

Transatlantic Economic Partnership 1998

1. Introduction

At the London EU-US Summit of 18 May 1998, Summit leaders adopted a joint statement on the Transatlantic Economic Partnership (TEP) identifying a series of elements for an initiative to intensify and extend multilateral and bilateral cooperation and common actions in the field of trade and investment. As called for in that statement, the present document sets out a Plan identifying areas for common actions both bilaterally and multilaterally, with a timetable for achieving specific results. This Plan has been established through intensive and detailed discussions between the US Administration and the European Commission.

Some elements of the Plan will be pursued through cooperative actions (such as improved regulatory cooperation, cooperation among scientists, identification of priority sectors for the removal of obstacles, coordination of EU and US positions in international organisations). In other cases action will take the form of trade negotiations. Finally, the Plan also addresses the general organisational arrangements needed to realise the Transatlantic Economic Partnership via the actions identified in the present Plan. As part of the confidence-building process foreseen in the New Transatlantic Agenda of 1995, we will also reinforce our efforts to resolve bilateral trade issues and disputes.

2. Multilateral Actions

(§ 7 and 8 of the TEP statement)

2.1. Regular dialogue

We will set up a regular dialogue between us in order to ensure closer co-operation in the run-up to the 1999 Ministerial Conference in the WTO, with a view to providing leadership and facilitating preparations initiated in May 1998. This dialogue will be realised in a pragmatic way and piloted by a series of meetings at ministerial and official level from now until the 1999 WTO Ministerial meeting. In addition to the London Summit Statement on TEP, we will take into consideration the statements delivered by our Leaders at the 1998 WTO Ministerial Conference and 50th Anniversary Celebrations. Our cooperative effort in the WTO context will not exclude cooperation in other international fora. Moreover, our co-operation will continue thereafter (timeframe related to future negotiations/work programmes of particular issues).

On substance, the dialogue will start from the shared objectives set out in paragraph 8 of the TEP statement, include a general overview of WTO issues and develop progressively more detailed coordinated positions on individual subjects for the WTO process. The scope of our consultations shall be comprehensive, while taking into account existing deadlines as well as the need to pursue ongoing and long-term work in Geneva. Our objective will be to explore and compare each others' policy positions on key issues on the multilateral agenda, and inject urgency into the process where necessary to enhance the WTO's credibility with stakeholders in order to strengthen support for the system. In some cases we may develop common positions or elaborate proposals to be submitted in multilateral discussions and negotiations.

We have agreed on an initial calendar of meetings and other practical arrangements for our dialogue for the period up to December 1999, to be progressively adapted according to results already achieved. As appropriate, more detailed work plans will be developed.

In pursuing our multilateral objectives under the Plan we will seek as a matter of priority to closely involve other trading partners in our co-operative activities in the multilateral field, and exploit all opportunities for dialogue with them.

We intend to keep one another fully informed of our respective consultative processes regarding the development of the agenda for the Ministerial and we will work together in developing opportunities and actions that facilitate dialogue with stakeholders

2.2. Issues for dialogue

The following listing of issues that will feature in our dialogue remains to some extent indicative, since the content of the dialogue may have to be adapted in the light of developments of the Geneva process. More specific co-operative actions may also emerge from this dialogue.

Modalities and principles for negotiations

We will exchange views on possible modalities and principles for conducting negotiations, pursuant to paragraphs 9, 10 and 11 of the May WTO Declaration, which requires that Ministers receive recommendations for decision concerning the further organisation and management of the WTO's work programme, including scope, structure and time frames, that will ensure that the work programme is begun and concluded expeditiously and aimed at achieving overall balance of interests of all members. We intend to give leadership to this process and in this context we will explore the desirability and appropriateness of negotiating modalities, addressing the question of how negotiations should be conducted, including consideration of "single undertaking" and other approaches suited to the new economy to ensure that an open global trading system moves as fast as the marketplace. As part of this effort, we will consider principles and techniques including standstill provisions, the use of implementation thresholds and critical mass requirements and other innovations.

Dispute Settlement

Where possible we will take common approaches to the DSU review, in particular as regards improvement of the transparency and functioning of panels.

Transparency

We confirm that we will accord a high priority to the promotion of greater transparency in the operation of the WTO, from enhancing the general public's access to WTO documents to making the system more open to consultation with the public, while preserving the government to government nature of the WTO. We will therefore devote the necessary attention to the WTO transparency procedures and provisions that need to be updated or revised. In the light of the experience gained so far, we will seek to derestrict documents more rapidly and make them available to all interested parties including via new technologies.

Implementation

We will review the state of implementation of the various WTO agreements, identify potential problems, and discuss possible actions, including to ensure full implementation of WTO commitments by all WTO Members. This will also include joint work to sustain and improve transparency and surveillance across WTO bodies as well as efforts to streamline existing requirements with a view to avoiding duplication and cooperation on technical assistance and/or other support measures. Such efforts should facilitate the development of the WTO's forward agenda.

Services

Our co-operation will focus on the foreseen continuation of negotiations on the basis of GATS Article XIX with the aims of:

- increasing worldwide market access opportunities;
- addressing specific obstacles faced by several service sectors;
- improving the conditions for establishment;
- improving the cross-border commitments to make full use of the opportunity for electronic trading;
- examining ways in which movement of persons necessary to the supply of services can be enhanced;
- and developing additional disciplines to strengthen market access and guarantee that services can be

supplied in a pro-competitive environment.

Agriculture

We intend to strengthen our cooperation to facilitate the launch of negotiations as mandated by the Agreement on Agriculture, noting the important contribution of the Analysis and Information Exchange process already underway relating to current issues of concern, and the fact that the General Council now has a process to prepare for the launch of negotiations as envisioned in Article 20 of the Agreement on Agriculture. We will improve and supplement our regular contacts in order to facilitate the process in Geneva. Our discussions will focus on the existing framework of commitments established in the Uruguay Round and the provisions of Article 20.

Trade Facilitation

Recalling our agreement at London to intensify forward-looking work in the WTO on trade facilitation, we will cooperate on developing the WTO work process on trade facilitation, with a view to producing concrete results. We will furthermore seek to build consensus for improving the trading environment by increasing transparency and predictability and by reducing administrative burden, while safeguarding the integrity of customs procedures.

Industrial Tariffs

Recalling the shared objective from London that we would pursue a broad WTO work program for the reduction on an MFN basis of industrial tariffs and the exploration of the feasibility of their progressive elimination within a timescale to be agreed, we will work together to ensure that the necessary work is undertaken by the WTO Secretariat and Members with respect to data bases and the work of the Committee on Market Access to permit appropriate analysis on all possible options for proceeding with further liberalisation. This work should permit us to consider the range of approaches and modalities for further liberalisation.

As for work currently underway in the WTO in respect of pharmaceuticals and ITAII, we will continue our efforts to successfully conclude our work before the end of 1998, so that implementation can take place in July 1999.

Intellectual Property

Cooperation will, in particular, encompass all issues related to the TRIPs built-in agenda, the full and timely implementation and enforcement of TRIPs by developing countries by the January 2000 deadline and the consideration of topics for negotiations to improve the TRIPs Agreement. Close cooperation will be extended to issues other than TRIPs, such as, in particular, ensuring ratification and implementation of the two recent WIPO Treaties, encouraging accession to and implementation of the Trademark Law Treaty, encourage efforts in other fora to resolve domain name conflicts with trademarks on the Internet, and pursuing measures to fight all optical media piracy.

Investment

We will actively coordinate our participation in the Geneva process, with a view to securing a factual report to the General Council by the end of 1998 which adequately reflects the discussions which has taken place in the Working Group on Trade and Investment. We will consult further on possible additional work that might be done in this area in 1999, with a view to deepening our joint analysis on the inclusion of investment in the WTO agenda. We will seek the support of all our partners for next steps towards the creation of investment rules in the WTO.

Competition

We will cooperate in securing an objective and informative report by the Working Group on Trade and Competition to the General Council, which factually summarises the work undertaken and highlights the value of an active policy of competition law enforcement as a complement to the process of trade liberalisation. We will furthermore cooperate in the preparatory process for the 1999 WTO Ministerial with a view to permit appropriate decisions on next steps in the WTO, including possible negotiations as

noted in the Singapore Ministerial Declaration. In this context, we will exchange views inter alia on issues relating to the question of multilateral rules on competition law and its enforcement, and on means of enhancing international cooperation among competition authorities in relation to anticompetitive practices with a significant impact on international trade and investment.

Procurement

We share the aim of reaching a comprehensive set of multilateral rules on procurement within the WTO. To this end, we will continue to co-operate closely with a view to accelerating and completing the work of the Working Group on Transparency in Government Procurement with the aim of reaching agreement in 1999, and consider how such an agreement can be featured in the WTO's broader efforts to strengthen practices reflecting principles of good governance. We will also work together to encourage expanded participation in the plurilateral GPA and to advance GATS work on procurement of services. In addition, we will work together to promote progress in the ongoing review of the Government Procurement Agreement, and to ensure that GPA obligations are properly and fully implemented.

Trade and environment

We will discuss how to incorporate environmental concerns into WTO work with the aim of giving full weight to environmental considerations throughout the WTO Agreements. As a first step, we are seeking to build consensus for the convening of a High Level Meeting during the first half of 1999, and will focus our short-term attention on creating a positive outcome from such a meeting, in order to pave the way for consensus on how to handle environment issues at the 1999 WTO Ministerial and in the WTO's future agenda.

Accessions

We will continue to work closely together to obtain the early accession of candidate countries, large and small, on the basis of mutually acceptable and commercially viable market access commitments and adherence to WTO rules, recognising that the pace of progress depends largely on the candidate's efforts. We will work together to better coordinate our technical assistance efforts.

Developing countries

We will seek to ensure fuller participation of developing countries in the WTO as part of the WTO forward agenda because of the important contribution it will make to their economic development and growth. With respect to the least-developed countries we will continue to examine how we can improve substantially the trading opportunities and the better integration of the least developed countries, in particular through the implementation of the results of the High Level meeting on Least Developed Countries. We will furthermore examine whether the particular constraints of least developed countries, in particular, are properly assessed and adequately taken into account.

Electronic Commerce

We will consult to ensure the implementation of the WTO work programme on the trade-related aspects of electronic commerce, including the examination by the relevant Councils and committees of the aspects identified in the work programme. We will pursue codification, by year-end 1999, of the standstill commitment on inapplicability of custom duties.

Core Labour Standards

We will work together to promote full and timely implementation of agreed follow-up procedures of the new ILO Declaration on core labour standards. Furthermore, the EU and US should support the WTO and the ILO Secretariats cooperating on research, reports and studies and identify other areas of joint cooperation between the two Secretariats. In this regard, we will examine how to strengthen their reciprocal relationship.

Rule of law issues

We will exchange views on the implementation of the OECD Bribery Convention and on further work

within the OECD. We will furthermore work together to determine which action in various areas covered by the WTO work programme can enable all WTO Members to strengthen the rule of law and due process in their respective territories.

Review of progress

We will review the progress in our discussions on all the above issues, for the first time by the end of 1998 and subsequently at regular intervals, with a view to ensuring that all important issues of future multilateral negotiations are well prepared.

3. Bilateral Actions

(§ 9 to 14 of the TEP statement)

3.1. Technical barriers to trade in goods

3.1.1. Regulatory Cooperation

In order to improve (1) the bilateral dialogue between U. S. and EU regulators and (2) the effective access to the regulatory procedures of public authorities by private interests and government authorities on both sides, we will initially take the following action, taking into account the requirements of our respective domestic regulatory procedures, such as transparency and meaningful participation of the public and of all other interested parties, notably the TABD.

Existing bilateral mechanisms

(a) Prepare an illustrative summary of existing bilateral cooperation between U. S. and EU regulatory authorities.

Such a summary should not be exhaustive but should provide a clear and meaningful indication of U. S. - EU bilateral regulatory cooperation including in the framework of multilateral institutions (e. g. , under the WTO TBT Agreement) and other fora. Such a review could include the type of information exchanged, the effectiveness of the exchange of information, the continuity of the dialogue over time, the frequency of meetings and the timing of the dialogue in relation to the internal regulatory procedures of either party.

Target Date: end January 1999

(b) Identify and implement jointly defined general government principles/guidelines for effective regulatory cooperation.

Such principles/guidelines will build upon the December 1997 Joint Statement that refers to consultations whenever possible in the early stages of drafting regulations and to greater reliance on each other's technical resources and expertise. Further work should also be done, for example, on the need to move the consultation process as far upstream as possible in the regulatory process, as well as on the importance of promoting the exchange of technical and scientific knowledge as a basis for regulatory activities.

(c) Identify possible improvements in existing bilateral regulatory cooperation on the basis of the jointly defined general principles/guidelines.

(d) Identify areas where bilateral regulatory cooperation could be expanded or established ex novo on the basis of the jointly defined general principles/guidelines.

Target Date: end of (b) to (d) June 1999

Internal procedures of regulatory authorities

(a) Jointly review mutually agreed issues, notably access to each others' regulatory procedures with respect to transparency and participation of the public - including the opportunity for all interested

parties to have meaningful input in these procedures and receive reasonable consideration of their views.

Target Date: April 1999

(b) Examine the results of the review of the respective regulatory procedures and, on that basis, identify ways and means to improve access to each other's regulatory procedures, develop jointly agreed general principles/guidelines on such procedures, and when possible, work to accommodate those improvements, while preserving the independence of domestic regulatory authorities.

Target Date: end 1999

3.1.2. Mutual Recognition

Our objective is the removal or substantial lowering of barriers resulting from any additional or different requirements to be met by goods which could be legally produced and / or marketed in one of the parties when going into the other party while maintaining our high level of protection for consumers, human, animal, and plant health, safety and the environment.

We will endeavour to extend the current MRA to new sectors. We will also endeavour to determine the appropriate "degree" of mutual recognition on a sector by sector basis and, e. g. whether to go beyond conformity assessment to mutual recognition of the technical regulations, and/or to determine whether actions or arrangements other than an MRA are possible for other sectors. As a practical step to this end we will, where appropriate:

(a) Exchange views on sectors where there appears to be an interest in pursuing one or more degree(s) of mutual recognition, notably on the basis of recommendations from interested parties.

This exchange of views should be accompanied by a description of the laws, regulations and/or standards applicable to the sector.

(b) Exchange views on the concept and practical application of different degrees of mutual recognition.

Target Date: for (a) and (b) by 1998 December Summit

(c) Identify specific sectors in which a comparison of regulatory requirements shows the potential for mutual recognition of technical regulations.

(d) Identify specific sectors in which an extension of the current MRA appears feasible and desirable.

(e) Where no degree of mutual recognition appears feasible or desirable for a particular sector, determine whether other actions or arrangements, if any, are possible in order to reduce or remove regulatory barriers to trade in that sector, while promoting domestic regulatory goals.

Target Date: for (c) to (e) end January 1999

(f) Negotiate new sectoral annexes to current MRA.

(g) Negotiate mutual recognition of technical regulations of those specific sectors that have been identified as being feasible and desirable with the aim of removing or substantially lowering remaining barriers resulting from any additional or different regulatory requirements to be met by imported products coming from the other party, while maintaining our high level of protection for consumers, human, animal, and plant health, safety and the environment. To the extent necessary, this should include the establishment of a new framework to encompass the specific sectors that have been identified for negotiation.

(h) Identify sectors where further negotiations could usefully be pursued beyond end-1999, while promoting domestic regulatory goals.

Target Dates for: for (f) to (h) end of 1999

3.1.3. Alignment of standards and regulatory requirements

In light of U. S. -EU involvement in and commitment to international standardisation activities, as well as the work being carried out in the framework of the WTO TBT Agreement, we will:

(a) Assess existing work in the field of international standardisation (e. g. , planning, adoption, transposition and utilisation of international standards) to determine ways to develop closer U. S. -EU cooperation, where feasible, to overcome difficulties that might hinder progress in this area and to better serve U. S. and EU health, safety, quality, and environmental needs, and to determine whether greater use could be made of mutually agreed international standards when developing domestic regulatory requirements.

Target Date: end January 1999

(b) Identify ways of encouraging closer links between international, regional and national standards bodies.

Target Date: end June 1999

(c) Review, taking into account domestic constraints, the activities and role of private sector standards bodies in determining domestic standards, with a view to improving cooperation in standards development at the national, regional and international level.

Target Date: end of 1999

3.1.4. Consumer product safety

In the interest of consumer protection and transparency, we will:

a) identify ways of developing cooperation between enforcement agencies on potentially dangerous consumer products, and

b) consider the possibility of eventually linking the EU and U. S. rapid alert systems on dangerous products.

3.2. Services

(§ 10. b and 11)

3.2.1. Keeping markets open

- We will establish an arrangement to provide for future early exchanges of views on any policy proposals that either side believes capable of having an adverse impact on business conditions for service providers.

Target Date: end of 1998

3.2.2. Reduction of existing barriers through mutual recognition

- We will negotiate an agreed framework of general principles and objectives and consistent with existing WTO rules and guidelines. The framework will serve as a model for the negotiation of mutual recognition agreements on specific services sectors with an appropriate participation of relevant professional and regulatory bodies.
- We will seek, by March 1999, to complete a model and identify services sectors for negotiation including, first, engineers but also other sectors.
- These agreements should address the commercial interests of our respective services suppliers. In parallel and on the same timescale, we will work together to develop support from a critical

mass of our respective responsible authorities to accede and implement the agreements as soon as possible. We will review each other's progress in this respect to ensure support for implementing a mutual recognition deal in order to achieve our market access objectives.

- In addition, in those sectors covered by mutual recognition agreements, we will work together with the responsible authorities to consider complementary steps to eliminate market access restrictions in sectors where this is needed in order to generate new business opportunities.
- We will also identify, together with the responsible authorities, a second wave of sectors for follow-on work within agreed deadlines beyond 1999.

Target Date: end of 1999

3.2.3. Trade aspects of services regulations

- We will undertake bilateral work on establishing disciplines, in appropriate sectors, on trade aspects of services regulations to ensure effective market access, with initial work to be completed by December 1999 in one or more agreed sectors, and reflecting common regulatory principles. These disciplines could then be used, in turn, to advance discussions among other countries in GATS 2000.

3.3. Procurement

(§ 10. d)

We will explore possibilities for the balanced expansion of market access opportunities for US and EU companies in US and EU procurement markets. Recognising national constraints in certain areas of procurement, we will pursue the following lines of actions, with the possibility of adding others by mutual agreement as our discussions continue:

- Work together to promote the expansion of existing coverage at all levels of government, where possible, for both goods and services;
- Seek other ways to increase access in areas not covered by existing agreements;
- Identify conditions that could permit the removal of sanctions imposed by both sides in 1993;
- Cooperate to promote equal access for our firms to electronic tendering systems in both the US and EU, where feasible, at all levels of government. In this area, we additionally agree to strengthen our cooperation, to regularly exchange information on our respective systems and to share experience in operating those systems with a view toward promoting their use as widely as possible.

Target Date: end of 1999

3.4. Intellectual Property

(§ 10. e)

Although the TRIPs Agreement already offers a strong basis for the protection of IPR, further improvement of the protection available to rightholders should be addressed in EU-US bilateral relations. The issues to be addressed involve both short-term and long-term objectives:

(1) As a matter of priority, negotiations and discussions should aim at reaching concrete results as regards:

- a. Examine all aspects of patent rights in order to identify and possibly adopt measures to reduce costs of obtaining patent protection. This should also include sharing by patent offices of the results of patent searches and examinations.

- b. Resolve the voting right issue, allowing the U. S. to accede to the Madrid Protocol.
- c. Examine ways and possibly adopt measures to ensure that government agencies in the EC and the U. S. make use only of authorised software. Subsequently, encourage third countries to adopt similar measures.
- d. Work bilaterally on issues related to the two recent WIPO Treaties.
- e. Ensure, through co-operation in the appropriate fora, appropriate protection of geographical indications and trademarks.

(2) In addition, a series of mid to long-term objectives should be examined. No timeframe for the achievement of concrete results can therefore be specified at this stage. These are:

- a. Examine the consequences of the use of patents without authorisation of the right holder, including government use, and working requirements. Where there are concrete problems, identify possible solutions.
- b. Examine appropriate means to grant patent protection for inventions involving computer programmes.
- c. Examine ways to ensure appropriate protection of confidential data submitted by pharmaceutical companies to support approval of new products. Address the issue also at multilateral level.
- d. Examine the consequences of the EC's requirement to use a single trademark throughout the EC as a prerequisite for registration and marketing approval of pharmaceutical products. Where concrete problems arise in relation to co-marketing and co-licensing of products, identify possible solutions.
- e. Examine the consequences of the EC's regime on the exhaustion of pharmaceutical patent rights and whether they are adequately taken into account in the EC's and national policies. Where there are concrete problems, identify possible solutions.
- f. Examine appropriate design protection in the field of textile and clothing.
- g. Examine ways to ensure appropriate protection of databases.
- h. Explore the issues raised by the possible introduction and varying treatment of artists' resale rights in the EC and the U. S.
- i. Explore possibilities of enhancing the enforcement of intellectual property rights, including related costs.
- k. Examine how best to support efforts aimed at reaching mutual use of patent search results between EPO and USPTO.

3.5. Agriculture: Food Safety, plant and animal health and biotechnology

(§ 10. c)

While in many areas formal or informal structures for cooperation already exist, there is scope, in certain cases, to deepen existing dialogue, in order to identify and resolve trade frictions related to regulatory processes.

3.5.1. Food safety, plant and animal health

(a) To ensure that conflicts should not arise through lack of dialogue at an early enough stage in the legislative/regulatory process to permit each side to express its view on planned initiatives of the other, we envisage a system of early warning.

The US side has recently created an interagency food safety contact point in USTR, which is informed weekly by the relevant agencies of any potential new development in this area. A similar contact point will be established in the Commission, which will gather the equivalent information weekly; the two

contact points will communicate regularly in order to keep officials informed of food safety developments in the other's pipeline, to facilitate the flow of information on, and reciprocal input in, such potential initiatives and where relevant to facilitate objective dialogue between scientific experts on the two sides.

(b) In view of the important role of the control and inspection services of each side, and the need for a common understanding of that role, we will work towards an arrangement under which US and EC officials from the respective scientific and technical agencies would participate in exchange programmes to become more familiar with their counterparts' respective food safety systems regarding inspection and control procedures.

(c) In the interests of safety and transparency, the EU and the US will develop ways for enforcement agencies to cooperate on dangerous food products. We are also reviewing the possibility that the US and the Community rapid alert systems regarding dangerous food be interconnected.

(d) A more structured dialogue in the area of plant health will be established.

(e) We are also examining the possibility of closer coordination in other related areas such as pesticides (in the US) and vitamins and minerals (in the EC).

(f) Given the growing role of Risk Assessment in the preparation of food safety legislation/regulations, at the domestic as well as at the international level, the EU is developing a common methodology and criteria for risk assessment in the field of food borne diseases, in particular regarding microbial contamination.

We will examine the possibility of establishing a link between the American Risk Assessment Consortium and the European side in order to exchange information, views and scientific comments about development of new risk assessment methodology. A proactive relationship in this area would avoid misunderstanding and would boost the scientific risk assessment approach in different international organisations such as Codex Alimentarius.

Target Date: end of 1998

3.5.2. Biotechnology

(a) Given the number of bilateral issues arising in the sector of biotechnology we will strengthen our bilateral dialogue. That dialogue currently takes place in several different fora with the result that all aspects of the issue may not be covered and no single group meets regularly to monitor the different discussions. We therefore believe that it is necessary to establish an over-arching group whose mandate shall be:

-to monitor progress of the dialogue on the various technical issues carried out in existing groups, and to take into account their potential trade effects with the objective of reducing unnecessary barriers to trade;

-to seek to increase and enhance scientific and regulatory cooperation and information exchange and promote transparency and information of consumers.

The group will not replace or duplicate any existing group but will include participants from those existing groups. It will take into account the views of interested parties.

Target Date: end of 1998

(b) An early step towards accelerating the regulatory process would be to encourage simultaneous applications for scientific assessments in the US and in a Member State; the possibility of a pilot project to this effect is under consideration.

target date: as soon as an appropriate new application is in preparation by industry

3.6. Environment

(§ 12 and 15)

We will establish a TEP Environment Group, to discuss and negotiate a TEP environment work-plan focusing on the interface between trade and environment. The TEP will co-ordinate with the US-EU High Level Environmental Bilateral Consultations. The work of the TEP Environment Group will cover, inter alia:

- developing common objectives on trade and environment to guide our joint work in relevant fora;
- promoting greater co-operation between US and European scientists and regulators on environment issues with trade and economic implications;
- informing trade negotiators of the potential impact of other TEP negotiations on health, safety and environmental interests, including impacts on regulatory and enforcement issues; and
- developing common approaches to trade-related issues in the negotiation and implementation of multilateral environmental agreements with a potential impact on international trade or competitiveness.

We support the formation of a Transatlantic Environment Dialogue (TAED) involving a broad spectrum of environmental NGOs to inform our governments on environmental issues, including those in the TEP process.

target date: Formation of TEP environment group by January 1999

3.7. Labour

(§ 15)

Worker rights considerations are included in the GSP schemes of both the US and the EU, but these programmes operate differently. The EU and the US will exchange views regarding the implementation of the worker rights provisions of our respective GSP schemes.

Recognising that voluntary codes of conduct are an effective tool to improve working conditions worldwide, we will further support the process of transatlantic dialogue between employers, workers and NGOs on such codes of conduct that began in Brussels in February, 1998 and will continue at a meeting scheduled for Washington, DC in December 1998.

We will continue our dialogue with respectively the US business and labour advisory groups and with the EU social partners and solicit their ideas for additional Transatlantic labour related projects.

We will support the Transatlantic Labour Dialogue (TALD) in its efforts to develop input into the TEP process. As a first step we will co-sponsor, with our respective entities responsible for labour, a joint meeting with the TALD to lay a foundation for further understanding of the labour issues related to the TEP.

We will step up our commitments to funding the ILO's International Program for the Elimination of Child Labour (IPEC) to help eliminate abusive child labour.

3.8. Consumers

(§ 15)

The Transatlantic Consumer Dialogue (TACD), launched in September 1998, will also feed into the TEP process.

3.9. Competition law procedures

(§ 13)

We will give priority to applying the Positive Comity Agreement, concluded in 1998, to concrete cases, demonstrating that this instrument has a valuable practical content. We will continue to explore possibilities for further cooperation in the implementation of our competition laws.

3.10. Electronic Commerce

(§ 14)

The 'Joint US-EU Summit Statement on Electronic Commerce' of December 1997 includes the following items that will be the subject of further bilateral review and discussion:

- elimination of unnecessary legal and regulatory barriers;
- promotion of voluntary standards that enhance interoperability, innovation, and competition;
- continued duty-free treatment of electronic transmissions;
- implementation globally of WTO basic telecommunications commitments;
- completion of 'Information Technology Agreement II' and
- facilitation of trade through use of electronic commerce.

We will initially focus our joint action on carrying out specific actions on trade facilitation (e. g. , harmonisation of protocols and customs data elements for customs entry purposes). With a view to their elimination, we also work on commercial, legal and regulatory disincentives to e-commerce. We will intensify our current bilateral work on the implementation of the December 1997 Joint Statement to facilitate and promote consumer confidence in electronic commerce.

4. TEP Organisational and procedural Framework

The TEP requires some re-focusing of the current organisation of our economic relations. It will take as its point of departure existing NTA structures. The overriding objective should be to create an organisational framework which enables both sides to realise the full potential of our partnership and implement the TEP statement and Action Plan.

The EU-US Summit will continue to provide the necessary political level impulse and steering for the realisation of TEP objectives, including for the negotiations of the various trade agreements foreseen in the TEP, bearing mind the need to achieve a balanced result. The Summit will also be the forum to which all subsidiary bodies will report.

Between the twice-yearly Summits, we will hold Cabinet-level meetings, to maintain the political momentum and to resolve, as far as possible, problems requiring deliberation at political level.

An official-level TEP steering group will be established within the institutional structure of the NTA. It will inform the SLG and Ministers of its progress. This group, assisted as necessary by ad hoc or specialised working groups, will fulfil the following tasks:

- monitor and report on the realisation of TEP objectives;
- monitor implementation of the agreements reached under TEP;
- identify and review co-operative objectives on an ongoing basis;
- provide a horizontal forum which can receive recommendations made by business, environment, consumer and labour dialogues (cf. §§ 15 and 16 of the Statement);

- provide a horizontal forum for bilateral consultation and early warning on any matter of trade and investment relevance, with a view to preventing conflicts and resolving trade frictions.

In the framework of sectoral agreements, where commitments would be entered into, specific organisational arrangements will be established as appropriate. In the area of regulatory alignment/convergence and mutual recognition these could be similar to those foreseen in the existing EU-US MRA.

Each Party will give particular consideration to the potential impact of proposed TEP sectoral agreements on health, safety and environmental interests.

In addition, we will give our active and full support to the current efforts of the European Parliament and the US Congress to increase their cooperation on TEP-related issues and to contribute to the TEP process.

Target Date: November 1998

Multilateral action: detail for Services

1. New liberalisation

- We will exchange views on ways to achieve the highest possible level of liberalisation in the framework of the GATS 2000 process. In particular, we will work together to identify an ambitious agenda for negotiations on relevant services sectors in order to instil momentum in the run-up to the third WTO ministerial. We will explore the possibility of agreeing on additional liberalisation in sectors and areas of common interest for EU and US services suppliers, and of signalling that both sides would be ready to implement such liberalisation if a critical mass of partner countries offered equivalent commitments. We will exploit all opportunities for joint dialogue with third countries, in order to secure broad-based support for ambitious objectives in the negotiations.

target date: run-up of the Third WTO Ministerial, Autumn 1999

- We will work together to maintain the momentum of preparations for GATS 2000 with other trading partners including in the QUAD.
- We will encourage all possible sectoral dialogue between service industries, in order to ensure the closest possible collaboration in all sectors, based on the significant increase in such industry-to-industry dialogue in recent years.

target date: December 1999, continued throughout Gats 2000 Negotiations

2. Greater GATS user-friendliness

- We will work to promote greater clarity as to what commitments mean, greater harmony between the definitions of services activities on which commitments are being offered and, most important, a higher level of commitments. These actions are intended to assist US and EU service providers worldwide to exploit the opportunities offered by GATS 2000 more forcefully, since it is in its present form, and at the present level of commitments not easy for exporters of services to use.
- We will examine ways of achieving the objectives of openness and clarity. For this purpose, we will establish a work programme on this theme, covering the following major tasks:
- Identify obstacles to business understanding and use of the GATS (e. g. vague or overlapping definitions of what activities are covered by a commitment) and recommend how to resolve

them.

- Develop negotiating techniques which would result in the application of certain principles and objectives generally to a comprehensive range of sectors.
- To test the applicability of these techniques on a sector by sector basis, using current US and EU domestic policies as the model.
- target date: first progress report end 1998

3. Trade aspects of services regulations

We will establish pro-competitive guidelines for national disciplines for trade aspects of services regulations to ensure that regulatory requirements do not create unnecessary technical barriers to services trade. This will be a major objective for GATS 2000, based on GATS Article VI EU and on the accountancy regulatory disciplines, and with the experience gained with the specific provisions contained in the Telecommunications Reference Paper. This approach will include the following steps:

- Complete the work on disciplines for regulation of accountancy currently pending in the GATS Working Party on Professional Services, by seeking a consensus on the text and by continuing to explore ways of making the disciplines legally binding, while examining the adaptability of those disciplines to additional professional services.
- We will work together to improve the disciplines further during the GATS 2000 Round.

target date: end-1998

- To develop a set of ambitious regulatory guidelines in the light of the accountancy, telecommunications and Article VI precedents, applying them to key sectors selected in consultation with industry.

target date: run-up of the Third WTO Ministerial, Autumn 1999