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“Enhancing Transatlantic Ties for Global Leadership”

Transatlantic Week 2023

Fireproofing the EU-US relationship, Viewpoints: government, legislators, and business

Transatlantic Policy Network

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In the European Parliament our eyes are both focused on details of the EU-US relations and widely opened when it comes to the scope of challenges and opportunities we face.

Fireproofing our bonds is not an option but a necessity. And it has not only bilateral relevance. In these transformative times with a strong geo strategic anxiety and the unlawful aggression on Ukraine our joint global responsibility seems overwhelmingly important.

Our collective actions have a ripple effect on policies worldwide and can be a catalyzer for global change. The key to fireproofing our bonds lies in finding a good balance between rationality of domestic, transatlantic and global policies and responsibilities.

On many issues we have to act in a mutually supportive way to see a win-win outcome. We understand that the US is open to working on plurilateral agreements. This format can be used to integrate existing conversations of common interest at the international level. This format is also important in the context of global geostrategic developments and the risks they have brought about.

I trust that our respective policy packages addressing climate change and the transition to a low-carbon economy will build the resilience of the transatlantic marketplace. There are huge unexploited opportunities to combine the transatlantic forces in the fight against climate change and for its mitigation and get the upper hand in leading the global technological race. We all agree about a clear need to accelerate the innovation capacity we have in the clean tech sector.

Many fireproofing dialogues have been launched, helping to scale up clean tech so that EU and US innovations can become more affordable, accessible, and attractive. This should continue to be high on the agenda of the transatlantic policy makers and regulators.

All those fireproofing things to do can be adequately addressed only with an active role of business community, with their more effective engagement with regulators, maybe with a refreshed approach to collaboration between policy makers, legislators, regulators and those who generate technology, growth and jobs, with cooperation based on common understanding of risks, economic and national security challenges as well as of the importance of sectors to the digital and green transitions. And when I say collaboration I see it more as a process than a one-off event.

We must make this dialogue on fireproofing more visible for businesses, including small companies. When we meet in the European Parliament in the framework of the European Forum for Manufacturing where Ken Monahan, vice president of the US national association of manufacturer often shares with us his views, we hear about the transatlantic leadership in a number of industries, about strong trends in successful investments, advanced competitors, innovative business models, and that this transatlantic leadership we have built so far can now be replicated in the green tech world.

We should ensure that the IRA and the EU Green Deal Industrial Plan can be game changers, pushing the clean tech to scale up faster. There is a moment now to compete on the global stage. Our innovation timeline is much shorter than ever. We can be more successful in scaling up if we collaborate rather than work in silos. It is doable because many companies have jobs on the ground on both sides of the Atlantic.

We have chosen the way for fireproofing our bilateral relations by establishing TTC. This way we have a dialogue on a number of issues that could one day sum up into a comprehensive cooperation framework. TTC is an opportunity to create environment for such convergence through both small steps and big splashes. TTC helps us not only to advance on the resilience of transatlantic supply chains in key sectors for the green and digital transition but also to cooperate on standards for emerging clean

technologies. Common work on standards is crucial. This matters for transatlantic market and is of global relevance.

We see now the first building blocks of the green tech alliance being created within the TTC decision framework. The EU-US Clean Energy Incentives Dialogue has been launched. The Transatlantic Initiative on Sustainable Trade has been established. The TTC platform allows the EU and US to move to common goals on a massive scale, creating predictable and fair competition conditions.

We still need to make more on mapping the area of strategic actions of systemic importance, of long term cooperation, including standardization, of trade facilitation, including remaining tariffs reduction. We have a hugely untapped potential regarding conformity assessment and sectorial mutual recognitions agreements. We still see far too many research centers working in the same field on both sides of the Atlantic and not communicating. We also see far too often situations when firms are ready to scale but standards and trade policies hinder the progress.

TTC helps us not only advance on the resilience of transatlantic supply chains in key sectors for the green and digital transition but also cooperate on standards for emerging clean technologies which is of global relevance.

On the digital front, there remains a gap between the EU and the US on AI rules. The EU is moving ahead with mandatory rules. It was also a good news to see the launch of three dedicated expert groups on AI, including on terminology and standards. We expect to see more deliverables being announced at TTC5.

I also believe that the transatlantic partnership should lead on strengthening the rules based international order, bringing into this process all like minded countries. The EU, as you know, is committed to international rules and standards and we do not see a better partner than US.

We trust we can safely navigate, as best as we can through the time, necessary and inevitable WTO reforms, including its national security rules and dispute settlement system.

Power based trade does not bring win-win solutions and we need to find a path preserving the principles of the world trading system. As somebody said the

challenges and chances ahead will not work for us if we keep our yards small and our fences high.

EU and US will find a common ground for de-risking our relations with China, combining effective defensive trade controls with reducing exposures. It is in our interest that there be a rules based system and that the rules be enforced.