



Policy Focus

A bi-monthly review of major policy developments in Brussels, London and Washington, prepared for BABC member companies

November 2007

Policy Action:

First meeting of the Transatlantic Economic Council (TEC), 9 November 2007

At the April 2007 EU-US Annual Summit, a Framework for Advancing Transatlantic Economic Integration was agreed. The Transatlantic Economic Council (TEC) was a key element in this initiative and would oversee progress on objectives outlined in the Framework. The TEC is co-chaired by a US 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 Günter Verheugen), collaborating closely with the EU Presidency.

We submitted a position paper to the European Commission for the meeting, highlighting the following as priority areas for transatlantic business: regulatory cooperation; the creation of a single transatlantic capital market; and the adoption of a joint approach to ensure the protection of Intellectual Property Rights in third countries. We also noted the importance of creating an environment that welcomes innovation and provides incentives for private sector investment in research and development.

London

Security restrictions at UK airports may soon be relaxed

It is widely anticipated that Ruth Kelly, the Secretary of State for Transport, will take the opportunity of a speech to the Airport Operators Association early in the New Year, to announce an end to the one bag rule imposed after a terrorist plot to blow up transatlantic aircraft in August 2006.

This was one of several measures that the British-American Business Council had advocated, in order to improve conditions at Heathrow, in its recent

Washington

Ethanol plants meet with resistance in the American farm belt

The arrival of ethanol distilleries in agricultural America had been generally greeted with delight; however, residents in Kansas, Illinois, Indiana, Minnesota and even Iowa, the US' biggest corn and ethanol producer, are now resisting plans for ethanol plants in their area. Campaigners do not question the efficiency of corn-based ethanol as an energy saving source, or blame ethanol for rising food prices; rather, they are concerned with the potential increase in noise, odors, emissions and demand for water supplies that come with new plants. Local opposition coincides with a period of turmoil for the ethanol industry where in recent months, an enormous supply of ethanol has glutted the market, cutting prices and deflating the ethanol boom. [LINK](#)

Washington

Protecting patients' health information is having a negative impact on scientific research

US researchers have stated that laws designed to protect patients' health information have had an unintended effect of impeding scientific research. Approximately 70% of clinical scientists in a national survey published in the Journal of the American Medical Association, said US Health Insurance Portability and Accountability Act (HIPAA), enacted in 2003, made research more difficult. Although the health privacy law was intended to balance the protection of information that could be traced back to individuals while making it available for research, it has become a stumbling block that forces researchers to spend more time on paperwork. [LINK](#)

Brussels

Airlines will face tougher CO2 emissions targets

exchanges with Ms Kelly and the Department of Transport.

The expectation is that travellers will be allowed two pieces of carry-on baggage but EU-wide restrictions on liquids and gels will remain in place. A Department for Transport (DfT) spokesperson noted that they would need to be convinced that security could be maintained before lifting baggage restrictions. [LINK](#)

London

Prime Minister Gordon Brown sets out the tone of his foreign policy

Prime Minister Gordon Brown outlined his international principles at his first major speech on foreign policy on Monday, 12 November, at the Lord Mayor's banquet. Entitled "Britain's agenda for a hard-headed internationalism," the speech stressed the importance of the UK's alliance with the United States: "I believe that our ties with America—founded on the values we share—constitute our most important bilateral relationship." The Prime Minister also argued for reformed international institutions and increased multilateral cooperation; and expressed optimism that France and Germany, and the EU, were moving towards building stronger relationships with the US. [LINK](#)

London

Bank of England is urged to cut emergency loan rate to banks in difficulty

On 13 November, the British Bankers' Association (BBA) urged the Bank of England to offer emergency loans to banks at a lower rate during times of market stress as seen this summer. The BBA also noted that the tripartite system that regulates the financial system needs to agree a clearer allocation of roles and responsibilities between HM Treasury, the Financial Services Authority (FSA) and the Bank of England. The BBA said that financial stability should be the paramount aim of financial institutions and regulators and transparency should be pursued as far as possible except when "messages might be misunderstood by an anxious public." [LINK](#)

London

Prime Minister Gordon Brown sets out new security measures

In a statement to the Commons on 14 November, Prime Minister Gordon Brown set out a series of measures in response to the failed bombings in June in London and

Both airlines and environmentalists were disappointed by a European Parliament vote on 13 November that decided airports must reduce CO2 emissions by 10% when they join the EU's carbon cap-and-trade scheme in 2011. The European Parliament requested the following changes to the December 2006 legislative proposal issued by the Commission: all airlines flying to and from the EU territory should join the scheme in 2011; airlines would be required to reduce emissions by 10% compared to average 2004-2006 levels; 25% of pollution permits would be auctioned out to airlines; the cost of all CO2 permits bought by airlines would be multiplied by 2 unless the Commission develops legislation to address additional climate impacts caused by Nitrogen Oxide (NOx) emissions from aircraft; an efficiency clause states that the aviation sector can only buy permits from other sectors if it first improves its own fuel efficiency; and, military flights and planes weighing less than 20,000kg would be excluded. [LINK](#)

Brussels

TV advertising rules relaxed in the EU

The revision of EU rules on television broadcast and advertising, the Audiovisual Media Services Directive, formerly known as the Television Without Frontiers Directive, aims to keep abreast of latest developments in audiovisual technology (TV-on-demand, internet and digital TV, and hard disk-based recorders). The rules will apply to all TV-like services including web-streamed TV programs and had been approved by EU ministers in May and the MEPs, in the culture committee, approved the Council's common position without any amendments on 12 November. If the full plenary backs the text on 29 November, as expected, the Directive will enter into force by the end of the year. As our members will recall, policy input by BritishAmerican Business led to helpful amendments to the directive being implemented. The most important changes brought in by the new 'Audiovisual Media Services Directive' are in product placement, advertising in TV broadcasts, children's advertising and TV access for disabled people. [LINK](#)

Brussels

European Commission proposes breaking up telecommunications operators

On Tuesday, 13 November, the European Commission proposed giving national telecom regulators major new powers to split business and network arms of dominant operators in a shake-up of the European telecoms rules. The proposals would also allow Brussels to

at Glasgow airport. 'Robust physical barriers,' vehicle exclusion zones and blast-resistant building could be put into place at sites such as stations, ports, airports and approximately 100 sensitive installations. The Government will firstly focus on the UK's 250 busiest railway stations where bag screening and passenger searches would also be introduced. New guidance would be sent out to cinemas, sporting venues, restaurants, theatres, commercial centres, hospitals, schools and places of worship. The security budget will rise from £2.5bn this year to £3.5bn in 2011. [LINK](#)

London

The automotive industry is urged to play a positive role in combating climate change

Minister for Trade Promotion and Investment, Sir Digby Jones, urged Britain's automotive industry to play a constructive part in battling climate change and warned that 'demonising' the industry could drive it out of the UK. In 2006 Britain produced 1.65m motor vehicles and 65,000 construction equipment vehicles and the sector accounted for 10% of UK exports. Lord Jones noted the government's efforts to tackle vehicle emissions through taxation and encouragement of research and development, but also stressed the importance of buy-in by the public and academia. [LINK](#)

Washington

US frustration over the absence of a coherent national energy policy

An Energy Bill was passed by the Senate in June when crude oil was trading near \$65 a barrel, the highest price in a quarter century. Six weeks later, when the House reviewed different legislation, oil had passed \$70 and oil prices continued to climb while Congress argued among themselves. With oil prices recently close to \$100 lawmakers are considering less ambitious energy-saving measures than those passed by either House in the summer. Leaders in both houses have predicted action on a scaled-down package of energy measures before Congress breaks for Christmas, which would include higher fuel-efficiency requirements for cars and trucks, and incentives for alternative fuels. [LINK](#)

override national regulators' decisions and create an EU telecoms watchdog. Former monopolies oppose the plan and countries such as Spain and Germany look set to resist as well. The plan must be agreed by EU governments and parliaments to become law. [LINK](#)

Forthcoming Events

London:

4-5 Dec: International Security Resilience Exhibition

13 Dec: Genesis Biotechnology Conference 2007

Washington:

4 Dec: US-Gulf Cooperation Council (GCC) Investment Forum

Brussels:

27 Nov: Towards a global low carbon economy—Conference of the High-Level Group on Competitiveness, Energy and the Environment

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