AmCham EU
SPEAKING FOR AMERICAN BUSINESS IN EUROPE

Recommendations to the Belgian Presidency of the Council of the European Union

January - June 2024

Table of contents

Foreword

Susan Danger
CEO
AmCham EU

The Belgian Presidency of the Council of the EU arrives at a challenging time for Europe and the world. American companies continue to be concerned about the volatility of the external environment, which is undermining the attractiveness of the EU. Safeguarding the case for investing in Europe should be a priority for policymakers.

Over the next six months, the Belgian Presidency has an opportunity to strengthen the EU's business outlook by boosting the twin digital and green transitions and standing firm against protectionism. The Single Market remains the key driver of foreign investment into Europe. Leadership will be required to further deepen it, avoid excessive regulation and advance harmonisation and enforcement across Member States.

European policymakers should also rely on the transatlantic relationship to tackle global challenges. The EU and the US are drivers of global growth: they make up the largest and wealthiest market in the world. Aggregate US investment in Europe totalled more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe and annually generates billions of euros in income, trade and research and development. The continued commitment of both sides to transatlantic cooperation, through initiatives such as the Trade and Technology Council, remains critical.

Importantly, AmCham EU applauds governments on both sides of the Atlantic for their unity and commitment to the people of Ukraine. The public and private sectors must now cooperate to support the country's economic prosperity and recovery. Ensuring respect for the rule of law will be important to enable meaningful engagement from all stakeholders.

On behalf of AmCham EU and our member companies, I am pleased to present our recommendations to the Belgian Presidency. Many of the issues raised in this report are vital to shaping a strong and competitive EU, and we hope that these recommendations provide concrete input and direction to the Presidency's work programme over the coming six months.

AmCham EU stands ready to support Belgium in this crucial role and wish the Presidency every success.

Safeguarding the attractiveness of Europe:
an absolute priority

American companies are concerned about the attractiveness of Europe for investment. With a difficult economic climate, the heavy regulatory environment and protectionist tendencies hinder the case for investing in Europe. This calls for a stronger focus on the Single Market, the main driver of foreign investment into Europe. It should be strengthened to avoid further fragmentation and boost the twin digital and green transformations. It continues to bring tremendous benefits for companies, including a wealthy consumer base, leading research institutions and access to a wide neighbourhood. There is no time for complacency.

Green transition

What our planet looks like tomorrow depends on how we balance economic recovery and environmental protection today. With harmonisation across environmental and climate policies, clearly defined targets and a path for achieving them, our member companies are partners in defining and implementing sustainability practices. The following are seven key action areas essential to the green transition:

- **Chemicals**: Developing a consistent and coherent chemicals policy can help the EU achieve sustainability and enhance its competitiveness.
- **Circular economy**: Maintaining the value of products, materials and resources for as long as possible, while supporting recycling infrastructure and technologies, can create a more sustainable economy. The green transition must empower consumers to fully participate in the circular economy.
- **Critical raw materials**: Industry needs reliable access to critical raw materials to power the twin transitions and manufacture products from batteries to photovoltaics.
- **Energy:** Reducing energy demand, establishing impact-assessed short- to long-term measures and transitioning to low-carbon technology are key components in decarbonising the economy and ensuring the workability of energy markets.
- **Finance:** Integrated European capital markets to attract and activate new pools of investment can drive sustainable innovation.
- **Food systems**: The EU must implement short- and long-term measures, agreed upon through private-public collaboration, to ensure sustainable food security and affordability.
- **Mobility and transport**: A balanced approach to low-emission mobility and heightened use of digital technologies can contribute to a more competitive and clean transport sector.

Digital transformation

The digitisation of industries and public services is vital to build a more resilient and sustainable economy. Investments in the digital sector can enhance the broader business community's ability to contribute to future growth. These investments should ensure that all Europeans benefit from an increase in digital services and innovations. Eight areas crucial to this digital transformation are:

- **Artificial intelligence (AI):** By creating an ecosystem of trust and excellency, the EU can become a vibrant hub for researching, developing and innovating trustworthy AI technologies.
- **Connectivity**: The rollout of 5G, coupled with fibre and enhanced Wi-Fi capacity, can give consumers access to more information faster than ever before and make business more efficient.
- **Cybersecurity:** Any EU cybersecurity certification scheme should focus on technical measures and be aligned with existing consensus-based international standards.
- **Digital capacities:** Europe should accelerate investment, innovation and entrepreneurship to foster the uptake and scale-up of new technologies such as cloud, digital health solutions, AI, additive manufacturing and blockchain, which have tremendous economic and social potential.
- **Digital skills:** Significant investments in education, life-long learning, upskilling and reskilling are essential to ensure the workforce is ready for the jobs of tomorrow.
- **Intellectual property rights (IPR):** Efficient, well-designed and balanced IPR enforcement can promote investment, research, innovation, growth and global business activities. It can also help Europe increase its global competitiveness in innovative sectors and protect the internal market by guarding against counterfeit products.
- **International data flows:** Europe must limit data protectionism and ensure international data flows are maintained, strengthened and protected.
- **Semiconductors**: Europe can boost its semiconductor production capacity by investing in research, development and innovation, increasing its supply chain resilience through public funding, expanding its talent pipeline and establishing a crisis response mechanism to monitor the semiconductor ecosystem.

Agriculture

Common Agricultural Policy (CAP)

🍃 🌐

For the EU's agricultural policy to create a regulatory environment that encourages innovation in food systems, it must remain aligned with the objectives and targets of all Green Deal initiatives, enable farmers to use more sustainable, efficient and safe farming practices and facilitate investment to accelerate the digitalisation of farming.

Recommendations:

- Ensure fair and non-discriminatory treatment of local versus imported raw materials by removing non-tariff barriers to trade and recognising different agronomic needs around the world.
- Support research and development (R&D) initiatives in agriculture, including digital and precision farming.
- Invest to incentivise farmers to adopt more sustainable agricultural practices.
- Ensure a well-functioning international agri-food supply chain that supports economic recovery.

Deforestation-free products Regulation

🍃

The agricultural commodities included in the deforestation-free products Regulation proposal face unique challenges linked to their specific attributes, local environments and applications. Businesses continue to work towards improved controls and information on what is happening on farm.

Recommendations:

- Use traceability approaches specific to the nature of the commodity and coordinate with other countries to establish traceability systems for indirect suppliers, including consistent and updated registration of farmers and their ownership of land.
- Place due diligence obligations on the product manufacturer or importer to avoid redundancy and unnecessary burdens.
- Promote workable border controls by creating audits to prevent suspensions and logistical bottlenecks that arise from checks or suspension per shipment.
- Develop guidelines for minimum standards and quality control of third-party verification schemes.
- Maintain the current scope of the proposal as expanding it (eg to palm oil-derived products such as soaps and cosmetics) would increase the proposal's complexity, impact border processes and affect the volume of goods moved across the border.

🍃 **= issue area related to the green transition** 🌐 **= issue area related to the digital transformation**

ISSUE	RECOMMENDATIONS

Food security and affordability

The war in Ukraine has exacerbated food insecurity for the most vulnerable segments of society. Crippling inflation has also rendered food unaffordable for many households across Europe. Governments, civil society organisations and the private sector have to strengthen their collaboration to identify and implement both short- and long-term measures that address the ongoing global food security crisis.

Recommendations:

- Implement short-term measures aimed at increasing agricultural production in the EU.
- Classify the entire food production chain as essential and rethink EU measures around energy savings.
- Enhance climate and environmental protection without compromising food security.
- Stimulate free trade for agricultural products to avoid export restrictions and additional uncertainties for agricultural raw materials.
- Incentivise farmers to adopt more sustainable agricultural practices.
- Communicate risk management decisions in a clear, timely and transparent manner to encourage consumer acceptance of technological developments.
- Prioritise rigorous scientific and risk-based decision-making in all discussions.

Sustainable food systems

If successfully implemented, the Farm to Fork Strategy (F2F) could protect the environment, promote sustainable production and consumption, produce healthier food, facilitate sustainable trade and encourage increased research and innovation, all while preserving Single Market principles.

Recommendations:

- Carry out a comprehensive cumulative impact assessment on all Green Deal initiatives affecting farming.
- Ensure further biomethane and electricity deployment in the agriculture sector.
- Use the F2F to drive sustainable change in the supply chain and base its initiatives on scientific evidence.
- Support the development of sustainable veterinary medicines through the F2F to incentivise a reduction in environmental impact.
- Consider vaccines as sustainable pharmaceuticals and as a tool to combat antimicrobial resistance (AMR).
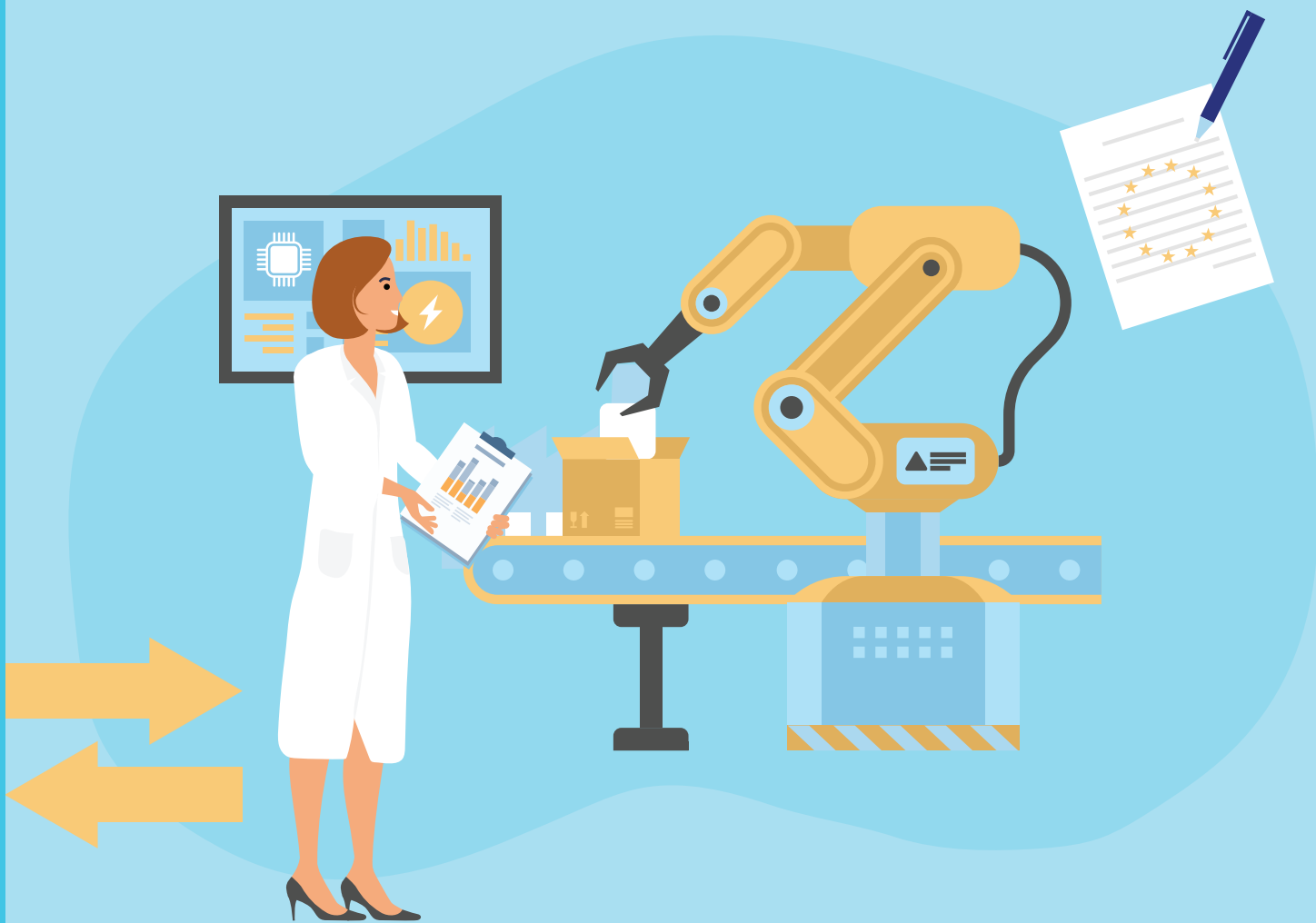
ISSUE

Sustainable food systems (cont.)

RECOMMENDATIONS

- Incentivise the digitalisation of agriculture through the F2F and support farmers in the transition.
- Encourage Member States to translate the 2030 goal of 35bcm biomethane production into their national climate and energy plans through appropriate fiscal measures.
- Account for production conditions in third countries when creating regulatory barriers. These barriers should be science- and risk-based, and linked explicitly to sustainability objectives.
- Make mirror clauses science-based and compliant with World Trade Organization (WTO) rules.
- Include essential information about nutrition as part of education curricula and campaigns across Europe.
- Coordinate across the food chains to provide EU citizens with easily accessible, affordable, nutritionally adequate and safe food choices.
- Promote innovation in the food space, support sustainable food technologies and guarantee easier access to a variety of food products.

Competitiveness

ISSUE	RECOMMENDATIONS

Customs procedures

Although the EU operates in a Customs Union and constitutes a Single Market, the free movement of goods continues to face considerable obstacles. Importing into the EU currently results in different customs obligations in each Member State, as they use different local languages and enforce varied rules.

Recommendations:

- Harmonise national customs rules in the EU and enhance cooperation among customs authorities. This should safeguard the competitiveness of the internal market as well as EU-level R&D.
- Expedite the mandatory introduction of the Single Window to ensure a truly frictionless Single Market.
- Increase funding for border authorities in line with the Customs Action Plan to prevent counterfeit products from entering the market.
- Make the trade-facilitating measures initiated during the COVID-19 crisis permanent, while avoiding new restrictions that obstruct trade and invite retaliation from trading partners.
- Enhance trade facilitation benefits for Authorised Economic Operators.
- Facilitate e-commerce and prevent counterfeit, as both have risen considerably in recent years.

Competition law modernisation

EU competition law forms the bedrock of investment in the Single Market, ensuring an open and free market system for all.

Recommendations:

- Expand cooperation between enforcers to increase transparency, harmonise implementation and minimise overlaps.
- Utilise guidelines, workshops and informal guidance (eg 'comfort letters') to decrease compliance risk from and between EU and Member States' competition instruments.

ISSUE	RECOMMENDATIONS

Foreign Subsidies Regulation (FSR)

Despite the European Commission's positive efforts to lessen the FSR's burden through the Implementing Regulation, uncertainty regarding its implementation keeps compliance costs high.

Recommendations:

- Encourage the Commission to further clarify key concepts and use the revision provisions within the FSR to further narrow its scope.
- Publish comprehensive implementation guidelines based on case law, industry feedback and administration as soon as possible after the implementation phase.
- Organise Commission-led workshops with industry and other stakeholders.
- Consider legislative paths to further align FSR exemptions with state aid exemptions.
- Closely monitor the impact of the FSR's review and implementation timelines on European procurement markets.

Industrial competitiveness

In the current economic and geopolitical environment, Europe must strengthen its global competitiveness to ensure a strong business environment in the region. The public conversation has recently focused on subsidies, but there is more to the investment case.

Recommendations:

- Build a more predictable and simpler regulatory environment.
- Strengthen the transatlantic partnership and advance the EU's trade agenda.
- Support an outward-looking strategy that strengthens the Single Market and advances the twin digital and green transitions.
- Recognise the contribution of all technologies and sectors that can help achieve the EU's climate objectives.
- Ensure a non-discriminatory approach to competitiveness measures, given the specificities and importance of global supply chains.
- Apply an outward-looking approach to the concept of open strategic autonomy that relies on close alliances with like-minded partners, including the US and industry.
- Provide regulatory and fiscal incentives encouraging investments for the development of technology-driven and scientifically substantiated innovative products that are less harmful than traditional ones.

ISSUE	RECOMMENDATIONS

Intellectual Property Action Plan

Intellectual property (IP) supports economic development and paves the way for EU leadership on the global stage. A robust European IP system based on fair intellectual property rights (IPR) drives research, manufacturing, employment and innovation. It attracts capital for pioneering and creative enterprises and creates valuable long-term jobs.

Recommendations:

- Maintain a globally competitive framework of IP and regulatory incentives to stimulate R&D (eg in innovative medicines to benefit patient access).
- Strengthen the enforcement of copyrights and trademarks, specifically through funding.
- Adapt the EU framework to an increasingly digital ecosystem and high volumes in physical trade.

IPR enforcement in third countries

Piracy and counterfeiting are growing, global issues that harm investments and consumers.

Recommendations:

- Secure a better IP environment in third countries and engage with them on technical programmes.
- Cooperate with like-minded global partners to tackle IP infringements in third countries that can jeopardise EU competitiveness.
- Enhance information sharing on IP infringements and key players for anti-counterfeiting and piracy operations, as well as share best practices for IP protection and enforcement.

IPR enforcement offline and online

Given that piracy, reverse engineering and counterfeiting have continued to grow in size and scope, the EU should modernise the existing framework to ensure IPR are enforced offline and online.

ISSUE	RECOMMENDATIONS

IPR enforcement offline and online (cont.)

Recommendations:

- Implement a balanced IP enforcement system.
- Improve the visibility of the EU Counterfeit and Piracy Watch List so that IP brand owners and consumers can better understand the list's benefits.
- Increase cross-border cooperation and give a larger role to online intermediaries.
- Strengthen the existing co-regulatory tools (eg follow through on key performance indicators in the Memorandum of understanding on the sale of counterfeit goods on the internet) and promote more enforcement actions by Member States.
- Implement the Digital Services Act (DSA) in a coherent manner across Member States and build on it in the upcoming toolkit against counterfeiting.

Patents' compulsory licensing

IPR, such as patents, provide the framework to protect an invention and appropriately compensate the inventor for the patent's value. They can also be factored into investment decisions across industrial ecosystems. Any initiative to amend the legal frameworks behind compulsory licensing needs to be evidence based and take into account certain considerations.

Recommendations:

- Ensure that the IP system is predictable and reliable.
- Remain within the current parameters of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights, such as the scope (which does not include patent applications) and inclusion of trade secrets.
- Define compulsory licensing's geographic scope, duration and nature.
- Utilise compulsory licensing only as an option of last resort.
- Define clearly what constitutes a 'crisis' that would justify the use of compulsory licensing.
- Recognise that issuing compulsory licenses for products that have been developed to address a specific crisis may be a factor that disincentivises inventors from developing new solutions for future crises.

ISSUE	RECOMMENDATIONS

Pharmaceutical package

As policymakers work on the European Commission's proposals to revise the EU's general legislation on medicines for human use, they should take into account the Council's conclusions of March 2023 with regards to EU competitiveness – particularly strengthening incentives for investments in innovation.

Recommendations:

- Deliver a globally competitive and predictable Regulatory Data Protection framework. Any conditionality on incentives must be clearly defined and remain within industry responsibilities.
- Build on the successes of the Orphan Medicinal Products Regulation in attracting more R&D investments for rare diseases.
- Encourage investments and improve market access conditions at the national level.
- Maintain a predictable market exclusivity protection and avoid an overly restrictive definition of 'unmet medical needs (UMN)'.
- Define UMN by taking a patient-centred approach that considers the severity and burden of disease on patients, families and caregivers. Any definition of UMN should be flexible, based on a holistic set of criteria and include impacted stakeholders.
- Design an attractive and predictable R&D pull incentives at the EU level as part of a broader package of measures addressing AMR.
- Enhance the regulatory framework and maximise the use of expedited pathways to meet the needs of patients.
- Deliver a regulatory framework that encourages ground-breaking therapies, such as advanced medicinal therapy products (ATMPs), while taking into account their unique nature. This includes clarifying under which circumstances the hospital exemption scheme could be deployed.
- Ensure environmental obligations are feasible and undergo a medical risk-benefit assessment to avoid potential delays in patient access and supply tensions. Pharmaceutical products supply should be addressed holistically, taking into account industry recommendations for regulatory flexibilities and global supply chains.
- Ensure proper consultation from the all healthcare stakeholders (eg marketing authorisation holders and wholesalers).
- Maintain global and diversified supply chains, enabling a consistent response to external stressors and improving global regulatory harmonisation.

Economic and Financial Affairs

ISSUE	RECOMMENDATIONS

Banking Union

The European Banking Union is aimed at strengthening financial stability via improvements to prudential requirements, as well as to recovery and resolution mechanisms.

Recommendations:

- Complete the Banking Union.
- Ensure consistent international banking standards around the world (eg the Basel framework).
- Avoid fragmentation and localised ring-fencing requirements.

Capital Markets Union (CMU)

The CMU is crucial to addressing fragmentation in Europe's capital markets, which prevents cross-border investments and efficient allocation of capital. A strong and complete CMU is key to invest in a green and digital economy.

Recommendations:

- Encourage formal consultative mechanisms between regulators and supervisors to support inter-jurisdictional deference.
- Prioritise international coherence, alignment and consistency throughout the EU, as well as cross-border regulatory and supervisory cooperation.

Digital finance

The speed and scale of adoption of new technologies and digital business models by financial institutions pose new risks for customers and the financial system overall.

Recommendations:

- Support digitisation and innovative business models and enable the financial services sector to test and develop new applications.
- Apply the principle of 'same activity, same risk, same regulation'. New rules should be proportionate to the risks associated with the specific activities.
- Ensure the successful implementation of the Digital Operational Resilience Act, particularly the development of regulatory and implementing technical standards, and avoid overlaps with other regulations (eg Network and Information Systems Directive and Cyber Resilience Act).

Sustainable finance

To achieve the EU's 2030 climate targets agreed in Paris, Europeans must fill an investment gap estimated at €180 billion per year. For this, it will be critical to leverage the private sector's capabilities.

Recommendations:

- Ensure investors have options that are in line with their environmental, social and governance objectives and risk appetite, as well as the tools to pursue these goals.
- Develop the selection of technical criteria included in EU Taxonomy Guidelines and Annexes as market proved through preparatory studies and follow up-to-date technical evaluations or reviews using transparent, multi-stakeholder feedback mechanisms.
- Avoid inflexible and complex sustainable finance regulatory frameworks, which limit investors' choices and remove their investment tools.
- Ensure workable implementation of the Corporate Sustainability Reporting Directive (CSRD) and clarify the requirements for third-country companies.
- Align the European Sustainability Reporting Standards with international standards.

Business in Europe: Framework for Income Taxation (BEFIT) Proposal

The BEFIT package is an important opportunity to simplify the tax system in the EU and coordinate it with broader shifts in the international system.

Recommendations:

- Consider BEFIT as option at the company level.
- Maintain the arm's length standard to ensure that taxes are paid where value is created. Any transition to formulary apportionment risks double taxation and misalignment with international norms.
- Include loss consolidation and full automatic cross-border loss relief.

ISSUE	RECOMMENDATIONS

Proposal for a Directive on the Faster and Safer Relief of Excess Withholding Taxes (FASTER)

The FASTER proposal can simplify withholding tax procedures for cross-border investments in the EU. FASTER should be as consistent as possible across the EU and integrate well with other corporate and capital market processes.

Recommendations:

- Ensure consistency across the EU and integrate with other corporate and capital market processes.
- Integrate the FASTER system with trading, custody and collateral management processes.
- Create standardised forms and messaging at the EU level along with common rules of entitlement.
- Pre-empt harmful national specificities by creating common liability rules for certified financial intermediaries (CFIs) and clear obligations for CFIs in verifying the withholding taxes of their customers..
- Apply the digital tax residence certificate system to other proposals like Unshell.

Taxation of the digital economy

The Organisation for Economic Co-operation and Development (OECD) Inclusive Framework reached consensus from over 130 countries to reform the global corporate tax framework and stabilise the international tax system. Proceeding with a separate EU-wide digital levy risks inflaming trade tensions and destabilising the OECD agreement.

Recommendations:

- Finalise the technical details for Pillars 1 and 2 to ensure they are easy to administer and provide certainty to tax authorities and taxpayers alike. The final policies should avoid double taxation and promote cross-border trade, investment and economic growth.
- Adopt a simplified compliance mechanism to lower the administrative burden of the implementing agreement.
- Allow sufficient time to ensure a complete and consistent implementation of global rules.
- Withdraw digital services taxes in countries that have already enacted them. Jurisdictions should not seek to circumvent the global agreement by adopting new digital taxes in the future.

Taxation of the digital economy (cont.)

- Design future policy developments to promote cross-border trade, investment and economic growth.
- Follow the Ottawa principles regarding the taxation of e-commerce.

Unshell Directive

The Unshell proposal aims to prevent companies from misusing their structure for tax purposes.

Recommendations:

- Avoid hampering atypical valid business models that generate value in the Single Market.
- Ensure a tailored and proportionate approach to target fraudulent actors without placing unnecessary administrative burdens on EU companies.
- Apply only to companies outside of the scope of the Pillar 2 Implementing Directive with gateway provisions applied upon its implementation.
- Ensure clear and harmonised local transposition by clarifying rules at the Directive level, and allow for sufficient lead times to apply them.

Education, Youth, Culture and Sport

| **ISSUE** | **RECOMMENDATIONS** |

Education

Employers need a workforce with inter-disciplinary profiles and transferable skills. Developing these skills must be a key priority for education systems.

Recommendations:

- Support exchange programmes for primary school students between European countries.
- Address vocational and technical education training by promoting apprenticeships and ensuring workplace training skills through cooperation between schools and employers.
- Encourage public-private partnerships in curricula development to ensure inclusion of in-demand skills and specific business requirements.
- Increase investment in high-quality teacher training, facilities and infrastructure.

Reskilling and upskilling

Europe faces a major skills shortage in the workforce as the digital and green transformations take hold. Public-private partnerships are needed to encourage training opportunities.

Recommendations:

- Encourage employees to engage in lifelong learning through business-sponsored reskilling and upskilling.
- Facilitate collaboration within industry and between Member States to help public authorities and small companies provide reskilling and lifelong learning initiatives.
- Provide standardised certifications of innovative programmes to enhance their recognition.
- Use the Multiannual Financial Framework to provide ambitious funding for educational institutions and private operators to collaborate and help the active workforce adapt its skillsets to new demands.
- Increase horizontal coordination to focus national curricula on adopting more digital tools as well as broader science, technology, engineering and mathematics (STEM) and non-cognitive skills, such as adaptability and creativity.

ISSUE	**RECOMMENDATIONS**
Youth	The younger generations will be the leaders of tomorrow, which is why their well-being and growth should be at the heart of the EU's funding efforts.

Recommendations:

- Support programmes to foster human skills and exchanges, such as the Erasmus+, Youth Employment Initiative and Erasmus for Young Entrepreneurs.
- Develop new public-private partnerships with Member States aiming at transferring business and digital skills to younger citizens.

Employment, Social Policy, Health and Consumer Affairs

ISSUE	RECOMMENDATIONS

European Health Data Space (EHDS)

The EHDS has the potential to strengthen the life sciences ecosystem through increased access to health data for patients, healthcare professionals and innovators.

Recommendations:

- Ensure IP and trade secrets are adequately safeguarded through data sharing agreements and cooperation between data holders and health data access bodies.
- Ensure that sharing early and non-clinical research data is not compulsory.
- Create a single market for digital health products and services within the final legislation.
- Limit hindrances on international data flows and other barriers to cross-border digital services that could hamper drug discovery and development.

Health Technology Assessment Regulation implementation

The EU joint clinical assessments starting in January 2025 will have significant consequences for developers of oncology products and ATMPs as they will be the first to undergo joint assessment.

Recommendations:

- Ensure the methodologies for the joint clinical assessments are adapted for new health technologies, such as ATMPs, and consider the medical and scientific factors that impact the amount and type of clinical evidence.
- Ensure coordination and dialogue between the coordination group and Member States to define a solid joint clinical assessment framework and limit possible duplications at the national level.

Pandemic preparedness

The COVID-19 pandemic demonstrated the need to be more prepared to combat future health crises. To achieve this, collaborative actions and improved policies are needed.

Recommendations:

- Incentivise private-public collaboration to swiftly develop safe and effective medical countermeasures such as rapid pathogen sharing, strong R&D systems and streamlined regulatory processes.
- Support manufacturing by encouraging open and free trade as well as sustainably maintaining and expanding manufacturing capacity.

ISSUE	RECOMMENDATIONS

Pandemic preparedness (cont.)

- Strengthen health systems to deliver medical countermeasures sustainably and equitably, including by establishing sustainable financing models.

Sustainable healthcare systems

European healthcare systems must be prepared to handle future shocks and the pressures of demographic change while implementing innovations that reduce burdens on healthcare systems and ensure better outcomes for patients.

Recommendations:

- Increase the resiliency of models of care, and ensure that all patients receive the treatments they need. This includes increasing the focus on prevention, early diagnosis and hospitalisation prevention by moving care closer to communities.
- Approach healthcare as an investment rather than a cost. Improving healthcare systems will make them more efficient and deliver better outcomes for patients, while helping European economies and societies adapt to demographic shifts.
- Ensure the continued functioning of global supply chains to safeguard the resilience and flexibility of healthcare systems in Europe. Collaboration with international partners and stakeholders is key.
- Invest in healthcare innovation through financial instruments that provide an integrated, forward-looking framework.
- Implement the EU's Recovery and Resilience Facility and national recovery plans to ensure health system preparedness for future challenges. This includes increasing hospitals' capacity and efficiency, improving primary care and digitalising health systems.

Gender balance

Equality between men and women is essential to ensure Europe's future of work and economic recovery. To achieve true equality, the public and private sector must implement policies to combat gender discrimination.

Recommendations:

- Incentivise female representation in leadership positions across the public and private sectors.
- Encourage young women to pursue careers in critical sectors such as STEM, information and communication technology (ICT), and cybersecurity.

ISSUE	RECOMMENDATIONS
Gender balance (cont.)	• Establish gender equality in institutional governance, considering its impact on all industry sectors and across society. • Overcome biases throughout the hiring process and support both school-to-work and work-to-work transitions. This must entail creating opportunities for success.
Modernisation of EU consumer law	To avoid insufficient compliance and high fines, traders and consumers must have greater awareness of consumer rights. **Recommendations:** • Modernise rules on consumer protection to strike the right balance between consumers and traders. • Apply and enforce rules online and offline (eg product safety). • Harmonise and synchronise consumer rules throughout the EU. • Ensure cooperation between consumer protection and enforcement authorities.
Proposal for a Regulation on empowering consumers for the green transition	This proposal aims to promote sustainable products and empower consumers through better protection against unfair commercial practices. For this Regulation to be appropriately applied, it should finetune certain areas. **Recommendations:** • Allow companies to provide information to consumers digitally. • Specify environmental claims and use those defined under international standards. • Avoid mandating third-party monitoring systems for future environmental performance claims. • Ensure software update provisions do not discourage customers from updating their software. • Avoid bans in Annex I, and subject these to a case-by-case assessment to determine whether conduct is misleading (eg omitting that a software update can negatively impact a product, limited functionality designs, etc). • Clarify that the restriction proposed as point 23i of Annex I about limited product functionality when using non-original consumables only applies to intentional effects, not unforeseen consequences.

ISSUE

RECOMMENDATIONS

Right to Repair

The European Commission's proposal to promote the repair of goods is practical, proportionate and ambitious. It can help achieve sustainable consumption by increasing the repair and reuse of viable defective goods while securing high-skilled jobs.

Recommendations:

- Increase harmonisation and consistency with other EU regulations.
- Amend the definition of 'repair' to include and recognise the solution of replacement with refurbished products for defective products within or outside the legal guarantee period.
- Ensure business-to-business (B2B) transactions are out of scope.
- Avoid proliferation of multiple online repair information platforms per country.

Environment

ISSUE	RECOMMENDATIONS

Carbon border adjustment mechanism (CBAM)

CBAM has the potential to become an effective tool to combat carbon leakage and drive global efforts towards net zero, but it could also disrupt highly integrated supply chains and lead to trade conflicts.

Recommendations:

- Assess the impact of measures against the potential impact on supply chains and manufacturing production, including for small and medium-sized enterprises (SMEs).
- Provide CBAM exemptions to avoid double taxation of imports for countries that have their own carbon pricing mechanisms.
- Minimise the impact on the flow of legitimate trade by moving its administrative processes away from the border.
- Ensure CBAM and the EU Emissions Trading System (ETS) work in tandem.
- Provide a clear timeline for the phaseout of free allowances in a WTO-compatible way, and ensure fair treatment for both EU exporters and third-country producers.
- Simplify emissions calculations, including the use of default values throughout the transitional period to aid compliance.

Chemicals Strategy for Sustainability

The Chemicals Strategy for Sustainability seeks to reform the existing EU chemicals policy framework to achieve sustainability and competitiveness.

Recommendations:

- Follow a general risk-based approach for the EU chemicals management system. Hazard-based regulatory instruments fail to consider key socioeconomic factors and hinder innovation.
- Base new measures on scientific and clear definitions. Risk management should be based on socio-economic factors and the availability of alternatives.
- Propose new hazard classes first at the United Nations (UN) level (as per the Globally Harmonised System) to promote international consistency and prevent barriers to trade.
- Justify the proposed perfluoroalkyl chemicals (PFAS) restrictions with EU-based evidence. PFAS are highly complex and should not be regulated as one group but instead on the basis of physicochemical properties and exposure considerations.

ISSUE	RECOMMENDATIONS

Chemicals Strategy for Sustainability (cont.)

- Require authorities to demonstrate that the substances subject to the PFAS restriction present 'an unacceptable risk to human health or the environment' rather than placing the burden of proof on industry actors. 'Persistency' should not be a sufficient condition to initiate the restriction process. Member States should address the lack of industry-scalable alternatives.
- Regulate fluorinated gases under Regulation (EU) No 517/2014 and the mobile air-conditioning systems Directive, not under the PFAS restriction, to avoid overlaps and uncertainty.
- Define what constitutes 'essential' in terms of emissions reduction targets, technological developments and pandemic response. This definition should be enshrined into the existing Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH) assessment framework.
- Ensure that the bans in the PFAS restriction do not hamper the Net-Zero Industry Act and RePowerEU goals.
- Grant sufficient resources for Member State authorities and the European Chemicals Agency to implement EU chemicals policy, particularly provisions on the classification, labelling and packaging.

Critical raw materials (CRMs)

CRMs are essential to the green and digital transitions, but they are often in short supply. To increase and diversify their supply chains, the EU should ensure that their sourcing is in line with applicable circular economy, product design and international standards.

Recommendations:

- Avoid unnecessary burdens to provide industry with the certainty it needs to secure a reliable supply of CRMs.
- Expand domestic CRM sourcing by streamlining processes in line with realistic estimates and by improving access to project financing.
- Cooperate with like-minded partners, including the US and multiple resource-rich third countries, to increase CRM imports and diversify sources of supply.
- Apply circular economy principles for CRM use and production to minimise the loss of primary CRMs and maximise the production and use of secondary CRMs.
- Address current barriers to CRM recycling by investing in better recycling infrastructure and R&D.

Critical raw materials (CRMs) (cont.)

- Prioritise a predictable and coherent regulatory environment to attract investors, while establishing an open and predictable process to identify new strategic materials.
- Provide flexibility in the definitions of critical and strategic raw materials.
- Ensure consistency between chemicals management and raw materials policy to provide investment security for CRM extraction and processing projects.
- Respect industry's competitiveness and economic realities by setting realistic targets and protecting confidential company information.
- Protect sensitive corporate information when organising joint purchasing projects.

Ecodesign for Sustainable Products Regulation (ESPR)

This Regulation aims to make products in the EU market more sustainable by improving their circularity, energy performance and environmental awareness.

Recommendations:

- Ensure a transition time of at least 18 months between the adoption of ecodesign requirements secondary legislation and their application.
- Adapt the definition of 'substances of concern' so that restrictions under the ESPR can only occur for circularity reasons, and focus the definition on those substances hindering recycling.
- Focus tracking of substances of concern on those that are relevant for each product group.
- Provide the possibility to use scientific methodologies other than the Product Environmental Footprint when setting ecodesign requirements.
- Set clear responsibilities on supply chain actors to provide information enabling manufacturers to integrate relevant data in the Digital Product Passport (DPP), while ensuring the protection of confidential business information.
- Consider the evolution of recycling technologies in the definition of substances of concern.
- Clarify the definition of 'unsold products' and 'destruction'.
- Provide sufficient transition time for the provisions on reporting, with the first report in the financial year starting in 2026 for the financial year starting in 2025.
- Ensure that each ban on destruction of unsold consumer products is preceded by an impact assessment, while avoiding direct bans affecting specific sectors.
- Ensure that the provisions of the DPP are flexible, workable and only contain the most impactful information for each product group.

ISSUE	RECOMMENDATIONS

Green Claims Directive

The Green Claims Directive seeks to ensure adequate substantiation of green claims by creating a minimum level of evidence and harmonising different legislative interpretations. Legislation in this area would help increase consumers' trust while boosting competitiveness and guaranteeing a level playing field that rewards investments in greener practices.

Recommendations:

- Clarify the definition and scope of 'environmental claims' as well as aspects of the requirements for the substantiation of explicit environmental claims, access to data and use of environmental labels and scientific evidence.
- Introduce robust and clear definitions of 'carbon removals' and 'carbon reduction' to substantiate any claims based on offsets. The Carbon Removal Certification Framework could provide the base for such clarity.
- Streamline the current requirements on environmental claims information to make the amount of disclosed information proportionate, easily understandable and relevant to the consumers.
- Recommend specific methodologies, environmental labels and standards that are well accepted to substantiate the environmental impacts of a certain product or service.
- Retain the mutual recognition of certificates of conformity and the rest of the requirements regarding the ex-ante verification of environmental claims and labelling schemes.

Green Deal Industrial Plan

As part of the Green Deal Industrial Plan, the EU has revised its climate, energy and transport legislation to maintain the competitiveness of its industry while decarbonising to meet its net-zero ambitions.

Recommendations:

- Ensure regulatory coherence and avoid contradiction across policy initiatives.
- Support existing technologies and cutting-edge innovation by taking a technology-neutral approach and working to reduce emissions.
- Streamline access to financing to unlock the competitiveness of the EU's lower carbon energies and technologies.

ISSUE	RECOMMENDATIONS

Green Deal Industrial Plan (cont.)

- Emphasise the key roles of skills development and transatlantic cooperation in order to create the right conditions in Europe to allow industry to grow the economy and reach the EU's net-zero goals.
- Create a common regulatory framework that fosters an EU-wide market for greener products and services for investment stability.
- Anticipate and address the potential displacement effects of the climate transition on the workforce.
- Ensure policy coherence across all elements of the Fit for 55 package and with other legislation related to emissions reduction, as well as ensure it is enforced at the national level.
- Support a clear and reliable regulatory framework through targeted incentives to ensure the necessary market conditions and leverage diverse private-sector initiatives.
- Synchronise the decision-making process, as all the legislative files are interlinked.

Packaging and Packaging Waste Regulation (PPWR)

The proposed PPWR presents a significant opportunity to harmonise packaging measures across the EU.

Recommendations:

- Harmonise and digitalise as much information on packaging as possible to avoid multiple national labels, leading to bigger packaging.
- Support Member States in establishing and upgrading recycling facilities, as well as infrastructure, effective separate collection and sorting of waste.
- Ensure enforceability at the national level to legitimise the Regulation and attract private investment.
- Account for sectors' multiplicity and diversity to avoid jeopardising the safety of the operators and users (ie recycling of medical technologies).
- Consider packaging as a resource for the circular economy, as with the other extended producer responsibility schemes.
- Rely on impact assessments and life cycle assessments to evaluate proposed solutions with a holistic and science-based approach.
- Consider the needs of and exemptions for SMEs without overburdening other market players.

ISSUE	RECOMMENDATIONS
Packaging and Packaging Waste Regulation (PPWR) (cont.)	• Link recycled content targets for the obliged industries to the conditions that enable access to the necessary materials. • Avoid downcycling and prevent operators' demand for materials from damaging those who invest on collection and recycling infrastructure. • Establish minimum requirements for deposit return systems, as it is with the rest of the extended producer responsibility schemes. • Avoid mandatory reuse systems for transport packaging when manufacturing happens in third countries to avoid unsustainable shipping between continents.
Registration, Evaluation, Authorisation and Restriction of chemicals (REACH) Revision	The REACH Revision seeks to reform the existing EU chemicals policy framework to achieve sustainability and competitiveness. **Recommendations:** • Streamline the authorisation and restriction provisions. • Retain authorisation as a potential risk management option where appropriate. • Allow industry to apply for derogations of general applicability. • Use harmonised and holistic criteria to assess derogations from regulatory risk-management measures. • Avoid blanket, undifferentiated bans on large classes of chemicals that risk jeopardising the EU's competitiveness and industrial base, such as in the case of the proposed PFAS restriction.
Revision of the Classification, Labelling and Packaging of mixtures and substances (CLP) Regulation	The revision of the CLP Regulation has the potential to ensure a well-functioning Single Market for chemicals and a high level of protection for human health and the environment. **Recommendations:** • Provide realistic transition time for the industry – at least twelve months – to update information on labels. • Ensure degressive font size depending on the size of the packaging to align with the requirements of the PPWR proposal. • Include a simpler, more streamlined provision for advertising, particularly in the B2B setting.

Foreign Affairs and General Affairs

ISSUE	RECOMMENDATIONS

EU bilateral trade relations

Constructive dialogue between the EU and its major trading partners, including the US, is key to support economic growth and prosperity.

Recommendations:

- Support the early conclusion of free trade agreements (FTAs) with Australia and Mercosur, the modernisation of deals with Chile and Mexico, the ratification of the deal with New Zealand and the push for progress on negotiations with India, Indonesia, Thailand and the Philippines.
- Build an EU trade policy based on openness and interdependence to avoid trade disputes.
- Advocate for strong enforcement of all European FTAs.
- Foster Member States' support for ambitious IP and digital trade provisions.
- Promote the free flow of data across borders and prevent unjustified data localisation requirements.

EU trade strategy

Recent global developments have shown the essential functions and benefits of an open, free and rules-based trading system, while also highlighting the downsides of go-it-alone trade policies.

Recommendations:

- Avoid inward-looking trade policies that are detrimental to the interests of all businesses in Europe.
- Maintain and emphasise the EU's open and rules-based economic identity in both internal and external policies.
- Place digital trade at the heart of the new strategy to promote open digital markets, innovation and prosperity.
- Build effective tools to respond to economic coercion by third countries while ensuring an open trade system, a just environment for all and the EU economy's resiliency.

EU-UK trade and investment relationship

Considering the EU and the UK's close political and economic ties, it is vital to maintain a positive relationship and a comprehensive economic partnership.

Recommendations:

- Implement the EU-UK Trade and Cooperation Agreement thoroughly alongside the new Windsor Framework to provide business with certainty.
- Rebuild close communication between the EU and the UK to manage their respective regulatory environments and minimise disruption and regulatory divergence.
- Broaden the scope of the relationship over time.

EU-US relations

Transatlantic cooperation based on shared values and the rule-based trading order brings substantial economic benefits, promotes global standards and enables technological leadership.

Recommendations:

- Strengthen EU-US cooperation in strategic areas and address existing barriers to trade.
- Deepen regulatory cooperation and alignment across the Atlantic, and protect the transatlantic values of open, rule-based trade, non-discrimination, due process and high standards.
- Engage constructively in the EU-US Trade and Technology Council (TTC) to ensure it remains ambitious and delivers tangible results.
- Seek ambitious reforms at the international level, and use transatlantic leadership to resolve long-running disputes at the WTO.
- Put SMEs at the heart of EU-US initiatives, as they stand to gain most from greater transatlantic cooperation.
- Encourage Member States' endorsement of EU-US trade discussions to expand the transatlantic trade and investment relationship.
- Advance the EU-US Dialogue on Security and Defence, which was announced in the joint statement released after the June 2021 EU-US Summit.

ISSUE	RECOMMENDATIONS

Export control of dual-use goods 🌐

A heavy-handed review of the dual-use goods export regime could stifle innovation and industry response to new cyberthreats. In the past, controls were adopted at the Wassenaar Arrangement level amongst more than 40 members. Since Russia is part of the arrangement, it is now harder to adopt new controls, and in consequence, states are now adopting unilateral controls, which are nowhere near as effective.

Recommendations:

- Align and simplify export control regimes between Member States and the US via regulatory exchanges and joint actions, notably in the context of the TTC.
- Develop EU guidelines on intangible technology transfers and use of cloud computing to ensure consistent interpretation and implementation across the EU and with like-minded countries, particularly the US.
- Expand controls to address more issues such as human rights abuses and novel technologies.

Procurement programmes and access to EU-funded R&D

The exclusion of third-country entities from major EU and Member States' publicly funded R&D and procurement programmes could prevent vital economic stimulus for the EU.

Recommendations:

- Promote the participation of EU-based American companies in EU and Member State-funded R&D, procurement and sustained programmes based on their added value, locally developed IP and overall contribution to the EU's technological and industrial base (eg employees, infrastructure, expertise etc).
- Ensure the fair implementation of the European Defence Fund (EDF) Regulation, European defence industry reinforcement through common procurement act (EDIRPA), European Space Programme Regulation and Horizon Europe Regulation, which should all account for the global nature of the defence and space industries and preserve open markets and fair competition.
- Ensure a more flexible approach to common defence procurement, which would increase the inherent interoperability and interchangeability associated with products and capabilities that exist outside the EU.
- Ensure availability and cost-effectiveness in military procurement for the most urgent capability or material gaps (eg 155mn artillery shells) by collaborating with like-minded allies.

ISSUE	RECOMMENDATIONS
Procurement programmes and access to EU-funded R&D (cont.)	• Establish minimum thresholds for EU content on products to ensure that European armed forces continue to benefit from best-in-class capabilities while providing economic opportunities for EU industry. • Encourage industrial cooperation between the EU and the North Atlantic Treaty Organization (NATO) allies, as well as other like-minded partners.
Strategic Compass	The Strategic Compass lays out the EU's long-term strategic concept for security and defence. If properly implemented, it could ensure closer cooperation with like-minded allies and strengthen the European Defence Technological and Industrial Base (EDTIB). **Recommendations:** • Encourage further support for the EDTIB while prioritising partnerships and competitiveness, as well as producing the capabilities required by the armed forces. • Facilitate the participation of like-minded third-country entities in EDF and EDIRPA projects as subcontractors to EDF consortium members, EDIRPA industry coalitions as well as consortium and coalition members. • Develop the partnership provisions to address current geopolitical and industrial challenges. • Ensure multinational initiatives' long-term deconfliction, complementarity, coherence and coordination. • Encourage seamless trade, cooperation and technology transfers among like-minded partners. The bases for these efforts can be found in the Joint Declaration on EU-NATO Cooperation: 'we encourage the fullest possible involvement of NATO Allies that are not members of the EU in its initiatives'.
Transatlantic Defence Industrial and Technological Cooperation (TADIC)	A strong and prosperous TADIC is instrumental to foster the EU-US relationship, encourage sustainable growth and achieve collective security. **Recommendations:** • Encourage capability development programmes that include both EU and US stakeholders to enhance cost-effective innovation, standardisation, interoperability, interchangeability and technological leadership on both sides.

ISSUE	RECOMMENDATIONS

Transatlantic Defence Industrial and Technological Cooperation (TADIC) (cont.)

- Establish open defence markets reciprocally to guarantee similar regulatory conditions on both sides of the Atlantic.
- Discuss common areas of transatlantic cooperation in the development of next generation defence technologies and capabilities.

World Trade Organisation

While the WTO is the cornerstone of the multilateral trading system, it needs reform to ensure it is fit for the 21st century.

Recommendations:

- Support transatlantic cooperation on WTO reforms and the broader multilateral agenda.
- Ensure that the WTO continues to be a negotiation body and an arbitration mechanism for the global economy.
- Engage with like-minded governments within the WTO in fields like e-commerce, R&D and protection of IPR.
- Push for the successful conclusion of multilateral and plurilateral negotiations in the WTO.
- Increase investment for the Joint Statement Initiative on e-commerce to drive strong, plurilateral standards on digital trade.
- Agree on a permanent e-commerce moratorium within the WTO to provide greater certainty to consumers and business.
- Eliminate tariffs and non-tariff barriers on certain clean energy technologies and energy efficiency products, and restart negotiations for an Environmental Goods Agreement.
- Involve all WTO players in the reform programme agreed upon at the 12th Ministerial Conference in 2022, which aims to have a complete and well-functioning dispute settlement system in place by 2024.
- Facilitate open trade, address regulatory barriers (including measures to reduce tariffs, limit export restrictions and support developing countries in enhancing their supply chains) and build robust delivery of vaccines and therapeutics while addressing bottlenecks.

Justice and Home Affairs

ISSUE	RECOMMENDATIONS

Corporate Sustainability and Due Diligence (CS3D)

The recent EU proposal for the CS3D Directive outlines human rights and environmental due diligence requirements for EU companies and third-country companies active in the EU. The proliferation of due diligence policies, legal frameworks and regulations risks diverting businesses' resources towards compliance instead of addressing negative impacts on human rights and the environment.

Recommendations:

- Harmonise legal obligations, the scope and definitions outlined in the Directive to ensure coherence and certainty.
- Prioritise sectoral guidance to assess long-standing due diligence approaches and explain how they need to be adapted.
- Ensure due diligence reporting requirements are harmonised with the CSRD and other relevant EU laws (including on batteries, minerals, ecodesign etc).
- Encourage and acknowledge multi-stakeholder collaborative partnerships and industry schemes, such as the Responsible Business Alliance.
- Adopt a risk-based approach that is fully aligned with international standards (eg OECD).
- Ensure that civil liability is limited to the relationships in which companies have the legal means of enforcement.
- Limit definitions to what is understood in international frameworks. For instance, 'established business relationships' should be removed, as agreed by the European Parliament.
- Define 'operations' as the company's own operations or the operations of its subsidiaries. This should not include relationships within the company's value chain.
- Clarify the obligation around 'affected stakeholders' and 'stakeholder input'.
- The EU should limit the Dictive's scope to products sold in the EU and services provided in the EU.

EU-US cross-border access to electronic evidence

The Commission has proposed and adopted a negotiation mandate for an EU-US agreement on electronic data, which is a step in the right direction to increase legal certainty.

Recommendations:

- Safeguard data subjects' fundamental rights with transparent and balanced rules, while also allowing effective cross-border access to data in criminal investigations.

ISSUE	RECOMMENDATIONS

EU-US cross-border access to electronic evidence (cont)

- Work towards a balanced and harmonised framework, a pre-condition for concluding any international agreement.

Forced Labour Regulation

Forced labour is a complex global issue that requires collaboration from businesses, governments and other civil society actors to ensure system-wide change. Any action taken by governments must be aimed at addressing the actual concern – forced labour.

Recommendations:

- Ensure legislative coherence with CS3D and other existing EU laws such as those relating to responsible minerals and battery regulations.
- Extend timelines for information requests from 15 to 30 days.
- Ensure fair and equitable treatment and due process in the investigations, and harmonise investigations across Member States.
- Harmonise procedures for submitting information.
- Identify products suspended by customs authorities.
- Consider more suitable alternatives to product disposal in line with the EU's circular economy objectives.
- Recognise the importance of industry schemes, and provide sectoral guidance.
- Prevent companies' irresponsible disengagement from high-risk regions.
- Establish a database that relies on well-founded information, such as reports from the International Labour Organisation, and clarify the link to existing EU databases.
- Ensure harmonised enforcement, and avoid forum shopping.
- Consider a phased-in entry into effect.

General Data Protection Regulation (GDPR)

The GDPR has introduced important benefits for companies in Europe: increased legal certainty, harmonisation and flexibility. However, there remains work to be done around privacy and data protection.

Recommendations:

- Promote a uniform and balanced application and cross-border enforcement of the GDPR across Europe.
- Ensure any additional regulation on privacy is fully consistent with the GDPR and respects fundamental principles, such as the one-stop-shop mechanism.

ISSUE	RECOMMENDATIONS

General Data Protection Regulation (GDPR) (cont)

- Ensure that personal data transfers can happen across the Atlantic and globally, as they are essential for the competitiveness of many sectors.
- Ensure a harmonised interpretation of the GDPR by data protection authorities as well as cooperation and enforcement, in line with the mechanisms described in the GDPR.

Product Liability Directive (PLD)

EU consumers must receive adequate redress for any harm that has been caused by a product-related injury. However, there needs to be a balanced system that respects and protects the rights of both defendant and claimant under any new product liability regime.

Recommendations:

- Amend the proposal to avoid an effective reversal of the burden of proof, which would increase uncertainty, insurance costs and litigation risks.
- Maintain technological neutrality in product liability rules regardless of the product's nature or components.
- Exclude strict liability from non-material harms, as they can already be addressed through standard liability regimes including national liability rules. Their inclusion would hold developers liable for unforeseeable consequences.
- Tighten the disclosure of evidence provisions and strengthen the protection of trade secrets.

Third-party litigation funding (TPLF)

The practice of TPLF lacks sufficient protection for claimants and risks Single Market fragmentation, especially given its novel nature. Without proper regulation TPLF will drive vexatious and aggressive litigation against companies in the EU, as seen in the US legal system.

Recommendations:

- Introduce a robust and harmonised regulatory regime for TPLF based on transparency and with clear guarantees for claimants and defendants. The Legislative Initiative Report on Responsible Funding of Private Litigation adopted by the European Parliament in September 2022 can serve as a launchpad for discussion on this issue.

Transport, Telecommunications and Energy

ISSUE	RECOMMENDATIONS

Efficient and green mobility

The transport sector is facing enormous challenges to further reduce emissions in all modes of transport. Deployment of cooperative, connected and automated mobility (CCAM) and Intelligent Transport Systems in Europe could increase road efficiency and improve vehicles' safety and environmental performance.

Recommendations:

- Adapt to the requirements for various types of transport while accounting for the complexity of technical data used in the mobility sector, and ensure harmonisation across Europe.
- Incentivise the aviation sector to continue increasing the uptake of sustainable fuels and reduce emissions.
- Encourage investment in CCAM systems to ensure interoperability, user safety, trust and liability.
- Adapt road infrastructure ahead of the deployment of autonomous vehicles.
- Foster flexible and technology-neutral rules for data processing.
- Alleviate labour shortages in the industry, and provide business certainty for manufacturers and transport operators investing in sustainable transport.

EU energy crisis

Reducing the EU's dependence on Russian natural gas and managing energy prices and supply are now two of the EU's main priorities. The regulatory framework needs to enable the ever-faster deployment of renewable and low-carbon alternatives to natural gas.

Recommendations:

- Provide concrete incentives to produce more local, affordable, reliable and low-carbon energy.
- Diversify gas supplies, speed up the rollout of renewable gases and replace gas in heating and power generation.
- Consider longer term approaches to secure a functioning internal energy market.
- Link any energy policy initiatives with a coherent industrial policy.

ISSUE	RECOMMENDATIONS

Infrastructure investment

Future infrastructure investments must focus on creating growth and jobs in Europe and supporting the EU economic recovery. International cooperation and third-country participants in the multiannual financial framework 2021-2027 enable the EU to act as a world leader in global talent and research.

Recommendations:

- Use European funding to promote technological neutrality and co-modality as well as to avoid market distortion.
- Support funding at the EU level with ambitious commitments from Member States.
- Leverage the Trans-European Networks for Energy to encourage the development of cross-border energy infrastructure, ensure the functioning of the internal energy market and security of supply, promote energy efficiency and meet the EU's energy and climate objectives.

Sustainable aviation

The aviation sector is committed to the Green Deal and the decarbonisation of flight. Industry and regulators must cooperate, as there is not one single method to decarbonise the sector.

Recommendations:

- Incentivise the development of next-generation technologies as key enablers of fuel efficiency to reduce emissions in the mid- to long-term.
- Develop regulatory and financial incentives for the research, development and deployment of sustainable aviation fuel.
- Ensure a coherent mission reporting framework as proposed by CountEmissions EU and in line with existing industry methodologies and the
- European Union Aviation Safety Agency's environmental label.
- Open the ETS Innovation Fund for reinvestment into the aviation sector, specifically in next-generation aircraft and propulsion technologies.

ISSUE	RECOMMENDATIONS

ISSUE

Artificial Intelligence (AI) Act

RECOMMENDATIONS

The AI Act is the first attempt at a comprehensive legislative framework for the development and use of AI. The proposal has room for clarification and improvement.

Recommendations:

- Develop a more precise definition of AI, as the current one is excessively broad and could encompass techniques and software that do not perform functions normally associated with AI.
- Tighten the list of high-risk AI systems, which may include systems that are not inherently high risk.
- Maintain the principle of self-assessment and declaration of conformity for high-risk AI systems, as subjecting high-risk AI systems to prior third-party assessment would delay product launches and hinder AI uptake.
- Reevaluate the proposal's horizontal product safety framework.
- Redefine some of the overly prescriptive and unrealistic requirements for high-risk AI systems. All demands should be proportionate, flexible and attainable.
- Allow providers and users of AI systems to contractually allocate their responsibilities along the value chain.
- Prevent blanket inclusion in the scope of general purpose AI systems regardless of their risk profile. Balance the responsibilities for general purpose AI compliance along the value chain and when used in the high-risk applications.
- Achieve concrete EU-US advancements in the AI sphere in the context of the TTC.
- Prevent unjustified trade and export control restrictions.

Cybersecurity of Internet of Things (IoT)

Given the rising complexity of value chains, the diversity of business models and fast-developing cyberthreats, companies need to retain the flexibility to develop and continually update the security features for their unique risk situations.

Recommendations:

- Create strong public-private partnerships to maintain a voluntary and market-driven approach to tackle IoT security.
- Base any requirements on secure networks and information regarding the application's risk profile.
- Avoid conflating legal and cybersecurity considerations in technical instruments.

ISSUE	RECOMMENDATIONS
Cybersecurity of Internet of Things (IoT) (cont.)	• Avoid including digital sovereignty requirements in any cybersecurity scheme as this would limit competition in the cloud market, raise the cost of cloud services, limit the choice of trusted technology partners for European businesses and endanger international cooperation on sharing threat intelligence. • Ensure consistency between IoT security solutions and existing international practices and standards. • Raise awareness of IoT security amongst vendors, service providers, industry, employees and consumers. • Build and improve cybersecurity skills.
Electronic identification scheme (eID) Regulation	The EU needs a common framework and technological architecture for a European Digital Identity Wallet so that citizens and businesses can prove their identities, harness the benefits of boosted efficiencies, lower costs and ensure a positive digital customer experience. **Recommendations:** • Leverage the existing international standards, and ensure clarity and predictability in their interplay with other related draft regulations. • Develop safe, user-friendly and convenient digital solutions, without resorting to mandatory acceptance. • Ensure a high degree of data protection. • Withdraw proposals for automatic recognition by web-browsers of (and interoperability with) qualified website authentication certificates.
European data strategy	The European data strategy has transformative potential, but to achieve it, data must be high-quality, credible, timely and available in machine-readable formats, while cloud infrastructures must be trustworthy, secure and energy efficient. **Recommendations:** • Collaborate to ensure access to a wide range of options in technology and partners. • Invest to achieve the EU's aims in competitive storage, processing and profitable use of data.

European data strategy (cont.)

- Assess new regulatory initiatives against existing regulations (including personal data protection and liability for defective products) to avoid conflicting and burdensome obligations.
- Involve and encourage industry to help teach skills and data literacy.
- Prevent the Data Act from disrupting functioning data sharing and processing models, making collaboration more difficult or imposing mandatory data sharing or portability obligations.
- Avoid conflicts between other laws (eg GDPR and the Digital Markets Act) and enable the free flow of data while acknowledging IPR and protecting trade secrets.
- Solve issues around foreign authorities' access to data through multilateral governmental discussions (eg TTC) rather than by imposing regulatory requirements on a specific sector.
- Institute a pan-European supervisory authority or a one-stop mechanism, and clarify how data sharing responsibilities are allocated between data protection authorities and sectoral regulators.
- Ensure the upcoming Cloud Rulebook and Marketplace Services Requirements catalogue consider broad feedback from the relevant stakeholders and reflect the market reality and diversity of applicable initiatives.

Europe's digital decade – 2030 targets

The EU aims to transform the 2020s into Europe's 'digital decade' and achieve its digital ambitions for 2030.

Recommendations:

- Accelerate and facilitate investment, innovation in broadband networks and entrepreneurship.
- Enhance digital skills and inclusion to build and preserve trust between society and technology. They must be central tenets of any public and private digital transformation strategies.
- Ensure a common approach toward the digital decade, including measures such as the pooling of resources across Member States and the alignment of all actors.
- Ensure a transparent and inclusive policymaking processes based on technical and market-driven decisions, shifting away from the political interests that have prevailed in recent times.

ISSUE	RECOMMENDATIONS

Europe's digital decade – 2030 targets (cont.)

- Ensure that content, services and applications are not unlawfully blocked or degraded as outlined in the Declaration on Rights and Principles. Legislators should respect, protect and reinforce the fundamental principles of net neutrality and the open internet, as well as resist measures for payments of network use.

Semiconductors

The EU has created the Chips Act to develop and accelerate Europe's semiconductor supply chain. The proposal rightly focuses on research, development and innovation across all segments of the semiconductor supply chain.

Recommendations:

- Ensure greater participation of industry in nearly all categories, including standardisation requests, export controls and priority orders.
- Increase cooperation in the areas highlighted by Pillar I of the EU Chips Act (including R&D, skills and training), stimulating an open-source silicon environment to increase academia and start-ups' engagement with the industry.
- Align the EU Chips Act with other legislation (ie Cyber Resilience Act), as well as with certification in the US.
- Implement protections for businesses' valuable IP.
- Increase the structured participation and regular interaction between the European Semiconductor Board and the private sector.
- Strengthen the transatlantic relationship to avoid a continued global semiconductor market imbalance.

5G

The deployment of 5G is one of the most critical building blocks of the future digital economy and society.

Recommendations:

- Adopt and swiftly implement Member States' 5G roadmaps and 2030 digital decade targets.
- Release both licensed and unlicensed spectrum in a timely and coordinated fashion.

5G (cont.)

- Finalise the implementation of the Electronic Communications Code in Member States quickly and consistently.
- Ensure the freedom to develop new business models, as 5G is crucial for business digitisation.
- Consult and coordinate among stakeholders to ensure European businesses and consumers reap the full potential of 5G.
- Continue to ensure a common European approach to trustworthy, resilient, diverse and competitive supply chains for ICT, especially as the rollout of 5G accelerates.

AmCham EU leadership

BOARD OF DIRECTORS

Zeger Vercouteren
Chair
Johnson & Johnson

Nikolaas Baeckelmans
Vice-Chair
ExxonMobil

Hans Hack
Vice-Chair
FTI Consulting

Andrea Chiarello
Chair, Policy Group
Pfizer

Victoria Main
Chair, Communications & Marketing Group
SEC Newgate EU

Malachy Tuohy
Chair, Operations Group
Goodyear

Fiona Taylor
Member-at-Large
Verizon

George Candon
Member-at-Large
Hill + Knowlton Strategies

Susan Danger
CEO
AmCham EU

COMMITTEE CHAIRS

AGRICULTURE & FOOD
Julie Vermooten
MSD INC.

COMPETITION
Elsa Sependa
AT&T

CONSUMER AFFAIRS
Michal Penkala-Nowic
Procter & Gamble

CUSTOMS & TRADE FACILITATION
Walter Van der Meiren
UPS

DIGITAL ECONOMY
Jean-Marc Leclerc
IBM

ENVIRONMENT
Natasa Sbrizaj
3M

FINANCIAL SERVICES
Brian Fox
JPMorgan Chase & Co

HEALTHCARE
Felix Uedelhoven
GE Healthcare
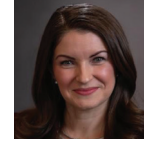
INTELLECTUAL PROPERTY
Simona Popa
InterDigital

SECURITY, DEFENCE & SPACE
Florian Gleissner
Boeing

TAX
Jonathan Lacey
Microsoft

TRADE & EXTERNAL AFFAIRS
Emanuele Frezza
UPS

TRANSPORT, ENERGY & CLIMATE
Antonella Sopranzetti
ExxonMobil

TASK FORCE CHAIRS

DIVERSITY, EQUITY & INCLUSION
Albert Vallejo
Mattel

EUROPEAN PARLIAMENT OUTREACH
Quang-Minh Lepescheux
Microsoft

EU-UK
Sharon Leclercq-Spooner
EPPA

RESPONSIBLE BUSINESS CONDUCT
Julian Lageard
Intel

SUSTAINABLE FINANCE
David Henry Doyle
S&P Global

TRANSATLANTIC
Claudia Selli
AT&T INC.

UKRAINE
Yana Humen
IBM

Last update: November 2023

Index

AmCham EU
speaks for

American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3.7 trillion in 2022, directly supports more than 4.9 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

amchameu.eu

3M ★ ABBOTT ★ ABBVIE ★ ACCENTURE ★ ACCESS PARTNERSHIP ★ ADM ★ AFORE CONSULTING ★ ALBEMARLE EUROPE SPRL ★ AMAZON ★ AMGEN ★ AMWAY ★ APCO WORLDWIDE ★ APPLE ★ ARNOLD & PORTER KAYE SCHOLER LLP ★ AT&T INC. ★ AVERY DENNISON ★ BAKER BOTTS LLP ★ BAKER HUGHES ★ BAKER MCKENZIE ★ BANK OF AMERICA ★ BARCLAYS ★ BAXTER ★ BELL ★ BOSTON CONSULTING GROUP ★ BRISTOL-MYERS SQUIBB COMPANY ★ BRITISH AMERICAN TOBACCO ★ BROADCOM INC. ★ BRUNSWICK GROUP LTD ★ BURSON COHN & WOLFE ★ CARGILL EUROPE ★ CARRIER CORPORATION ★ CATERPILLAR ★ CHARGEPOINT ★ CHARLES SCHWAB CORPORATION ★ CHEVRON ★ CHEVRON PHILLIPS CHEMICAL ★ CISCO ★ CITI ★ CNH INDUSTRIAL ★ COOLEY LLP ★ COVESTRO NV ★ COVINGTON ★ DAIMLER TRUCK AG ★ DELL TECHNOLOGIES ★ DENTONS GLOBAL ADVISORS ★ DIAGEO ★ DLA PIPER UK LLP ★ DOW CHEMICAL ★ DUPONT ★ ECOLAB ★ EDWARDS LIFESCIENCES ★ ELI LILLY & COMPANY ★ EPPA SA/NV ★ ESTÉE LAUDER COSMETICS NV/SA ★ EXXONMOBIL ★ EY ★ FEDEX ★ FIRST SOLAR ★ FISERV ★ FLEISHMANHILLARD ★ FLUENCE ENERGY ★ FMC CORPORATION ★ FORD MOTOR COMPANY ★ FRESHFIELDS BRUCKHAUS DERINGER LLP ★ FTI CONSULTING ★ GE ★ GE HEALTHCARE ★ GENERAL DYNAMICS EUROPEAN LAND SYSTEMS ★ GENERAL MOTORS ★ GILEAD SCIENCES ★ GLAXOSMITHKLINE ★ GOLDMAN SACHS INTERNATIONAL ★ GOODYEAR EUROPE B.V. ★ GOOGLE ★ GOPUFF ★ GOWAN GROUP ★ GOWLING WLG (UK) LLP ★ HARLEY-DAVIDSON MOTOR COMPANY ★ HASBRO INTERNATIONAL HOLDINGS ★ HERBALIFE INTERNATIONAL INC. ★ HILL+KNOWLTON STRATEGIES ★ HONEYWELL INTERNATIONAL ★ HOWMET AEROSPACE ★ HP INC. ★ HPE ★ IBM ★ ILLUMINA ★ INTEL ★ INTERDIGITAL, INC. ★ J.P. MORGAN CHASE & CO ★ JOHN WILEY & SONS ★ JOHNSON & JOHNSON ★ JOHNSON CONTROLS ★ JONES DAY ★ KEKST CNC ★ KENVUE ★ KREAB ★ KOCH INDUSTRIES, INC ★ KYNDRYL ★ LIBERTY GLOBAL ★ LINKLATERS LLP ★ LOCKHEED MARTIN ★ LUBRIZOL ★ LVMH ★ LYONDELLBASELL ★ MARS INCORPORATED ★ MARSH & MCLENNANCOMPANIES, INC. ★ MASTERCARD EUROPE ★ MATTEL EUROPE ★ MAYER BROWN EUROPE-BRUSSELS LLP ★ MCDONALD'S EUROPE ★ MERCEDES-BENZ GROUP AG ★ META ★ METLIFE ★ MICHELIN NORTH AMERICA INC. ★ MICROSOFT ★ MONDELEZ INTERNATIONAL ★ MOODY'S CORPORATION ★ MORGAN STANLEY INT. ★ MORGAN, LEWIS & BOCKIUS, LLP ★ MSD (EUROPE) INC. ★ NBCUNIVERSAL ★ NIKE, INC. ★ ORACLE ★ OWENS CORNING ★ PARAMOUNT ★ PFIZER ★ PHILIP MORRIS INTERNATIONAL ★ PRICEWATERHOUSECOOPERS ★ PROCTER & GAMBLE ★ QUALCOMM ★ RAYTHEON TECHNOLOGIES ★ RELX ★ S&P GLOBAL ★ S.W.I.F.T. ★ SALESFORCE ★ SAS ★ SC JOHNSON ★ SEC NEWGATE EU ★ SIDLEY AUSTIN LLP ★ STRYKER ★ SQUIRE PATTON BOGGS LLP ★ STANLEY BLACK & DECKER ★ STEELCASE S.A.S ★ STEPTOE & JOHNSON LLP ★ SYNGENTA ★ TE CONNECTIVITY ★ TENEO ★ THE AES CORPORATION ★ THE BANK OF NEW YORK MELLON ★ THE BOEING COMPANY ★ THE CARLYLE GROUP ★ THE CHEMOURS COMPANY ★ THE COCA-COLA COMPANY ★ TYSON FOODS ★ UIPATH ★ UPS ★ VAN BAEL & BELLIS ★ VERIZON ★ VERTEX PHARMACEUTICALS ★ VIATRIS ★ WALT DISNEY COMPANY ★ W.L. GORE & ASSOCIATES ★ WEBER SHANDWICK ★ WHITE & CASE LLP ★ WILMER CUTLER PICKERING HALE & DORR LLP ★ WORKDAY ★ ZOETIS

List accurate as of November 2023