

## **P7\_TA-PROV(2009)0058**

### **TEC Meeting and EU/US Summit**

#### **European Parliament resolution of 22 October 2009 on the upcoming EU-US Summit and the Transatlantic Economic Council Meeting**

*The European Parliament,*

- having regard to its resolutions of 8 May 2008 on the Transatlantic Economic Council<sup>1</sup>, of 5 June 2008 on the EU-US Summit<sup>2</sup>, and of 26 March 2009 on the state of transatlantic relations in the aftermath of the US elections<sup>3</sup>,
  - having regard to the outcome of the EU-US Summit held on 5 April 2009 in Prague,
  - having regard to the progress report adopted at the third Transatlantic Economic Council (TEC) meeting on 12 December 2008, and to the Joint Statement adopted at the Transatlantic Legislators' Dialogue (TLD) meeting held in April 2009 in Prague,
  - having regard to the report of the United Nations Fact Finding Mission on the Gaza Conflict led by Justice Goldstone, released on 15 September 2009,
  - having regard to its resolution of 17 September 2009 on the envisaged international agreement to make available to the United States Treasury Department financial payment messaging data to prevent and combat terrorism and terrorist financing<sup>4</sup>,
  - having regard to its resolution of 8 October 2009 on the Pittsburgh G-20 Summit of 24 and 25 September 2009<sup>5</sup>,
  - having regard to Rule 110(4) of its Rules of Procedure,
- A. whereas the European Union welcomes the US administration's cooperative attitude in the international field and a strengthening of the EU-US relationship, which is a cornerstone of the EU's external policies,
- B. whereas the EU and the US have a strategic role as regards the global economic challenges, as their gross domestic product (GDP) represents more than half of the global GDP and the two partners have the world's strongest bilateral trade and investment partnership, accounting for almost 40 % of world trade,
- C. whereas the EU and the US also have common political interests and a shared responsibility in the global political arena for promoting peace, respect for human rights and stability and for tackling various global dangers and challenges, such as nuclear proliferation, terrorism, climate change, energy security and the development of low carbon economies, and the

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<sup>1</sup> Texts adopted, P6\_TA(2008)0192.

<sup>2</sup> Texts adopted, P6\_TA(2008)0256.

<sup>3</sup> Texts adopted, P6\_TA(2009)0193.

<sup>4</sup> Texts adopted, P7\_TA(2009)0016.

<sup>5</sup> Texts adopted, P7\_TA(2009)0028.

eradication of poverty and attainment of other Millennium Development Goals (MDGs),

- D. whereas the work of the TEC needs to continue towards the goal of an integrated transatlantic market by 2015 by reducing barriers to trade, the achievement of which will be essential in order to relaunch economic growth and bring about recovery,
- E. whereas, moreover, joint EU-US leadership is needed for the successful completion of the Doha Development Round,
- F. whereas it is important that the role of legislators is duly reflected in the TEC process and that the priorities of the European Parliament are adequately taken into account,
- G. whereas the EU and the US will be confronted with rising global energy consumption and the requirement to implement global commitments to combat climate change to be agreed in Copenhagen, and whereas the new standards and measures to increase energy efficiency should neither create new obstacles to transatlantic trade nor reduce the security and safety of fissile material,
- H. whereas the foreign policy tools of the Lisbon Treaty will enable the EU to play a stronger and more coherent role on the international scene,
- I. whereas the financial and economic crisis has rapidly turned into a jobs crisis with severe social consequences, and whereas the transatlantic partners share responsibility for tackling the social dimension of the economic crisis,
- J. whereas recent surveys, such as the Transatlantic Trends 2009 survey conducted by the German Marshall Fund, show unprecedented popular support among EU citizens for the US administration, and whereas this provides a basis for a revitalisation of EU-US relations,

### ***EU-US Summit***

1. Reaffirms that EU-US relations are the most important strategic partnership for the EU and insists on the importance of the intensification by the EU and the US administration of their strategic dialogue, cooperation and coordination when dealing with global challenges and regional conflicts; calls on the Commission to submit, after the forthcoming EU-US Summit, a communication on a strategic EU-US partnership;
2. Calls on both partners to promote respect for human rights in the world as a key element of their policy; underlines the need for intensive coordination in preventive and crisis diplomacy; calls on the US administration to ratify and accede to the Rome Statute of the International Criminal Court; repeats its appeal for the abolition of the death penalty; calls on the US Government to return to the practice of full compliance with international standards of the rule of law, to put a stop to all extrajudicial measures and to end impunity in connection with human rights violations;
3. Considers it necessary that at the EU-US Summit both partners should take the leading role on the implementation of the G-20 commitments; calls, therefore, for coordination of the US reform package for the financial sector and the current EU legislative reforms, including the financial supervisory structure, and calls on both partners to reinforce their cooperation on the modernisation of the IMF;

4. Underlines the importance of EU-US cooperation in reaching an international agreement at the UN Climate Change Conference (COP-15) in Copenhagen in December 2009 on the basis of scientific evidence and including adequate international assistance with the financing of climate mitigation and adaptation in developing countries; urges the EU Presidency to seek, at the EU-US Summit, an ambitious US commitment to international post-Kyoto obligations and US cooperation in promoting links between the EU emissions trading scheme and regional or federal trading schemes in the US;
5. Insists that the Lisbon Treaty will require a strengthening of the institutional mechanisms of EU-US relations in line with its above-mentioned resolution of 26 March 2009;
6. Calls on the EU and the US to agree at the forthcoming Summit on a reinforced transatlantic partnership to deal with common global challenges, in particular with regard to nuclear non-proliferation and disarmament, counter-terrorism, climate change, respect for human rights, facing pandemics and attaining the MDGs; stresses that developing countries did not cause the global financial and economic crisis, but are disproportionately affected by it;
7. Underlines the importance of NATO as the cornerstone of transatlantic security; considers that relevant developments in this wider security structure should be addressed in dialogue with Russia and the non-EU OSCE Member States, in order to renew the transatlantic consensus on security; underlines the importance of the ESDP and the value of an enhanced European defence capability for the strengthening of transatlantic security;
8. Welcomes in this connection the decision of the Russian Federation and the US to conduct negotiations with a view to concluding a new, comprehensive, legally binding agreement to replace the Strategic Arms Reduction Treaty (START), which expires in December 2009, and the signature of the 'Joint understanding for a follow-on agreement to START-1' by Presidents Barack Obama and Dmitri Medvedev in Moscow on 6 July 2009;
9. Welcomes the announcement by the US President that he will take forward the ratification of the Comprehensive Nuclear-Test-Ban Treaty (CTBT); calls on the Council to contribute positively and proactively to the preparations for the next Non Proliferation Treaty (NPT) Review Conference in 2010, in close cooperation with the US and Russia;
10. Underlines that the uncertainties about the nature of the Iranian nuclear programme endanger the non-proliferation system and stability in the region and the world; supports the objective of finding a negotiated solution with Iran, following the dual strategy of dialogue and sanctions, in coordination with other members of the Security Council and the International Atomic Energy Agency;
11. Is concerned about the latest nuclear testing conducted by the Democratic People's Republic of Korea and its rejection of UN Security Council Resolution 1887 (2009) of 24 September 2009; none the less supports the US bilateral dialogue approach, within the framework of the Six-Party Talks, to achieve denuclearisation of the Korean peninsula;
12. Takes note of the abandonment by the US of its original plans for a missile defence shield in Europe and takes note of its new plans; calls for a new global security architecture involving especially the EU, the US, Russia and China;
13. Calls on both partners to promote a dialogue with Latin America, a region which shares the vision of democracy, human rights and the principle of multilateralism;

14. Reiterates the importance of the promotion by both partners, in a spirit of trust and transparency, of coordinated approaches in their policies towards Iran, Iraq, Afghanistan and Pakistan; urges the EU, the US, NATO and the UN to devise a new joint strategic concept which comprehensively integrates international commitments, calling on all neighbours to participate in this effort in order to achieve regional stabilisation;
15. Considers that the first meeting, hosted on 23 September 2009 by President Obama, between Israeli Prime Minister Benjamin Netanyahu and Palestinian leader Mahmoud Abbas failed to fulfil its ambitions; reaffirms that the success of the Middle East peace process is one of the most important priorities for the EU and the US and calls on the EU and the US to jointly promote active Quartet intervention in the search for common ground as a basis for a peaceful settlement with the objective of a two-state solution providing for an independent, viable Palestinian state; calls on the Summit to examine possible ways of reaching out to the Arab world; calls for an end to the extremely difficult humanitarian situation in the Gaza Strip; deplores the role of Hamas in restricting personal freedom and human rights;
16. Hopes that, at the Summit, the two parties will agree that a successful conclusion of the Doha Round should include measures to avoid volatility of agricultural prices and food shortages; calls upon leaders not to forget the ultimate development goal of this round and to honour their commitment to spend 0,7 % of their GDP on development cooperation; stresses the need to take into consideration recent reforms of the common agricultural policy and hopes to see similar adjustments made to the US Farm Bill; recalls developments with regard to issues where conflict previously existed, such as hormones in beef, chloride in chicken and the authorisation of some genetically modified products; is confident that, through continuous dialogue, issues affecting mutual trade in agricultural products can be tackled before they come before WTO dispute bodies;
17. Takes note of the idea of creating a Transatlantic Energy Council; underlines strongly that it should deal only with the clearly foreign and security policy-related aspects of this issue and should in the future be integrated into the Transatlantic Political Council (TPC), and that the TEC should deal with overall energy policy;
18. Welcomes the recent extension of the visa waiver programme to another seven EU Member States; urges the US, however, to lift the visa regime for the entire EU and to treat all EU citizens equally and on the basis of full reciprocity; criticises the planned introduction of administrative fees for the granting of Electronic System for Travel Authorisations (ESTA) to EU citizens as a retrograde step and calls on the Commission to treat this as a priority with the US administration, including the option of imposing reciprocity;
19. Calls upon the US to allow the full and effective implementation of the first-stage EU-US aviation agreement and of the EU-US aviation safety agreement; reminds both the Commission and the US authorities that failure to conclude a second-stage agreement could lead to the cancellation of the first-stage agreement by some Member States; calls upon the US to avoid any measures which work against reinforced cooperation, such as those on foreign repair stations, anti-trust exemptions and air carrier citizenship mentioned in House Resolution 915;

***Transatlantic Economic Council meeting and the reinforcement of the TEC***

20. Underlines that a closer transatlantic partnership with a view to the completion of a

transatlantic market by 2015, based on the principle of a social market economy, is a vital instrument for shaping globalisation and for dealing with global economic and social crises; points out that many of the non-tariff barriers to trade and investment which the TEC is called upon to remove are rooted in the deliberate efforts of legislative bodies to foster the achievement of social, health-related, cultural or environmental objectives, and hence must not be abolished without a corresponding legislative act;

21. Requests the Commission to set out a detailed road map of existing obstacles to the attainment of that target; recalls the study which Parliament authorised and financed in its 2007 budget; wonders why neither of these documents has so far been released by the Commission despite repeated requests by Parliament that it do so; sets 15 November 2009 as the final date for their submission for publication;
22. Considers that transatlantic cooperation on energy efficiency and technology (including 'green energy') and on energy regulatory areas can be dealt with within the TEC; insists that transatlantic cooperation on energy security should constitute one of the central issues to be addressed regularly within the TPC, whose creation was proposed by the European Parliament in its above-mentioned resolution of 26 March 2009;
23. Believes that transatlantic economic cooperation must be made more accountable, transparent and predictable and that schedules of meetings, agendas, road maps and progress reports should be regularly published and immediately posted on a website; proposes to hold an annual debate on the progress made on issues discussed within the TEC, as well as its structure;
24. Believes none the less that the impact on commercial activities of actions taken by governments in this context on matters such as privacy and data protection standards, biometric specifications, aviation security, travel documentation and exchanges of passenger information, should not be neglected by the TEC;
25. Calls on the US authorities and the Commission to further intensify their negotiations to find balanced solutions concerning inter alia, air security needs and data protection in the field of passenger name records (PNR), reviews of security checks at airports and the more effective incorporation of measures to reduce the impact of transatlantic and international aviation on climate into the Copenhagen negotiations and ICAO agreements;

### ***The role of the TLD in the TEC***

26. Calls once again on the leadership of the EU and the US, as well as the co-chairs of the TEC, to take account of the crucial role of legislators for the success of the TEC; urges them to involve the representatives of the TLD fully and directly in the TEC, as legislators share with their respective executive branches responsibility for the enactment and oversight of many of the TEC decisions;
27. Believes that it is essential to ensure that the most appropriate members of Congress and of the European Parliament are brought into the Legislators' Dialogue and the TEC process, in order to make sure that legislation has no unintended consequences for transatlantic trade and investment; hopes that the new agreement could upgrade the current TLD into a transatlantic interparliamentary assembly, following recommendations made by Parliament in its above-mentioned resolution of 26 March 2009;

### *TEC and the economic and financial crises*

28. Welcomes the fact that the TEC is advised by a range of stakeholders, including representatives of business, and calls for a comparable role to be given to representatives of the trade union movement on each side of the Atlantic, so that the social dimension is fully included; calls for the heads of the Transatlantic Labour Dialogue and the future Transatlantic Energy Dialogue to be included in the Group of Advisers; however, is of the view that their consultative role is to be differentiated from the legislative role of the US Congress and the European Parliament;
29. Underlines the role of the TEC in promoting and ensuring a coordinated US-EU regulatory response to the crises, in particular regarding alternative investment funds, financial market infrastructure (especially as regards over-the-counter (OTC) derivatives markets), capital requirements, tax havens and cross-border insolvency resolution; calls on the TEC to examine the coordination of, and best practice with regard to, remuneration policy for financial institutions, ensuring that remuneration is based on long-term results, and thus reducing risk exposure;
30. Emphasises that the risk of a credit crunch is not over; stresses in this regard that coordinated macroeconomic policies are vital to achieving a sustainable global economic recovery and addressing the rising level of unemployment;
31. Calls on the TEC to insist that the US authorities take into account changes to the EU capital requirements directives when implementing the Basel II framework; welcomes the proposal of the US Government to regulate all OTC derivatives and its work on a central clearing house for complex structured products, and calls on the TEC to examine how to promote a coordinated approach concerning treatment of asset classes and corporations as well as infrastructure equivalence;
32. Calls on the TEC to ensure that the US authorities coordinate with the proposed EU directive on alternative investment fund managers (the AIFM Directive), in order to avoid regulatory arbitrage;
33. Urges the TEC to address the issue of 'too big to fail' institutions and supports the G-20 proposals for 'living will' contingency plans for systemically important cross-border institutions; considers that systemically important financial institutions could be subject to stricter disclosure requirements such as limitations on commercial confidentiality, in the same way as dominant companies can be under EU competition policy;
34. Supports the G-20 call to speed up convergence of accounting standards; urges the TEC to invite the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) to agree a single set of high-quality global accounting standards and complete their convergence project by June 2011; underlines that the IASB should continue its governance reforms;
35. Urges the TEC to insist that the US authorities abide by their road map for requiring US domestic users to apply the International Financial Reporting Standards (IFRS); recalls its request that, until the US adopts the IFRS, the US Securities and Exchange Commission (SEC) should recognise the IFRS, as adopted by the EU and until the decision requiring US users to apply the IFRS has been made, as being equivalent to the Generally Accepted Accounting Principles in the US (US GAAP); urges the TEC to promote the development of

a country-by-country breakdown of reporting for multinational groups;

36. Hopes that the TEC will urge changes in US insurance supervision that will enable the EU to recognise the US insurance supervisory regime as equivalent under the conditions set out in the Solvency II Directive; is of the opinion that the initiative to set up an Office of National Insurance would improve EU-US cooperation; calls on the TEC to ensure that the US authorities make progress on federal-level insurance supervision by separating, if necessary, tax and other issues from the pure supervision aspect;
37. Welcomes the expansion of the Global Forum on Transparency and Exchange of Information (GFTEI) and sees it as a promising step that all 87 countries in the GFTEI have agreed to adopt the OECD standard on tax information sharing; urges the TEC to ensure that the EU and the US show their common global leadership by ensuring that the necessary incentives, including sanctions, are in place in March 2010, and to quickly implement, with all parties, a programme of peer review to assess progress, but considers that this framework must be reinforced to combat tax evasion and avoidance; stresses that automatic information should be the standard in all transnational tax matters;
38. Believes that the exchange of corporate social responsibility (CSR) best practices between the US and the EU will have a significant impact on the attitude of enterprises to CSR and on their positive engagement with social and environmental issues; considers that regulatory cooperation should take into account the strengthening of the EU regulatory framework regarding the Capital Requirements Directive, in particular remuneration policies in the financial services sector;
39. Welcomes the G-20 leaders' conclusions;

#### ***TEC and intellectual property***

40. Calls on the forthcoming TEC meeting to promote strategic transatlantic cooperation on the protection of intellectual property with full respect for the fundamental and civil rights of citizens; underlines that the spread of technologies must not distort the system of intellectual property protection that guarantees the ability to take financial and business risks inherent in the innovation process;
41. Reminds the TEC that the information society is a crucial pillar of the transatlantic economic area based on access to knowledge and on a new model for the protection and sharing of digital content, in keeping with proportionality;

#### ***TEC and consumer protection***

42. Calls on the TEC to promote joint actions to ensure that third countries, particularly China, raise their production standards to meet EU/US safety requirements, in particular for toys, and to ensure strict enforcement, on both sides of the Atlantic, of safety laws regarding products, particularly toys, as well as stronger national inspections;
43. Calls on the Commission to develop within the TEC stronger and more effective cross-border enforcement cooperation mechanisms, with the objective of linking the EU 'RAPEX' alert system for consumer products which pose a serious risk to consumers to the US Consumer Product Safety Commission alert system and integrating the activities of the EU's consumer protection cooperation network with those of the US authorities;

44. Proposes that the TEC endorse the adoption of a binding cooperation instrument which would structure and facilitate the sharing of information on product safety and the development of a common programme of cooperative actions;
45. Calls on the Commission to accelerate, with a view to the forthcoming TEC meeting and EU-US Summit, its work on a much-delayed bilateral Enforcement Cooperation Agreement extending to the US, its enforcement activities within the framework of the EU Consumer Protection Cooperation Regulation<sup>1</sup> and the US Safe Web Act;
46. Calls on the Commission to work with US counterparts in order to allow the TEC to examine ways of enhancing consumer protection with due regard for the digital rights of consumers, as well as working together on rules for defective goods;

#### ***Bilateral trade – customs matters, market surveillance and trade security***

47. Calls on the TEC to promote the strengthening of cooperation between the EU and the US customs and market surveillance authorities, in order to prevent dangerous products, in particular dangerous toys, from reaching consumers;
48. Calls on the TEC to voice EU concerns over the US unilateral legislative measure regarding the 100 % scanning of US-bound maritime cargo containers, as adopted by the US Congress; believes that the TEC could usefully organise seminars on the 100 % scanning issue in Brussels and Washington, in order to foster a deeper understanding between US and EU legislators and to promote an early and mutually acceptable resolution of this problem; calls on the Commission to evaluate, for the forthcoming TEC meeting, the potential costs of this measure to business and to the EU economy, as well as the potential impact on customs operations;
49. Is resolved to continue to call on the US legislature – and calls on the Commission to do likewise within the TEC – to reconsider the 100 % container-scanning obligation, and to develop cooperation with the US based on risk management, including mutual recognition of the EU and US trade partnership programmes, in accordance with the SAFE Framework of Standards of the World Customs Organization;

#### ***Mutual recognition and standardisation***

50. Calls on the Commission to pursue, in the light of the forthcoming TEC meeting, the formal adoption of procedures for the mutual recognition of declarations of conformity for products subject to mandatory third-party testing, in particular for ICT and electrical equipment, to insist on the mutual recognition of legal units of measurement, in particular acceptance of metric-only labelling of EU products in the US, to explore standardisation with US authorities, to establish round tables on standards focusing on innovative solutions and to coordinate internationally;

#### ***Environmental and public health issues***

51. Considers it of the utmost importance to engage in a dialogue in the TEC on novel foods

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<sup>1</sup> Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (OJ L 364, 9.12.2004, p. 1).

and the use of new technologies in food production; emphasises concerns regarding cloning in animal breeding;

52. Welcomes the fact that the US Government has recognised the need to reform its Toxic Substances Control Act; calls on the EU and US to cooperate so as to establish a regulatory system in the US that brings about a level of protection compatible with REACH;

### ***Energy, industry and science***

53. Calls for cooperation within the TEC on all matters affecting the regulatory environment for industries, following the approach of the EU 'Small Business Act' – thinking small first – when considering legislation with a transatlantic impact;
54. Encourages the TEC to develop cooperation towards a common energy strategy which supports diversification and promotes an eco-efficient economy, in order to increase security of supply, and encourages the TEC to help seek convergent sustainability criteria for biofuels;
55. Urges the TEC to stimulate cooperation in research so as to better exploit the potential of the extended EU-US Science and Technology Agreement;

### ***International trade***

56. Considers that access to third-country markets is a matter of common concern and interest for both the EU and the US; is convinced that the TEC can play an important role in fostering a common approach by the EU and the US in their trade relations with third countries; calls on the TEC to work towards a more common approach to new free-trade agreements on the part of the US and the EU, with a view to harmonising such agreements, including social and environmental standards;
57. Calls on the TEC to deal with the legal framework and technical standards in order to remedy unclear legal conditions and in this context to consider the issues of contracts, duties or legal security in the US;

### ***Judicial and police cooperation, visas***

58. Hopes that the EU-US Ministerial Meeting scheduled to be held on 28 October 2009 in Washington DC will adopt a joint declaration on police and judicial cooperation, covering in particular cyber-security;
59. Recalls its determination to fight terrorism and its firm belief in the need to strike the right balance between security measures and the protection of civil liberties and fundamental rights, while ensuring the utmost respect for privacy and data protection; reaffirms that necessity and proportionality are key principles without which the fight against terrorism will never be effective;
60. Believes that a sound legal and political framework is needed for strong cooperation between the EU and the US in matters related to justice, freedom and security and that a stronger partnership involving the parliamentary and democratic dimension is essential in order to address effectively common challenges such as the fight against terrorism and organised crime without prejudice to fundamental rights and the rule of law, judicial

cooperation in criminal matters and police cooperation, management of migration and protection of the right to seek asylum, and promotion of visa-free movement of all bona fide citizens between the two areas;

61. In this respect, recalls that the European Union is based on the rule of law and that all transfers of European personal data to third countries for security purposes should respect procedural guarantees and defence rights and comply with data-protection legislation at national and European level;
62. Recalls that, within the transatlantic framework of the EU-US agreement on legal assistance, which will enter into force on 1 January 2010, Article 4 provides for access to be granted to targeted financial data upon request, through national state authorities, and that this might constitute a sounder legal basis for the transfer of SWIFT data than the proposed interim agreement;
63. Notes that an interim agreement on the transfer of such data is being negotiated between the EU and the US which would be valid for an intermediate period through a sunset clause not exceeding 12 months, and that a new agreement, negotiated without prejudice to the procedure to be followed under the Lisbon Treaty, will have to fully involve the European Parliament and national parliaments and ensure that the conditions set out in Paragraph 3 of its above-mentioned resolution of 17 September 2009 are fulfilled;

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64. Instructs its President to forward this resolution to the Council, the Commission, the governments and parliaments of the Member States, the US Congress, the co-chairs of the Transatlantic Legislators' Dialogue, and the co-chairs and secretariat of the Transatlantic Economic Council.