of electronic health record systems;
 - 3. Develop a science-based work plan for EU-U.S. collaboration on innovative and eco-efficient biobased products;
 - 4. Establish a joint research infrastructure for mouse functional genomics (following a joint meeting in 2007 in Belgium);
 - 5. Sponsor joint workshops or conferences to foster the exchange of information on nanotechnology in areas of mutual interest.
- E. **Investment.** Establish a regular dialogue to address obstacles to investment

Annex 3

Intellectual Property Rights

In order to enhance recognition and enforcement of intellectual property rights, we resolve to:

- A. Cooperate on improving the efficiency and the effectiveness of the patent system at the global level to promote innovation, employment, and competitiveness, and seek progress in the harmonisation of the different patent regimes;
- B. Implement the *EU-U.S. Action Strategy on Intellectual Property Rights Enforcement*, including stepping up joint efforts in all areas, in particular:
 - a. Continue to advance a constructive discussion of enforcement at the WTO TRIPS Council and to explore other possible vehicles for advancing international cooperation on IPR enforcement among countries sharing common interests in this area;
 - b. Strengthen customs cooperation, including exchange of information relating to goods suspected of infringing intellectual property rights and statistics on the seizures of such goods, as well as programs to exchange officials and best practices;
 - c. Work jointly to improve the IPR protection and enforcement in China and Russia, increase cooperation in Asia, Latin America and the Middle East, including the extension of the IPR networks to these regions;
 - d. Expand joint technical assistance initiatives in Asia and Latin America, including the organization of work shops, seminars and on-site training; and
 - e. Improve public-private coordination and cooperation on anti-counterfeiting and anti-piracy education, public awareness and business practices.

Annex 4 Investment

In order to reduce barriers to transatlantic trade and investment, keep investment regimes open, and build on existing investment flows to boost growth and create jobs, we resolve to:

- A. Continue close co-operation in the OECD with regard to studying and fostering policy reforms that are conducive to attracting investment;
- B. Engage in regular discussions of laws, policies and practices that could impact investments in the EU and the United States;
- C. Develop work to prevent, eliminate or reduce the impact from investment barriers, with special attention being given to small and medium-sized enterprises.

Annex 5 Secure Trade

As common standards and mutual recognition of standards where possible in trade partnership programs can strengthen security of the supply chain against terrorist exploitation or commercial fraud, such as counterfeiting while improving efficiency by eliminating redundant reviews and, we resolve to:

- A. Work together to improve international enforcement in the fight against fraud and illegal spam and spyware in view of the enactment of the Undertaking Spam, Spyware and Fraud Enforcement With Enforcers Beyond Borders Act of 2006 (US SAFE WEB Act) in the United States and adoption of the EU Consumer Protection Regulation.
- B. Establish a pilot project to study the similarities and differences in requirements for the EU and U.S.'s respective trade partnership programs with the goal of developing a roadmap to facilitate mutual recognition of those operators that are authorized as secure on the basis of mutually acceptable security standards and requirements; and
- C. Strive to ensure that any mutually recognized trade partnership programs provide comparable benefits to the other Party's recognized operators.

Annex 6
Financial Markets

In light of the considerable differences that exist between financial market structure and regulation on both sides of the Atlantic, and given the consolidation underway globally and transatlantically in this sector, we resolve to take steps, towards the convergence, equivalence or mutual recognition, where appropriate, of regulatory standards based on high quality principles. In particular, we resolve to maintain the existing informal Financial Markets Regulatory Dialogue and focus on the following areas:

- A. Strengthen cooperation to promote smooth implementation of the Basel II framework for banks, notably to address transitional issues and minimize differences of implementation between the EU and United States;
- B. Promote conditions for the U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards to be recognized in both jurisdictions without the need for reconciliation by 2009 or possibly sooner;
- C. Fully support roadmap discussions between the European Commission and the Public Company Accounting Oversight Board in the area of auditor oversight;
- D. Advance convergence in the area of reinsurance regulation;
- E. Work on greater regulatory convergence towards highest quality and most effective regulation and, where appropriate, mutual recognition in the fields of securities regulation; and
- F. Increase cooperation between EU and U.S. financial regulators.

Annex 7

Innovation and Technology

Acknowledging the importance of research and innovation to promoting competitiveness and improving quality of life, we resolve to:

- A. Conduct an exchange of innovation experts to discuss best practices;
- B. Exchange views on policy options for emerging technologies, or new technological applications, in particular in the field of nanotechnology, cloning or biotechnologies;
- C. Explore possibility to launch common research actions paving the way to a level playing field for nanotechnology-based products in the globalised market, namely co- and pre-normative research;
- D. Reinforce cooperation on eAccessibility, including continued EC participation in the U.S. Access Board process of standards revision, ensuring U.S. participation in the European standards-making process on public procurements on eAccessibility, and considering wider cooperation to improve the accessibility and mobility in the built environment;
- E. Work together on interoperability of electronic health record systems;
- F. Exchange best practices on all dimensions related to RFID;
- G. Develop a framework of regulation and payment policies that promote innovation;
- H. Exchange knowledge and experience on the use of information and communication technologies to improve traffic safety;
- I. Launch our Standards Dialogue as an overarching framework to discuss specific standards-related issues; and
- J. Collaborate on innovation indicators and how data helps policymakers understand what drives innovation and its affects on economic performance.