



U.S. CHAMBER OF COMMERCE

U.S. Chamber Policy Recommendations for the New U.S. Administration: Europe and the UK

2021 will be a pivotal year for the transatlantic relationship. There is much work to be done. We welcome the Biden Administration's eagerness to take early steps to reframe ties with our allies in Europe and to collaborate in advancing our most immediate shared priorities: responding to the pandemic and ensuring a strong economic recovery; reforming the multilateral trading system; confronting commercial and geostrategic threats from China; and addressing climate change. We also call on the U.S. government to join with the private sector in opposing European policies and regulations that impinge on American companies' ability to compete fairly in Europe. Finally, managing the inevitable disruptions from Brexit and pursuing a closer economic partnership with the United Kingdom are both significant and achievable goals.

The U.S. Chamber and the Chamber's U.S.-UK Business Council look forward to working with the new Administration to strengthen our ties with Europe and the UK and ensure sustained prosperity and growth for American workers, businesses and consumers.

Policy Priorities and Recommendations

- 1. Move quickly to eliminate counterproductive tariffs that hurt American companies and institutionalize a Cabinet-level transatlantic economic dialogue to eliminate other bilateral trade and investment barriers and facilitate cooperation on global issues.**
 - The new Administration should immediately take threat of tariffs on European cars off the table; move quickly to remove Section 232 tariffs on steel and aluminum and ensure the EU drops its countermeasures; and reach a U.S.-EU settlement for the "large civil aircraft" WTO disputes to discipline subsidies in the sector and end retaliatory duties the United States and the EU have imposed on one another.
 - The U.S. and EU should formally establish a Trade and Technology Council that meets regularly; takes concrete actions to promote growth

and prosperity; and includes meaningful opportunities for stakeholder engagement.

- Pursue sectoral regulatory cooperation to promote near term economic recovery, including finalizing an agreement on conformity assessments.
- Encourage transatlantic coordination on sanctions and a coordinated approach to counter state-owned enterprises that benefit from excessive foreign subsidies.

2. Work with Europe to fight the COVID-19 pandemic and return our economies to sustainable growth

- Join the EU in a multilateral effort to lift tariffs, non-tariff barriers, and export restrictions on pandemic-related medicines and medical supplies.
- Remove barriers to business and personal travel as conditions allow; establish common metrics for tracking the spread of the virus; and encourage cooperation and alignment on testing, quarantine, and vaccination policies.
- Ensure an effective ongoing dialogue as officials in Washington, Brussels, and EU member state capitals explore industrial policies intended to address supply chain weaknesses laid bare by the pandemic, and counter state capitalist policies promulgated by other governments that impact global markets.
- Cooperate in a drive for supply chain resiliency that emphasizes geographic diversity of supply, promotes stockpiling for critical goods, and favors incentives over trade barriers and “buy local” requirements.

3. Cooperate to address economic threats from China

- Pursue transatlantic regulatory cooperation and meaningful coordinated actions wherever possible—on subsidies, investment screening, export controls, data policies, competition policy, procurement, standards setting, visas, and human rights to advance market-based competition and U.S. values in the global economy and insulate U.S. business and workers from market distortions and security risks from China.
- Advance these efforts via plurilateral agreements with the EU and key member states, and broaden them to include Japan, Canada, Australia, Korea and other like-minded countries.
- Ensure the economic cooperation agenda extends to the diplomatic efforts led by the State Department and the European External Action Service in the U.S.-EU Dialogue on China.

4. Ensure the transatlantic digital economy stays connected

- Quickly agree on an updated Privacy Shield framework to safeguard continued transatlantic transfers of personal data. Where large companies often rely on different instruments including Standard Contractual Clauses which are also under threat. Privacy Shield carries particular importance for SMEs. Disruptions of data flows across the Atlantic would undermine the economic recovery and hamper our ability to fight the pandemic and collaborate on health research.
- Oppose discriminatory EU policy proposals that target U.S. companies including the Digital Markets Act which would explicitly introduce onerous new regulatory requirements for a small cadre of almost exclusively U.S.-based firms.
- Continue efforts to collaborate on AI, encouraging an approach that enables innovation rather than relying on overly prescriptive regulations.
- Secure a transatlantic e-evidence data sharing agreement, pursuant to the CLOUD Act, to govern law enforcement access to data.
- Continue to engage efforts at the EU and member-state level on 5G, and encourage cooperation and share best practices on cybersecurity.
- Maintain the coherence of the international tax system by continuing to pursue an OECD multilateral approach to the digital economy and opposing discriminatory unilateral tax measures.

5. Partner to address climate change while ensuring continued economic competitiveness

- Rejoining the Paris Agreement is a key signal for transatlantic cooperation on climate change. Revised climate goals should be achievable, durable, and developed through an open and collaborative process.
- Promote realistic climate solutions that are driven by innovation and private sector investment.
- Ensure U.S. energy exports are part of the solution during Europe's energy transition.
- Oppose any EU Carbon Border Adjustment Mechanism that unfairly targets U.S. exports.
- Promote cooperation on development and deployment policies related to low carbon energy technologies and associated infrastructure investments, and encourage transatlantic R&D efforts including on priority issues such as energy storage, advanced nuclear, carbon capture and sequestration, and the circular economy.

- Minimize compliance challenges related to public climate and sustainability disclosures and balance market demand for sustainable finance solutions with the primary objectives of unhampered market functioning, value creation, and market stability.
- Develop closer coordination on multilateral financing of sustainable projects in third countries.
- Press EU to refrain from investment boycotts/divestitures as a way to impose environmental policies in poorer nations.

6. Deepen American trade and investment ties with the United Kingdom

- Notwithstanding the new EU-UK Trade and Cooperation Agreement, American exporters and investors will encounter significant new disruptions in the movement of goods, services, people, data and capital now that the UK has left the EU Single Market. Where appropriate, the new Administration should engage to help resolve these issues.
- Conclude a comprehensive, high standard agreement with the UK that will boost trade and investment and include gold standard provisions related to digital trade, services, and intellectual property.
- Collaborate on a range of global priorities—including China and climate change—in light of the UK’s G7 Presidency and its role as host of COP-26.
- Recognizing the interconnectedness, similarities, and prominence of U.S. and UK financial markets, the U.S. and UK should craft an agreement focused on financial services regulations, including but not limited to asset management, banking, derivatives, and insurance issues.