

EU-US trade agreement dialogue: summary views of BT

A. Innovation agenda

1. Higher economic and jobs growth across the Atlantic will be best served by a relentless focus on ensuring a common and pro-innovation approach to regulation in emerging new areas. Regulation should be based on 'light touch' principles capable of implementation in a similar or mutually compatible way in the EU and USA. These core principles (such as between the EU and US, and US and Japan, on ICT policies and ICT regulatory principles) would obviate the need for long term major harmonisation or Treaty-based efforts. There may too be scope for combined efforts in precompetitive R&D between Government led or funded programmes; and in shared best practice on funding models. All this could act to reinforce a joint EU/US effort with third markets e.g. BRICS, Japan. The innovation areas which seems most suitable for such a mutual effort are:

- * nanotechnology and related areas
- * cloud computing norms, data privacy and transborder data flows
- * smart grid and e-mobility norms
- * cyber security

2. Divergences of approach in the EU and US in the key regulatory area of data protection and data privacy may have a chilling effect on innovation and on new business models. The draft EU Data Protection Regulation is particularly worrisome and needs careful thought and attention. Whilst the draft Regulation has worthy harmonisation aims, the 'devil is in the detail' and the global market for data and transborder data flows means that this is an area which must be subject to a joint approach by the EU and US (which global impact) rather than precipitate effort on one side or the other.

3. The EU and US should also try to address material existing problems of regulatory or standards divergence, particularly in the high tech area, which are causing substantial competitive imbalances between EU and US businesses. 'Quick wins' would include aligning the EU approach to wholesale regulated access to communications networks and the US approach to 'special access'. This would cut the costs of ICT to businesses nationally and transatlantically;

B. Governance and institutional agenda

The US and EU should work together to improve transatlantic and global governance in at least the following areas:

- * to an extent consistent with existing Treaty obligations, the EU (DG Trade) and USTR should set up a joint trade policy task force to work on common approaches to developing enhanced trade opportunities in BRICS, Mexico and elsewhere. This should have explicit business consultation built in
- * the existing high level regulatory cooperation dialogue and the TEC process should be more transparent and more long term in planning and in agenda-setting. It suffers from lack of strategic and secretariat resource on both sides of the Atlantic
- * all measures of transatlantic regulatory significance agreed under the new Accord must be capable of passing tests of (a) the net impact of the measure, taken alone AND cumulatively with related sector or horizontal measures, must be pro-competitive and enhancing of jobs and growth; and (b) unless explicitly not relevant, the measure must be drafted and implemented so as to be 'e-commerce friendly' or 'internet ready'
- * the EU and US should reaffirm their joint commitment to the current arrangement for internet governance (ICANN/IGF etc.) and ensure that the internet eco-system remains open to innovation and commerce globally, and that any constraints (such as on grounds of national or global security, or for the protection of children, or the detection of crime) are 'minimum necessary' measures and ideally harmonised as between US and EU at least on a principles level basis