



Resetting the Trans-Atlantic Economic Council

A Blueprint

INTRODUCTION

This memo is a joint effort of the Bertelsmann Foundation and the Atlantic Council and is intended as a contribution to advancing the integration of the trans-Atlantic economy. This project was conceived as a blueprint for the Transatlantic Economic Council (TEC) on the occasion of the October meeting.

In light of the role for the G20 in financial regulation, economic development, energy, and climate issues, strong US-EU cooperation within the TEC is increasingly essential. While the G20 represents a more balanced global leadership structure, a forum to directly coordinate between the world's two largest trade, investment, and regulation-setting partners— who share common values and a like-minded approach to crucial global issues—will be vital. The TEC has a central role to play in coordinating strategic issues of climate change, intellectual property rights (IPR) protection, e-health, investment regulation, and financial-market reform. These issues will be important “lighthouse” priority projects for the TEC.

The TEC is at a crossroads. It has great potential as a forum for discussing strategic issues between the United States and Europe, but has often been bogged down in single-issue gridlock. Progress at this month's gathering will provide an important indication of how trans-Atlantic economic integration will move forward.

The October meeting, the first under the new U.S. administration, offers the ideal moment to start resetting the TEC as a process and better define what the TEC does. President Barack Obama voiced strong support for the TEC process during the April US-EU Summit in Prague. In addition, German Chancellor Angela Merkel emphasized the importance of continuing to develop the TEC during her first visit to Washington since President Obama's inauguration. The October TEC meeting is the starting point to use this political momentum to set a forward-looking strategic agenda of cooperation.

This memo provides a blueprint for re-shaping the TEC so that it can leverage the strong economic ties between the United States and Europe, and facilitate a return to trans-Atlantic economic growth. The memo focuses on fifteen key points. The first five points are strategic areas that in which the TEC should take advantage of its unique role coordinating across governmental portfolios in the United States and the EU. The final ten points are organizational recommendations intended to make the TEC a more effective institution.

We would like to thank the numerous officials and stakeholders on both sides of the Atlantic who have provided us with invaluable insight and guidance into the strengths and challenges that the TEC has faced in its first two years. We are particularly grateful to those who reviewed and provided extensive feedback on this document.

We would also like to express our deepest appreciation to Tyson Barker, Project Manager for trans-Atlantic Relations at the Bertelsmann Foundation; and James O'Connor, Assistant Director of the

Program on Global Business and Economics at the Atlantic Council. Their excellent research and development of the memo's analysis was instrumental in the project.

We hope that this joint memo can contribute to the dialogue on the TEC and the overall future of trans-Atlantic economic relations.

Best regards,

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EXECUTIVE SUMMARY

AGENDA-SETTING FOR THE TEC

Focus on Energy and the Green Sector.

- Develop a strategic “path away from oil”
- Determine the economic consequences of shifting to a low-carbon economy
- Enhance R&D cooperation
- Coordinate environmental standards
- Ensure the interoperability of cap-and-trade programs
- Guarantee that any trans-Atlantic energy cooperation works together with the TEC

Work together on trans-Atlantic and third-country IPR development and patent protection.

- Coordinate IPR protection for emerging sectors
- Consult on green-technology transfer
- Align U.S. and EU policy on counterfeit goods and protecting IPR in third countries
- Encourage cooperation between regulators and legislators on patent reform

Promote e-Health and medical record regulatory coordination.

- Ensure the interoperability of standard measures and fields

Coordinate on new regulation of financial services and investment.

- Initiate trans-Atlantic impact assessments
- Forge a cross-cutting coalition

- Develop guidelines for a common approach to FDI barriers
- Break down existing and emerging barriers to bilateral investment.

Address issues of mutual interest in the regulation of food safety.

- Coordinate standards, particularly for import compliance
- Create a working group for food safety
- Coordinate technical assistance to third countries on meeting SPS standards

TEC 2.0: INSTITUTIONAL REFORM

Designate the US Vice President and European Commission President as Co-chairs of the TEC.

- The United States should move the ceremonial chair to the office of the Vice President.
- The TEC EU Chairmanship should be under the direct purview of the President of the Commission

Create a two-track system to make the TEC a strategic forum on broad economic challenges.

- Track I: Principals' Strategic Engagement
- Track II: Deputies' Technical Engagement

Guard against protectionism in trans-Atlantic trade and investment.

- Foster dialogue on coordinating the role of the state in the economy
- Define when and where state intervention in the economy is warranted (including company bailouts) and identify the methodology for making this assessment
- Work to close the gap between U.S. and EU approaches to anti-trust and competition policy
- Discuss the potential for a Transatlantic Free Trade Agreement (TAFTA)

Better engage the legislative branches.

Outline specific roles for involved stakeholders such as the TransAtlantic Business Dialogue (TABD) and Trans Atlantic Consumer Dialogue (TACD).

Incorporate labor into the stakeholder process by engaging with the European Trade Union Confederation (ETUC) and relevant U.S. labor organizations.

Create permanent coordinating bureaus in Washington, DC and Brussels.

- Create an open mapping of the approximately 27 trans-Atlantic working groups related to the TEC process
- Consult with EU member-state governments and U.S. state governments

Place greater emphasis on stock-taking, evaluation, and follow up.

- Emphasize regular progress reports to the co-chairs between TEC meetings
- Take stock of previously signed agreements between the United States and EU

Create a Web 2.0 presence for the TEC.

Emphasize the complementarity of the TEC and the US-EU Summit.

AGENDA-SETTING FOR THE TEC

The strength of the TEC lies in its ability to bring together a broad cross-section of regulators to remove barriers and forge common approaches, particularly in emerging industries, on both sides of the Atlantic. Government officials and stakeholders agree that the TEC should not become a forum for addressing past bilateral trade disputes. Rather, the TEC can create an institutionalized structure for regulation in new sectors.

With this in mind, the October meeting should address areas of regulation in the rising sectors outlined below. Some of the following have already been identified as “lighthouse” priority projects; the rest should be added to this list.

2. *Focus on Energy and the Green Sector.*

The TEC should create a specific working group on energy, comprising experts from the relevant agencies in Europe and the United States, to be charged with identifying the most economically effective projects and to foster cooperation on R&D on these projects. The TEC’s work on the regulatory aspects of energy and climate-change make it a natural forum for discussion on these issues. In addition, the strength of the TEC’s ability to coordinate among agencies is essential to resolving disputes. In this context the TEC meeting should:

- **Develop a strategic “path away from oil”** that promotes eco-efficiency, including common standards and regulation of low-carbon energy technology such as electric mobility, hydrogen, and bio-fuels.
- **Determine the economic consequences of shifting to a low-carbon economy** for energy suppliers and major energy consumers. For example, industry has recognized that coordinating quality standards for second- and third-generation bio-fuels is a win-win scenario for the United States and Europe, which will be centers for energy-efficient automobiles.
- **Enhance R&D cooperation** on joint research projects that will help increase the effectiveness of R&D expenditure and avoid unnecessary duplication. Early areas for cooperation include Carbon Capture and Storage (CCS) and development of smart-grid technology to better allocate energy and connect renewable energy sources with consumers. Exchange of best-practices and technology in these areas should be a top priority for the TEC.
- **Coordinate environmental standards** including on new emissions standards for automobiles, cap-and-trade programs for industry, and energy-efficiency requirements for products and buildings (such as LEED standards).
- **Initiate information exchange on the scientific basis of regulations**, their potential economic impact, and the way in which they can be coordinated. Climate-change initiatives must not create new barriers to trans-Atlantic trade; to avoid this, coordination on the design of such regulation will be essential.

- **Ensure the interoperability of cap-and-trade programs**, allowing for sufficient safeguards for quality, with a view to creating a trans-Atlantic market for carbon-emission allowances.
- **Guarantee that any trans-Atlantic energy cooperation works together with the TEC** to strengthen the interdisciplinary consultative process. With this in mind, any discussion of launching a Transatlantic Energy Council should consider the Energy Council's relationship to the TEC. Coordinators on both sides of the Atlantic should work together to determine a means by which the two bodies can maximize their efficiency.

Coordination between the United States and EU will also be crucial in the lead-up to the UN Framework Convention on Climate Change (UNFCCC) in Copenhagen in December 2009. As the United States and EU, including its member-states governments, work on legislation to tackle climate change, the TEC can be a useful forum to ensure coordinated and compatible standards and systems for reducing greenhouse gases and carbon emissions. To increase the effectiveness of such climate-change initiatives and secure agreement from large emerging countries at Copenhagen, the United States and EU must present as unified a front as possible.

3. *Work together on trans-Atlantic and third-country IPR development and patent protection.*

IPR and patent protection are areas in which the United States and Europe have long recognized shared interests. Bilaterally, the United States and EU are working together to ease joint patent renewal on both sides of the Atlantic. Sweden has placed innovation at the heart of its EU presidency, making this an opportune moment for action. Creating more efficient IPR and patent regimes both bilaterally and with third countries will help the United States and Europe maintain their competitive advantage in innovation. In this light, the TEC should:

- **Coordinate IPR protection for emerging sectors** such as renewable energy technology, radio frequency identification (RFID), and nanotechnology.
- **Consult on green-technology transfer** ahead of the UNFCCC climate-change negotiations in December.
- **Align U.S. and EU policy on counterfeit goods and protecting IPR in third countries.** Efforts should focus on: increased cooperation between European and U.S. customs authorities to identify best practices, working together to conclude negotiations on the Anti-Counterfeiting Agreement (ACTA) and other such accords, and compelling third countries to enforce IPR protection and anti-counterfeiting laws.
- **Encourage cooperation between regulators and legislators on patent reform.** The patent-registration issue centers on congressional involvement. The Patent Reform Act of 2009 envisions a switch from a "first-to-invent" to "first-to-file" patent registration in the U.S. This form of registration is consistent with patent law in Europe and other major patent originators. The TEC should work proactively to encourage congressional involvement in discussions on trans-Atlantic patent reform.

4. *Promote e-Health and medical record regulatory coordination.*

E-health has great potential to improve and significantly cut the cost of healthcare by providing physicians with faster access to greater amounts of information at decreased cost. As a new market with relatively few regulations, e-health provides the TEC an opportunity to ensure the sector is consistently regulated across the Atlantic. This should emphasize patient privacy and science-based regulation. The first set of TEC discussions on e-Health should:

- **Ensure the interoperability of standard measures and fields** for the exchange of medical information electronically among physicians, patients, insurance providers and hospitals. TEC cooperation on e-health systems will improve medical-record keeping, virtual care by specialists, data access for patients, and integrated hospital information systems. This will reduce the cost of care and improve quality; in emergency cases, the ability to access detailed e-health information quickly could prove crucial.

5. *Coordinate on new regulation of financial services and investment.*

The Financial Markets Regulatory Dialogue (FMRD) has successfully maintained ongoing technical dialogue on financial-regulatory cooperation. TEC coordination with the FMRD should continue to work to prevent new non-tariff-barriers, but the impetus should be put on the banking and financial sector to bring issues to the FMRD to be resolved. On the frontiers of financial regulation, the TEC should consult with other stakeholders to preempt potential inconsistencies in post-crisis regulatory regimes.

Many of the most dangerous protectionist measures are emerging in the financial sector, where state aid can distort flows of investment. In addition, new financial regulations that need trans-Atlantic coordination are emerging. Regulatory changes on one side of the ocean have major and immediate impacts for the other due to the high degree of trans-Atlantic integration of financial markets. TEC coordination is; therefore, essential taking into account extra-territorial effects of new legislation and regulation. The TEC should:

- **Initiate trans-Atlantic impact assessments** of the new financial and investment regulation in the United States and Europe. In particular, the TEC should examine areas for mutual recognition of: securities regulation; hedge fund and private equity regulation; establishing a minimum ratio for solvency margins in insurance underwriting; insurance registration requirements; auditing standards (which incorporate off-balance-sheet assets); capital-requirements regulation and enforcement; and oversight of ratings agencies.
- **Forge a cross-cutting coalition** of the U.S. administration, the European Commission, U.S. Congress and the European Parliament (EP) to break down barriers between regulatory authorities in both systems. One example of this may be Congressman Paul Kanjorski's bill to create a national insurance office that would establish federal policy on international insurance matters, and ensure that state insurance laws are consistent with federal policy for coordinating international trade agreements.

The Investment Dialogue produces useful information for both sides of the Atlantic concerning their engagement with third countries. It is already creating a matrix of barriers to foreign direct investment (FDI) in China. The Investment Dialogue should:

- **Develop guidelines for a common approach to FDI barriers** in China, India, and other countries.
- **Break down existing and emerging barriers to bilateral investment.** The TEC should transmit information to the U.S. Congress or relevant agencies, and to the European Commission and member-state parliaments during the legislative process. This will ensure that new legislation and regulations do not increase barriers to trans-Atlantic investment with the exception of narrowly defined national security concerns.

6. Address issues of mutual interest in the regulation of food safety

A critical difference between U.S. and EU food safety regulations lies in the requirements for verifying compliance with import standards on both sides of the Atlantic. For example, in the United States, horticultural imports must be approved by U.S. authorities, whereas imports into the EU must receive a phytosanitary certificate of compliance from the relevant authorities in the country of origin for a select list of products. To address these barriers, the TEC should:

- **Coordinate standards, particularly for import compliance,** to the greatest degree possible to improve the safety of food imports and increase export opportunities for developing countries.
- **Create a working group for food safety** to identify best practices in regulatory standards, import regulations, and sanitary and phytosanitary (SPS) measures. The TEC should do this with a view to creating science-based and, where possible, common standards, and to simplify compliance with these standards, regulations and measures.
- **Coordinate technical assistance to third countries on meeting SPS standards,** which will support agriculture in developing countries, establish a more secure food supply, and lower prices. The U.S. and the EU share the goal of preventing the introduction of pests and plant disease. The TEC can improve compliance on SPS and other common US-EU standards by providing the political push to the agencies that administer technical assistance to third countries.

TEC 2.0: INSTITUTIONAL REFORM

Since its creation at the US-EU Summit in Washington in 2007, several structural weaknesses in the TEC have impeded progress on key fronts identified in the framework document. The degree of effectiveness of the TEC going forward will ultimately be a function of addressing institutional deficiencies that have been noted during the first two years of the process' existence. The following ten points are recommendations that would allow TEC planners and participants to optimize the TEC meetings, make the process more continuous, and yield both short-term deliverables and long-term strategic results.

1. *Designate the US Vice President and European Commission President as Co-chairs of the TEC.*

The strength of the TEC rests in its ability to work across regulators. But current challenges regarding staffing capacity and ability have impaired the TEC's effectiveness. A radical restructuring of the TEC chairmanship would send a powerful signal and help revitalize the TEC.

- **The United States should move the ceremonial chair to the office of the Vice President.** This move would be consistent with the role that vice presidents have traditionally played in similar efforts. The assistant to the U.S. Vice President for economic policy coordinating with the National Security Council (NSC) would serve as the "Sherpa" for the U.S. side, ensuring cooperation with the G20. The NSC and Office of Management and Budget (OMB) could have principal supporting roles in this coordination.
- **The TEC EU Chairmanship should be under the direct purview of the President of the Commission,** with the European Commission's Head of Cabinet serving as the EU "Sherpa". This would reflect the structure on the U.S. side and ease inter-agency coordination. Currently, EU responsibility for the TEC is under the Vice President of the Commission/Commissioner for Enterprise and Industry. This can cause challenges coordinating across other Directorates-General (DGs).

2. *Create a two-track system to make the TEC a strategic forum on broad economic challenges.*

The TEC's future lies in its continued ability to bring together cabinet-level officials to discuss strategic issues facing the trans-Atlantic economy. This serves two vital functions: Informally, ministers get to know each other and identify the right person to call when seeking coordination across the ocean; formally, their presence brings added political weight for agencies and groups to advance particular issues and profit from opportunities for trans-Atlantic economic cooperation.

The TEC process should be organized along a two-track structure that will engage the group in strategic thinking while simultaneously advances crucial technical work. This approach would help set priorities and streamline the agenda.

- **Track I: Principals' Strategic Engagement:** The TEC semi-annual or annual meeting would provide a venue for cabinet-level officials to focus on the macro and strategic issues affecting the trans-Atlantic market, i.e., the economic crisis and response, conclusion of trade

negotiations, cooperation on the formation of new regulation, joint approaches to third countries, macro-economic surveillance, and assessments of potentially new issues that may affect the trans-Atlantic economy. In addition, Track I could identify new industries and innovation as sources of growth for Europe and the United States. Track I would include regular, ongoing contact among relevant agencies on these issues.

- **Track II: Deputies' Technical Engagement:** Senior working-level officials would focus on sector-based regulatory work that requires technical expertise and attention. This would entail continuous, open dialogue throughout the year, as well as a session in advance of the principals' meeting to tee up issues that rise to the Track I principals' level. These two tracks will serve as an early-warning mechanism for emerging issues in the trans-Atlantic relationship.

Both tracks of the TEC should be forward-looking, identifying potential new disputes before they harm the trans-Atlantic relationship. The ongoing, close Track II cooperation among regulatory agencies would define the building blocks of new regulation i.e., risk-assessment, scientific and best practice exchange. Working groups would assess the possibility of making standards and data used in creating regulation more similar in Europe and the United States.

3. *Guard against protectionism in trans-Atlantic trade and investment.*

As the global economy deteriorated over the past year, governments have come under intense political pressure to protect jobs and industry. Protectionist measures, such as the "Buy America" provisions in the U.S. House stimulus bill and similar provisions put forth by France, the United Kingdom, Spain, and other European governments, could send the wrong political signals and undermine confidence in open markets. To counter this, the TEC should:

- **Foster dialogue on coordinating the role of the state in the economy**, including where and how to apply economic stimuli and corporate bailouts. The debate over state intervention in the economy still represents a major point of contention between the United States and EU. A TEC discussion on the size and structure of economic stimulus and industry bailouts (particularly for firms that operate cross-border and trans-Atlantically) will help temper disagreements on the future use of such measures.
- **Define when and where state intervention in the economy is warranted (including company bailouts) and identify the methodology for making this assessment.** These recommendations can then be used by the European Commission, EU member-states, and the U.S. government to inform their decision making on state intervention in the economy.
- **Work to close the gap between U.S. and EU approaches to anti-trust and competition policy**, particularly in the methodology for assessing anti-competitive behavior, as divergent approaches to anti-trust regulation and enforcement can have distorting effects on trans-Atlantic markets.

- **Discuss the potential for a Transatlantic Free Trade Agreement (TAFTA)** once conditions in Congress, the EP, and EU and U.S. public opinion are amenable. The trans-Atlantic market is deeply integrated across trade and financial sectors. This integration must be protected and enhanced. However, Congress and the U.S. administration must resolve the Colombia, South Korea, and Panama FTAs before discussions on a TAFTA can begin in earnest. At present, the TEC can emphasize mutual enforcement of existing trade agreements bilaterally and with third countries.

4. *Better engage the legislative branches.*

Congress and the EP should be made integral participants in the full TEC meetings. A March 2009 Congressional Research Service (CRS) report provided a broad outline of the structural deficits in the way that the TEC currently engages Congress. Unlike the pre-Lisbon EP, Congress has the ability to initiate legislation that can have a significant regulatory dimension. There are numerous examples where early legislative buy-in to the regulatory process could have dramatically improved the outcome for both sides (i.e., Sarbanes-Oxley, REACH, cargo scanning, and the foreign-ownership provision in the “Open Skies” agreement).

Congressional and EP participation in the TEC process must be functionally driven. Because the TEC deals with issues that are highly technical in nature, incorporating the right members of Congress and the EP into the discussion is key to facilitating legislation that will positively affect trans-Atlantic trade and investment. While the Transatlantic Legislators’ Dialogue (TLD), the EU Caucus, and other parliamentary groupings demonstrate a holistic interest in the trans-Atlantic relationship, their functional role does not always coincide with the TEC agenda. To optimize legislator participation in the TEC, coordinators must work with the TLD secretariats on both sides of the Atlantic to shape the TEC agenda early and consistently.

5. *Outline specific roles for involved stakeholders such as the TransAtlantic Business Dialogue (TABD) and Trans Atlantic Consumer Dialogue (TACD).*

The principal stakeholder groups set up to inform the TEC must: be brought into the process earlier; be given greater access to information on the progress of the TEC, the working groups, and the timing of meetings; and have a greater say in the forming of the agenda. Greater information as well as early and meaningful input into the TEC process will encourage the trans-Atlantic private sector and civil society to play a more active role in the process and put forth more concrete proposals for working groups and meetings. This will help create a demand-driven agenda that more accurately reflects the input of the business community and consumers on the trans-Atlantic economic relationship.

6. *Incorporate labor into the stakeholder process by engaging with the European Trade Union Confederation (ETUC) and relevant U.S. labor organizations.*

Labor is a major constituent group not among the TEC’s official stakeholders, yet is a major stakeholder in the trans-Atlantic economy. Inviting the ETUC and major U.S. labor organizations such as the AFL-CIO to engage in the TEC process will help mitigate protectionist pressure on trans-Atlantic economic

integration. On issues whose regulation directly affects job creation and growth, early input from organized labor will enhance regulatory and legislative effectiveness.

7. *Create permanent coordinating bureaus in Washington, DC and Brussels.*

Transparency has been a challenge for the TEC since its inception in 2007. As an inter-agency process, the TEC is uniquely suited to provide a transparent account of progress across regulatory agencies and departments in the United States and the EU. At the same time, the disparate set of portfolios encompassed in the TEC can make it difficult to maintain the “big picture” knowledge of all relevant working-level dialogues and agencies. Clearly-defined secretariats in the U.S. government and the European Commission that operate as a working-level way station for the TEC could help establish greater transparency and efficiency in the TEC process as a whole. The TEC can take the following steps to increase transparency and effectiveness:

- **Create an open mapping of the approximately 27 trans-Atlantic working groups related to the TEC process**, identifying areas of purview. On the U.S. side, several departments including State and Commerce are working on this. This comprehensive schematic is consistent with the stock-taking efforts that can be part of the resetting strategy for the TEC. A secretariat on both sides of the Atlantic also offers the process a normalized gateway to the appropriate working groups, with regulatory competencies related to a stakeholder’s issues. To overcome the “case-by-case ad hoc approach” adopted in regulatory coordination, governments should institutionalize the process. Regular progress reports from all working groups could also be housed at the secretariat and disseminated to interested stakeholders upon request.
- **Consult with EU member-state governments and U.S. state governments**, all of which have exclusive jurisdiction and enforcement areas on certain regulations. They should be informally brought into the coordination process.

A potential secretariat cannot be tasked with providing the push for progress at the working-group level or make executive decisions related to the TEC process. The push will continue to come from the TEC co-chairs and their staffs. Rather, the secretariats should be seen as coordinating bodies and information clearinghouses for regulators and outside stakeholders.

8. *Place greater emphasis on stock-taking, evaluation, and follow up.*

Preparations for TEC meetings typically begin four to six weeks in advance. The gaps between the meetings, and their irregularity, inhibit building momentum within the implementing agencies on both sides of the Atlantic. This can lead to an intensified push for agenda items and hastily identified deliverables in the month before the meeting. This is particularly true when the capacity for follow-up by the co-chairs is overtaken by other events. To smooth planning and improve agenda development, the TEC should:

- **Emphasize regular progress reports to the co-chairs between TEC meetings** to provide a gauge of areas that require further political pressure. Coordination between the co-chairs and a

potential secretariat could help advance the process at the working level throughout the year. While the TEC should not get caught up in the chase for deliverables, it should take advantage of the achievements that its working groups have facilitated and successfully concluded by publishing them in the form of periodical updates. This will add to the TEC's credibility and provide consistency beyond annual or bi-annual TEC meetings.

- **Take stock of previously signed agreements between the United States and EU**, particularly the Mutual Recognition Agreements (MRAs) signed between 1994 and 1998. This is an opportunity for the TEC to determine if implementing moribund agreements is feasible.

9. *Create a Web 2.0 presence for the TEC.*

A Web 2.0 presence for the TEC would communicate its activities in a transparent and interactive manner. Stakeholders have been calling for an up-to-date Web platform on the TEC since its beginning. The lack of a viable website has contributed to the perception that outside stakeholders are being discounted. The current U.S. administration has demonstrated a commitment to transparency and openness in government. Sites like www.change.gov and www.whitehouse.gov have demonstrated that successful implementation of interactive Web platforms can increase transparency and public engagement.

The United States currently has no Web platform for the TEC. The European Commission has one, but it has not been updated since the U.S.-EU Summit in Slovenia in June, 2008. The TEC co-chairs should make transparency a priority and commit to launching a website by the end of 2009. The website should be a joint endeavor, maintained and updated by the coordinating secretariats in the U.S. administration and the European Commission. This website would be a central information hub where the secretariat can post open briefing materials from outside stakeholders, provide communiqués and publish minutes of TEC meetings.

10. *Emphasize the complementarity of the TEC and the U.S.-EU Summit.*

By scheduling the TEC meeting a week in advance of the U.S.-EU Summit in November, the organizers have set a timetable that lends itself well to follow up and to providing input on a comprehensive agenda. The TEC meeting will be an opportunity to set agenda items for the Summit, track progress on past initiatives, think creatively about rising sectors and potential barriers to the trans-Atlantic economic relationship, and outline new initiatives. The close calendar proximity of the TEC and US-EU Summit promotes these goals and should be institutionalized.

Outside timetables will always affect TEC dynamics. The current transition of the European Commission is an outside occurrence that has led some observers to questions if the October TEC meeting should be postponed until early 2010. It will be important to institutionalize the TEC timetable to optimize its effectiveness and regularity. Linking TEC meetings to the timing of the US-EU Summit would be one way of doing this.

A WAY FORWARD

The success of the TEC is ultimately a question of sustained political will. Both sides of the Atlantic should avoid calls for creating new institutions. Rather, the United States and Europe should take advantage of the October meeting as a first step to revitalize the TEC process and chart a path toward greater trans-Atlantic economic integration.

