Transatlantic Economic Council

Facilitators' report to stakeholders

27 March 2015
1. Senior officials from the U.S. Department of State and the European Commission gathered on 18 February 2015 to review progress, discuss new opportunities, and take steps to re-energise joint collaboration under the Transatlantic Economic Council (TEC), which brings together officials from external trade, regulatory, commercial and scientific agencies in the EU and the United States Government to support innovation and growth. Catherine Novelli, Under Secretary of State for Economic Growth, Energy, and the Environment, and Jean-Luc Demarty, Director General of Trade for the European Union, led the effort as senior facilitators.

2. The facilitators agreed that the variety and depth of technical cooperation prove the high value of the TEC as a way to encourage partnerships among a variety of agencies and stakeholders between the EU and the United States that support the innovation ecosystem. Several work streams are reaching key milestones in 2015; these successes can help demonstrate that the EU and United States can work together to solve practical problems, in particular in emerging sectors. These are long-term efforts that help contribute to the alignment of transatlantic standards and regulation and enable the growth of innovative, export-oriented industries in the United States and the EU. The TEC will continue to give strategic direction and focus as needed to our collaborative efforts, without interfering with the ongoing TTIP negotiations.

3. Facilitators discussed ways to coordinate more closely with the work of our scientific, research and development agencies. The EU and the United States share a strong interest in the pursuit of both fundamental research and potential commercialisation of new ideas as well as in the development of the best research and testing methodologies, while ensuring that these efforts produce positive outcomes for businesses, consumers, researchers and workers. Facilitators took note of bilateral R&D cooperation, as established under the EU-U.S. Science & Technology Agreement and discussed in the EU-U.S. Joint Consultative Group (JCG) and other fora such as the EU-U.S. Energy Council, and plan to intensify consultations with a variety of stakeholders to determine how governments can best support innovation and commercialisation of new technologies.

4. The TEC, the JCG, and the TTIP should not duplicate or conflict with each other, but each has a role to play. Facilitators confirmed that the TEC would suspend detailed discussion on several workstreams including: Information & Communications Technology (ICT), Investment, and Intellectual Property Rights (IPR), as these are part of the TTIP negotiations.

5. This report summarises the accomplishments of the TEC since the last meeting of the facilitators in April 2013, and sets out a plan for the year ahead. Stakeholders
are invited to share their views with TEC subject leads directly. Consultation events will be arranged separately in the EU and the United States over the course of 2015.

**e-Mobility**

6. Both the EU and the United States have a shared interest in the rapid development of cost-efficient solutions to E-mobility, which is one of the most rapidly growing and highly innovative areas of the transatlantic market. EU-U.S. cooperation on e-vehicles and smart grids was highlighted as a priority in the EU-U.S. Summit Statement from 26 March 2014.

7. In 2011, TEC Principals endorsed a comprehensive E-mobility Work Plan setting out short- and medium term objectives for e-mobility aiming to promote greater alignment in this area, promote electric vehicle-smart-grid interoperability, and encourage continued scientific exchange. TEC Principals identified more focused cooperation on the development of globally-relevant, voluntary e-vehicle standards, global technical regulations in the UNECE, and battery safety and transport as key elements of the Work Plan.

8. At the last TEC facilitators' meeting of April 2013, the U.S. Department of Energy (DOE) and the EU's Joint Research Centre (JRC) highlighted progress on the Work Plan and in particular noted the development of two Electric Vehicle – Smart Grid Interoperability Centres (IOCs) to advance transatlantic cooperation on testing methods, standardisation and interoperability. Since this meeting, the U.S. centre at Argonne was launched in July 2013. Facilitators welcomed this progress and look forward to the launch of the EU's IOC at Ispra, Italy, in the second half of 2015. Facilitators agreed that the launch should include high-profile presentation of joint results achieved, and demonstrate political support of the TEC for these efforts.

9. Facilitators welcomed the significant progress in 2014 of cooperation on charging mechanisms for electric vehicles. As an example of stakeholder involvement, the “Combined Charging System” car-industry coalition (VW, Audi, Porsche, Ford, OPEL/GM, BMW and Daimler) and the charging device industry, in cooperation with the European Commission's DG JRC, has developed an interoperability test matrix, which in collaboration with the U.S. Department of Energy’s Argonne National Laboratory, has been improved with the aim to use it for harmonisation of standards. Based on this test matrix, 16 different full electric and plug-in hybrid vehicles have been tested at JRC in Ispra to examine their interoperability with about 60 different charging devices from EU, US and Swiss producers. First results were published in the common paper “Progress toward Harmonisation of EV
Interoperability Requirements in Europe and the U.S.” at the European Electric Vehicle Congress, 3-5 December 2014 in Brussels. Moreover, an international workshop was held in Wolfsburg, Germany on 9-10 December 2014 to look at developing a universal testing device for all interoperability aspects between electric vehicles and charging devices\(^1\). This would be the first physical product of harmonised testing methodologies for electric vehicle charging mechanisms between the EU and the US markets.

10. In view of this success in the field of charging devices, facilitators encouraged Argonne National Laboratory and DG JRC to continue their active cooperation towards implementation of the Letter of Intent between the DG JRC and the DOE to test and verify equipment, connectivity technologies, communication protocols, and standards.

11. Regarding e-mobility batteries, following a Transatlantic Business Dialogue (TABD) meeting hosted by JRC in April 2013, industry, through the European Green Vehicle Initiative Association (EGVIA), expressed the need for a Common European Test-Centre for Automotive Batteries. JRC is currently in the process of expanding its EV battery testing capabilities, and realisation of such a common test-centre within the scope of JRC’s work at this stage is being investigated as part of a potential collaboration between JRC and European industrial battery stakeholders. Moreover, battery testing is a potential topic of collaboration with several U.S. DOE laboratories.

12. Facilitators also welcomed EU Directive 2014/94 on the deployment of alternative fuels infrastructure of 22 October 2014, which includes standards discussed under TEC.

**e-Health**

13. Both the EU and the United States recognise the potential of health-related information and communications technology (ICT), referred to as e-Health, to contribute to meeting global health policy challenges. In December 2010 a Memorandum of Understanding was agreed between the EU and the U.S. Department of Health and Human Services (HHS) on this subject, including a Roadmap guiding the activities of collaboration. Over the last two years this Roadmap has focused on two high priority areas (work streams):

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• Standards Development: DG CONNECT and HHS, through the Office of the National Coordinator for Health IT (ONC), have cooperated on the exchange of patient summary records, and delineated an action plan to advance the development and use of internationally recognised standards on patient summary templates. This work supports transnational interoperability of electronic health information and innovations in supporting technologies;

• Workforce Development: DG CONNECT and ONC have supported development of stakeholder-driven solutions to common workforce training. These solutions should help develop and expand skilled health IT workforces in Europe and the United States.

14. The forthcoming EU e-Health week in Riga in May 2015 will be an opportunity to assess Roadmap progress made to date and discuss the next phase of activities to be addressed.

15. Facilitators welcomed the recent update of the Roadmap under the Memorandum of Understanding agreed in December 2010, and set out the priorities for next steps in 2015. In particular, facilitators recommended that the HHS and DG CONNECT ensure timely progress on collaboration in defining leaders and resources for a feasibility study of the transatlantic exchange of patient summaries to be presented during the EU-U.S. Health IT e-Health MoU Roadmap session in Riga, and to provide feedback to stakeholders for the further development of the EU-U.S. Roadmap.

16. Facilitators agreed that it is essential that stakeholders (public and private) are fully involved in the work of the Roadmap, its evolution and updates. To this end, HHS/ONC and DG CONNECT will organise regular stakeholder consultations. The next stakeholder meeting will take place in Riga on 11 May with a view to providing input towards the next Roadmap.

Raw materials

17. Transatlantic cooperation in the area of raw materials has made progress since the last TEC meeting. The 2012 TEC Raw Materials Roadmap is based on five pillars: 1) trade cooperation; 2) raw materials data, flows & information sharing; 3) resource efficiency; 4) research and development in substitution and product design; and 5) waste shipments. Facilitators also underlined that the issue of raw materials will continue to be prominent in the TEC, and stakeholders are encouraged to provide further input and engage actively in the five issue areas.
18. Facilitators noted that in a context of continuing resource nationalism there are still many challenges related to trade and diversification of supply in raw materials ahead. This calls for a strengthening of joint EU-U.S. efforts to promote a cooperative approach, where possible, bilaterally and in multilateral institutions, with a view to supporting policies that facilitate reliable and undistorted global trade in raw materials. Both sides will review areas of trade cooperation covered by the 2012 Raw Materials workplan to update and reflect current trade policy goals and objectives for 2015.

19. Progress in the past two years on raw materials data flows has been positive. Following expert workshops on the issue, a joint EU-U.S. work plan has been agreed that covers three key areas of cooperation. First, on critical raw materials, to compare methodologies and criteria and look at combining data collections. Second, on geological knowledge, to compare and contrast how the U.S. and EU Geological Surveys collect, structure and share data, and how classification systems could be made compatible with global standards such as that of the UN. And third, on eco-design, recycling and substitution, to build on the series of trilateral EU-U.S.-Japan conferences on research co-operation on critical materials, discuss with manufacturers how to better collect and recycle, improve information-sharing, discuss barriers to recycling with recyclers, and share information on recycling policies and substitution efforts.

20. To support these goals, several initiatives including the development of an online Raw Materials Information System (RMIS) are being taken forward by the EU's Joint Research Centre (JRC), which is developing a permanent RMIS website, under the JRC science hub. The JRC is supporting the development of the Raw Materials Knowledge Base, led by DG GROW on the European side; this is a task coming out from the European Innovation Partnership (EIP) on Raw Materials and also part of the Raw Materials Action Plan.

21. Facilitators reviewed efforts to explore further cooperation on electronic materials management and concluded that there is no specific role for the TEC at this time. However, both sides will continue to cooperate closely together and with third-country partners through UN StEP and other multilateral initiatives on reuse, recycling, and refurbishment of used electronics.

22. Other scientific support activities of JRC include (i) developing a "Raw Material Scoreboard" for DG GROW; (ii) developing EU indicators that focus on associated resource consumption and emissions in supply chains; (iii) analysing current methodology for identification of critical raw materials (CRMs); and (iv) the launch by the EC in February 2014 of the Life Cycle Data Network to facilitate the
 provision of raw materials supply chain data also from other stakeholders, including having started a dialogue with the U.S. Geological Survey. Planned work includes considering raw materials derived from waste.

23. Facilitators agreed on the importance of continuing the active cooperation on raw materials and requested colleagues to review and modernise the EU-U.S. Raw Materials Action Plan in 2015.

SMEs

24. The EU and the United States recognise SMEs as critical motors of growth and job creation and key sources of innovation and entrepreneurship. Since 2011, the TEC has included a specific work stream with the objective to enhance transatlantic cooperation on issues relevant for EU and U.S. SMEs in order to increase trade and investment opportunities. As a result five workshops have taken place to exchange best practices and find collaborative ways to fulfil that aim. Meetings gathered EU and U.S. officials together with Member States’ representatives, SME stakeholders and business associations. Participants discussed concrete examples to stimulate growth in our SMEs in the context of a transatlantic market. Issues tabled included SME access to finance, IPR, entrepreneurship, access to standards, support to cluster policy, information sharing and SMEs internationalisation. Regulator contacts led to the signature of a Memorandum of Understanding between the U.S. Department of Commerce International Trade Administration and the European Commission's DG ENTR on joint EU-U.S. SME business cooperation.

25. These closer contacts between both administrations contributed also to the inclusion of a first ever SME Chapter in the context of the TTIP negotiations.

26. Facilitators noted the report of the last SME workshop in Brussels on 7-8 October 2013, and other related transatlantic SME initiatives during 2014.

27. Facilitators agreed to host a new SME workshop in the U.S. on 21 April 2015, organised in line with the next TTIP negotiating round. There is a common agreement to continue exchange of best practices on SME related topics as well as use the existing SME work stream to update businesses and business associations on progress achieved in TTIP negotiations, paying particular importance to solutions beneficial for the smallest companies.
Biobased economy

28. The United States and the EU confirmed their commitment to continue their cooperation on biobased products. To advance this work, Facilitators agreed that the two sides would host joint expert-level workshops in the second half of 2015 to exchange information on the progress of standardisation work in CEN and ASTM for biobased products, with the objective of clarifying the landscape for SMEs on both sides of the Atlantic, and therefore helping to incentivise growth in this innovative area.

29. Facilitators instructed the U.S Department of Agriculture, together with the U.S. Department of Commerce, DG GROW, DG RTD and DG JRC to continue to exchange best practices on how to support the market for biobased products in the EU and the U.S., taking into account government initiatives such as the European Bio-economy Observatory; and promoting awareness, training, education; as well as expanding the links between networks of farmers, researchers, and manufacturers in the EU and the U.S.

Nanotechnology

30. Facilitators were pleased to hear about the regular contacts between the U.S. Emerging Technologies Interagency Policy Coordination Committee (ETIPC) and the EU Inter-Service Group on nanotechnology, in the form of bi-annual videoconferences, the most recent having taken place on 8 December 2014. They recommended that this approach continue, in order to informally exchange information about regulatory developments and EU-U.S. research collaboration.

Supply chain security

31. Facilitators highlighted the "Secure Trade" workstream as an important TEC success story. Transatlantic cooperation is functioning well as a result of three mutual recognition agreements, on trusted trader programmes, air cargo security practices in airports, and seaport security practices. For example, more than 500 trusted traders already get automated benefits from mutual recognition by EU and U.S. customs authorities. Continued dialogue is foreseen in 2015 to review and update work undertaken under the June 2011 joint statement on supply-chain security. Facilitators agreed that no further work under the TEC framework is needed in this area for the time being.