



**COUNCIL OF  
THE EUROPEAN UNION**



Brdo, 10 June 2008  
10562/08 (Presse 168)

**2008 EU-US Summit Declaration  
Brdo, Slovenia, 10 June 2008**

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## **I. 2008 EU-US SUMMIT DECLARATION**

We, the leaders of the European Union and the United States of America, met today in Brdo, Slovenia to further strengthen our strategic partnership. We view this Summit, and the fact that it is being hosted by Slovenia in its role as Presidency of the Council of the EU, as symbolic of our endeavour to realise a free, democratic and united Europe. The process of unifying Europe is one of the outstanding historical legacies of our partnership over the past half century.

The strategic partnership between the EU and the U.S. is firmly anchored in our common values and increasingly serves as a platform from which we can act in partnership to meet the most serious global challenges and to advance our shared values, freedom and prosperity around the globe. We seek a world based on international law, democracy, the rule of law and human rights, and strengthened by broad and sustainable market-based economic growth. The bond between the EU and the U.S. has proven its resilience through times of difficulty, and we continue to demonstrate global leadership and effective transatlantic cooperation in the face of the most pressing challenges of our day:

- Promoting international peace, stability, democracy, human rights, international criminal justice, the rule of law and good governance;
- Working together in conflict prevention and post-conflict reconstruction;
- Fighting the scourge of terrorism while protecting the fundamental freedoms on which our democratic societies are built;
- Encouraging the world's fast-growing economic powers to assume their responsibilities in the global rules-based system;
- Fostering an open, competitive and innovative transatlantic economy, through free movement of goods, persons, services and capital, while working together towards a prompt, balanced and ambitious agreement in the WTO Doha Round that creates new market access and strengthens growth in both developed and developing nations;
- Combating climate change, promoting energy security and efficiency, helping developing nations lift themselves out of poverty, and fighting the most crippling infectious diseases.

An effective response to these challenges requires transatlantic unity of purpose and effective multilateral approaches. We stand stronger when we stand together especially in meeting new global challenges.

### **Global Security, Peace, Human Rights and Democracy**

In this decisive year for the **Western Balkans**, we underline the importance of the European and transatlantic perspective as an essential element in promoting stability and economic progress for the whole region. We welcome the commitment of the EU to extend membership to all the countries of the Western Balkans, as soon as necessary conditions are met. We also welcome NATO's recent decisions to extend its membership into the Western Balkans.

We welcome progress made by **Croatia, Serbia, Albania, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Montenegro** in the processes of EU and NATO integration. We welcome the signature of the Stabilisation and Association Agreement and of the EU Interim Agreement with Serbia as a confirmation of its commitment to a European perspective and an important step on the country's path towards the EU. We welcome the commitment of all political forces in the former Yugoslav Republic of Macedonia to remain united behind the national consensus to actively pursue Euro-Atlantic integration. We welcome the forthcoming signature of the Stabilisation and Association Agreement with Bosnia and Herzegovina and urge the Bosnian leaders to remain committed to a sustainable reform process.

We will continue to support the stability and security of **Kosovo** and its regional integration, and will assist Kosovo in its economic and institutional development. We note that the Kosovo authorities are committed to the objective of a stable, democratic and multi-ethnic society. We commend NATO's contributions to Kosovo as well as those of the OSCE. We will cooperate on completing a smooth transition from UNMIK to EULEX responsibility for the rule of law and its full deployment throughout all of Kosovo, which is essential for the stability of Kosovo. The EU welcomes U.S. participation in the EULEX mission.

We welcome the recent steps forward towards **Peace in the Middle East**, and will pursue complementary efforts to support the Parties' efforts to reach a political agreement by the end of 2008, as foreseen at the Annapolis Conference. We are determined to support the subsequent implementation of that agreement, and call again on Israel and the Palestinians to implement their Roadmap obligations in full. The EU and the U.S. are doing important work in the area of Palestinian capacity-building to pave the way for a future democratic Palestinian state living side by side in peace and security with Israel and its other neighbours. We underline the importance of continued broad and constructive involvement by Arab partners and commend the Arab League's Peace Initiative and its goal of promoting a comprehensive peace in the Middle East. We call on donors, especially those in the region to follow through on and, if possible increase, their pledges and deliver assistance to the Palestinian Authority.

We welcome the election of Michel Suleiman as President of **Lebanon**. We look forward to the full implementation of the Doha agreement and a full resumption of the functioning of all democratic institutions of the state of Lebanon. We reaffirm our joint commitment to the sovereignty and independence of Lebanon, and our support for its government. We call on all concerned parties, including Syria, to comply with UN Security Council 1559, 1701, 1757, and other relevant resolutions, including full cooperation with the Special Tribunal for Lebanon. We reject the use of violence as a means to achieve political ends, and we reiterate our support for the extension of the full authority of the Government of Lebanon throughout Lebanese territory.

We expect **Iran** to comply with its international obligations concerning its nuclear activities, including the full and verifiable suspension of enrichment and full cooperation with the IAEA. Iran must fully restore confidence in the exclusively peaceful nature of its nuclear programme through implementation of the Additional Protocol. Iran must provide to the IAEA full disclosure of any weapons-related work and allow the IAEA to verify that any such work has ceased. We affirm the dual track strategy on this issue which was reinforced by the incentives package and reiterate our belief that a mutually satisfactory, negotiated solution remains open to Iran. At the same time, we will fully and effectively implement UN Security Council Resolutions 1737, 1747, 1803 and other pertinent resolutions and we are ready to supplement those sanctions with additional measures. We will continue to work together, including through the Financial Action Task Force, to take steps to ensure Iranian banks cannot abuse the international banking system to support proliferation and terrorism. We call upon the Government of Iran to cooperate in the fight against terrorism. We reiterate our concern about Iran's regional policies, especially its continued support for terrorist organisations, and call on Iran to play a responsible and constructive role in the region. We also underline our continued concern about the deterioration of the human rights situation in Iran, especially those of human rights defenders, women and minorities.

We welcome the meetings of the Neighbouring Countries of **Iraq** and of the International Compact with Iraq, and acknowledge the value and importance of these ongoing processes, which remain essential to achieve security and prosperity in Iraq and in the region as a whole. We encourage the countries in the region to increase engagement with Iraq by opening diplomatic missions in Baghdad, exchanging senior-level visits, and making progress on bilateral debt negotiations. We welcome the more extensive role played by the UN/UNAMI in Iraq in line with UNSCR 1770. We will continue to work jointly in support of the Government of Iraq's efforts to hold provincial elections as part of its efforts towards national reconciliation and in promoting peace, stability, and security for the benefit of all Iraqis. We encourage all political actors in Iraq to do their utmost to bring an end to violence. We will work with Iraq to hasten its ability to join the WTO. The EU's substantial assistance in Iraq, including more high-level contacts with the Iraqi government, is complemented by negotiating an EU/Iraq Trade and Cooperation Agreement for which we look forward to a rapid conclusion.

We share a long-term commitment towards the stabilisation and development of a democratic **Afghanistan**. We appreciate NATO's work in leading the International Security Assistance Force in Afghanistan, and will work closely to ensure the success of the mission of UN Special Representative Kai Eide. We are enhancing our strategic cooperation on assisting Afghanistan, including expanding the size and scope of our justice and police reform assistance and counter-narcotics efforts. We look forward to reaffirming our long-term commitment to Afghanistan's development at the 12 June Paris Support Conference. We call on the Afghan Government to further invigorate its efforts to improve governance and human rights, including media freedom, and fight corruption, drug production, and drug trafficking, and we call on our international partners to maintain their generosity.

We welcome the recent progress made in **Pakistan** towards a lasting democratic transition. We are committed to supporting the new democratically elected government in tackling the many challenges it faces, not least the threat from violent extremism.

We stand ready to work together with **Russia** on major regional and global issues of mutual concern as we recognise the important and constructive role that Russia should play on the international stage. We encourage Russia to meet its international commitments on human rights and democratic development, including in the Council of Europe and the OSCE. We also encourage Russia's engagement in a productive and transparent dialogue aiming at beneficial cooperation, in order to promote democratic values and freedoms.

We offer our deepest condolences to the people of **China** for the earthquake victims in Sichuan. Recognising China's growing role as an engaged member of the international community, we will continue our constructive engagement and will encourage China to assume a greater role in helping to tackle issues of global concern, such as the international financial and trading system, climate change, sustainable development and the proliferation of weapons of mass destruction. We also encourage greater regional integration as a means for promoting prosperity and stability in East Asia. We are concerned about the recent unrest in Tibet and urge all sides to refrain from further violence. We welcome China's recent decision to hold talks with the Dalai Lama's representatives. We encourage both parties to move forward with a substantive, constructive and results-oriented dialogue at an early date. We urge China to take substantive steps to allow its citizens to enjoy internationally recognized human rights. We encourage China to address its poor human rights record.

We offer our deepest condolences and reiterate our concern for the **Burmese** victims of Cyclone Nargis and our commitment to assist them as they recover from this tragedy. We call on the Burmese authorities to meet their commitments to grant access to foreign aid workers to the cyclone affected areas. We confirm our intention to continue our substantial humanitarian aid to the people affected by the disaster, in particular through the combined efforts of the UN, ASEAN, international and local agencies, and NGOs. Separately, we remain deeply concerned at continued repression in Burma/Myanmar as well as the lack of progress toward national reconciliation and a credible transition to legitimate civilian government. We reiterate our support to the Good Offices Mission of the UN Secretary General, and will continue to pressure the Burmese authorities, including implementing targeted sanctions, to embark on an inclusive dialogue with all stakeholders in the country, including Aung San Suu Kyi and other democratic and ethnic minority representatives. We are deeply troubled by the Burmese regime's extension of Aung San Suu Kyi's house arrest on 27 May and call upon the regime to release her and all political prisoners.

We commend the continued efforts of **Ukraine, Georgia and the Republic of Moldova** to meet European standards, we welcome their aspirations and we commit to help these countries achieve their reform goals as soon as possible. We note that NATO leaders sent a clear message in Bucharest that Georgia and Ukraine will become members of NATO. We are ready to work with all appropriate parties to promote resolution of the conflicts in the region. We reiterate our commitment to the principles of sovereignty and territorial integrity of Georgia within its internationally recognised borders, and call on all parties, in particular on Russia, to support these principles. We welcome the Georgian President's recent peace initiatives on Abkhazia, as well as the recent direct talks between the parties, hoping that they will contribute to a peaceful resolution to the conflict.

In **Belarus, Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Tajikistan, Uzbekistan and Kyrgyzstan** we will continue to promote democracy, the rule of law, and respect for human rights. With regard to Belarus, we will continue to hold Belarusian officials responsible for human rights abuses. We call on the Belarusian authorities to release unconditionally and immediately all remaining political prisoners. We condemn the use of coercive measures taken against diplomatic missions in Belarus.

We will continue to act together in order to stabilise **Sudan, Somalia and the Great Lakes region of Africa**. We will coordinate our efforts to support African Union capacity-building including financial accountability and the development of the African Standby Force. We note the EU commitment to maintain its peacekeeping efforts in eastern Chad in line with commitments and deadlines contained in UNSCR 1778 and commit to work together to increase pressure on Darfur rebels and the Government of Sudan, including through the implementation of sanctions with the goal of accelerating the deployment of the UN/African Union Hybrid Mission in Darfur and promoting the peace process mediated by the UN and AU Special Envoys and in full compliance with UNSCR 1593 and UNSCR 1769. We will continue to support the full implementation of the Comprehensive Peace Agreement as the bedrock of long-term stability and the way forward for democracy in Sudan.

We call on the government of **Zimbabwe** immediately to cease the state-sponsored violence and intimidation against its people that has occurred since the 29 March presidential and parliamentary elections and which is so hostile to the tenets of democracy and human rights, and we strongly back the efforts of African leaders to bring about an expeditious resolution to this crisis. We urge the United Nations Secretary-General to send a team immediately to monitor human rights and to deter further abuses. The announced second round of presidential elections on 27 June presents the opportunity for the Zimbabwean people to express freely and democratically their will, opening the way for delivering political stability to the country. A free and fair presidential run-off is critical to the resolution of the ongoing crisis.

We will continue to work together and in collaboration with partners in **Latin America** and the **Caribbean**, to spread the benefits of democracy in the Western Hemisphere; to promote economic opportunity and social development; to uphold democratic institutions and human rights; and to enhance security. We encourage democratic processes in the countries of the region consistent with the Inter-American Democratic Charter. We welcome Cuba's signing of the International Covenant on Civil and Political Rights and urge the government to ratify the Covenant and demonstrate its commitment by unconditionally releasing all political prisoners. We will work together to support human rights, democratic values and an active civil society and the continued exercise of freedom of expression throughout the region. We condemn the taking of hostages in any circumstances whatsoever and call on illegal armed groups to release all hostages.

We will continue acting jointly bilaterally and multilaterally to promote **democracy, safeguard peace and human rights** and in this regard encourage all governments to promote and protect their citizens' human rights. We have co-sponsored a Declaration in the United Nations General Assembly to highlight the plight of prisoners of conscience throughout the world in honour of the 60<sup>th</sup> anniversary of the Universal Declaration of Human Rights. We will continue to work cooperatively to promote democratic governance around the world and are prepared to encourage multilateral initiatives such as the Community of Democracies.

We are committed to support effective multilateralism, based on a stronger and more efficient **United Nations**. We will work to strengthen the United Nations so that it can better fulfil the goals and objectives set forth in its mandate with transparency and accountability. We will work together to ensure that the multilateral system takes action to protect the freedoms of individuals, and will hold all regimes that fail to protect the human rights of their people accountable. We will support in the UN more effective peacekeeping, disarmament, and delivery of development assistance, and food assistance.



We recognise the need for further cooperation to tackle **international terrorism**, particularly through an active role for the U.S., the EU and Member States in multilateral counter-terrorism efforts at the UN. We stand ready to work for an effective implementation of the UN Global Counter-Terrorism Strategy. We will continue to work together to reach international consensus towards an agreement on a Comprehensive Convention on International Terrorism that enhances global efforts to combat terrorism and strengthens the existing international legal framework for counter-terrorism. We call for full implementation of UNSC counter-terrorism Resolutions 1267, 1373 and 1540 and support the work of the respective UNSC Committees. We will redouble our efforts to ensure that the UNSCR 1267 Consolidated List accurately reflects facts on the ground, including through proposals of new listings. We agreed to expand our cooperation on counter-terrorism finance including preventing misuses of charities and bulk cash smuggling to finance terrorism, and increase information sharing.

We will seek to deepen our ties in our common fight against terrorism. We will ensure that efforts to combat terrorism comply with our obligations under **international law**, in particular international human rights law, refugee law and humanitarian law. We will take steps to ensure that members of designated terrorist groups do not misuse the law. We agree that the fight against international terrorism raises important legal questions. We have continued and deepened our dialogue on international law principles, relevant to our common fight against terrorism. Our dialogue contributes to a better mutual understanding of our respective legal frameworks and helps us work together more effectively.

We look forward to the imminent ratification and entry into force of the **EU-U.S. Extradition and Mutual Legal Assistance Agreements**, which are important tools for enhancing fully judicial cooperation and for better tackling organised crime and terrorist offences.

We will work together to combat the global threats posed by **transnational organised crime, grand scale corruption, and terrorism**. We recognise that transnational criminal syndicates, high level corruption, and terrorist networks destabilise societies by undermining the rule of law and impeding efforts to promote freedom and democracy. We look forward to strengthening international cooperation and working jointly to provide capacity to combat these global threats. We also call for full implementation of the UN Convention Against Corruption, the UN Convention Against Transnational Organised Crime and its complementary protocols, as well as other UN instruments and resolutions to fight organised crime, corruption, and terrorism.

We recognise that the fight against transnational crime and terrorism requires the ability to share **personal data** for law enforcement purposes while fully protecting the fundamental rights and civil liberties of our citizens, in particular their privacy and personal data protection, by maintaining necessary standards of personal data protection. Our ongoing discussions within the High Level Contact Group (HLCG) on EU and U.S. frameworks for the protection of personal data have allowed us to identify a number of significant commonalities in our approaches based upon our shared values. The best way to ensure these interests are met is through a binding international agreement that addresses all the issues identified in the HLCG report. Our challenge moving forward will be to translate insights into greater collaboration in all aspects of law enforcement cooperation.

We will continue to work together to strengthen and universalise relevant **disarmament and non-proliferation** treaties and regimes. We agree to continue and further develop our cooperation in promoting strict implementation of and compliance with relevant treaties, agreements and commitments on non-proliferation. We will cooperate as appropriate in programmes aiming at raising awareness and at improving national capacity to prevent and counter the weapons of mass destruction (WMD) threat, including by combating the financing of proliferation and the threat of nuclear terrorism. We will continue our joint efforts to better coordinate multilateral capacity building and third country assistance on non-proliferation, in particular drawing on our joint support for United Nations Security Council Resolution 1540 and the decision by the Security Council to extend the important work of this universal effort through UNSCRs 1673 (2006) and 1810 (2008). We call for geographical expansion of the G8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction. We will address together the challenges posed by non-compliance with regimes restricting the use or proliferation of WMD, and continue our productive dialogue on verification and compliance, established at the 2005 Summit, with a view to identifying opportunities for joint initiatives. We will continue to develop our cooperation in combating nuclear terrorism, in particular through the Global Initiative to Combat Nuclear Terrorism in which all EU Member States are partners.

We recognise the need for further cooperation on preventing and fighting **international piracy**, especially in the framework of the UN.

The security challenges we face call for enhanced cooperation on **crisis management**. We recognise that modern crisis management requires a comprehensive approach. We can improve our response to crises through close collaboration on all aspects of crisis management, consistent with and building upon cooperation with the UN, other nations, NATO, and other multilateral organisations as appropriate, with a particular view to enhancing transatlantic cooperation in civilian aspects of crisis management and conflict prevention through our agreed Work Plan. We recognise the contribution that a strong EU role in crisis management can bring to the world and support closer EU-NATO relations to better address a wide range of issues of common interest relating to crisis management.

We will support and work together actively in a spirit of mutual respect and cooperation to advance **international criminal justice** and accountability for war crimes, genocide and crimes against humanity.

Recognising the serious threat presented by cocaine production and trafficking, we endorse intensified cooperation on intelligence sharing and interdiction in this field, and we commit in particular to facilitate an exchange of information and a coordination of assistance efforts to address **drug trafficking** from Latin America, especially to West Africa.

### **Transatlantic Partnership**

The **transatlantic economy** represents the most significant bilateral economic relationship in the world and has in recent years continued to grow even stronger. The Framework for Advancing Transatlantic Economic Integration which we signed at the April 2007 Summit has succeeded in achieving closer transatlantic economic integration and growth by promoting regulatory cooperation, capital markets integration, investment, and innovation, and by promoting the protection of intellectual property rights and facilitating secure trade. We welcome the work of the Transatlantic Economic Council (TEC) which we are determined to make an effective forum for advancing concrete solutions to obstacles in EU/U.S. trade and investment relations. To fulfil the TEC's mandate of creating a barrier-free transatlantic market, it is essential that both sides follow through on their commitments as outlined in the Progress Report to the Summit.

Collaboration between our regulators is critical to further integrating our economies and supports our shared interest in advancing global prosperity. We expect that improvements to our respective **regulatory processes** will benefit stakeholders and help diminish unnecessary regulatory divergences. In this respect, we will continue our efforts via the High Level Regulatory Cooperation Forum and the European Commission - U.S. Office of Management and Budget dialogue to address methodological issues regarding regulatory impact assessment and risk analysis.

We also share a commitment to an **open global investment environment** because open investment policies are fundamental to transatlantic and global economic growth and prosperity. We welcome the TEC's endorsement of the importance of open investment, and will resist protectionist sentiment at home and oppose protectionism abroad. We are committed to continuing to strengthen the EU-U.S. Investment Dialogue, which should continue to facilitate transatlantic investment and to develop common approaches to global investment issues.

We will advance our shared objective of effective protection and enforcement of **intellectual property rights**. Toward this end we will work together with other trading partners to seek to conclude a strong Anti-Counterfeiting Trade Agreement (ACTA) by the end of the year.

The first-stage **EU-U.S. Air Transport Agreement**, which was provisionally applied as of 30 March, inaugurates a new era in transatlantic aviation. We welcome the start on 15 May in Slovenia of the second stage of negotiations aimed at further liberalisation of the transatlantic aviation market.

We look forward to a new **EU-U.S. Aviation Safety Agreement**, which will establish a deeper safety-regulatory partnership across the Atlantic and further improve safety in and between our air transport systems. We call on both sides to accelerate their work to allow for the signature of the agreement by the end of June.

We adhere to the fundamental goal of **free and secure movement of goods** across the Atlantic through multi-layered and risk-based security measures. We welcome the recent adoption of a roadmap towards mutual recognition of our respective trade partnership programmes in 2009 and the recent exchanges of customs officers.

We reaffirm our commitment to strengthen the capacities of the EU and U.S. economies for **innovation** by working to promote the importance and potential benefits of greater transatlantic cooperation on innovation activities.

We acknowledge that all EU and U.S. citizens should benefit from secure **visa-free travel** between our two continents. Since our last Summit, we have made significant efforts to this end. We will work together to enhance the security of visa-free travel and the U.S. remains committed to expand its Visa Waiver Programme (VWP) to all EU Member States as soon as possible, including bringing additional EU Member States into the VWP this year.

### **Global challenges**

**Free and fair trade and open investment regimes** are the cornerstones of global economic growth. We remain committed to achieving a prompt, ambitious and balanced outcome in the WTO Doha Development Agenda that creates new market access and economic opportunities, that promote development and alleviate poverty. We call on all WTO members to make meaningful contributions that are necessary to advance the negotiations, achieve a breakthrough on modalities in the next few weeks, and conclude an agreement as a matter of urgency.

We acknowledge the current difficult conditions in the **international financial system**. We will take appropriate individual and collective steps to address systemic risks and restore investor confidence. Through multilateral fora and bilateral cooperation, we will work collectively to underpin stability in the international financial system. This includes strengthening prudential oversight, improving risk and liquidity management, enhancing transparency, and fostering international cooperation between supervisors and central banks.

In the sphere of **development cooperation**, we reaffirm our commitment to contribute decisively to the Millennium Development Goals of the Millennium Declaration agreed to at the 2000 Summit and other development targets we have agreed to in other international fora. We will reinvigorate our efforts to meet these goals and in particular to respect our commitment on increased aid for Africa taken at Gleneagles in 2005, more than doubling official development assistance to Africa by 2010 compared to 2004. We will also renew our efforts to improve the quality and effectiveness of assistance in accordance with the Paris Declaration on Aid Effectiveness. We are committed to a successful outcome at the 3<sup>rd</sup> High Level Forum on Aid Effectiveness, to be held in Accra next September.

Building on the extensive work of the EU and the U.S. on **African development**, including President Bush's recent trip to Africa, the recently adopted EU-Africa Strategy and Action Plan, and G8 efforts, we pledge our commitment to help realise Africa's development potential; combat infectious diseases such as HIV/AIDS and malaria; foster human rights, democracy, and good governance; and cultivate investment, entrepreneurship, and economic growth.

We share a strong interest in supporting **global health**. We will continue to support partner countries as they work to achieve the health-related goals of the Millennium Declaration. We are accountable for progress in delivering on our promises to combat HIV/AIDS, malaria, TB, polio and other diseases. We will join together to combat neglected tropical diseases. We will work together to support efforts in partner countries to strengthen their health systems and in particular to improve availability of appropriately trained health workers. We will work, under the auspices of the World Health Organization, on a non-binding voluntary "Code of Practice" for health worker recruitment that supports health systems without creating policies that encourage discrimination in the recruitment and hiring of health workers based on national origin. We will also work to mobilise additional support from our private sectors for these efforts.

Recognising that **education** is the foundation of a successful society and a growing economy, we will work in partnership with developing countries to improve access to and quality of education. We will promote a holistic approach, balancing support to the different levels and types of education and coherent with the country context. We are committed to addressing the global shortfall of effective teachers through support for teacher training, recruitment, retention and capacity development.

We are conscious of the need for all countries, including major economies, to take responsibility for addressing the interconnected challenges of **climate change, energy security and efficiency**.

We are committed in the context of the **UN Framework Convention on Climate Change** (UNFCCC) to securing agreement by the end of 2009 to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012. The EU and the U.S. will pursue the search for global agreement on tackling climate change through the Major Economies Meetings and the G8, feeding into the international negotiations under the auspices of the UNFCCC, in accordance with our respective policies.

We will also continue our cooperation on climate change policies and other environmental issues through the **EU-U.S. High-Level Dialogue on Climate Change, Clean Energy and Sustainable Development**, focussing on issues such as promoting market-based domestic policies to reduce greenhouse gas emissions, facilitating trade and investment in new clean technologies, reducing air pollution and waste, combating illegal logging, and stemming the loss of biodiversity.

We will continue to cooperate on energy through our annual Strategic **Energy** Review, including implementing our joint action plan on biofuels, supporting the newly-launched International Partnership on Energy Efficiency Cooperation, and strengthening the International Energy Agency. We will continue to intensify our science and technology cooperation on energy and climate change in agreed priority areas, such as sustainable production and use of biofuels, clean and renewable energy sources, carbon capture and storage, hydrogen fuel cells, climate change impacts, and options for improving access to transatlantic research funding opportunities.

On **energy security**, we underline the importance of increasing competition in energy markets and promoting market-based solutions to diversify the development and transit of energy resources to the global market, including full implementation of the G8 St. Petersburg principles. We will work together with Ukraine to increase the transparency and efficiency of its energy markets and support international efforts to rehabilitate and modernise its transit networks. We will facilitate regional cooperation on energy with the countries of the Black Sea, the Caspian Basin and Central Asia and Iraq, and encourage the development of multiple pipelines, such as the Nabucco and Turkey-Greece-Italy projects, to supply additional natural gas to Europe from diversified sources.

## **II. TRANSATLANTIC ECONOMIC COUNCIL REPORT TO THE EU-US SUMMIT 2008**

### **Review of progress under the framework for advancing transatlantic economic integration between the European Union and the United States of America**

Believing that transatlantic economic integration will maximize economic benefits for their citizens through competition and stronger growth, while maintaining high standards of safety and protection, at their last summit meeting in April 2007, the leaders of the European Union (EU) and the United States of America (United States) committed their governments to increasing the efficiency and transparency of transatlantic economic cooperation and to accelerating the reduction and elimination of barriers to international trade and investment with the ultimate objective of achieving a barrier free transatlantic market.

The leaders of the European Union and the United States of America agreed on a Framework for Advancing Transatlantic Economic Integration (the Framework) and established the Transatlantic Economic Council (TEC) to oversee the efforts outlined in the Framework, with the goal of accelerating progress and guiding work between EU-US Summits.

The TEC was requested to report annually to the EU-U.S. Summit leaders on the TEC's achievements (part 1) and on areas where more progress is needed (part 2).

#### **1. TEC ACHIEVEMENTS**

The outcomes of two TEC meetings so far show the firm commitment of both sides to reach their common objective of greater economic integration. The meetings have shown clear signs of steady progress towards a more convergent transatlantic regulatory environment in a number of priority areas.

The regular and close contacts between the European Commission and the U.S. government in the context of the TEC have allowed both sides to deepen their political dialogue and offered a platform to informally discuss strategic issues of common interest.

<sup>1</sup>

- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.



Representing the most important bilateral economic relationship in the world, built on shared values, including a belief in open economies, unfettered competition, the rule of law and well-regulated markets with a high level of safety and protection, the TEC is mindful that the European Union and the United States lead by example as to how to overcome economic barriers both in their bilateral relationship and in the world economy.

Since the 2007 Summit meeting, the TEC has

- adopted working arrangements on its composition, working methods, and relations with stakeholders, legislators and regulators;
- convened a Group of Advisers comprised of the heads of existing transatlantic dialogues to provide input and guidance to the TEC on priorities for transatlantic economic integration; the Co-chairs of the TEC have consulted this Group of Advisers before each meeting of the TEC and informed them of the TEC's accomplishments afterwards;
- appointed senior officials and heads of regulatory agencies as members of the EU-US High-Level Regulatory Cooperation Forum; the Forum has met twice over the past year, serving as a platform for exchanging best regulatory practices within and between sectors and for seeking early upstream consultation and more compatible regulatory approaches to upcoming regulatory matters and decisions;
- assembled in Washington on 9 November 2007 and on 13 May 2008 in Brussels, reflecting the high-level political commitment to transatlantic economic cooperation on both sides of the Atlantic and demonstrating the intention of the European Commission and U.S. government to move rapidly towards achieving their common objectives in the areas mentioned in the following sections.

### **1.1. Fostering Cooperation and Reducing Regulatory Burdens**

The TEC is committed to:

- removing barriers to transatlantic commerce;

- rationalizing, reforming, and, where appropriate, reducing regulations to empower the private sector;
- achieving more effective, systematic and transparent regulatory cooperation to reduce costs associated with regulation to consumers and producers and to enhance consumer confidence and safety;
- removing unnecessary differences between our regulations to foster economic integration;
- reinforcing the existing transatlantic dialogue structures in regulatory cooperation both by intensifying sector-by-sector EU-U.S. regulatory cooperation and the dialogue between the European Commission services and the U.S. Office of Management and Budget (OMB) on methodological issues.

Over the past year, the European Commission and the U.S. government have taken the following steps to reduce barriers to transatlantic economic integration:

The EU-U.S. High-Level Regulatory Cooperation Forum convened on 8 November 2007 and on 25 April 2008 and discussed closer cooperation in matters of product safety, early warning systems concerning forthcoming regulation that may be of common interest, regulatory issues presented by new technologies, impact and risk assessments methodologies, and the role of public consultations in the regulatory process.

The EU-U.S. High-Level Regulatory Cooperation Forum submitted its report “Towards enhanced cooperation between the European Union and the United States of America on the safety of (imported) products” to the TEC, including concrete recommendations on how to overcome current constraints on effective information sharing.

The exchange of non-confidential (and, in some sectors, confidential) information regarding product recalls and other market removals for safety reasons is well established. The importance of discussing the exchange of confidential (pre- or post-recall) information in additional sectors has been acknowledged, paying due attention to the need for confidentiality arrangements.

The EU-U.S. High-Level Regulatory Cooperation Forum also submitted the final joint OMB/Secretariat General report “Review of the Application of EU and U.S. Regulatory Impact Assessment Guidelines on the Analysis of Impacts on International Trade and Investment” to the TEC. The report seeks to advance the goal of ensuring that impact assessments and analyses of future regulations take due account of the impact of such regulations on international trade and investment.

Since the TEC’s November 2007 meeting, the Occupational Safety and Health Administration (OSHA) has met with domestic and foreign stakeholders – including several meetings with European Commission counterparts – to better understand and discuss systems and issues related to conformity assessment (CA) of electrical products, including suppliers declaration of conformity (SDoC). On the basis of these meetings, OSHA has decided to publish a new request for information (RFI) concerning the use of SDoC for certain electrical and electronic equipment used in the workplace. Further, as an additional step to facilitate trade in electrical products with respect to conformity assessment procedures for the safety of such products, in April 2008 OSHA proposed to increase the number of locations where product certification functions can be performed by Nationally Recognized Testing Laboratories.

At the TEC meeting in November 2007, the subject of the treatment of poultry meat with pathogen reduction substances was discussed. The European Commission has undertaken to act on this issue before the next EU-U.S. Summit, after receiving scientific advice. In this sense, the Commission consulted the European Food Safety Authority on the possible effects of the treatment on antimicrobial resistance and the Scientific Committee on Health and Environment and the Scientific Committee on Emerging and Newly Identified Health Risks on the environmental risk and on the risk of emergence of microbial resistance associated with the use of these substances. The Commission has reviewed these scientific opinions and, in the light of those opinions, which provide no scientific basis for the continuation of the import ban, it will in the coming weeks come forward with a proposal for allowing the use of pathogen reduction treatments for poultry meat in the EU Member States and in imported poultry products. In line with its previous commitment, the Commission will actively solicit Member State and European Parliament support and will make best endeavours to achieve the final adoption of the relevant EU legislation before the next TEC meeting, planned for autumn 2008.

The European Commission and the U.S. government will seek to intensify their cooperation on agriculture, sanitary and phyto-sanitary measures, and food safety, and the TEC will review the state of progress at its next meeting.

The U.S. Federal Communications Commission plans to initiate a rulemaking to consider allowing suppliers declarations of conformity for products that currently require certification and have a good record of compliance with relevant requirements.

The U.S. Food and Drug Administration (FDA) and the European Commission have agreed to meet regularly to further their cooperation in the peer review of unvalidated alternative methods to animal testing used to determine the safety of cosmetic ingredients (including some products regulated in the United States as drugs and in the European Union as cosmetics). The next expert meeting will be held in July 2008.

A first set of specific projects on medicinal products have been agreed following the administrative simplification workshop held in Brussels in November 2007. These results will provide important benefits for industry, patients, and regulatory authorities. The collaboration on inspections will result in more effective use of resources and a higher safety level of products from third countries. Work will continue to identify other areas for intensified collaboration. In addition, U.S. and EU authorities have recently announced a series of successes in their work on biomarker development and validation for various medicinal product development purposes. Finally, FDA and the European Medicines Agency (EMA) have agreed recently on an implementation work plan for veterinary medicinal products regulation and have agreed on a process for offering parallel scientific advice to veterinary medicinal products manufacturers that wish to receive such advice simultaneously from the FDA and EMA.

The European Union and the United States have achieved good progress in their cooperation on auto safety with the recent adoption - in March 2008 - of two Global Technical Regulations (GTRs) on glazing and head restraints at the United Nations Economic Commission for Europe (UN-ECE). Furthermore, they are committed to work towards the adoption of GTRs on electronic stability control and pedestrian protection this year.

In order to reduce unnecessary costs for transatlantic trade, the European Commission has proposed legislation that would allow the continued import of products into the EU with dual labelling of measurement units.

The European Commission and the United States government have continued their bilateral cooperation on chemicals regulation. In addition they have cooperated in multilateral fora. In relation to the EU's Registration, Evaluation, and Authorization of Chemicals (REACH) regulation and its implementation, they agreed to continue their discussion of issues including the placing of products on the candidate list, the "Only Representative" provision, and openness and transparency in REACH Implementation Projects. The Commission acknowledges that REACH presents an unprecedented challenge both for European and third country producers and will therefore, within its competence, undertake the necessary steps to ensure transparent implementation, legal certainty and non-discriminatory trade.

EU-U.S. cooperation on developing biofuels is advanced and on-going, following a common work plan agreed in February 2008. A White Paper on Internationally Compatible Biofuel Standards has been developed with the cooperation of European, American and Brazilian standards bodies. It carefully delineates those aspects of technical standards for biofuels that are already more or less compatible, those aspects that would be too difficult to make compatible, and those aspects that can be brought into closer alignment through continued effort. Additionally, U.S., EU and Brazilian measurement experts are working to develop common standards for calibrating and validating the accuracy of measurement results. This work complements ongoing standards efforts in the private sector and will enable purchasers globally to verify test results for biofuels they purchase.

The EU and the United States signed a comprehensive air transport agreement at the EU-U.S. summit in April 2007. That agreement was provisionally applied as of 30 March 2008 and is already delivering major benefits to our consumers, airlines, communities, and economies. As envisioned in the agreement, a second stage of negotiations, aimed at further liberalization, will begin on 15/16 May 2008.

## **1.2. Lighthouse Priority Projects**

The European Commission and U.S. government have pursued work on the priority issues for transatlantic economic integration identified at the April 2007 Summit (the so-called "Lighthouse projects"), and the TEC has achieved progress on a number of them.

### *1.2.1. Intellectual Property Rights*

The EU-U.S. cooperation on IP enforcement has been a success story. In the past year, the activities have focussed in particular on joint enforcement efforts at the WTO and in third countries, in particular in China and Russia; joint organisation of seminars in Russia (digital piracy), in Latin America and in ASEAN countries; and development of IP networks of EU and U.S. diplomats in third countries, starting with Russia and China. Closer customs co-operation, including joint border enforcement actions, has been an area of particular attention this year, namely the first joint customs cooperation project (Operation INFRASTRUCTURE) was a success. In addition, the United States and the European Union are working together and with other trading partners to negotiate a strong Anti-Counterfeiting Trade Agreement, which they will seek to conclude by the end of 2008.

Further, the United States Patent and Trademark Office and the European Commission have agreed to a roadmap to advance global patent harmonization. During the remainder of 2008, they will elaborate on the roadmap to identify implementation options and engage in consultations with stakeholders.

### *1.2.2. Secure trade*

The European Commission and the United States Government recalled their commitment to the multi-layered, risk based approach in supply chain security and to fully implementing the U.S.-EU Joint Customs Cooperation Committee Roadmap Towards Mutual Recognition of Trade Partnership Programs, adopted on 6 March 2008. The United States Customs and Border Protection (CBP) and the European Commission will work to implement the Roadmap and achieve mutual recognition of the U.S. and EU supply chain security programs – that is, the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and the EU Authorized Economic Operator (AEO) program – in 2009, including by exchanging best practices and cooperating on supply chain security measures.

The United States and EU have also put in place the agreed exchange of customs officials specialising in risk management, starting by stationing in April 2008 EU customs officials at the U.S. National Targeting Center – Cargo.

The European Commission and the U.S. government will include in their discussions on secure trade the issue of the eventual implementation of the U.S. legislation on 100% scanning of containers. The European Commission recalled its concern about this issue and took note that certain U.S. legislators have flagged their willingness to look into this issue.

### *1.2.3. Financial Markets*

In the 2007 “Framework for Advancing Transatlantic Economic Integration,” the U.S. government and the European Commission confirmed their common objective “to promote and seek to ensure conditions for the U.S. Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS) to be recognized in both jurisdictions without the need for reconciliation by 2009 or possibly sooner.” The U.S. Securities and Exchange Commission (SEC) in November 2007, took the decision to abolish the requirement for reconciliation to U.S. GAAP for foreign companies using IFRS as issued by the International Accounting Standards Board (IASB), and solicited comment on the possibility of allowing domestic companies to file using IFRS. The European Commission will propose a decision on the equivalence of U.S. GAAP in the course of 2008. To this end, a European Commission working paper on convergence between IFRS and third country national GAAPs has been prepared. This working paper reflects the advice by the Committee of the European Securities Regulators (CESR), which takes a positive stance towards accepting U.S. GAAP as being equivalent to IFRS. The EU and the United States will also continue to monitor the situation in the coming months in the framework of the informal Financial Market Regulatory Dialogue (FMRD).

A joint statement by European Commissioner McCreevy and SEC Chairman Cox on the common willingness of the United States and EU to work together on mutual recognition in securities was released on 1 February 2008. Subsequently, SEC and the European Commission staffs have intensified their work on defining a process for carrying out a comparability assessment of EU and U.S. securities regimes which they hope to finalize by mid 2008. Thereafter, comparability assessments can begin. Mutual recognition in securities regulation would have the potential to facilitate access of EU and U.S. investors to a broader and deeper transatlantic market, increase the availability of information about foreign investment opportunities, promote greater diversification of securities portfolios, significantly reduce transatlantic trading and transaction costs, and increase oversight coordination among regulators. The TEC also encourages the implementation of other approaches to facilitate cross-border financial services, such as providing relief from local licensing requirements for securities firms engaging in cross-border business with certain sophisticated investors.

The TEC discussed issues related to enhancing the openness and competitiveness of global insurance and reinsurance markets while maintaining high levels of consumer protection through the promotion of more comparable, efficient, cost-effective and modern prudential regulatory standards and practices. Currently, U.S. and European regulators and supervisors are engaged in significant efforts to modernize insurance and reinsurance regulation and supervision. The TEC urged both sides to make significant strides by the end of 2008 to identify the steps that need to be taken to create a true level playing field for EU and U.S. insurance companies operating in each other's jurisdiction, including reform of the collateral rules applied to EU reinsurers currently operating in the United States and proposals regarding the treatment of third country insurers and reinsurers in the European Commission's Solvency II Framework Directive Proposal. These discussions should continue to take place in the context of the FMRD, led by the European Commission and the U.S. Treasury, as well as between the National Association of Insurance Commissioners (NAIC), the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) and the European Commission in the EU-U.S. Insurance Dialogue.

#### *1.2.4. Innovation and Technology*

Under the auspices of the EC-U.S. Task-Force on Biotechnology Research, a working group on bio-based products was established and several EC-U.S. scientific workshops paved the way to the identification of three joint research priorities related to innovative and eco-efficient bio-based products: plant cell walls in relation to bio-refining; plant oils as industrial feedstock; and biopolymers. The research projects selected in 2008 to address these priorities under the EC Research Framework Programme have a strong involvement of U.S. partners.

The November 2007 TEC meeting resulted in a commitment for the United States and EU to work together to improve international enforcement in the fight against fraud and illegal spam and spyware in light of the enactment of the Undertaking Spam, Spyware and Fraud Enforcement With Enforcers Beyond Borders Act of 2006 (the "U.S. SAFE WEB Act") and the adoption of Regulation (EC) No. 2006/2004 of the European Parliament and of the Council. U.S. and EU officials have since begun developing a mutual assistance agreement on the enforcement of consumer protection laws.



The U.S. and EU have agreed to undertake the development of a joint pilot project involving the use of radio frequency identification (RFID) technology to track radioactive isotopes and to explore a second joint pilot project on postal bag tracking. The U.S. and EU will hold a joint symposium on the societal benefits of RFID, together with a workshop on RFID and privacy, in September 2008.

In December 2007, the U.S. and EU conducted an exchange of innovation experts on the mechanisms by which energy and sustainability are driving innovation within the European Union.

#### *1.2.5. Investment*

At its November 2007 meeting, the TEC launched an Investment Dialogue aimed at reducing barriers to transatlantic investment and promoting open investment regimes globally. Through the Investment Dialogue, the United States and the European Commission have prepared a joint "open investment statement" for submission to the U.S.-EU Summit, in which they affirm their shared commitment to preserve and promote open investment policies at home and globally. The two sides are working to address the challenges of rising protectionism around the globe and have held productive discussions regarding sovereign wealth investment, U.S. and EU investment regimes, and third country investment regimes and barriers. The United States and EU will continue their work as outlined in the Investment Dialogue work plan.

## **2. THE WAY AHEAD**

The TEC's working arrangements have proved to be a successful innovation which has given new political impetus to EU-U.S. economic cooperation with the objective of overcoming disagreements. A number of goals identified in the 2007 Framework have been achieved in the first year of its work. However, much remains to be done. The first year has confirmed that regulatory cooperation and economic integration entail arduous technical work to be successful and require the continued attention of and commitment by the political leadership to press for progress. This is a long-term project.

The TEC underlines that, as its central objective is to remove unnecessary constraints on and provide a common regulatory environment for transatlantic economic activity, the priorities for its work should be stakeholder-driven. The TEC emphasises its appreciation of the counsel it has received from its Group of Advisors and of the Group's efforts to reach out to the wider stakeholder communities and to convey in a broad and balanced fashion the views of citizens, consumers and producers on both sides of the Atlantic.

The TEC emphasises the importance of upstream regulatory cooperation to minimize unnecessarily divergent regulatory approaches. The High-Level Regulatory Cooperation Forum has proved its value as a unique platform to bring together top officials involved in sectoral and horizontal regulatory dialogues to exchange views and identify best practices, to build trust and confidence among regulators, and to foster effective working relationships. The TEC has welcomed the reports and presentations of the Forum co-chairs, which allowed the TEC to gain greater insights into the technical complexities of regulatory convergence.

The TEC underscores that transatlantic economic integration and the reduction of regulatory burdens can be constrained by existing legislation or new legislative initiatives. The TEC's efforts would benefit from more active engagement between the legislatures on both sides of the Atlantic. The TEC underlines the importance of a structured, institutionalised dialogue between the European Parliament and U.S. Congress, so that legislators are more vigilant of the potential impacts on transatlantic trade and investment stemming from their legislative work and avoid initiatives that might undermine transatlantic economic integration efforts.

The 2007 Framework recognized the multi-year nature of our work programme. In order to bring the initiatives launched in 2007 to fruition, the TEC resolves to continue our work on all elements of the Framework, giving particular attention to intellectual property rights, secure trade and financial markets, and to take stock of progress in a third meeting before the end of this year.

The United States and the European Union share the largest economic relationship in the world. They also share core values, including a belief in the importance of open economies, transparency and the rule of law. These bonds are strong. They inform the U.S. and EU approach to each project they pursue. It is because of the breadth and depth of what unites the United States and the European Union that they expect the TEC to continue playing a vital role in the U.S.-EU relationship.

The European Commission and the United States government affirm their strong commitment to ensure the continuity of the TEC process as the key joint governance mechanism for the transatlantic economy into the future.

Annex:

- EU-US Open Investment Statement

## **Annex : EU-US open investment statement**

Today we jointly affirm our commitment to promoting open investment policies at home and abroad and acknowledge that these policies are fundamental to our prosperity. As the global investment environment evolves, with new roles for some actors and the challenges and opportunities that this brings, it is important that there be confidence both in the system and in the actors. We affirm that openness to investment serves as a touchstone for us as we set policies, address new challenges, and interact with our partners around the world.

The benefits of international investment are clear. International investment spurs the development and introduction of new technologies and business methods and provides for healthy competition that fosters innovation. This investment brings to an economy jobs, expertise, increased productivity, and a wider range of goods and services at competitive prices.

An open economy, including an open international investment regime, is indispensable to fostering sustainable economic growth. Investment policies should be non-discriminatory and provide investors clear guidance on any investment restrictions. Countries should avoid new restrictions and strive to eliminate existing restrictions. These principles are cornerstones of our respective investment regimes, and we encourage others to commit to them too.

We recognize our responsibility in resisting protectionist sentiment at home and in working together to oppose protectionism abroad. Barriers to international investment deprive the global economy and the economies of countries that erect those barriers of a vital source of economic growth.

An open investment environment is compatible with policies that address genuine national security concerns. Measures that address national security concerns should be transparent, predictable and proportionate to the national security concern identified, and precisely circumscribed so as to avoid unduly disrupting the flow of investment.

We note the growth of investments by government-controlled investors such as sovereign wealth funds. We welcome commercially-driven investment from these investors and note the importance of transparent investment policies.

As two of the world's largest sources and recipients of international investment, we are committed to promoting the free flow of investment and the critical role it plays in strengthening both the transatlantic and the world economy.

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