

SEPTEMBER 29, 2021

U.S.-EU Trade and Technology Council Inaugural Joint Statement

September 29, 2021
Pittsburgh, Pennsylvania

Section 1. Pittsburgh Statement

1. The U.S.-EU Trade and Technology Council (TTC) met for the first time in Pittsburgh on 29 September 2021. It was co-chaired by U.S. Secretary of State Antony Blinken, U.S. Secretary of Commerce Gina Raimondo, U.S. Trade Representative Katherine Tai, European Commission Executive Vice President Margrethe Vestager, European Commission Executive Vice President Valdis Dombrovskis. The United States and the European Union reaffirm the TTC's objectives to: coordinate approaches to key global technology, economic, and trade issues; and to deepen transatlantic trade and economic relations, basing policies on shared democratic values.
2. We support the continued growth of the U.S.-EU technology, economic and trade relationship and cooperation in addressing global challenges. We intend to collaborate to promote shared economic growth that benefits workers on both sides of the Atlantic, grow the transatlantic trade and investment relationship, fight the climate crisis, protect the environment, promote workers' rights, combat child and forced labor, expand resilient and sustainable supply chains, and expand cooperation on critical and emerging technologies. We stand together in continuing to protect our businesses, consumers, and workers from unfair trade practices, in particular those posed by non-market economies, that are undermining the world trading system.
3. We share a strong desire to drive the digital transformation that spurs trade and investment, benefits workers, protects the environment and climate, strengthens our technological and industrial leadership, sets

high standards globally, boosts innovation, and protects and promotes critical and emerging technologies and infrastructure. We intend to cooperate on the development and deployment of new technologies in ways that reinforce our shared democratic values, including respect for universal human rights, advance our respective efforts to address the climate change crisis, and encourage compatible standards and regulations. We intend to cooperate to effectively address the misuse of technology, to protect our societies from information manipulation and interference, promote secure and sustainable international digital connectivity, and support human rights defenders.

4. We seek inclusive economic growth that benefits all of our people, and intend to make a particular focus on inclusive growth for middle class and lower income people on both sides of the Atlantic. We also have a particular focus on opportunities for small and medium-sized enterprises.
5. The cooperation and exchanges of the TTC are without prejudice to the regulatory autonomy of the United States and the European Union and should respect the different legal systems in both jurisdictions. Cooperation within the TTC is intended to feed into coordination in multilateral bodies, including in the WTO, and wider efforts with like-minded partners, with the aim of promoting democratic and sustainable models of digital and economic governance.
6. To strengthen our cooperation, we identified the following areas of joint work over the coming months, with the intent of achieving concrete outcomes on these issues by the time of our next meeting.

Section 2. Pittsburgh outcomes

1. As a demonstration of our shared commitment to make progress on the objectives of the TTC, the United States and European Union have identified the following outcomes in specific areas, the details of which are further reflected in Annexes I-V.
 - We believe that our openness to foreign investment is essential for economic growth and innovation. We also face common challenges in addressing related risks. We intend to maintain **investment screening** in order to address risks to national security and, within the European

Union, public order. We recognize that our investment screening regimes should be accompanied by the appropriate enforcement mechanisms. Furthermore, investment screening regimes should be guided by the principles of nondiscrimination, transparency, predictability, proportionality, and accountability, as set forth in relevant OECD guidelines. We also intend to engage with partner countries and stakeholders on investment screening.

- We recognize the importance of effective controls on trade in dual-use items. Such **export controls** are necessary to ensure compliance with our international obligations and commitments. We affirm that a multilateral approach to export controls is most effective for protecting international security and supporting a global level-playing field. We note that the potential applications of emerging technologies in the defense and security field raise important concerns, and recognize the need to address these risks. We have determined shared principles and areas for export control cooperation, including in export control capacity-building assistance to third countries, and recognize the importance, where appropriate and feasible, of prior consultations to ensure that the application of export controls is transparent and equitable for U.S. and EU exporters.
- The United States and European Union consider that **artificial intelligence** (AI) technologies have the potential to bring significant benefits to our citizens, societies and economies. AI technologies can help tackle many significant challenges that we face, and they can improve the quality of our lives. The United States and European Union acknowledge that AI technologies yield powerful advances but also can threaten our shared values and fundamental freedoms if they are not developed and deployed responsibly or if they are misused. The United States and European Union affirm their willingness and intention to develop and implement AI systems that are innovative and trustworthy and that respect universal human rights and shared democratic values.
- The United States and European Union reaffirm our commitment to building a partnership on the rebalancing of global supply chains in **semiconductors** with a view to enhancing respective security of supply as well as their respective capacity to design and produce semiconductors, especially, but not limited to, those with leading-edge

capabilities. This partnership should be balanced and of equal interest for both sides. We underline the importance of working together to identify gaps in the semiconductor value chain, and strengthening our domestic semiconductor ecosystems.

- With respect to **global trade challenges**, we intend to work closely together to address non-market, trade-distortive policies and practices, improve the effectiveness of our respective domestic measures that address those policies and practices, and explore ways to combat the negative effects of such policies and practices in third countries. We also intend to work together to maintain competitive, free, and fair transatlantic commerce in new and emerging technologies, by avoiding new and unnecessary **barriers to trade** in these technologies, while always respecting the United States' and the European Union's regulatory autonomy and promoting openness and transparency. In these and other efforts, we intend to maintain a particular focus on using and coordinating the use of our trade policy tools. We aim to protect **workers and labor rights**, and combat forced and child labor. We intend to address relevant **trade, climate, and environmental** issues.
1. We acknowledge the importance of and share a commitment to consulting closely with diverse **stakeholders** on both sides of the Atlantic as we undertake our work in the TTC. Robust engagement with business, thought leaders, labor organizations, non-profit organizations, environmental constituencies, academics, and other stakeholders that form the civil society at large is essential to this work. We intend to separately make available points of contact, where stakeholders may submit their inputs, comments and views. Moreover, regular exchanges with the stakeholders are to be organized through diverse channels, both at the level of working groups and political principals, as well as by each of the respective parties or jointly. This is to encourage the transatlantic stakeholder community to provide common proposals on the work pursued by the TTC.

Section 3. Future scope of work

The United States and the European Union ask that each of the **working groups** established under the TTC carry forward important work to

strengthen our relationship and cooperation. Specifically, we ask that the working groups, by our next meeting, focus on the following:

- **Working Group 1 – Technology Standards:** The Technology Standards working group is tasked to develop approaches for coordination and cooperation in critical and emerging technology standards including AI and other emerging technologies. The United States and European Union support the development of technical standards in line with our core values, and recognize the importance of international standardisation activities underpinned by core WTO principles. The United States and European Union aim to identify opportunities for collaborative proactive action and to defend our common interests in international standards activities for critical and emerging technologies. As such, we plan to develop both formal and informal cooperation mechanisms to share information regarding technical proposals in specified technology areas and seek opportunities to coordinate on international standards activities. We look forward to fostering participation in standards organizations for civil society organizations, startups, small and medium sized enterprises in emerging technologies.
- **Working Group 2 – Climate and Clean Tech:** Given the great importance of technology to address environmental challenges and connected market opportunities, the Climate and Clean Tech working group is tasked to identify opportunities, measures and incentives to support technology development, transatlantic trade and investment in climate neutral technologies, products and services, including collaboration in third countries, research and innovation, and to jointly explore the methodologies, tools, and technologies for calculating embedded greenhouse gas emissions in global trade.
- **Working Group 3 – Secure Supply Chains:** Alongside the dedicated track on semiconductors, the Secure Supply Chains working group is tasked to focus on advancing respective supply chain resilience and security of supply in key sectors for the green and digital transition and for securing the protection of our citizens. A first focus will be on clean energy, pharmaceuticals, and critical materials. In connection with these sectors, the working group is tasked to seek to: increase transparency of supply and demand; map respective existing sectoral capabilities; exchange information on policy measures and research and development

priorities; and cooperate on strategies to promote supply chain resilience and diversification. The dedicated track on semiconductor issues will initially focus on short-term supply chain issues. Cooperation on mid- and long-term strategic semiconductor issues will begin in the relevant TTC working groups ahead of the next TTC Meeting.

- **Working Group 4 – Information and Communication Technology and Services (ICTS) Security and Competitiveness:** The Information and Communications Technology and Services working group is tasked to continue to work towards ensuring security, diversity, interoperability and resilience across the ICT supply chain, including sensitive and critical areas such as 5G, undersea cables, data centers, and cloud infrastructure. The working group is tasked to explore concrete cooperation on development finance for secure and resilient digital connectivity in third countries. The working group is tasked to seek to reinforce cooperation on research and innovation for beyond 5G and 6G systems. The United States and the European Union, in close cooperation with relevant stakeholders, could develop a common vision and roadmap for preparing the next generation of communication technologies towards 6G. The group is also tasked to discuss data security.
- **Working Group 5 – Data Governance and Technology Platforms:** The Data Governance and Technology Platforms working group is tasked to exchange information on our respective approaches to data governance and technology platform governance, seeking consistency and interoperability where feasible. We intend to exchange information and views regarding current and future regulations in both the United States and European Union with a goal of effectively addressing shared concerns, while respecting the full regulatory autonomy of the United States and European Union. We have identified common issues of concern around: illegal and harmful content and their algorithmic amplification, transparency, and access to platforms' data for researchers as well as the democratic responsibility of online intermediaries. We have also identified a shared interest in using voluntary and multi-stakeholder initiatives to complement regulatory approaches in some areas. We are committed to transatlantic cooperation regarding platform policies that focus on disinformation, product safety, counterfeit products, and other harmful content. We plan to engage with platform companies to improve researchers' access to data generated by

platforms, in order to better understand and be able better to address systemic risks linked to how content spreads online. We also plan to engage in a discussion on effective measures to appropriately address the power of online platforms and ensure effective competition and contestable markets. The working group is also tasked to discuss, alongside other working groups, common approaches on the role of cloud infrastructure and services.

- **Working Group 6 – Misuse of Technology Threatening Security and Human Rights:** The Misuse of Technology to Threaten Security and Human Rights working group is tasked to combat arbitrary or unlawful surveillance, including on social media platforms; explore building an effective mechanism to respond to Internet shutdowns, in conjunction with the G7 and others likeminded countries; work to protect human rights defenders online; and increase transatlantic cooperation to address foreign information manipulation, including disinformation, and interference with democratic processes, while upholding freedom of expression and privacy rights. The working group is tasked to address social scoring systems and to collaborate on projects furthering the development of trustworthy AI.
- **Working Group 7 – Export Controls:** The Export Controls working group is tasked to engage in technical consultations on legislative and regulatory developments and exchange information on risk assessments and licensing good practices, as well as on compliance and enforcement approaches, promote convergent control approaches on sensitive dual-use technologies, and perform joint industry outreach on dual-use export controls.
- **Working Group 8 – Investment Screening:** The Investment Screening working group is tasked to focus on exchanging information on investment trends impacting security, including strategic trends with respect to industries concerned, origin of investments, and types of transactions; on best practices, including with respect to risk analysis and the systems for risk mitigation measures with a focus on sensitive technologies and related sensitive data, which may include personal data; and together with other groups, including Export Controls, develop a holistic view of the policy tools addressing risks related to specific

sensitive technologies. The working group is expected to conduct a joint virtual outreach event for stakeholders.

- **Working Group 9 – Promoting Small- and Medium-sized Enterprises (SME) Access to and Use of Digital Tools:** The use of digital tools is a key enabler for SMEs to innovate, grow and compete. Its uptake varies significantly across sectors and regions. Beyond training and education gaps and market access barriers, SMEs face challenges regarding access to technologies, data, and finance. We are committed to ensuring access to digital tools and technologies for SMEs in both the United States and European Union. Working Group 9 is tasked to launch outreach activities that will offer opportunities for SMEs and underserved communities, and their representatives, to share their needs, experience, strategies and best practices with policymakers on both sides of the Atlantic with a view to ensuring a better understanding of the barriers to their digital empowerment. Additionally, through a series of listening sessions with SMEs and underserved communities, as well as the resulting analysis and reporting, the working group is tasked to develop recommendations for U.S. and EU policymakers to implement that will help to accelerate access to and the uptake of digital technologies.
- **Working Group 10 – Global Trade Challenges:** Consistent with the attached statement on global trade challenges, Working Group 10 is tasked to focus on challenges from non-market economic policies and practices, avoiding new and unnecessary technical barriers in products and services of emerging technology, promoting and protecting labor rights and decent work, and, following further consultations, trade and environment issues.

Annex I

Statement on Investment Screening

1. The United States and the European Union believe that openness to foreign investment is essential for economic growth and innovation. They take note of the very significant volume of investments, exceeding four trillion euros / dollars linking companies on both sides of the Atlantic, which illustrates the strength of the transatlantic partnership.

2. The United States and the European Union intend to continue to protect themselves from risk arising from certain foreign investment through investment screening focused on addressing risks to national security and, within the European Union, public order as well.
3. The United States and the European Union recognize that investment screening regimes should be based on legislative or regulatory frameworks accompanied by the appropriate enforcement mechanisms.
4. Furthermore, drawing on best practices, investment screening regimes should be guided by the principles of non-discrimination, transparency of policies and predictability of outcomes, proportionality of measures, and accountability of implementing authorities, as set forth in the *Guidelines for Recipient Country Investment Policies Relating to National Security*, adopted by the OECD Council in May 2009
5. The United States and the European Union envisage to meet periodically, through the TTC Investment Screening Working Group and other appropriate channels, to exchange information on investment trends and best practices related to effective investment screening implemented in line with the above principles, while respecting confidentiality limitations. In particular, the United States and the European Union intend to explore the following work-streams:
 - Exchanges on investment trends impacting security, including strategic trends with respect to industries concerned, origin of investments, and types of transactions;
 - Exchanges on best practices, i.e. risk analysis and the systems for risk mitigation measures, with a focus on sensitive technologies, issues related to access to sensitive data, which may include personal data; and
 - Holistic view of the policy tools addressing risks related to specific sensitive technologies;
1. The United States and the European Union also intend to maintain lines of communication with stakeholders on these issues and engage with other partners globally on investment screening.
2. The working group intends to conduct a joint virtual outreach event for stakeholders.

Statement on Export Control Cooperation**Principles**

1. The United States and the European Union recognize the importance of effective controls on trade in dual-use items, including transfers in sensitive technologies. Such controls are necessary to ensure compliance with our international obligations and commitments, in particular regarding non-proliferation of weapons of mass destruction and preventing destabilizing accumulations of conventional weapons, regional peace, security, stability and respect for human rights and international humanitarian law, as well as our joint security and foreign policy interests.
2. The United States and European Union understand that a multilateral approach to export controls is most effective for protecting international security and supporting a global level-playing field. They reiterate their commitment to working with partners and allies, where appropriate, to coordinate and broaden the global response, promoting a multilateral rules-based trade and security system founded on transparency, reciprocity, and fairness.
3. The United States and the European Union note that the potential applications of emerging technologies in the defense and security field raise important legal, ethical, and political concerns and recognize the need to address risks associated with the trade in emerging technologies.
4. The United States and European Union share concerns that technology acquisition strategies, including economic coercive measures, and civil-military fusion policies of certain actors undermine security interests, and challenge the objective assessment of risks by the competent authorities and the effective implementation of rules-based controls in line with internationally-agreed standards.
5. The United States and the European Union are of the view that export controls should not unduly disrupt strategic supply chains and should be consistent with the applicable exceptions of the General Agreement on Tariffs and Trade. The United States and the European Union recognize

the importance, where appropriate and feasible, of consultations prior to the introduction of controls outside the multilateral regimes, in particular to ensure that the application of export controls is transparent and equitable for U.S. and EU exporters.

6. The United States and European Union acknowledge the need for controls on trade in certain dual-use items, in particular technologies, including cyber-surveillance technologies that may be misused in ways that might lead to serious violations of human rights or international humanitarian law.
7. The United States and European Union also recognize the responsibility of the private sector, as well as public R&D institutions, under export control rules as well as the importance of raising awareness in the private and the research sectors, and that promoting cooperation and self-regulation is integral to effective export controls. They are committed to working closely in partnership with the private sector and public R&D institutions in that regard.
8. Against this backdrop the Export Control Working Group under the Trade and Technology Council, building on the on-going U.S.-EU Export Control Dialogue, provides a dedicated forum enabling the United States and the European Union to enhance cooperation on export controls in order to address evolving security risks and challenges associated with trade in strategic dual-use technologies to destinations warranting greater scrutiny, while ensuring that export controls are consistent with joint innovation and technology development.

Cooperation areas

The United States and the European Union intend to enhance their cooperation in the following areas:

- **Technical consultations on current and upcoming legislative and regulatory developments** to promote the global convergence of controls and ensure legal security for U.S. and EU companies, including regular adjustments to control lists and specific license exceptions/General Export Authorizations, development of guidelines, as well as relevant regulatory developments in third countries;

- **Technical consultations and development of convergent control approaches on sensitive dual-use technologies**, as appropriate;
- **Information exchange on risks associated with:**
 - the export of sensitive technologies to destinations and entities of concern, exchange of good practice on the implementation and licensing for listed or non-listed sensitive items;
 - technology transfers and dual-use research of concern and exchange of best practices to support the effective application of controls while facilitating research collaboration between U.S. and EU research organizations;
- **Technical consultations on compliance and enforcement approaches** (i.e. legal and regulatory basis, institutional and administrative arrangements) and actions;
- **Capacity building assistance to third countries** to develop appropriate capabilities to implement guidelines and lists of multilateral export control regimes, appropriate export control policies and practices, as well as relevant enforcement measures; and,
- **Technical consultations regarding multilateral and international cooperation**, including prior to the introduction of controls outside the multilateral regimes, as appropriate.

Next Steps

To implement these Principles and initiate the Consultations, the Export Control Working Group is tasked to:

- Conduct a joint U.S.-EU virtual outreach event for stakeholders on October 27, 2021. This event is expected to begin the process of soliciting input from stakeholders on steps to achieve the Principles and specific topics for the Working Group to address in the Cooperation areas, and
- Meet to identify an initial set of specific topics to address in its Technical Consultations following the TTC.

Annex III

Statement on AI

1. The United States and European Union believe that artificial intelligence (AI) technologies have the potential to bring substantial benefit to our citizens, societies and economies. AI can help tackle significant challenges societies face, transform industries, and improve the quality of our lives.
2. The United States and European Union acknowledge that AI-enabled technologies have risks associated with them if they are not developed and deployed responsibly or if they are misused.
3. The United States and European Union affirm their willingness and intention to develop and implement trustworthy AI and their commitment to a human-centered approach that reinforces shared democratic values and respects universal human rights, which they have already demonstrated by endorsing the OECD Recommendation on AI. Moreover, the United States and European Union are founding members of the Global Partnership on Artificial Intelligence, which brings together a coalition of like-minded partners seeking to support and guide the responsible development of AI that is grounded in human rights, inclusion, diversity, innovation, economic growth, and societal benefit.
4. The United States and European Union are committed to working together to ensure that AI serves our societies and economies and that it is used in ways consistent with our common democratic values and human rights. Accordingly, the United States and European Union are opposed to uses of AI that do not respect this requirement, such as rights-violating systems of social scoring.
5. The United States and European Union have significant concerns that authoritarian governments are piloting social scoring systems with an aim to implement social control at scale. These systems pose threats to fundamental freedoms and the rule of law, including through silencing speech, punishing peaceful assembly and other expressive activities, and reinforcing arbitrary or unlawful surveillance systems.
6. The United States and European Union underline that policy and regulatory measures should be based on, and proportionate to the risks posed by the different uses of AI.

7. The United States notes the European Commission's proposal for a risk-based regulatory framework for AI. The framework defines high-risk uses of AI, which are to be subject to a number of requirements. The EU also supports a number of research, innovation and testing projects on trustworthy AI as part of its AI strategy.
8. The European Union notes the U.S. government's development of an AI Risk Management Framework, as well as ongoing projects on trustworthy AI as part of the U.S. National AI Initiative.
9. We are committed to working together to foster responsible stewardship of trustworthy AI that reflects our shared values and commitment to protecting the rights and dignity of all our citizens. We seek to provide scalable, research-based methods to advance trustworthy approaches to AI that serve all people in responsible, equitable, and beneficial ways.

Areas of cooperation

The United States and the European Union want to translate our common values into tangible action and cooperation for mutual benefit.

- The United States and European Union are committed to the responsible stewardship of trustworthy AI and intend to continue to uphold and implement the OECD Recommendation on Artificial Intelligence. The United States and European Union seek to develop a mutual understanding on the principles underlining trustworthy and responsible AI.
- The United States and European Union intend to discuss **measurement and evaluation tools** and activities to assess the technical requirements for trustworthy AI, concerning, for example, accuracy and bias mitigation.
- The United States and the European Union intend to collaborate on projects furthering the development of trustworthy and responsible AI to explore better use of machine learning and other AI techniques towards desirable impacts. We intend to explore cooperation on AI technologies designed to enhance privacy protections, in full compliance with our respective rules, as well as additional areas of cooperation to be defined through dedicated exchanges.

- The United States and European Union intend to jointly undertake an **economic study examining the impact of AI on the future of our workforces**, with attention to outcomes in employment, wages, and the dispersion of labor market opportunities. Through this collaborative effort, we intend to inform approaches to AI consistent with an inclusive economic policy that ensures the benefits of technological gains are broadly shared by workers across the wage scale.

Annex IV

Statement on Semiconductor Supply Chains

1. The United States and European Union reaffirm their willingness to build a partnership on the rebalancing of global supply chains in semiconductors with a view to enhancing their respective security of supply as well as respective capacity to design and produce semiconductors, especially, but not limited to, those with leading-edge capabilities. This partnership should be balanced and of equal interest to both sides. It will initially focus on short-term supply chain issues. Cooperation on mid- and long-term strategic semiconductor issues will begin in the relevant TTC working groups ahead of the next TTC Meeting.
2. We acknowledge that semiconductors are the material basis for integrated circuits that are essential to modern-day life and underpin our economies. As such, semiconductors power virtually every sector of the economy, including energy, healthcare, agriculture, consumer electronics, manufacturing, defense, and transportation. They determine the characteristics of the products into which they are embedded, including security, computing power, privacy, trust, energy performance and safety.
3. The COVID-19 pandemic has further increased the importance of semiconductors. They have enabled remote health care, medical research, working and studying from home and electronic commerce. Through the pandemic, shortages of certain semiconductors have highlighted the importance of ensuring stable, resilient and robust supply chains for these vital products.

4. We recognize that the semiconductor supply chain, from raw materials, design and manufacturing to assembly, testing and incorporation into end products, is extremely complex and geographically dispersed. The development and production of semiconductors include multiple countries, with some very concentrated segments. The United States and European Union have some important respective strengths as well as ongoing, significant mutual dependencies, and common external dependencies.
5. We share the view that promoting supply chain transparency, in partnership with industry and all relevant stakeholders, is essential to strengthening investment and addressing the supply and demand imbalance in the semiconductor industry. With the goal of identifying bottlenecks pertaining to supply and demand across the various segments of the semiconductor supply chain, we intend to enhance cooperation on measures to advance transparency and communication in the semiconductor supply chain. To this end, we intend to engage with our respective stakeholders in discussions of relevant measures.
6. In the short-term, we underline the importance of jointly identifying gaps and vulnerabilities, mapping capacity in the semiconductor value chain, and strengthening our domestic semiconductor ecosystems, from, research, design to manufacturing, with a view to improving resilience, through consultation with stakeholders, and the right incentives.
1. We share the aim of avoiding a subsidy race and the risk of crowding out private investments that would themselves contribute to our security and resilience.
2. Without prejudice to cooperation with our likeminded partners, we intend to focus on reducing existing strategic dependencies throughout the supply chain, especially through a diversification of the supply chain and increased investment.
3. We intend to work jointly so that any investment made on our territories is done in full respect of our respective security of supply.

Annex V

Statement on Global Trade Challenges

The United States and the European Union intend to initially focus on the following specific objectives in the Global Trade Challenges Working Group.

Trade Policy Cooperation towards Non-Market Economies (NMEs)

In paragraph 22 of the Joint Statement issued following their June 15, 2021 summit meeting, President Biden, President Michel, and President von der Leyen stated:

“We intend to work cooperatively on efforts to achieve meaningful World Trade Organization (WTO) reform and help promote outcomes that benefit our workers and companies...We intend to seek to update the WTO rulebook with more effective disciplines on industrial subsidies, unfair behavior of state-owned enterprises, and other trade and market distorting practices.” As a complement to this cooperation, the United States and the European Union intend to focus in the Global Trade Challenges Working Group on responding to the challenges posed by non-market economies cited in the June 15 Joint Statement.

The United States and the European Union, as democratic market economies, share a number of core values, including with respect to human and labor rights, environmental protection, the rule of law, non-discrimination, regulatory transparency, market-based commerce, and the freedom to innovate and to have innovations protected.

We intend to work together in the Global Trade Challenges Working Group to ensure that our trade policies support these and other shared values, including by promoting them internationally and by resisting challenges to these values in global commerce arising from non-market distortive policies and practices.

Among the actions the United States and the European Union intend to take in the Global Trade Challenges Working Group with respect to this objective are the following:

1. Share information on non-market distortive policies and practices that pose particular challenges for U.S. and EU workers and businesses, both across sectors and in relation to specific sectors in which we have identified certain risks, with the goal of developing strategies for

mitigating or responding to those policies, practices, and challenges.

Non-market practices that raise concerns include – but are not limited to – forced technology transfer; state-sponsored theft of intellectual property; market-distorting industrial subsidies, including support given to and through SOEs, and all other types of support offered by governments; the establishment of domestic and international market share targets; discriminatory treatment of foreign companies and their products and services in support of industrial policy objectives; and anti-competitive and non-market actions of SOEs.

2. The United States and the European Union recognize that domestic measures that each takes on its own can play a critical role in ensuring that trade policy supports market-based economies and the rule of law. This recognition is without prejudice to the views that either of them may have with respect to the appropriateness of any particular measure.

To improve the use and effectiveness of such domestic measures, the United States and the European Union intend to:

- Make an inventory of the growing number of domestic measures that the United States and the European Union each already employ, and exchange information on the operation and effectiveness of those measures and on any plans for future measures; and,
 - To the extent practicable or deemed desirable by both the United States and the European Union, consult or coordinate on the use and development of such domestic measures, with a view to increasing their effectiveness and mitigating collateral consequences for either the United States or the European Union from any such measure developed.
1. Exchange information on the impact of non-market, distortive policies and practices in third countries and explore ways of working together and with other partners with a view to addressing the negative effects of such policies and practices, which can undermine development goals and have a negative impact on U.S. and EU commerce in those countries.

Avoiding New and Unnecessary Barriers to Trade in New and Emerging Technologies

The United States and the European Union recognize and respect the

importance of regulation of goods and services to achieve legitimate policy objectives. They are also aware that such regulations may have unintended consequences and result in barriers to trade between them and that such barriers, once implemented, can be challenging to remove. Consequently, the United States and the European Union intend to work to identify and avoid potential new unnecessary barriers to trade in products or services derived from new and emerging tech, while ensuring that legitimate regulatory objectives are achieved.

This work will fully respect each side's regulatory autonomy and regulatory system, and will promote the highest level of openness and transparency and welcome input from all interested stakeholders.

Cooperation on Trade and Labor

The United States and the European Union intend to promote together and in an inclusive way the protection of fundamental labor rights, including by combatting the scourge of forced and child labor, with each side using relevant trade policies and tools, including FTAs and unilateral measures, such as preference and other programs, and cooperating in the ILO, WTO, and other appropriate multilateral fora. Both sides intend to promote responsible business conduct, with the aim of enhancing the sustainability of global value chains. In pursuit of these objectives, we intend to:

1. Share information and best practices on trade measures related to the respect for fundamental labor rights and prevention of forced and child labor, including implementation and enforcement; new initiatives of each side, with a view to developing additional and joint ways to prevent forced labor; and the effectiveness of labor enforcement tools, with a view to improving them.
2. Cooperate and jointly support work in multilateral fora to promote fundamental labor rights, including to combat child and forced labor, and including in the WTO fisheries subsidies negotiations.
3. Discuss the impact of technology on labor markets, working conditions, and worker rights, including policy issues related to the "gig" economy, worker surveillance, and labor conditions throughout supply chains.

4. Exchange information on the implementation of labor provisions in our respective trade agreements.

Cooperation on Trade-Related Environmental and Climate Policies and Measures

The United States and the European Union underline the positive role that trade can play in addressing environmental challenges such as climate change, achieving climate neutrality, and supporting the transition to a more circular economy. The United States and the European Union intend to consult on the inclusion of trade-related climate and environment issues in the work plan of the Global Trade Challenges Working Group.

Consultation with Stakeholders

The United States and the European Union welcome input from and dialogue with business, trade unions, consumer organizations, and environmental and other non-government organizations on the work of the Global Trade Challenges Working Group, including joint input from transatlantic groupings of stakeholders.

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