



Rolls-Royce

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May 8, 2013

Mr. Douglas Bell
Chair, Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

RE: Docket No. USTR-2013-0019; Request for Comments Concerning Proposed Transatlantic Trade and Investment Partnership.

Dear Mr. Bell:

As a global high-tech manufacturer of integrated power solutions for customers in civil and defense aerospace, marine and energy markets Rolls-Royce has a significant manufacturing footprint, major capital investments, personnel and customer base on both sides of the Atlantic. As such Rolls-Royce continues to support the ongoing development of a trade agreement between the EU and the U.S. and we submit the broad remarks below in an effort to highlight various issues which could be addressed by the proposed Transatlantic Trade and Investment Partnership.

REGULATORY COMPATIBILITY

Although challenges remain to achieve regulatory compatibility the intent to reduce unnecessary red tape, reduce excessive regulatory costs and unjustified regulatory differences should be supported as a means to enhance the economic partnership between the EU and the U.S. Ultimately future regulatory compatibility would make transatlantic business more efficient and effective therefore stimulating jobs and providing the basis for sustained economic growth on both sides of the Atlantic. For example in the financial sector, the recent financial crisis highlighted the global connectivity and dependency under which financial markets operate. It is therefore vital that cooperation between regulators is undertaken in order to adopt a harmonized approach which can restore investor confidence and deliver economic growth. In short, future regulation of global financial markets must be fair, balanced and coordinated.

CUSTOMS

Significant progress already has been made in the Customs arena and perhaps provides a model for this initiative. However, standardized and uniformly applied Customs procedures and tariff application would improve timeliness of trade facilitation as a result of global data sharing and improved efficiencies; and would further enhance the benefits recognized from the recently adopted Authorized Economic Operator/Customs-Trade Partnership Against Terrorism Mutual Recognition agreement.

TARIFFS

Although tariffs between the EU and the U.S. are low, they are still detrimental to trade. A reduction in relevant tariffs would result in cost savings to the end customers and would ultimately increase economic growth and secure high-skilled employment in the EU and the U.S.

EXPORT CONTROLS

Export controls exist on a range of Rolls-Royce products and technologies both in the EU and the U.S. We fully support the main thrust of those controls on high technology sectors that are designed to prevent sensitive items from being used for proliferation and undesirable military purposes. Fragmentation and diverging standards on application of export controls on military and dual-use items still exist within the EU but these are generally recognized and are gradually being tackled. The U.S. has also embarked on reform of its export control system. However, for many companies within the EU and the U.S. there is an equal need to focus on the impact of export controls in the transatlantic market place, if we are to fully reap the benefit of reform from within. Certain U.S. laws are more onerous for non-U.S. companies and others conflict with EU and or local laws. For U.S. companies the differing standards employed by individual Member States can be equally confusing. Such inefficiencies are obvious, and the penalties for noncompliance can be severe. There is some relief in organizations devoted to common export understanding, such as the Wassenaar Arrangement, but this area is too important to remain unaddressed. The development of a trade agreement would provide an excellent opportunity for both the EU and the U.S. to work together on their application of controls, to ensure that inconsistencies of regulation and application are minimized wherever possible.

HUMAN CAPITAL

Human capital poses a particular problem for any transnational company. Understanding and implementing visa and employment requirements is a large burden that should be addressed. Such issues may be rectified by offering a consistent validity period among visa types, a consistent expiration date and consistent license expirations when some form of export license is involved. Further, allowing applicants to apply for visas and export licenses at the same time, rather than sequentially, would greatly improve the process. These measures would help with tracking of visas and licenses, as well as helping to ensure companies and governments have up-to-date information.

We understand the sovereignty issues represented in these broad ideas above, but suggest they have been successfully addressed in Schengen, NAFTA and the EU itself.

Rolls-Royce continues to support the ongoing development of a trade agreement between the EU and the U.S. and despite the many challenges successful implementation of this initiative will create a positive platform upon which to enhance the economic partnership between the EU and the U.S.

Thank you for consideration of these issues.

Sincerely,



Stephen B. Plummer
Executive Vice President
Government Business & Corporate Communications