



**COUNCIL OF  
THE EUROPEAN UNION**



Brussels, 30 April 2007  
9100/07 (Presse 96)

### **EU-US Summit - Washington, 30 April 2007**

1.	2007 EU-US SUMMIT .....	2
2.	FRAMEWORK FOR ADVANCING TRANSATLANTIC ECONOMIC INTEGRATION BETWEEN THE EUROPEAN UNION AND THE UNITED STATES OF AMERICA .....	4
3.	2007 EU-US SUMMIT: PROMOTING PEACE, HUMAN RIGHTS AND DEMOCRACY WORLDWIDE .....	18
4.	2007 EU-US SUMMIT STATEMENT ON ENERGY SECURITY, EFFICIENCY, AND CLIMATE CHANGE .....	26
5.	2007 EU-US Summit Economic Progress Report .....	34
6.	2007 EU-US Summit Political Progress Report .....	41

## **P R E S S**

## 1. 2007 EU-US SUMMIT

We, the leaders of the European Union and the United States of America, met today in Washington to deepen our strategic partnership. This partnership is based on common values, in particular on the deeply shared conviction that peace, prosperity and human development depend upon the protection of individual liberty, human rights, the rule of law, economic freedom, energy security, environmental protection and the growth of strong, democratic societies.

Our partnership has achieved much over the years, and today we have reviewed our work over the past year. Yet we continue to face major challenges, at home and abroad. Consistent with our commitment to work together to advance our shared values and interests, we have today:

- **Adopted** a framework on transatlantic economic integration which lays a long-term foundation for building a stronger and more integrated transatlantic economy, in particular by fostering cooperation to reduce regulatory burdens and accelerating work on key “lighthouse projects” in the areas of intellectual property rights, secure trade, investment, financial markets, and innovation. We also reaffirm our strong desire to reach a prompt agreement in the WTO Doha Development Agenda (DDA) negotiations that is ambitious, balanced and comprehensive and creates meaningful new trade flows in agriculture, industrial goods and services among and between developed and developing countries;
- **Adopted** a declaration on political and security issues, including commitments to concrete actions to strengthen liberty, prosperity, security, peace and human rights and address regional challenges, in particular regarding Kosovo, Afghanistan, the Middle East, Iraq, Sudan, Latin America, and efforts to combat terrorism and the proliferation of weapons of mass destruction, and to work towards visa-free travel for all EU and U.S. citizens by creating conditions by which the Visa Waiver Program may be expanded;

- **Adopted** a joint statement on energy security and climate change that underlines our mutual interest in ensuring secure, affordable, and clean supplies of energy and tackling climate change. We will broaden and reinforce our activities to improve energy security and reduce pollution and greenhouse gas emissions, while supporting economic growth;
- **Welcomed** the signing of a first stage Air Transport Agreement which is an historic advance in liberalizing transatlantic air traffic. This agreement will bring real benefits for consumers and airline companies on both sides of the Atlantic. We reaffirm our commitment to pursue, as a matter of priority and no later than 60 days after March 30, 2008, negotiations to conclude a second stage agreement in order to achieve further liberalization.

## **2. FRAMEWORK FOR ADVANCING TRANSATLANTIC ECONOMIC INTEGRATION BETWEEN THE EUROPEAN UNION AND THE UNITED STATES OF AMERICA**

We, leaders of the European Union and the United States of America:

*Believing* that deeper transatlantic economic integration and growth will benefit our citizens and the competitiveness of our economies, will have global benefits, will facilitate market access for third countries and will encourage other countries to adopt the transatlantic economic model of respect for property rights, openness to investment, transparency and predictability in regulation, and the value of free markets;

*Affirming* our shared commitment to increase the transparency and efficiency of our economic cooperation and to accelerate the reduction of barriers to international trade and investment;

*Desiring* to improve the effectiveness of existing economic cooperation and to elevate and accelerate existing work to achieve tangible progress;

*Recognizing* that the transatlantic economy remains at the forefront of globalization, and that the European Union and the United States are each other's most important economic partners, reflecting historical ties as well as a wide range of common fundamental values, such as the importance of free enterprise, rule of law, property rights, free trade, and competition, and the protection of health, safety and the environment for our citizens and workers;

*Reaffirming* our commitment to the 2005 EU-U.S. Summit Declaration on Enhancing Transatlantic Economic Integration and Growth, in which we resolved to pursue a forward-looking agenda to enhance transatlantic economic integration and growth, and our commitments from the June 2006 Summit to redouble our efforts to reduce barriers to transatlantic trade and investment and our pledge to keep our investment regimes open and to build on existing investment flows to boost growth and create jobs in the transatlantic economy;

*Recognizing* further that we have established a wide range of joint work in the areas of regulatory cooperation, financial markets, trade and transport security, innovation and technological development, intellectual property rights, energy, investment, competition, services, and government procurement;

*Welcoming* the launch of a study funded by the European Commission to identify existing barriers to trade and investment and estimate the benefits of removing such barriers.

Have reached the following shared understandings:

### **Section I Purposes**

We seek to strengthen transatlantic economic integration, with the goal of improving competitiveness and the lives of our people. To that end, this Framework reaffirms a multi-year program of cooperation that emphasizes results and provides accountability.

### **Section II**

#### **Fostering Cooperation and Reducing Regulatory Burdens**

In light of our shared commitment to removing barriers to transatlantic commerce; to rationalizing, reforming, and, where appropriate, reducing regulations to empower the private sector; to achieving more effective, systematic and transparent regulatory cooperation to reduce costs associated with regulation to consumers and producers; to removing unnecessary differences between our regulations to foster economic integration; to reinforce the existing transatlantic dialogue structures in regulatory cooperation both by intensifying our sector-by-sector EU-U.S. regulatory cooperation and our dialogue between the European Commission services and the U.S. Office of Management and Budget on methodological issues: we resolve to achieve the goals set out in Annex 1 in a timely manner.

### **Section III**

#### **Lighthouse Priority Projects**

We have identified in Annex 2 priority growth projects, selected from the existing work program and other programs within the existing transatlantic dialogue, that will significantly enhance transatlantic economic integration, and we resolve to achieve progress on these projects within six to eight months of the effective date of this Framework, and at latest by the time of the 2008 EU-U.S. Summit. We resolve that future priorities are to be reflected by updating the Lighthouse Priority Projects identified in Annex 2.

## Section IV

### Transatlantic Economic Council

The Transatlantic Economic Council is hereby established, to be co-chaired, on the U.S. side, by a U.S. Cabinet-level official in the Executive Office of the President (currently Allan Hubbard) and, on the EU side by a Member of the European Commission (currently Vice President Guenter Verheugen), collaborating closely with the EU Presidency. The Council is to:

1. Oversee the efforts outlined in this Framework, with the goal of accelerating progress;
2. Guide work between EU-U.S. Summits with a focus on achieving results, including setting goals for achieving the purposes of this Framework, developing metrics, setting deadlines and targets, and monitoring progress;
3. Adopt a work program, drawn initially from the existing work program under the 2005 U.S.-EC Economic Initiative, with the goal of achieving the objectives of this Framework, and shall adapt this work program and otherwise organize its activities in the manner best suited to achieving those objectives;
4. Review at least semi-annually its progress in achieving the objectives of this Framework;
5. Facilitate joint action under this Framework to advance its purposes;
6. Review ongoing EU-U.S. economic engagement in order to maximize progress in existing transatlantic dialogues with a view to consider phasing out technical dialogues that have completed their work or are otherwise no longer necessary;
7. Meet at least once a year at such time as the co-chairs decide;
8. Oversee preparation of annual reports to the EU-U.S. Summit leaders on goals, metrics for meeting those goals, deadlines, achievements, and areas where more progress is needed;

9. Facilitate closer cooperation between the European Union and the United States and our legislators and stakeholders;
10. Convene a group comprised of individuals experienced in transatlantic issues drawing in particular from the heads of existing transatlantic dialogues to provide input and guidance to the EU-U.S. Summit on priorities for pursuing transatlantic economic integration; and
11. Include representatives of other governmental entities as the Council determines to be appropriate.

## **Section V**

### **Work Program of Cooperation**

We resolve to work to promote transatlantic economic integration in the following areas: intellectual property rights, investment, secure trade, financial markets, and innovation as set forth in the attached Annexes 2-7.

Signed at Washington DC on this 30th day of April, 2007, in two originals.

FOR THE EUROPEAN UNION:

Angela Merkel  
President of the European Council

José Manuel Barroso  
President of the European Commission

FOR THE UNITED STATES OF  
AMERICA:

George W. Bush  
President

## Annex 1

### Fostering Cooperation and Reducing Regulatory Burdens

- A. Take the following steps to reduce barriers to transatlantic economic integration posed by new regulations by reinforcing the existing transatlantic dialogue structures:
1. Pursue development of a methodological framework to help ensure the comparability of impact assessments, particularly risk assessment and cost-benefit analysis;
  2. Appoint heads of regulatory authorities as permanent members of the EU-U.S. High-Level Regulatory Cooperation Forum to report on any risks or benefits from significant differences in regulatory approaches identified in the sectoral dialogues or the European Commission Secretariat General (EC)-U.S. Office of Management and Budget (OMB) dialogue called for under the 2005 EU-U.S. Economic Initiative, recognizing that the Financial Markets Regulatory Dialogue will continue its own, separate, work program described in Annex 6, and updating the Council on its progress as appropriate.
  3. Reinforce the existing transatlantic dialogue on regulatory cooperation by cooperating to improve regulation, specifically through cooperation between OMB and the EC to:
    - a) Taking into account, among other things, the impact assessment considerations in place, evaluate progress regarding this cooperation, and consider a more formal basis to enhance this cooperation;
    - b) Intensify their dialogue focusing on issues of methodology;
    - c) Hold regular and active exchanges on the overall framework of our regulatory co-operation and on methodological issues which may arise in individual cases;
    - d) Review the application of their respective regulatory impact analysis guidelines so that the regulatory impacts on trade and investment are considered, as appropriate; and
    - e) Share forward planning schedules.

- B. Take the following steps to reduce barriers to transatlantic economic integration posed by regulations in specific sectors by intensifying sector-by-sector regulatory cooperation, including through enhanced EC-OMB cooperation, including the following:
1. Encourage further cooperation in the areas of agriculture, sanitary and phyto-sanitary measures, and food safety;
  2. Promote the application of the 2002 EU-U.S. Guidelines for Regulatory Cooperation and Transparency for specific sectoral pilot projects to be determined in consultation with stakeholders. We agree to discuss additional pilot projects on a case-by-case basis for exploring improved EU-U.S. regulatory cooperation.
  3. Pursue implementation of the Roadmap for Regulatory Cooperation, including the following priority projects to be pursued in 2007 and 2008:
    - a) Collaborating on cosmetics regulations, in particular with a view to reducing the need for animal tests by cooperating on alternative testing methods;
    - b) Seeking final agreement between EU and U.S. regulators on shifting resources away from implementation of the Medical Device Annex of the Mutual Recognition Agreement between the European Community and the United States to a more productive bilateral collaboration on medical devices;
    - c) Promoting administrative simplification in the application of regulation of medicinal products;
    - d) Addressing common concerns in the automotive sector in the area of road safety and fuel economy in order to avoid or reduce barriers to transatlantic trade;

- e) Expanding cooperation on OECD activities relating to risk assessment, Good Laboratory Practices and the Globally Harmonized System of Classification and Labelling of Chemicals, study templates, information technology for data submissions, as well as on alternative test methods (QSAR), test methods and risks of manufactured nanomaterials; and
- f) Initiating an exchange on conformity assessment procedures for the safety of electrical equipment.

## Annex 2

### Lighthouse Priority Projects

- A. **Intellectual Property Rights.** Develop procedures for the exchange of information relating to goods suspected of infringing intellectual property rights, the exchange of customs officials, and the organisation of joint technical assistance and/or enforcement missions and seek progress in the harmonisation of the different patent regimes.
- B. **Secure trade.** Develop common and accepted standards to maximize security, safety and facilitation of international trade supply chain that could lead to mutual recognition of programs for economic operators. Begin to exchange information on validation results associated with the Customs Trade Partnership Against Terrorism and Authorized Economic Operator programs in order to avoid the duplication of controls and to reduce business costs by avoiding divergent control requirements, as appropriate.
- C. **Financial Markets.** Promote and seek to ensure conditions for the U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards to be recognized in both jurisdictions without the need for reconciliation by 2009 or possibly sooner.
- D. **Innovation and Technology.**
1. Conduct a high-level conference on innovation in health-related industries and a workshop on best practices in innovation policies;
  2. Develop a joint framework for cooperation on identification and development of best practices for Radio Frequency Identification (RFID) technologies and develop a work plan to promote the interoperability of electronic health record systems;
  3. Develop a science-based work plan for EU-U.S. collaboration on innovative and eco-efficient biobased products;

4. Establish a joint research infrastructure for mouse functional genomics (following a joint meeting in 2007 in Belgium);
  5. Sponsor joint workshops or conferences to foster the exchange of information on nanotechnology in areas of mutual interest.
- E. **Investment.** Establish a regular dialogue to address obstacles to investment

## Annex 3

### Intellectual Property Rights

In order to enhance recognition and enforcement of intellectual property rights, we resolve to:

- A. Cooperate on improving the efficiency and the effectiveness of the patent system at the global level to promote innovation, employment, and competitiveness, and seek progress in the harmonisation of the different patent regimes;
- B. Implement the *EU-U.S. Action Strategy on Intellectual Property Rights Enforcement*, including stepping up joint efforts in all areas, in particular:
  - a) Continue to advance a constructive discussion of enforcement at the WTO TRIPS Council and to explore other possible vehicles for advancing international cooperation on IPR enforcement among countries sharing common interests in this area;
  - b) Strengthen customs cooperation, including exchange of information relating to goods suspected of infringing intellectual property rights and statistics on the seizures of such goods, as well as programs to exchange officials and best practices;
  - c) Work jointly to improve the IPR protection and enforcement in China and Russia, increase cooperation in Asia, Latin America and the Middle East, including the extension of the IPR networks to these regions;
  - d) Expand joint technical assistance initiatives in Asia and Latin America, including the organization of work shops, seminars and on-site training; and
  - e) Improve public-private coordination and cooperation on anti-counterfeiting and anti-piracy education, public awareness and business practices.

## **Annex 4**

### **Investment**

In order to reduce barriers to transatlantic trade and investment, keep investment regimes open, and build on existing investment flows to boost growth and create jobs, we resolve to:

- A. Continue close co-operation in the OECD with regard to studying and fostering policy reforms that are conducive to attracting investment;
- B. Engage in regular discussions of laws, policies and practices that could impact investments in the EU and the United States;
- C. Develop work to prevent, eliminate or reduce the impact from investment barriers, with special attention being given to small and medium-sized enterprises.

## **Annex 5**

### **Secure Trade**

As common standards and mutual recognition of standards where possible in trade partnership programs can strengthen security of the supply chain against terrorist exploitation or commercial fraud, such as counterfeiting while improving efficiency by eliminating redundant reviews and, we resolve to:

- A. Work together to improve international enforcement in the fight against fraud and illegal spam and spyware in view of the enactment of the Undertaking Spam, Spyware and Fraud Enforcement With Enforcers Beyond Borders Act of 2006 (US SAFE WEB Act) in the United States and adoption of the EU Consumer Protection Regulation.
- B. Establish a pilot project to study the similarities and differences in requirements for the EU and U.S.'s respective trade partnership programs with the goal of developing a roadmap to facilitate mutual recognition of those operators that are authorized as secure on the basis of mutually acceptable security standards and requirements; and
- C. Strive to ensure that any mutually recognized trade partnership programs provide comparable benefits to the other Party's recognized operators.

## Annex 6

### Financial Markets

In light of the considerable differences that exist between financial market structure and regulation on both sides of the Atlantic, and given the consolidation underway globally and transatlantically in this sector, we resolve to take steps, towards the convergence, equivalence or mutual recognition, where appropriate, of regulatory standards based on high quality principles. In particular, we resolve to maintain the existing informal Financial Markets Regulatory Dialogue and focus on the following areas:

- A. Strengthen cooperation to promote smooth implementation of the Basel II framework for banks, notably to address transitional issues and minimize differences of implementation between the EU and United States;
- B. Promote conditions for the U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards to be recognized in both jurisdictions without the need for reconciliation by 2009 or possibly sooner;
- C. Fully support roadmap discussions between the European Commission and the Public Company Accounting Oversight Board in the area of auditor oversight;
- D. Advance convergence in the area of reinsurance regulation;
- E. Work on greater regulatory convergence towards highest quality and most effective regulation and, where appropriate, mutual recognition in the fields of securities regulation; and
- F. Increase cooperation between EU and U.S. financial regulators.

## Annex 7

### Innovation and Technology

Acknowledging the importance of research and innovation to promoting competitiveness and improving quality of life, we resolve to:

- A. Conduct an exchange of innovation experts to discuss best practices;
- B. Exchange views on policy options for emerging technologies, or new technological applications, in particular in the field of nanotechnology, cloning or biotechnologies;
- C. Explore possibility to launch common research actions paving the way to a level playing field for nanotechnology-based products in the globalised market, namely co- and pre-normative research;
- D. Reinforce cooperation on eAccessibility, including continued EC participation in the U.S. Access Board process of standards revision, ensuring U.S. participation in the European standards-making process on public procurements on eAccessibility, and considering wider cooperation to improve the accessibility and mobility in the built environment;
- E. Work together on interoperability of electronic health record systems;
- F. Exchange best practices on all dimensions related to RFID;
- G. Develop a framework of regulation and payment policies that promote innovation;
- H. Exchange knowledge and experience on the use of information and communication technologies to improve traffic safety;
- I. Launch our Standards Dialogue as an overarching framework to discuss specific standards-related issues; and
- J. Collaborate on innovation indicators and how data helps policymakers understand what drives innovation and its affects on economic performance.

### 3. 2007 EU-US SUMMIT: PROMOTING PEACE, HUMAN RIGHTS AND DEMOCRACY WORLDWIDE

The European Union and the United States share a deep conviction that peace and human development depend upon the protection of individual liberty, human rights, the rule of law, economic opportunity, and the growth of strong, democratic societies.

Today, the **Western Balkans** are at a crucial juncture. At this point the most urgent issue is to find a solution to the Kosovo status issue. We support the efforts of UN Special Envoy Martti Ahtisaari and believe that his comprehensive proposal submitted by the UN Secretary General to the Security Council on March 26, 2007, creates the basis for a new UNSC Resolution. We urge the Security Council to adopt such a resolution in a timely manner. Resolving the status of Kosovo will enhance the development and the stability of the entire region. We reiterate that resolving the pending status of Kosovo is a unique case and does not set any precedent. We will work closely, in coordination with NATO and the UN, to ensure security in Kosovo during the transition phase following the conclusion of a status settlement. We welcome the EU's decision to establish a European Security and Defence Policy police and rule of law mission in Kosovo, and we look forward to US participation in that mission. We also welcome NATO's commitment to continuing the KFOR mission to provide security and the readiness of the OSCE to continue its mission in Kosovo. We support convening a donors' conference to assist Kosovo's post-status development. We support the European and the Euro-Atlantic perspective for all Western Balkans nations and will continue to assist them on their way.

We will work together to strengthen democratic institutions, assist civil society, and support freedom of information in **Belarus**. We demand that Belarusian authorities immediately release all political prisoners. We remain open to developing bilateral relations with Belarus, once the Belarusian authorities respect human rights, the rule of law and democratic values.

We will continue support for **Ukraine, Moldova, Georgia, Armenia, Azerbaijan** and the **Central Asian states** to promote democracy, the rule of law, and economic development.

We note the importance of our relationship with Russia. A stable, prosperous and democratic **Russia** remains in our common interest. We seek in our relations with Russia to promote common values such as political pluralism, the rule of law, and human rights, including freedom of media, expression and assembly, and note our concerns in these areas. We will continue to work with Russia in areas of mutual interest, including non-proliferation, counterterrorism, energy security and regional issues, such as the resolution of frozen conflicts. We will also continue to work with Russia towards its accession to the World Trade Organization.

We are committed to continue our support for the Afghan people in building a state that respects the rights of its citizens and governs its territory effectively. We are involved in **Afghanistan** not least because we know that a stable, democratic Afghanistan will prevent extremists from finding safe haven there and from using Afghan territory to once again attack our nations. We will contribute to the promotion of confidence, dialogue and cooperation between Afghanistan and all its neighbours, in particular Pakistan.

We reaffirm the necessity of a comprehensive approach to the challenges in Afghanistan based upon the objectives agreed upon in the Afghanistan Compact. An international military presence is necessary and we must support NATO's mission, but military efforts alone will not bring about the peaceful, democratic future that the people of Afghanistan deserve. We therefore will continue - and, where possible, expedite - our assistance to rebuild infrastructure and create economic opportunity for the Afghan people. In particular, we will seek to increase the use of quick impact funds and other such programs that will allow the Government of Afghanistan to rapidly deliver services and development on the ground. In close coordination we will also continue to provide training for police and prosecutors. We welcome the planning for a European Security and Defence Policy mission in the field of policing, building upon the efforts of key partners, together with a package of support for the justice sector. We underline the importance of close cooperation with NATO in advancing these efforts. We commit ourselves to support the full range of Afghan Government efforts against the poppy trade in the framework of the National Drug Control Strategy.

We will continue to work closely together, including through the Quartet, to promote a renewed political process between Israeli and Palestinian leaders with the goal of creating an independent, democratic and viable **Palestinian state**, living side by side in peace and security with **Israel**. We agree on the continuing need for a Palestinian Authority Government committed to the Quartet principles: renunciation of violence, recognition of Israel, and acceptance of previous agreements and obligations made by the Palestinian Authority, including the Roadmap. The commitment of the National Unity Government to the Quartet principles of peace will be measured not only on the basis of its composition and platform, but also its actions. We are working jointly for the full implementation of the Agreement on Movement and Access and call on Israel and the Palestinian Authority to take the necessary steps. We will continue work to develop an international support mechanism for the Palestinians, with the objective of assisting the population and improving governance, and will pursue efforts to reform and professionalize the legitimate Palestinian security forces to allow them to re-establish law and order and an end to all acts of terrorism.

We reaffirm our commitment to the sovereignty and independence of **Lebanon** and support its legitimate and democratically-elected government. We express our appreciation for the constructive mediation efforts aiming at solving the political crisis in Lebanon, in particular those of the Secretary General of the Arab League and Saudi Arabia. We call for the rapid delivery of pledges made at the Paris III Donors Conference, including assistance with political, economic, institutional and security reforms. We call for the rapid establishment of the Special Tribunal on the assassination of former Prime Minister Hariri and others, in keeping with UNSCRs 1644 and 1664. The EU and the US call on all parties in the region to fully comply with UNSCR 1701. We commit to assist the Lebanese Government to strengthen security on the Syrian-Lebanese border to prevent the illegal flow of arms into Lebanon, including through technical assistance for Lebanon's border security and customs authorities. We welcome steps being taken to improve coordination and to examine all options for strengthening the UNSCR 1701 arms embargo.

We remain deeply concerned about the role **Syria** plays within the region and its repression of civil society. We call upon the Syrian government to fully implement UNSCRs 1559, 1595, 1636, 1680 and 1701. Syria must end all interference in the internal affairs of Lebanon and in the region, particularly in Iraq and the Palestinian territories. Our approach to Syria will be based on concrete steps by the Syrian government on all of these fronts, including full Syrian cooperation with the Special Tribunal for Lebanon once it has been established.

We remain committed to efforts of the international community to prevent an Iranian nuclear weapons capability, and call on **Iran** to comply with its obligations and UNSCRs 1696, 1737, and 1747. The United States and the European Union have worked cooperatively for several years to reach a negotiated agreement with Iran; to this end we have offered Iran a set of far-reaching proposals that would allow Iran to pursue a civil nuclear power program while re-assuring the international community of Iran's intentions. We remain deeply concerned about negative effects of Iran's policies in the region – particularly in Lebanon and Iraq, its negative role in the Middle East Peace Process, Iran's support for terrorist organisations, and the human rights situation in Iran. We will continue to expand our contacts with Iranian civil society and enhance academic, cultural, and business exchanges. We will seek to have our views and arguments heard within the Iranian society. We will also work together in international bodies to seek consensus to condemn Iranian threats against Israel and any denial of the Holocaust.

We will continue to provide support to the democratically elected government of **Iraq**, including within the framework of the International Compact, and will work with the United Nations and World Bank to expand the role of multilateral development institutions in the country; and also through continued and expanded political and diplomatic engagement, including on the ground in Baghdad as the security situation permits. Further financial support should focus on building Iraq's capacity to govern itself and on extending the rule of law to all. We support the Neighbours process, which is essential to Iraq's stability, security, and economic transition. We will work to ensure the full support of all regional parties for Iraq's security and stability, pursuant their obligations under United Nations Security Council Resolutions.

Four years after the conflict began in **Darfur** the violence and atrocities against innocent civilians continue. We agree that the time has come to take immediate actions to stop the fighting and human suffering in Darfur and find a political solution to end the conflict. We continue to strongly support the joint efforts by the AU and UN special envoys, Salim Salim and Jan Eliasson to strengthen the ceasefire and re-launch the political process. We further support efforts to deploy hybrid peacekeeping force under the Addis Ababa Framework.

We note Sudan's acceptance of the UN Heavy Support Package (HSP) to the AU Mission in **Sudan** (AMIS) and expect Sudan to cooperate fully with the UN and the AU to ensure the expeditious implementation of the HSP, as well as to fully accept the hybrid peacekeeping force with a unified command and control for the UN-AU force led by the United Nations. In the meantime, we will continue our support to AMIS. If no progress on a political solution or on the implementation of the hybrid-mission is achieved soon, we agree to support initiatives by the UNSC to work on a new UNSCR that imposes multilateral sanctions against individuals and Sudanese entities, extends the arms embargo and establishes the capacity to monitor and report on offensive flights that are inconsistent with the UNSCR 1591. We underscore the importance that those responsible for atrocities in Darfur are brought to justice. We support implementation of the North-South Agreement as the framework for a united, peaceful, prosperous and democratic Sudan. We will work with the relevant authorities and the United Nations Mission in Sudan (UNMIS) to build the capacity of the police force in the south and in the transition areas. We will work with the U.N., the Sudanese government and other partners to ensure humanitarian access and broaden disarmament, demobilization and reintegration of former combatants, including child soldiers.

We are concerned about ongoing fighting and the loss of lives in **Somalia** and urge all sides to immediately implement a cease fire and to refrain from any further acts of violence. We call for unhindered humanitarian access to be granted immediately to assist those displaced by the violence. We support the Transitional Federal Government's (TFG) efforts to host as soon as possible a National Reconciliation Congress and urge the TFG to engage all Somali stakeholders in a process of broad-based, inclusive, and meaningful dialogue. International donor support is needed for building the governance capacity of the Transitional Federal Institutions in Somalia, and for sustaining an African Union peacekeeping force there.

**Latin America and the Caribbean** are growing economically and held 13 national elections in 2006. Democratic structures are well rooted in many Latin American countries. Nonetheless, too many Latin Americans still live in poverty and the full benefits of democracy and social justice are still a distant reality. We will work with countries in the region to deliver the benefits of good governance; improve education, healthcare, and housing; and reduce poverty by creating jobs. We will support human rights, freedom of the press, and free speech in the region. In particular, we will support the Cuban people as they seek to exercise these same rights. We will continue to work with Latin American countries to advance agreements that will foster regional integration, accelerate economic growth, promote development, and bolster democracy.

In a world of global threats and challenges our security and prosperity increasingly depend on an **effective multilateral system**. Strengthening the United Nations and equipping it to fulfil its responsibilities is our common priority. We will strive to improve the effectiveness of the UN in challenging regimes intent upon violating or disregarding their citizens' human rights and work together with the UN in support of international action on issues such as disarmament, peacekeeping, human rights and development.

During the past year, continuing terrorist activity around the world has served as a reminder of the urgent need to intensify our work together to **combat terrorism**, transnational crime and corruption. Consistent with our common values, we reaffirm our long-standing commitment to ensure that efforts taken to combat terrorism comply with our obligations under international law including human rights law, refugee law, and international humanitarian law. We will continue and deepen our ongoing dialogue on international law principles relevant to our common fight against terrorism which has contributed to a better understanding of our respective legal frameworks and should help us to work together to combat terrorism.

We will work to enhance the timely sharing of information while ensuring the **protection of personal data**. We are conducting negotiations to replace the current interim agreement on the transfer of passenger name record data. We will also work together to strengthen other governments' legal, law enforcement and prosecutorial capacity to combat terrorist groups. We welcome the conclusion of the agreement on the security of classified information.

We will continue to strengthen our preventive measures by implementing international standards to **combat terrorist financing**. To this end, we are committed to developing and implementing targeted sanctions against terrorist organizations and their support networks. We will work towards developing joint action plans to implement the Financial Action Task Force's (FATF) strategic framework i.a. for combating terrorist exploitation of charities and the illicit use of cash couriers.

Progress has been made on the question of improving the freedom of movement of people between our two continents. U.S. citizens already enjoy **visa-free travel** to all EU member states. We aim at swift progress in achieving visa-free travel for all EU citizens to the United States consistent with the U.S. proposal to strengthen the security of its Visa Waiver Program and accelerate the expansion of visa-free travel, which is an important step forward in facilitating travel between the United States and Europe.

We will launch a pilot project to engage EU feeder ports in the joint targeting of transatlantic shipments so we can identify and promptly **investigate high-risk containerized shipments**. We will assess mutual recognition of controls and certifications to reduce the burden on legitimate business and so encourage legitimate trade.

We will enhance EU-U.S. **efforts against drug trafficking, transnational organized crime and corruption** by deepening cooperation among prosecutors and investigators through established liaison relationships with, among others, Eurojust, Europol, and the Southeast European Cooperative Initiative, and use these relationships to promote investigations and prosecutions of serious crimes. We will help strengthen criminal justice systems in third countries by providing technical assistance that builds law enforcement capacity. We will coordinate in developing an effective mechanism for reviewing implementation of the UN Convention Against Corruption and providing technical assistance to help countries implement the Convention. We will combat the flow of Afghan heroin and Andean cocaine by helping those governments attack drug production at their source, dismantle drug trafficking organizations, and stem the flow of illicit drugs through all relevant transit routes to Europe and the United States. To combat money laundering worldwide, we will coordinate efforts to reform legislation, investigate formal and informal money laundering networks, and ensure enforcement of international obligations.

In our critical efforts to **stop the proliferation of weapons of mass destruction (WMD)**, we continue to make individual and collective efforts to implement, strengthen and universalise key multilateral non-proliferation and disarmament obligations, treaties and initiatives. We reaffirm the value of continuing consultations on these issues and will continue to seek ways to strengthen coordination and accelerate implementation.

We reaffirm our **commitment to the objectives and obligations of the Nuclear Non-Proliferation Treaty (NPT)**. We call for all States Parties to support and strengthen the non-proliferation and disarmament regime and to make a constructive contribution to a balanced and structured review of the NPT. We will undertake all efforts to achieve a successful outcome of the review process. In the face of the challenges to the NPT the maintenance of its authority and integrity including by encouraging compliance is of utmost importance.

Addressing **proliferation financing** remains critical to our global efforts to stop the spread of weapons of mass destruction. We support the UNSC 1540 Committee and the development of a coordinated process for the implementation of UNSCR 1540. This process will include identifying gaps in legislative framework and their enforcement measures and, if requested, assisting States to develop road maps or plans of action for addressing remaining measures to be taken and to offer assistance to implement the resolution fully. We reaffirm the urgency of implementing the WMD proliferation financing measures required by UNSCR 1540 and other international obligations, including the freezing of assets required by UNSCRs 1718 (North Korea) 1737 and 1747 (Iran) and subsequent resolutions. We are committed to working together on new initiatives in this area, including by targeting proliferation finance making use of the expertise of the Financial Action Task Force (FATF) and examining possibilities to develop a global mechanism.

In our efforts to combat proliferation, we support multilateral fuel supply assurances in order to give an incentive for states not to pursue enrichment and reprocessing, to prevent the further spread of sensitive technologies that provide more nations access to weapons-usable nuclear materials.

We call on the **Democratic People's Republic of Korea (DPRK) and Iran**, respectively, to take the steps required of them by the international community and to build international confidence. If they do so, we are ready to respond positively. We call upon all UN Member States to implement the relevant UN Security Council Resolutions immediately and in full, including those aimed at guaranteeing the exclusively peaceful purpose of Iran's nuclear program.

Regarding the DPRK, we commend the progress made by the Six-Party Talks and urge the DPRK to fulfil its commitments in the September 2005 Joint Statement and February 13 Initial Actions agreement to abandon all nuclear weapons and existing nuclear programs and to return, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons obligations and to IAEA safeguards.

We will continue to support the global fight against **AIDS, Tuberculosis and Malaria** and other infectious diseases using bilateral and multilateral instruments, institutions and partnerships. We will combine efforts to address health related problems and to strengthen health care systems, in particular in Sub-Saharan Africa. Malaria infects an estimated 300-500 million people each year, straining fragile health systems. Through programs such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, to which EU Member States, the European Commission and the United States are major contributors, as well as the U.S. Malaria Initiative, we are in a better position to fight the scourge of malaria, but more must be done by the international community. An estimated \$2.9 billion is needed each year to fight this battle. We are committed to fund this effort, and to better leverage public and private sector investments to assist in accomplishing our common goal. We will renew and strengthen our efforts to eradicate polio, working with the endemic nations and the WHO. We will continue to increase our global cooperation to mitigate and prepare for an influenza pandemic and welcome the contribution of the International Partnership on Avian and Pandemic Influenza to these efforts.

While reaffirming our sympathy to the children infected with HIV/Aids in Libya, we will reinforce our efforts aimed at the release and exoneration of the Bulgarian nurses and the Palestinian doctor sentenced to death against all scientific evidence.

Conflicts and the failures of state governance cause human and economic catastrophes, destabilize neighbouring countries and regions, and threaten the security of the international community. We recognise that modern **crisis management** requires a comprehensive approach. Through close collaboration between the European Union and the United States, consistent with and building upon cooperation with NATO, other nations, the UN and other multilateral organizations as appropriate, we can improve our response to these crises. We will enhance our cooperation in the field of crisis management, consistent with our respective commitments to and agreements with multilateral organizations.

#### **4. 2007 EU-US SUMMIT STATEMENT ON ENERGY SECURITY, EFFICIENCY, AND CLIMATE CHANGE**

Ensuring secure, affordable supplies of energy and tackling climate change are central, interlinked global challenges facing the international community. Addressing these issues requires urgent, sustained global action and an integrated policy approach, using a wide range of regionally, nationally or internationally defined policy tools and measures. We are determined to ensure access to affordable, clean, and secure sources of energy to underpin sustainable global economic growth and to protect our environment. Tackling the challenge of energy security will also require unprecedented international cooperation in several areas, including increasing energy efficiency, market transparency, diversifying energy supplies – including the share of renewable energies – and protecting and maintaining the world's energy supply system.

We are committed to the ultimate objective of stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, and we acknowledge the recent work of the IPCC. The respective responsibilities of industrialized and major emerging economies require strengthened action according to our national circumstances. Developing and commercializing advanced technologies will allow us to slow, stabilize and then significantly cut net global emissions of greenhouse gases. This requires strong economies and a wide range of policy instruments, including market based instruments, to generate technology investment and commercialization and achieve emission reductions. To achieve these objectives, we will work together and with other nations to deliver results in our global efforts to confront climate change through the upcoming G8 summit in Heiligendamm, our numerous multilateral partnerships, and by promoting a constructive agenda for the UNFCCC Conference in Indonesia in December 2007.

We especially note the importance of advancing energy efficiency, near-zero emissions coal and renewables, including biofuels, in improving our energy security and reducing anthropogenic emissions of greenhouse gases. Nuclear energy can also contribute to reach these goals in countries that decide to use this option. We therefore affirm our commitment to accelerate the transformation of our energy infrastructure so that we can effectively tackle the interlinked challenges of climate change, energy security, and clean and sustainable development. As we usher in this Age of Energy Transformation, we will act together in true partnership to advance our shared climate, sustainable development, and energy security goals, using a mix of nationally, regionally or internationally defined policy tools to research, develop, deploy and commercialize clean energy technologies that will change the way we power our homes, businesses, and automobiles.

## Complementary Goals:

Our common goals for clean energy development and commercialization in the near and medium-term include, but are not limited to, the following sectors:

### *Promoting Advanced Coal Technologies, including Near Zero Emissions:*

- The European Union considers carbon dioxide capture and storage an important option in a broad portfolio of measures to reduce CO<sub>2</sub>-emissions. Given the early stage of some elements of the CCS-technology concept, the EU will establish a mechanism to stimulate the construction by 2015 of a network of up to 12 demonstration plants of sustainable fossil fuel technologies in commercial power generation. As well as examining financial support mechanisms, this work will develop a regulatory framework to ensure that CCS is developed and managed in a safe and environmentally sound manner. This work includes in particular the examination of the availability and suitability of appropriate CO<sub>2</sub>-storage reservoirs in geological formations. The EU's regulatory framework, in particular the emissions trading scheme, provides strong incentives for investment in clean power technologies, including clean coal. The EU is currently looking at options for extending its emissions trading scheme, to include carbon dioxide capture and storage from 2012, and possibly before. The EU will also strengthen its research and development funding and efforts; under the EU's 7<sup>th</sup> Framework Programme up to € 400 million will be directed towards projects in the fields of sustainable fossil fuels, in particular clean coal and CCS, with funds for the EU's scientific and research community to collaborate with their counterparts in non-EU countries.
  
- The United States, in partnership with its government steering group member countries and the private sector, will build FutureGen, the United States first near-zero emissions fossil fuel plant, by 2012; President Bush's policies provide strong incentives for investment in clean power technologies, including advanced coal; \$1 billion in tax credits has already been allocated to spur billions of dollar in private investment in nine advanced clean coal facilities and another \$650 million will be awarded this year, culminating in additional builds; the United States has established a federal loan guarantee program to drive investment in advanced technologies, including advanced coal. In addition, the United States will support roughly \$200 million for carbon capture and storage, including field tests demonstrating different techniques for capturing and storing carbon dioxide emissions underground; any risks to human health and the environment resulting from underground injection of CO<sub>2</sub> will be evaluated, and a regulatory framework will be developed.

### *Developing, Deploying and Commercializing Renewable and Alternative Energies:*

- The European Union has set a binding target of a 20 percent share of renewable energies in overall EU energy consumption and a minimum binding 10 percent share of biofuels in overall EU transport fuel consumption to be achieved by 2020. These targets are part of the Energy Action Plan adopted by the European Council in March 2007 ensuring a reduction of greenhouse gas emissions of at least 20 percent by 2020 compared to 1990.
- The United States has advanced plans to achieve a 20 percent reduction in gasoline consumption by 2017; this can be achieved by requiring the use of 35 billion gallons of renewable and alternative fuels (replacing 15 percent of projected gasoline consumption in 2017) and by increasing fuel economy standards for passenger vehicles (replacing 5 percent of projected gasoline consumption by 2017); President Bush's plan will help stop the growth of carbon dioxide emissions from passenger and light duty vehicles in the United States.

### *Promoting Energy Efficiency*

- The European Union will increase energy efficiency so as to achieve the objective of saving 20 percent of energy consumption compared to projections for 2020. For newly sold passenger cars the EU intends to take measures to ensure average emissions of 120 g CO<sub>2</sub>/km by 2012.
- The United States will improve energy efficiency and reduce greenhouse gas emissions of each Federal agency, through reduction of energy intensity, by 30 percent by 2015, using 2003 as a baseline.

### Key Priorities:

To advance our common goals, we have identified the following priorities for a transatlantic partnership on clean energy and climate change, bearing in mind our commitments under the UNFCCC, G8, International Energy Agency and other frameworks and processes:

- (1) Advance commercial deployment of clean coal and carbon capture and storage technologies, including through the CSLF; advanced, clean, and near zero emissions coal technologies are critical in tackling global CO<sub>2</sub> emissions, given coal's importance in meeting current and future energy needs for developed and developing countries; development of a regulatory framework for CCS;
- (2) Improve energy efficiency, especially in the transportation sector and buildings and appliances;
- (3) Research, develop, deploy and commercialize second-generation biofuels; overcome barriers to the use of renewable energy sources including through the development of international standards;
- (4) Identify opportunities to jointly advance as many methane recovery-and-use projects as possible.

#### Work Action Plan:

To implement these transatlantic priorities, we commit to the following actions:

- (1) Provide policy incentives to reduce the cost and other barriers to full commercialization of advanced coal technologies; on carbon capture and storage, develop bilateral cooperation in particular on regulating risks of capture, transport and storage, and allocation of responsibility for any leakage; assess availability of geological formations suitable for long term CO<sub>2</sub>-storage, discuss international minimum-safety requirements and site-selection criteria for the protection of the climate and surrounding environment; cooperate to develop adequate monitoring and remediation techniques; begin discussion of how to define "carbon-capture-ready" coal fired plants to facilitate eventual market adoption of carbon sequestering plants; work together to gain firm commitments from advanced developing countries to deploy clean coal technology units.
- (2) Implement the Energy Efficiency Work Plan; ensure proper implementation of the EU-U.S. ENERGY STAR Agreement; discuss potential to extend the EU-U.S. ENERGY STAR Agreement to other product categories; discuss possible cooperation on the use of minimum efficiency requirements; cooperate on energy efficiency in buildings, and discuss potential for joint efforts to promote energy efficiency in third countries to enhance our mutual energy security;

- (3) Develop a set of compatible specifications for pure biofuels (both for bioethanol and biodiesel) by the end of 2007 that will facilitate international trade and increase use of alternative fuels, taking into account existing standards; work to promote strategies for sustainable biomass cultivation, including standards as appropriate; establish a roadmap before summer for developing compatible standards for biofuels, engaging the private sector, standards organizations, and the government and taking full account of existing and planned biofuels standards; continue analysis of biofuel resource assessment, as was discussed at the EU-U.S. Second Biofuels Workshop; present the results on economic factors and environmental impacts of biofuels development; and exchange information on our respective research agendas on second generation biofuel sources with the goal of accelerating further commercialization of biofuels;
- (4) Hold an international renewable energy conference at the ministerial level in Washington in March 2008 with the goal of advancing the development and commercialization of renewable energy systems, including second generation biofuels and solar energy;
- (5) Seek to develop a joint Methane-to-Markets work plan before the next Summit to provide inventory opportunities, identify collaborative activities, specific goals and emission reduction targets, and time lines to advance methane recovery and use project development.
- (6) Explore the most effective means to promote energy efficiency internationally, taking into account the work of the International Energy Agency and the G8 Gleneagles Dialogue, including the development of new international strategies on energy efficiency.

To better understand the effectiveness of the wide range of policy instruments, the EU will host with the United States this year a climate and clean energy policy and measures forum, composed of senior policy officials, to discuss the policy and technical aspects of different market mechanisms, including but not limited to emissions trading, taxation, and incentives, and other regulatory programs, public-private partnerships, and technology initiatives.

We also commit under the Montreal Protocol to seek to speed up the recovery of the ozone layer by accelerating the phase-out of HCFCs. We will weigh the impact of our proposals on climate change and energy efficiency. In working together toward our shared goal of speeding ozone recovery, we recognize that the Clean Development Mechanism impacts emissions of ozone-depleting substances.

We note that our domestic efforts, while important, will not by themselves be sufficient to reverse the significant growth trend in global greenhouse gases. We, therefore, will work together to unleash markets that will speed up the transfer of clean energy technology to developing countries. We reaffirm the goal that our Leaders set at the G8 Summit at Sea Island in 2004 to reduce barriers to the international flow of goods and materials for recycling and remanufacturing, recycled and remanufactured products, and cleaner, more efficient technologies, consistent with existing environmental and trade obligations and frameworks.

We will strengthen cooperation on the global phase-out of leaded gasoline and promotion of low-sulfur diesel through the Partnership for Clean Fuels and Vehicles. We also will reinforce our cooperation on hydrogen notably through IPHE (the International Partnership for the Hydrogen Economy). We will also continue our ongoing collaboration on nuclear power through the Generation-IV International Forum and International Nuclear Energy Research Initiative.

We reaffirm our commitment to international cooperation on global observation and will continue to exercise leadership in the development of the Global Earth Observation System of Systems (GEOSS), including working to strengthen weather observing, climate and air quality monitoring, and forecasting for human health, global disaster preparedness and monitoring, and drought monitoring and forecasting. We encourage participation in the November 30, 2007 Fourth Earth Observation Ministerial in Capetown, South Africa.

#### Transatlantic Research:

We will reach agreement on transatlantic research cooperation under the bilateral EU-U.S. Science and Technology Agreement, including: (1) enhance existing research programs in energy and environment collaboration in areas of mutual interest, and if appropriate, revision of relevant implementing arrangements, as needed; (2) examine international grant funding mechanisms with the aim of eliminating obstacles and develop practical proposals to broadly publicize research solicitations and better coordinate, where appropriate, research activities through mechanisms, such as coordinated calls for transatlantic clean energy research; (3) work to more closely coordinate research agendas on both sides of the Atlantic in line with the priorities identified at the 9<sup>th</sup> February 2007 meeting of the EU-U.S. High Level Joint Consultative Group on S&T.

Cooperation should focus on:

- (1) Second generation biofuels;
- (2) Hydrogen/fuel cells (e.g. research on novel materials for H<sub>2</sub> production and storage and for advanced fuel cell components; pre-normative research in hydrogen technologies);
- (3) CO<sub>2</sub> capture and storage;
- (4) Energy efficiency;
- (5) Renewable energy technologies of mutual interest;
- (6) Coordination and collaboration on global carbon cycle research and carbon observation and monitoring systems.

#### Increasing Energy Security:

We committed in Vienna in 2006 to a set of agreed principles to increase transparency in global energy markets, enhance energy efficiency, diversify the energy mix and ensure the security of critical energy infrastructure. Today, we reaffirm those principles and commit to conducting a periodic stocktaking of our performance in abiding by and implementing them.

Key to maintaining affordable and secure supplies of energy to power our economic growth and facilitate the development of new technologies is sound management of our existing energy mix. The security of the energy supplies of the European Union and the United States are directly impacted by actors and events beyond our borders as well as by our own regulatory and technology mixes. We must, therefore, intensify our cooperation to:

- carry out our commitment to the G8 Global Energy Security Principles developed at St. Petersburg in 2006, including: effective market access, and investment in all stages of the energy supply chain; open, transparent, efficient and competitive markets for energy production, supply, use, transmission and transit services; transparent, equitable, stable and effective legal and regulatory frameworks, including the obligation to uphold contracts, to generate sufficient, sustainable international investments upstream and downstream; energy saving and energy efficiency measures;

- achieve greater diversification of energy types, sources, and routes of European energy supplies, in particular encourage new infrastructure for utilizing the oil and gas reserves of the Caspian region and Central Asia. We encourage the International Energy Agency to continue to take an active role in advancing this objective;
- ensure there is an open and transparent international marketplace for trade and investment in energy resources;
- facilitate, through bilateral efforts or multilateral venues such as the International Energy Agency, the integration of the new major consuming countries (e.g. China and India) into the global energy marketplace;
- strengthen cooperation through partnerships and networks in particular with emerging economies, focusing on energy efficiency, renewable energies, low-emission energy technologies, notably CCS, and
- improve the security and resiliency of global energy networks and the physical security of critical energy infrastructure.

#### Tapping the Expertise of the Private Sector

We will convene a public-private meeting, composed of our senior government officials, business leaders, and scientific and technical experts, focusing on the priority areas identified in this statement. Options available to us include, but are not limited to, inviting CEOs to participate in our ongoing high-level dialogues, holding a public-private sector event associated with the proposed international renewables conference, and/or convening a stand-alone meeting. We will also use the EU-U.S. Energy Technology CEO forum that was launched by the U.S. Department of State and the German Foreign Ministry in March as a foundation for this effort.

## 5. 2007 EU-US SUMMIT ECONOMIC PROGRESS REPORT

### Introduction

At the 2006 EU-U.S. Summit in Vienna, we committed to redouble our efforts to promote economic growth and innovation and reduce the barriers to transatlantic trade and investment by implementing all aspects of the 2005 Initiative to Enhance Transatlantic Economic Integration and Growth (2005 Economic Initiative). We endorsed the new Action Strategy for the Enforcement of Intellectual Property Rights, and agreed to build on progress of the High Level Regulatory Cooperation Forum and expand implementation of our Roadmap for EU-U.S. Regulatory Cooperation and Transparency. We pledged to intensify efforts to conclude a first stage Air Transport Agreement.

We agreed to reinforce our strategic energy cooperation to support diversification of energy sources and supplies, secure our energy infrastructure, promote market-based energy security policies, speed development of new lower-pollution and lower-carbon technologies, and accelerate investment in cleaner, more efficient use of fossil sources and renewable sources. We agreed to conduct an annual strategic review of EU-U.S. energy cooperation. We also agreed to establish a EU-U.S. High Level Dialogue on Climate Change, Clean Energy and Sustainable Development to build on existing initiatives in the areas of climate change, biodiversity loss and air pollution and to advance implementation of the G8 Gleneagles Plan of Action for Climate Change, Clean Energy and Sustainable Development.

We welcomed progress in these areas and discussed ways to intensify our efforts on intellectual property rights, innovation and removal of regulatory barriers to trade and investment at the second informal EU-U.S. Economic Ministerial in November 2006 in Washington.

This report notes areas of progress made over the past year to implement our multi-annual, broad economic program under the Economic Initiative, per our agreements on energy and climate and in other areas of transatlantic cooperation.

### Key Accomplishments

After four years of negotiations, on March 2 we concluded a comprehensive, first-stage [Air Transport Agreement](#), which will create benefits for carriers, airports, workers, consumers, communities and economies on both sides of the Atlantic.

We have made significant progress on the implementation of the Roadmap for Regulatory Cooperation, including advancing the OMB-European Commission Dialogue on good regulatory practices, namely work on impact assessment, and advancing cooperation on pharmaceuticals, medical devices, automotive safety and consumer product safety.

We led negotiations on a substantial revision of the text of the WTO Agreement on Government Procurement (GPA), which was provisionally approved by the WTO Government Procurement Committee on December 8, 2006.

We also made major strides in strengthening our energy and climate cooperation, holding the first High Level Dialogue on Climate Change, Clean Energy and Sustainable Development (HLD), launching working groups on biofuels and energy efficiency, finalizing renewal of the EU-U.S. ENERGY STAR agreement, and holding the first annual review of our strategic energy cooperation, which examined shared geopolitical energy security goals, energy technology cooperation, and the potential for new work on biofuels, energy efficiency, carbon capture and storage, promotion of supply diversification, and cooperation to increase energy security in third countries.

### **Regulatory Cooperation**

Since the June 2006 Summit, we have focused cooperation primarily on intensifying work on a broad range of sector-specific activities identified in the 2005 [Roadmap for Regulatory Cooperation and Transparency](#) and deepening the dialogue on good regulatory practices between the U.S. Office of Management and Budget (OMB) and the European Commission. Implementation of the **Regulatory Cooperation Roadmap** resulted in significant progress in a number of key areas. On **pharmaceuticals**, the U.S. Food and Drug Administration and the European Commission together with the European Medicines Agency intensified cooperation on vaccines, pharmacovigilance and counterfeit medications and both sides agreed to pursue a confidentiality arrangement to permit the sharing of regulatory information on **medical devices and cosmetics**. The U.S. National Highway Traffic Administration and the European Commission initiated a dialogue to streamline the adoption of global regulations, and agreed to promote a global regulation on electronic stability control systems, to increase **auto safety**. The U.S. Coast Guard and the European Commission agreed to a two-way alert system on unsafe **marine equipment** and to expand the product scope of the Mutual Recognition Agreement. The U.S. Consumer Product Safety Commission and the European Commission established a program for sharing information on recalls of unsafe **consumer products**.

The High Level Regulatory Cooperation Forum, launched in 2006, developed a set of [Best Cooperative Practices](#) to guide regulators in the conduct of more effective collaboration. The OMB-European Commission Dialogue advanced its discussions among experts, including completion of a joint comparison of our respective **impact assessment guidelines** ([OMB report, Appendix D](#)). A more detailed report on specific progress on regulatory cooperation can be found online after the Summit.

## **Financial Markets**

Given the consolidation underway globally and transatlantically in financial markets, it is important to take steps where appropriate towards the convergence of regulatory standards around high quality principles. In this regard, work has continued to progress in various areas including: accounting and auditing, banking, insurance and securities.

Since the EU-U.S. 2006 Economic Summit, both sides have continued to make significant progress under the EU-U.S. Financial Markets Regulatory Dialogue, begun in 2002, and in bilateral discussions between regulators. Positive developments included: the SEC's adoption of a new deregistration standard which provides significantly greater flexibility to EU and other non-U.S. companies to exit U.S. markets; constructive discussions of further steps toward implementation of Basel II on international capital adequacy standards, and proposals being considered by the National Association of Insurance Commissioners to revise reinsurance collateral requirements.

In addition, the EU Internal Market and Services Commissioner and the Chairman of the U.S. Public Company Accounting Oversight Board (PCAOB) agreed to work on furthering cooperation in auditor oversight. The goal is to move toward full reliance on each others' oversight systems by 2009.

The SEC is in the midst of implementing a "roadmap" on the acceptance of IFRS without need for reconciliation to U.S. Generally Accepted Accounting Standards (GAAP) in the United States. Similarly, the EU will make a final decision on the acceptance of U.S. GAAP in EU markets by the end of 2008. The SEC hosted a roundtable on its "roadmap" in Washington to solicit the views of U.S. market participants on the acceptance of IFRS in U.S. markets in March 2007 at which Chairman Cox and Commissioner Charlie McCreevy gave opening remarks in support of further sustained progress in this area, and affirmed the goal of acceptance of IFRS and U.S. GAAP in both markets no later than 2009. The SEC is completing its review of the first set of filings by EU issuers using IFRS, and the EU is in a similar position with regard to the first full set of published financial statements using IFRS. A second review round of financial statements using IFRS will commence with filings due for submission to the SEC in the summer of 2007.

In January 2007, the SEC and the College of Euronext regulators signed a memorandum of understanding on cross-border stock exchange mergers. The MOU creates a structure for discussions on enhanced cooperation, particularly in light of NYSE/Euronext merger.

## **Energy Security and Climate Change**

At the EU-U.S. Summit in June 2006, we agreed to reinforce our **strategic energy cooperation** to support diversification of energy sources and supplies, promote market-based energy security policies, secure our energy infrastructure, speed development of new lower-pollution and lower-carbon technologies, and accelerate investment in cleaner, more efficient use of fossil sources and renewable sources. To monitor and guide this process, we agreed to conduct an **annual strategic review** of EU-U.S. energy cooperation. The European Union and the United States also agreed at the Summit to establish a **High-Level Dialogue on Climate Change, Clean Energy and Sustainable Development (HLD)** to focus on the nexus between climate, energy, and environmental cooperation.

The European Union and the United States held the first [HLD in Helsinki](#) October 24-25, and strategic energy cooperation meetings in Washington October 26-27, to act upon our Summit commitments and further advance the 2005 G8 Gleneagles Plan of Action for Climate Change, Clean Energy and Sustainable Development. At the HLD the two sides committed to further cooperative work on promoting commercial deployment of clean coal and other technologies, promoting energy efficiency in transportation and buildings and appliances, supporting research and development of second generation biofuels, and developing a roadmap towards compatible biofuel specifications.

At the October 26-27 strategic energy cooperation meeting, participants produced workplans on biofuels and energy efficiency, agreed to explore cooperation on clean coal and carbon sequestration, and discussed collaboration to strengthen energy security policies in third countries such as China, India, and Ukraine. Both sides began to implement the biofuels and energy efficiency workplans and carry out specific activities regarding third countries.

Among specific undertakings, we jointly finalized renewal of the EU/U.S. ENERGY STAR agreement (December 28, 2006), reviewed our respective biofuels R&D agendas and examined opportunities for collaboration under the EU-U.S. Science and Technology Agreement (February 9, 2007), discussed progress during the Washington visit of the Head of private office of the European Commissioner for Energy (February 9), cosponsored with the International Energy Agency (IEA) a major conference on gas transit issues in Southeastern Europe and the Caucasus (February 14), held a second biofuels working group meeting (February 26), participated together with industry and NGOs in a joint EU-CEN conference on international biofuels standards (February 26-28), and began to exchange information on efficient buildings.

In the framework of the visit of the European Commissioner for Energy to the United States, we held the first strategic energy cooperation annual review on March 26 at which we discussed progress on our biofuels and energy efficiency cooperation, examined ways to intensify our work on clean coal and carbon capture and storage, energy security and diversification of energy supplies, and reviewed possibilities to work together to strengthen key third country energy security policies, particularly in Ukraine, the Caspian and Central Asia.

In addition, EU and U.S. climate experts met March 27 to work together on an implementation plan to continue to guide follow-through on the Helsinki HLD outcomes in the future and to begin to explore the broader principles that shape our cooperation on climate and clean energy.

### **Intellectual Property Rights**

The 2006 Summit endorsed the **Action Strategy for the Enforcement of Intellectual Property Rights**. In following up, the IPR Working Group has worked on a number of enforcement initiatives, most notably on customs cooperation, providing technical assistance to third countries, and addressing concerns in key countries, such as China and Russia, through closer policy coordination and information exchanges. The EU and U.S. diplomatic missions in Beijing and Moscow have intensified their cooperation on IPR and have encouraged implementation of effective measures to protect and enforce intellectual property rights. The European Union and the United States have also worked closely with IP right-holders to improve public-private cooperation on enforcement education, public awareness and business practices. In February 2007, the Working Group agreed to give greater attention to IPR problems in transshipment areas of Latin America, the Middle East, and Southeast Asia. In working on joint border enforcement initiatives, EU and U.S. customs officials have shared best practices and agreed to share enforcement information. The two sides have agreed to explore ways to use technology to increase the efficiency of information-sharing; details following the Summit will be at [stopfakes.gov](http://stopfakes.gov).

The European Union and the United States agreed to strengthen cooperation on achieving harmonization in the patent area. In particular it was decided to work towards more streamlined patent systems through substantive patent law harmonisation. Both the EU and the US should intensify their bilateral contacts to facilitate the success of the “*Alexandria process*”.

## **Innovation Initiative**

At the 2006 Summit, the European Union and the United States agreed to further our cooperation on innovation and the impact of innovation on our economies. Over the past year the two sides have:

- concluded a workshop on metrics to better measure the impact of innovation on our economies;
- included two European Commission experts in the review of U.S. e-accessibility standards and guidelines for public procurement, and agreed that U.S. government experts will participate in the execution of the European Commission's mandate to the European Standardization Organizations on European accessibility requirements for public procurement of products and services in the ICT domain
- hosted an EU delegation of innovation experts to study innovation policy in three states in the United States;
- held a full-day workshop on innovation policy in the United States, hosted by the Department of Commerce;

## **Services**

After four years of negotiation, the European Union and the United States concluded a comprehensive, first-stage Air Transport agreement. The agreement significantly expands the potential for transatlantic travel and cargo, allowing EU and U.S. airlines to fly between any point in the EU and any point in the United States, with no restrictions on the number of flights, aircraft, routes, or pricing. It will create a new template for international aviation, removing decades-old restrictions on a sector integral to global commerce. This pro-growth, pro-competition, pro-consumer accord is a major breakthrough in transatlantic economic relations and a harbinger of what the European Union and the United States can accomplish working together to achieve market liberalization on an unprecedented scale.

European and American architectural professional organizations submitted to EU and US competent authorities a joint recommendation for a Mutual Recognition Agreement for Architects. The European Commission and the U.S., in cooperation with relevant regulators and professional associations, have begun to consider options to promote progress towards a mutual recognition arrangement in the field of architectural services in accordance with each side's legal systems.

## **Investment**

At the 2006 Summit, the European Union and the United States recognized the importance of maintaining open investment regimes that can create new economic opportunities and build prosperity. Our interests in an open investment climate were reaffirmed at the EU-U.S. Economic Ministerial in December 2006, and both sides agreed to have discussions on topics of mutual interests to address any remaining significant obstacles to investment flows between us.

## **Procurement**

The European Union and the United States successfully led negotiations on a major revision of the text of the WTO Agreement on Government Procurement (GPA), which the GPA Committee provisionally approved on December 8, 2006. The European Union and the United States will continue to work together to complete market access negotiations and reach final agreement on the revision to the GPA. We will cooperate to expand membership in the Agreement, in particular to expedite China's accession to the GPA.

## 6. 2007 EU-US SUMMIT POLITICAL PROGRESS REPORT

### Introduction

The European Union and the United States continue to put our strategic partnership to work. During the past year, we have concentrated on specific issues, and our effective dialogue -- often in advance of policy formulation -- has led to convergence on key issues. We can identify genuine progress in several areas, including those targeted by the joint declarations adopted at the 2006 Summit:

### Key Accomplishments

#### Regional issues

In a world of global threats and challenges our security and prosperity increasingly depend on an **effective multilateral system**. The United Nations Charter is an essential pillar for international relations, and the EU and the US will strive for a strong, credible and effective United Nations. We will not allow it to be paralyzed or fail to fulfil necessary tasks. Strengthening the United Nations and equipping it to fulfil its responsibilities is a joint priority. In this regard we will continue to support the ongoing reform process of the organisation.

We have collaborated actively, including in Geneva, on priorities for the Human Rights Council, such as mandate review, agenda setting, universal periodic review and a Special Session on Sudan. We successfully cosponsored UN 3<sup>rd</sup> Committee resolutions on Belarus, Burma, Iran and North Korea. The U.S. has supported the active participation of the European Community in various bodies of the Peace Building Commission (PBC).

Building on our strong collaboration over the previous year, we agreed on specific actions we would undertake to **promote peace, human rights, democracy and the rule of law worldwide**. We held intense exchanges on countries such as Egypt, Tunisia, Burma, Cambodia, China, Thailand, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Nepal. We are convinced that the effectiveness of our efforts is amplified by delivering the same political messages and coordinating possible actions.

We have seen a period of rising tension in the **Middle East**, including the war between Israel and Lebanon in summer 2006, Iran's continued defiance of the international community in pursuit of its nuclear program and continuing Iranian and Syrian interference in Lebanon and Iraq. But we have also witnessed promising change with the formation of a Palestinian National Unity Government, the relaunch of the 2002 Arab Peace Initiative and security and reconstruction developments in Iraq. The European Union and the United States have held regular consultations, in particular within the United Nations framework and the Quartet, on the evolving situation.

We welcomed the EU initiative to launch, under the auspices of the Quartet, a Temporary International Mechanism (TIM) to provide direct emergency assistance to the **Palestinian** people and the €240 million contribution so far into TIM from the European Union. We supported Palestinian President Abbas' efforts to form a Palestinian government whose policy and actions reflect the Quartet principles and will continue to closely evaluate the performance of the new Palestinian National Unity Government in that respect. We also worked to promote implementation of the Security Sector Transformation (SST) plan, including implementation of the November 2005 Agreement on Movement and Access through the EU Border Assistance Mission to the Rafah crossing, and efforts to improve the Karni/al-Mintar commercial crossings between Gaza and Israel.

The European Union and the United States helped bring an end to the summer 2006 war between **Lebanon** and Israel, aided in particular by substantial European Union member state contributions to the UNIFIL peacekeeping force in Lebanon. We worked together to provide significant humanitarian assistance to those affected by the conflict, enabling the bulk of the hundreds of thousands displaced to return to their homes and begin to rebuild their lives. We welcomed the \$7.6 billion in pledges of international assistance for Lebanon made at the Paris III donors' conference in January 2007, including \$770 million in loans and grants from the United States and \$2.9 billion in loans and grants from the European Union (\$535 million from the European Community budget). We called on **Syria** to end its interference in Lebanon and urged full implementation of UN Security Council resolutions 1680 and 1701. We urged Syria to end destabilising activities and play a more constructive role in Lebanon, Iraq, and the Palestinian territories, as well as to reconsider its relations with Iran; we issued statements calling for the release of Syrian political prisoners.

The European Union and the United States have urged the government of **Egypt** to proceed with the fundamental political and constitutional reforms it announced. For example, we have specifically called on the Egyptian Government to fulfill the aspirations of the Egyptian people for democracy and meet the standards of openness, transparency, and reform that they have set for themselves. U.S. bilateral assistance aims to strengthen Egyptian efforts at political and economic reform. The EU, in its joint European Neighborhood Policy Action Plan with Egypt, has made greater participation in political life, an enhanced role for civil society, and greater respect for human rights and fundamental freedoms a policy priority. Support for the implementation of the Action Plan is a main priority of the EU's financial and technical assistance to Egypt.

The European Union and the United States have worked closely together at every stage to address the concerns raised by **Iran's** nuclear program. We offered Iran a set of far-reaching incentives to cease its domestic uranium enrichment activity. Given Iran's rejection of that offer, we successfully led efforts in the UN Security Council to pass resolutions 1737 and 1747, which call for Iran to suspend uranium enrichment and negotiate on the basis of the aforementioned incentives package, and which impose financial, travel, and other restrictions to pressure the Iranian regime to comply with its international obligations. We have implemented those resolutions, and have taken additional steps to further encourage Iran to cooperate with the international community.

To support the economic reconstruction of **Iraq**, 19 European Union members have concluded agreements to forgive from 80% (Paris Club terms) to 100% of Iraqi official debt, and the United States forgave 100% of its outstanding official debt to Iraq. The European Union and the United States actively engaged in ongoing support for the Iraq Compact process. The United States and twenty-five of 27 EU members have established relations with the Iraqi Government, and 16 (along with the European Commission) have set up resident missions. Total U.S. reconstruction assistance since 2003 approaches \$25 billion, while the European Union and its member states have provided a total of €13.6 billion – including debt relief – to date and will make further contributions in support of the Iraqi people and the International Compact for Iraq. The European Union is also conducting a successful Rule of Law training program called EUJUST LEX for Iraqi officials.

The European Union and the United States continue to be among the primary contributors to **Afghanistan** reconstruction, through participation in the Joint Coordinating and Monitoring Board and in support of the Afghan government. At the January 26 NATO informal foreign ministerial, the United States announced a request for \$11.8 billion over two years for Afghanistan. In December 2006, the European Union completed its pledge to contribute €1 billion for Afghan reconstruction between 2002 and 2006. For the same period, the combined contribution from the EU budget and by EU Member States to Afghanistan reached €3.7 billion. The EU's new budget includes another €610 million for 2007-2010. The EU has been a main donor to the Afghan National Police, helping cover the salaries of some 62,000 police officers with a contribution of €135 million so far. In February, the EU General Affairs and External Relations Council approved the deployment of a police training mission to Afghanistan that will initially include 160 officers and other experts. The EU police mission will build on the efforts of key partners that have trained extensively over 18,000 officers and non-commissioned officers over the past few years. In December 2006, the European Union approved €10.6 million for the support of provincial governance projects by Provincial Reconstruction Teams (PRTs) led by or with considerable participation of EU member states. The U.S. maintains about 500 police trainers and advisors around the country, in addition to U.S. military police. The United States has trained more than 70,000 members of the Afghan National Police since the fall of the Taliban. Over 50,000 members of the Afghan National Police have completed specialized training courses in areas such as firearms, crowd control, investigative techniques, and domestic violence. The United States has also trained more than 4600 Afghan National Auxiliary Police in ten-day courses to provide them essential skills as they help the Afghan National Police fight an urgent battle in southern and eastern Afghanistan against Taliban fighters. As part of a major pay and rank reform program, the United States and international partners are helping the Afghan National Police leadership build a merit-based leadership and discipline structure to assure that the police become widely respected public servants and officers of a society based on the rule of law.

The European Union and the United States have consistently supported UN Special Envoy Ahtisaari's approach to determining the future status of **Kosovo** and his timeline for successfully concluding the Kosovo status process. We are committed to working towards furthering NATO-EU contacts to ensure smooth planning for Kosovo's post-status security. Pending a status resolution, we have worked within the international community to support UNMIK efforts under UNSCR 1244 to build stability and meaningful self-government in Kosovo. Having cooperated through the Stability Pact for South Eastern Europe since 1999 to build peace and prosperity in the region, the EU and the US have been working together closely to ensure the successful transition of the Stability Pact framework to regional ownership under the auspices of the South Eastern European Cooperation Process (SEEC). We have been united in the view that successful resolution of Kosovo's status will help accelerate the region's Euro-Atlantic integration

We have been engaged with **Russia** on many international issues, such as energy security, relationships with neighboring countries, and cooperation in multilateral fora. We have participated in dialogue with Russia on many political matters, including democratic freedoms and the need for the application of the rule of law, an independent judiciary, human rights, a free and independent media, and a strong civil society.

We have welcomed and supported democratic and economic reforms in **Ukraine**, and have assisted its efforts to achieve better energy efficiency and effective energy independence.

We have closely cooperated on **Belarus** to support democratization, local civil society and other democratic forces. We urged the authorities of Belarus to release all political prisoners and to stop all human rights' abuses. To encourage positive political change on behalf of the people of Belarus, we have imposed further travel restrictions and targeted financial sanctions against members of Lukashenko's regime. We have issued coordinated statements on political arrests, local elections, energy security and persecution of independent NGOs.

We have achieved increased cooperation and a unified approach in our efforts towards peaceful solutions of separatist conflicts in Moldova and the **South Caucasus**, which would assure these states' territorial integrity within internationally recognized borders. We have been cooperating inside the Minsk Group, jointly promoting the set of Basic Principles.

Together we have supported democratic and economic reforms, human rights, freedom of expression, and the rule of law in **Central Asia**. We have promoted regional cooperation to advance security, prosperity and stability. We have shown our support for strengthening democratic institutions in Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan. We worked with the government of Uzbekistan to enter into an effective dialogue on human rights, and we have sought to establish an independent international investigation into the tragic events of Andijon.

Throughout the year, we have consulted on **Latin America**, and in this context also on **Cuba**, including the prospect for democracy in the future. In mid-2006, the EU renewed its Common Position on Cuba. Meanwhile, the United States released the second report of the Commission for Assistance to a Free Cuba (CAFC). On **Haiti**, we have worked together to support a strong MINUSTAH presence in Haiti, to maintain high-levels of international assistance and financial support for Government of Haiti development priorities, and to improve donor coordination for the delivery of humanitarian assistance.

The European Union members and the United States worked closely together to ensure adoption of UNSCR 1706, and to make progress on transition to a more robust hybrid UN/AU peacekeeping force, as major steps towards ending the atrocities in **Sudan**. As demonstrated by the high-level EU and U.S. participation in the February 2007 **Liberia** Partners Forum, we are committed to ensuring the success of important infrastructure, community reintegration, and good governance initiatives in Liberia. Working with the UN and other key donors, the European Union and United States played an integral role in helping the people of the **Democratic Republic of Congo** conduct successful presidential elections, including with the EU's successful ESDP mission to help ensure stability during the elections. We joined in supporting the renewal of the MONUC mandate, due to expire on April 15. Our targeted restrictive measures have exerted pressure on regime leaders responsible for the critical political and economic situation in **Zimbabwe**. We have consulted extensively on **Somalia**, and provided substantial resources to help support political dialogue between the Transitional Federal Government (TFG) and key Somali stakeholders, development of effective governance and security institutions, and rapid deployment of African peace support mission. We are also seeking to coordinate our efforts in terms of support to African Union capacity-building including for peace keeping and further development of the African Standby Force.

The European Union and the United States successfully cosponsored 3<sup>rd</sup> Committee (human rights and social affairs) resolutions on **Burma** and the **DPRK**. The European Union used the ASEM Summit to press the Burmese regime to adopt a more inclusive political process and introduce a timetable for democratic reform. We continue intense exchanges on Burma at all levels.

Together the EU and the US continued to support global efforts to mitigate the impacts of important **infectious diseases** and through the Global Fund to provide financing in support of developing countries' efforts to fight the spread of **HIV/AIDS tuberculosis, malaria, and polio**.

## **Security**

The U.S. Coordinator for **Reconstruction and Stabilization** has consulted with EU interlocutors in Brussels and Berlin. In addition to high-level consultations, we have organized technical consultations to implement coordination on cross-training, information sharing, and other areas of crisis management. The European Union participated as an observer in Multinational Experiment 4 (MNE-4) crises simulations led by U.S. Joint Forces Command, and is currently participating as an observer in MNE5.

The United States and (European Union's Judicial Cooperation Unit) Eurojust concluded an agreement to **facilitate cooperation, coordination, and the exchange of information between investigators and prosecutors**, including the posting of a U.S. Liaison Prosecutor to Eurojust. We continue to make progress toward ratification and entry into force of the EU-U.S. **Extradition and Mutual Legal Assistance Agreements** and the implementing instruments between EU member states and the U.S.

Continuing to take steps to strengthen the **security of our borders**, expert-level discussions have begun between the European Union and the United States on mutual recognition of the EU Authorized Economic Operator provisions and the U.S. Customs-Trade Partnership Against Terrorism. We have produced a Joint Threat Assessment for Weapons of Mass Effect and will work to disseminate this to the World Customs Organization for its members. A pilot project at the Port of Southampton has been undertaken under the U.S. Secure Freight Initiative to further improve detection and response capabilities for high risk container traffic.

The European Union and the United States concluded an interim agreement on the processing of **Passenger Name Record** data in October 2006. Recognizing a mutual interest in the alignment of our aviation security efforts, we are studying the comparability of our airport assessment programs.

The European Union and the United States continued to improve procedures for information sharing and pro-actively implement Financial Action Task Force's Special Recommendations, including by enforcing cash declaration regulations for travellers and by engaging private sector financial institutions to develop partnerships to improve implementation of asset freeze measures. We continued to exchange information and best practices in expert-level discussions. Conferences on **terrorism finance and money laundering** issues were held with sanctions implementers (September, 2006 and April, 2007), analysts (October, 2006), and prosecutors and investigators (December, 2006). We are working together to develop a public outreach statement on the issues of fairness and transparency in the implementation of sanctions regimes.

We have engaged in detailed discussions on the **legal framework governing the common fight against terrorism**, and have agreed that the fight against terrorism must be conducted with respect to the rule of law and in conformity with international law including international human rights law, international refugee law and international humanitarian law.

In our critical efforts to stop the proliferation of weapons of mass destruction (WMD), we continued to coordinate and strengthen our individual and collective efforts to implement the **disarmament and nonproliferation** regimes and reaffirmed the value of continuing consultations in this area. These consultations have continued in a variety of ways and fora, including the dialogue on verification and compliance that was established between the EU and the U.S. at the 2005 Summit, endorsed at the 2006 summit, and continues to be productive. Our last such meeting was held in Brussels last Fall, and yet a third meeting has been scheduled in early June of this year as we continue to discuss verification and compliance challenges and identify opportunities for joint initiatives.

The European Union and the United States affirmed their commitment to strengthening the **Nuclear Nonproliferation Treaty** (NPT). Both have shown their full support for the Additional Protocol (AP): The EU AP is in force and the U.S. recently passed implementing legislation.

29 April 2007 marked the 10<sup>th</sup> anniversary of the **Chemical Weapons Convention**, a unique treaty that requires irreversible destruction of an entire class of WMD under international verification and within specific timelines. The European Union and the United States welcome progress that has been made in the destruction of CW-stockpiles and recommit themselves to strengthening the treaty and working towards fulfilment of all treaty obligations by all states parties.

We worked to make the **UN Security Council resolution 1540** an effective tool to prevent the proliferation of dangerous materials and WMD to both state and non-state actors. In close co-operation with the 1540 Committee, we have supported full implementation of the Resolution including in the context of OSCE and ARF.

The European Union and the United States worked together to obtain the UN Security Council's unanimous adoption of UNSCRs 1718, 1737, and 1747 which require the Democratic **People's Republic of Korea** (DPRK) and **Iran**, respectively, to abide by the will of the international community. We took actions to implement the requirements set out in the resolutions to ensure we did not aid DPRK and Iran nuclear and ballistic missile programs through supply, financing, or other support.

Due in large measure to EU and U.S. cooperation, the Sixth **Biological Weapons Convention** (BWC) Review Conference in November 2006 was a success, with parties agreeing to an intersessional work programme 2007 - 2010 which will focus in 2007 on ways and means to enhance national implementation, including enforcement of national legislation and regional cooperation. The Parties also agreed to establish an Implementation Support Unit to provide administrative support as well as to prepare documentation and serve as a clearinghouse for reporting of confidence building measures, including a secure website on CBMs.

We also worked together to promote consensus within the CD on a work programme, in particular on commencing negotiations in the Conference of Disarmament of a **Fissile Material Cut-Off Treaty** banning the production of fissile material for use in nuclear weapons.

