

Rep. Shelley Berkley
Remarks to the Transatlantic Economic Council
October 27, 2009

Mr. Froman, Mr. Verheugen, thank you for your invitation to speak today as part of the Transatlantic Economic Council. Before I begin, I also want to recognize outgoing EU Ambassador John Bruton, who has been a steadfast supporter of the Transatlantic Legislators' Dialogue and all efforts to strengthen the US-EU friendship, and is leaving Washington at the end of this week. Thank you, Mr. Bruton.

I believe in the TEC and want it to succeed. I am encouraged to see both sides continuing to show dedication to the TEC and to transatlantic economic integration generally. It is an important feature of our relationship and serves to strengthen us – as individual economies and, together, as world economic leaders. I have been a participant and close observer of these meetings since the inception of the TEC in 2007 and this is the first time we are meeting on Capitol Hill. I believe the Obama Administration is fully engaged in the transatlantic

relationship and supports Congressional involvement in that effort, particularly through the Transatlantic Legislators' Dialogue, which I chair. This is a golden opportunity – with the new U.S. administration, the recent European Parliament elections and the incoming European Commission – for us to take stock of where the TEC is and move it forward in a useful direction.

The TEC has seen its share of successes and failures. The mutual recognition of accounting standards was a great step forward, while the dispute over chickens was, in retrospect, a waste of time. The chicken dispute was essentially a trade dispute like any other, with one side complaining about the other's regulations; by contrast, the accounting standards issue was seen as an opportunity for both sides to ease transactions and make bookkeeping easier for firms that conduct transatlantic business. The TEC is at its best when both sides are ready to cooperate, seeing the opportunities to harmonize our economies and increase our trade. Trade disputes are better left to our respective trade representative offices and the World Trade Organization.

I believe the TEC can also be most effective when it is focused on the future. The TEC can serve as a sort of “early warning system” for Congress and the Administration, to help make policymakers aware of the potential transatlantic pitfalls in legislation, regulations and other policies. We seldom think about other countries when we craft legislation on financial services or energy, but the fact remains that our legislation can have enormous impact on others – whether it be the Sarbanes-Oxley Act or cap-and-trade. TEC can play an important role in educating us on the Hill about the impacts of our legislation and educating the Administration about its pending regulations. Oftentimes, we learn about one another’s new policies when they are already too far along the legislative or regulatory process for us to have an impact, so the TEC can help to identify possible pitfalls early enough to have them dealt with properly.

This brings me to my next point, which I believe I have made at every TEC meeting: the importance of engaging the legislative bodies on both sides of the Atlantic. I am here with a number of my colleagues who are engaged and ready to act, as needed. They

understand and value our economic integration and support the TEC wholeheartedly. While there has been improvement in the communication between the TEC's principals and our offices, as illustrated by your presence on the Hill today, there is still room for improvement. I hope this meeting will help demonstrate Congress' interest in the TEC and impress upon you the need for further involvement. If we are to take transatlantic considerations seriously when crafting our legislation, then we need to know about them. Our offices are seldom equipped for those kinds of considerations, and that is where the TEC can be most effective – in identifying possible transatlantic concerns that might not be obvious at first.

A particular example where the TEC should focus is on the energy and “green” sector. As the EU and the U.S. both continue down the path toward greater energy efficiency, renewable energy and reduction of greenhouse gases, it is essential that we coordinate and cooperate as much as possible. We must ensure our cap-and-trade systems are interoperable while avoiding contradictory environmental standards. By coordinating our

efforts, we can ensure that our economies take the lead globally on these new standards and that our systems become the standard for other parts of the world as well.

The same can be said as well for the new financial regulations we are putting in place as we recover from the global economic downturn. It is well known that the Europeans and Americans have different ways of approaching regulation. Too often, regulators on either side of the Atlantic have thrown up their hands and said “we just have to agree to disagree” but the TEC can play a mediating role in this, by pushing for harmonization as much as possible, and – at the very least – mutual recognition of standards, when harmonization is not possible.

Simply having the TEC in existence is not enough. A sustained and broad education campaign is necessary to help Congress see the value in considering the other side of the Atlantic before writing laws and regulations. I urge you to reach out directly to the committees of jurisdiction to educate them about the TEC, and about transatlantic trade generally, and to establish those crucial relationships

that will ease future communication between TEC and the Congress. And, in the future, it will be necessary for the TEC to keep a close eye on Congress to highlight those concerns and resolve them as early as possible. I cannot stress enough the importance of education on the Hill, which can really only come from the Administration.

I thank you once again for coming to the Hill, and for listening to our remarks. I know my colleagues Mr. Stearns, Mr. Costa and Mr. Kanjorski will have their own comments, as will my European colleagues, led by Elmar Brok. We all hope you will take these comments seriously and that this will open up a sustained dialogue in the future.