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U.S.-EU Trade and Technology Council: Background and Issues

The U.S.-EU Trade and Technology Council (TTC) is a high-level forum between the United States and European Union (EU) that aims to: enhance cooperation on global technology, economic, and trade issues; promote shared prosperity and competitiveness; and support democratic, market-oriented values. The partners cast the TTC as “the key forum for our cooperation on trade and technology matters.” The Biden Administration has not pursued negotiations for a comprehensive free trade agreement (FTA) with the EU that would include the removal or reduction of tariffs and nontariff barriers. Congress has lacked a formal role in approving TTC outcomes, as with a host of other economic initiatives with other U.S. trading partners. Given the TTC’s prominence in U.S.-EU trade relations, Congress may have an interest in oversight of the TTC and potential legislative action to shape its outcomes.

TTC Origins and Context

Upon entering into office, President Biden pledged “to repair and revitalize the U.S.-EU partnership,” after what some commentators assess as especially fraught U.S.-EU trade relations during the Trump Administration. The United States and EU announced the TTC at their June 2021 summit. That same year, they also reached interim resolutions on some bilateral trade irritants (e.g., tariffs).

The TTC is led on the U.S. side by the U.S. Trade Representative (USTR) and Secretaries of Commerce and State; and on the EU side by the Commissioners for Trade and Competition of the European Commission (the EU’s executive body). At a ministerial level, the TTC has met four times (September 2021, May 2022, December 2022, and May 2023), at alternating U.S. and EU venues. The fifth ministerial, initially slated for end-2023, is now scheduled for January 30, 2024. The ministerial meetings have yielded Joint Statements on issue-specific cooperation.

The TTC is structured as ten working groups oriented on topics such as technology, supply chains, and trade and investment (**Table 1**). Working groups are chaired by relevant U.S. government agencies and European Commission departments (e.g., working group 10 on global trade challenges is led by USTR and the Commission’s Directorate-General for Trade). Cooperative activities include issue-specific coordination, information-sharing, and dialogue. The TTC also has avenues for input from industry, labor, and other stakeholders.

The TTC’s creation follows U.S.-EU dialogues on trade and economic matters and unsuccessful efforts to conclude a comprehensive FTA. For example, Transatlantic Trade and Investment Partnership (T-TIP) negotiations during the Obama Administration stalled amid differences on issues such as agricultural market access, government procurement, and digital trade.

In addition to the TTC, the United States and EU currently are engaged in: negotiations on steel and aluminum global overcapacity and carbon issues and a long-term solution to U.S. Section 232 tariffs; negotiations on a targeted critical minerals agreement (CMA) to ensure that EU electric vehicles (EVs) can qualify for certain tax credit benefits in P.L. 117-169 (the Inflation Reduction Act of 2022, IRA); and various issues in the World Trade Organization (WTO) and other multilateral fora.

Table 1. TTC Working Group Numbers and Agendas

1. Technology standards
2. Climate and clean technology
3. Secure supply chains
4. Information and communications technology and services (ICTS) security and competitiveness
5. Data governance and technology platform regulation
6. Misuse of technology threatening security and human rights
7. Cooperation on export controls of dual use items
8. Investment screening cooperation
9. Promoting small- and medium-sized enterprise (SME) access to and use of digital technologies
10. Global trade challenges

Source: CRS, based on U.S. Department of State, TTC webpage.

TTC Developments and Select Issues

Since its launch, the TTC has risen in prominence on both bilateral trade issues and shared economic and geopolitical concerns. In particular, in 2022, the TTC emerged as a key tool for U.S.-EU coordination on export controls in response to Russia’s war on Ukraine. The TTC also may address shared concerns regarding China’s trade practices.

Through the TTC, the partners largely have avoided rehashing longstanding differences, opting instead to work to “update the rules of the road for the 21st century” (e.g., regulatory cooperation on new technologies). On some issues (e.g., China’s global influence), the United States and EU share concerns but may vary in some approaches, potentially limiting TTC responses to these issues.

At the May 2023 fourth ministerial, the parties reiterated the TTC’s “central role” in the “broader transatlantic partnership” and coordination on responses to the Russia-Ukraine war. Outcomes focused on areas such as artificial intelligence (AI), supply chains, digital connectivity and infrastructure, sustainability, and human rights. Reflecting U.S. and EU industrial policies (e.g., in clean energy), the partners stated interest in ensuring that their regulatory approaches are “mutually reinforcing” and their policies avoid a subsidy “race to the bottom.” They also reiterated their ongoing cooperation on export controls and sanctions-related restrictions, investment screening for national security, outbound investment controls on sensitive technologies, and addressing economic coercion.

Supply Chains. The United States' and EU's initial focus on supply chain cooperation in the TTC has been on identifying and addressing shared vulnerabilities, including diversification efforts and R&D priorities, in areas such as semiconductors, solar energy, critical minerals, and pharmaceuticals. In May 2023, the parties announced the completion of an early warning and monitoring mechanism for the semiconductors value chain. The mechanism aims to anticipate shortages and alleviate bottlenecks, and it outlines operational steps to respond to disruptions. The partners also have sought to promote sustainable and responsible supply chains with strong protection for labor rights. The Trade and Labor Dialogue (TALD), established at the second ministerial, has convened stakeholders to discuss ways to detect, address, and mitigate the risk of forced labor in supply chains.

Digital Policy and Emerging Technologies. At the fourth ministerial, the United States and EU agreed on AI-related outcomes, including on: the implementation of a Joint Roadmap to encourage a risk-based approach to advance trustworthy and responsible AI and develop common terminology, and generative AI's unique opportunities and risks. They also agreed to advance collaboration in 6G wireless communication systems, digital identities, standards for 3D printing, EV charging, and quantum technologies, among other issues. Differences on issues not explicitly covered in the TTC, such as the implementation of the EU's Digital Markets Act (DMA) and Digital Services Act (DSA), may continue to pose challenges in U.S.-EU relations. Some U.S. technology companies have voiced concern that these regulations unfairly discriminate against U.S. companies.

Sustainability. TTC sustainability initiatives aim to support transitions to low-carbon economies and the digital economy. The United States and EU have sought stakeholder input through the TALD on these issues. They launched a Transatlantic Initiative on Sustainable Trade (TIST) in May 2023, with workstreams to support a transatlantic "green" marketplace that benefits businesses, workers, and consumers. Cooperation also focuses on clean energy technology development and critical minerals. Broader U.S. and EU climate policy frameworks, varying approaches, and other considerations (e.g., energy security) could complicate cooperation on sustainability issues.

Issues for Congress

Select key issues posed by the TTC for Congress include:

Congressional Role. As an executive initiative, the TTC could raise issues about the role of Congress in shaping the TTC's structure, priorities, and outcomes. Such issues could heighten if the TTC results in binding trade commitments, compared to more cooperative policy outcomes. Other issues could include whether the TTC's executive-led approach limits the durability and enforceability of outcomes not enacted into U.S. law. Congress may consider whether to seek a more formal role in the approval of, or consultation on, TTC outcomes (e.g., P.L. 118-31, §6706, sets a sense of Congress on consultations by the Department of State). Issues about the role of Congress also have arisen in the context of the Indo-Pacific Economic Framework for Prosperity (IPEF).

Congress also could consider whether to establish a parliamentary component to the TTC for select Members to hold bilateral sessions with European Parliament (EP) counterparts. It could alternatively use ongoing parliamentary engagement in the Transatlantic Legislators' Dialogue (between U.S. House Members and the EP) to shape the TTC. Such moves could boost the durability of TTC outcomes and structure.

Focus Areas. Congress may assess how the TTC aligns with congressional priorities. It may weigh in on the TTC's prioritization of some geopolitical issues (e.g., responses to Russia's aggression in Ukraine), compared to other bilateral trade and technology issues.

Digital economy issues may be of particular congressional interest. Some Members have called for the TTC to address key U.S. concerns on the EU's digital policies. Congress also could consider whether TTC cooperation may affect U.S. efforts to regulate the digital economy, given USTR's reversal of support for digital trade talks in IPEF and some digital trade goals at the WTO in 2023, citing the need for space to legislate domestically on the digital economy.

Congress also could explore options for modifying the TTC, such as by adding more working groups on other bilateral issues. Additionally, it could legislate explicitly on the TTC or on TTC-related issues (e.g., H.R. 6571 directs U.S. consultations with allies or partners on supply chains).

Effectiveness. Congress may examine whether the TTC is suited to serve as the "key forum" for U.S.-EU trade cooperation and to advance U.S. competitiveness in EU markets. Some Members and stakeholders welcomed the TTC's creation. Some also have urged for more concrete deliverables, potentially wary of more "talk" rather than "action" on difficult issues. Others see the TTC dialogue process as important for relationship-building and assert that meaningful progress may take time, potentially across several ministerial meetings. Regular high-level meetings may ensure political focus on the TTC, yet if too frequent, they may not give working groups enough time for technical cooperation to contribute to substantive outcomes.

Congress may examine other ways to advance U.S. trade policy interests, such as through comprehensive U.S.-EU FTA negotiations. Political support, however, may be limited. In the Biden Administration's view, executive economic initiatives are better suited to address "21st century" issues and advance "worker-centered" policies than comprehensive FTAs. The EU also has voiced reluctance in repeating the T-TIP experience. On prospects for a future FTA, Congress also may assess the impact of greater trade liberalization on the U.S. economy; the role of any negotiated U.S.-EU trade outcomes on global rules-setting; and what role the TTC might play in the laying the groundwork for comprehensive FTA talks.

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