

SENATOR JEANNE SHAHEEN REMARKS:
The European American Business Council and
The Johns Hopkins SAIS Center for Transatlantic Relations (CTR)
“Trans-Atlantic Economy 2011”
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Thank you, Pat, for that kind introduction. It is a pleasure to be here today.

I want to thank the European American Business Council and the Center for Transatlantic Relations at SAIS for hosting this event. You are providing an invaluable service, and your work is hugely respected on both sides of the Atlantic and on both sides of the aisle here in Washington.

I want to thank my counterpart from the House side, Congressman Dan Burton, for co-hosting this event with me. I look forward to working with you over the next two years.

I want to welcome the transatlantic business leaders and Embassy officials here today. I know a few of the businesses here have a particularly strong presence in my home state of New Hampshire – including Autodesk and Raytheon. I hope the rest of you will follow their lead and look to relocate offices to New Hampshire.

I am pleased to see that this has become an annual event here on the Hill. I first spoke at this event in 2009, just a few weeks into my term as a U.S. Senator. Since that time, as a result of my work on the European Affairs Subcommittee, I have come to understand much better just how important the transatlantic economic relationship is. The release of this survey is an annual reminder of how important this relationship is to the businesses and workers in each of our states.

The value of U.S. economic ties with Europe cannot be overstated. The numbers speak for themselves. As the survey estimates, our two economies represent 54% of world GDP and nearly one-third of world trade. Transatlantic financial markets account for well three-quarters of global financial services, and in 2010, nearly 93% of global foreign exchange holdings were in dollars, euros, or sterling. And, as the real engine of our economic relationship, transatlantic foreign direct investment (FDI) accounts for well over two-thirds of FDI movements around the globe.

As the long road to recovery continues for the developed world and with 2011 growth rates expected to be a sluggish 2% in Europe and a little stronger in the U.S., much of the global attention has understandably turned to the rapidly developing economies, like China, India, and Brazil. However, I think it is important to put those economies and relationships in perspective.

For example, the value of U.S. goods and services exports to the EU is five times the value of our exports to China. Also, U.S. investment in Ireland alone is double that of our investments in China and India combined. The fact is that Europe and the United States still represent the anchor for the world economy.

However, like any partnership that wants to maintain its leadership in a rapidly changing global environment, we need to adapt to meet shifting realities.

There is no doubt that our attention across the pond can wax and wane. In fact, I think it may have reached a peak a few weeks back for a certain wedding in London. But short of a Royal Wedding there is plenty that we can do to improve our relationship and foster continued growth between us.

First, there still remain significant non-tariff barriers to increased trade and investment. We should be doing more to try to harmonize differences in regulatory policies across the Atlantic. Estimates suggest that improving regulatory differences between the U.S. and Europe could lead to significant increases in household incomes, wages, exports and GDP on both sides of the Atlantic.

The Transatlantic Economic Council (TEC) was designed to better synchronize our regulatory practices. I believe the TEC should be focused on concrete and achievable goals and on emerging regulatory issues, rather than long-contested ones. As the European American Business Council has urged, we should explore those “win-win” innovative areas such as eHealth, accounting systems, nanotechnology, or carbon standards.

I was pleased to see that the recent TEC meeting in December resulted in a joint action plan aimed at innovation and emerging technologies and sectors. As a follow-on, we saw the U.S. and Europe agree this spring on a set of trade principles for Information and Communication Technology Services.

This is a good start, but to be successful, the TEC will need to do a better job of securing strong and sustained high-level support and to get more buy-in from the U.S. Congress and the European Parliament. In addition, we should also do more to have the TEC build a common approach to addressing third country markets, like China and India. I understand that many of you here are closely involved in the TEC effort, and I stand ready to help where I can.

One area I believe needs to be addressed here in the U.S. is export controls. There is tremendous potential for export growth in defense and “dual-use” items. However, our current defense trade control system is not conducive to exporting – even to some of our most important NATO allies. Our export control regime

remains a complex, archaic system designed decades ago for a Cold War environment and can be a significant detriment to trade growth.

As an example, Astronics Luminescent Systems in Lebanon produces a cockpit lighting system that can be utilized in a variety of aircraft, including a Blackhawk helicopter. Because it could possibly be used in a military aircraft, Astronics needs to go through a lengthy licensing process to export its lights abroad – regardless of the aircraft.

The Obama administration has shown a strong commitment to reforming this outdated export control system, but we still have a long way to go.

Finally, as we move forward, I think it will be important to have a U.S. Congress that is more fully engaged on the transatlantic economic agenda. We should be doing more to work together with the European Union and the European Parliament.

I understand that the Transatlantic Legislators' Dialogue (TLD) is the principal structure currently in place to facilitate engagement between the Congress and the European Parliament. However, there has never been a Senate presence on the TLD.

Over the next year, I hope to explore new ways to develop ties between the Senate and the European Parliament and perhaps work with my House colleagues to reinvigorate the TLD. I am sending my staff to Brussels and Strasbourg later this year to begin this process, and we hope to engage your thoughts and ideas in that effort.

In conclusion, the U.S. and Europe continue to face significant economic and financial challenges. We have come a long way from the collapse and downturn of 2008 and 2009, but we are far from out of the woods. If we are to continue to grow and create jobs, it makes sense for us to look for new ways to strengthen and deepen ties between the two largest and most vibrant economies in the world.

Thank you for the opportunity to speak today and thank you all for coming.