

AAPC

AMERICAN AUTOMOTIVE POLICY COUNCIL



ACEA

European
Automobile
Manufacturers
Association

September 20, 2012

The Honorable Ron Kirk
United States Trade Representative
600 17th Street NW
Washington D.C. 20508

Mr. Karel De Gucht
Commissioner for Trade
European Commission
B-1049 Brussels
Belgium

Mr. Antonio Tajani
Commissioner for Industry and
Entrepreneurship
European Commission
B-1049 Brussels
Belgium

Dear Commissioners and Ambassador:

On behalf of the American and European automakers, the American Automotive Policy Council (AAPC)¹ and the European Automobile Manufacturers Association (ACEA)², join together in supporting the work of the United States (U.S.) and the European Union (E.U.) High-Level Working Group on Jobs and Growth (HLWG), and its recently released interim report. AAPC and ACEA welcome the interim report's conclusions that *"...a comprehensive transatlantic trade and investment agreement, if achievable, is the option that has the greatest potential for supporting jobs and promoting growth and competitiveness across the Atlantic"*.

As the largest manufacturing and exporting sectors in both the U.S. and the E.U., the auto industry has a major stake in the conclusion of a bilateral trade agreement.

Although there is already a robust exchange of automotive trade and investment between the U.S. and the E.U., some policies and practices, including import duties and divergences in automotive regulations, unnecessarily burden and constitute obstacles to free trade. Addressing these measures in a bilateral trade agreement would help ensure that the auto sector gains the efficiencies that are expected to come from such a deal and would significantly contribute to the resulting economic growth on both sides of the Atlantic.

Both the U.S. and the E.U. have highly advanced and developed regulations and regulatory certification procedures and reporting requirements that were developed decades ago. Increased convergence between the U.S. and the E.U. would open the door to common homologation and certification procedures that would reduce both engineering and certification costs and increase automobile trade between the two parties.

¹ The American Automotive Policy Council (AAPC) is the Washington D.C based trade association representing the common public policy interests of its member companies- Chrysler Group LLC, Ford Motor Company, and General Motors Company.

² The European Automobile Manufacturers Association (ACEA) is the Brussels-based association representing the interests of the sixteen European car, truck and bus manufacturers at EU level. Its membership consists of the major international automobile companies, working together to ensure effective communication and negotiation on their public policy interests.

In the past, efforts were undertaken to bridge these regulatory differences and establish a global model. This culminated in the important but limited progress made under the auspices of the United Nations Working Party 29 (WP29).

AAPC and ACEA call for ambitious, bilateral cooperation on automotive technical regulations and standards. Under the auspices of the U.S.-E.U. trade agreement negotiations, this cooperation could include different steps such as the mutual recognition or functional equivalence of existing regulations and standards, and a stronger and comprehensive process to internationally harmonize upcoming regulations within the United Nations WP29 structure. The effort should draw on recent collaborative experience, led by industry, to establish common standards for e-mobility and electric vehicles under the auspices of the Transatlantic Economic Council.

Once again, we welcome the work of the HLWG and the interim conclusions it has reached on the merits of pursuing a U.S.-E.U. bilateral trade agreement. To ensure its success, both parties will need to demonstrate strong political will and commitment to the endeavor.

AAPC and ACEA will work jointly on proposals to achieve a higher degree of technical convergence. We respectively request that the recommendations made above and a comprehensive impact assessment in advance of any mandate for negotiations be considered by the HLWG in preparing its final report, and look forward to its conclusions and recommendations.

Sincerely,



Matt Blunt
President
American Automotive Policy Council



Ivan Hodac
Secretary General
European Automobile Manufacturers Association