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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 five times (September 2021, May and December 2022, May 2023, and January 2024) at alternating U.S. and EU venues. All of these meetings have yielded Joint Statements on cooperation, save the January 2024 fifth ministerial, which yielded separate U.S. and EU readouts.

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

Outside of the TTC, the United States and EU are engaging on other trade issues. These include ongoing talks on steel and aluminum global overcapacity and carbon issues and a long-term solution to U.S. Section 232 tariffs; a U.S.-EU critical minerals agreement (CMA) to enable EU electric vehicles (EVs) to 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).

## Table 1. TTC Working Groups

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 web page.

## TTC Developments and Select Issues

The TTC has risen in prominence on both bilateral trade and technology issues and shared economic and geopolitical concerns. In particular, the TTC emerged as a key tool for U.S.-EU coordination on export controls in response to Russia’s war on Ukraine. Other outcomes have focused on areas such as artificial intelligence (AI), supply chains, digital connectivity and infrastructure, investment screening, sustainability, nonmarket concerns (e.g., China’s trade practices), and economic coercion.

Through the TTC, the partners largely have avoided rehashing long-standing differences, opting instead to work to “update the rules of the road for the 21<sup>st</sup> 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. Further, reflecting U.S. and EU industrial policies (e.g., in clean energy), the partners have sought to use the TTC to ensure their regulatory approaches are “mutually reinforcing” and policies avoid a subsidy “race to the bottom.”

At the fifth ministerial, the parties discussed cooperation on economic security, emerging technologies, and sustainable trade. Per the U.S. readout, U.S. co-chairs stressed “fortifying our collective economic security,” including through economic de-risking and diversification, building resilient supply chains, using outbound investment review mechanisms, and coordinating export controls. Shortly before the ministerial, the EU introduced new initiatives to advance some of these priorities, as called for in its 2023 European Economic Security Strategy. The EU readout described the ministerial as a stocktaking ahead of the sixth ministerial, scheduled for April 2024, which Secretary of State Blinken said would be the “capstone TTC.”

**Supply Chains.** The TTC’s initial focus on supply chain cooperation was 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

United States and EU announced an early warning and monitoring mechanism for the semiconductors value chain, which aims to anticipate shortages and alleviate bottlenecks and outlines response measures. After China's summer 2023 imposition of export controls for gallium and germanium (key inputs for semiconductors), the United States and EU activated the mechanism and, at the January 2024 ministerial, agreed to intensify cooperation on critical raw material sourcing for semiconductors. They also have sought to promote sustainable and responsible supply chains with strong labor protections. The TTC's Trade and Labor Dialogue (TALD) has convened stakeholders to address the risk of forced labor in supply chains.

**Digital Policy and Emerging Technologies.** At the fifth ministerial, the United States and EU noted progress on a Joint Roadmap on AI and emphasized the TTC's role in developing rules for and trustworthiness in digital systems. In 2023, the TTC's technology standards working group issued a list of 65 AI terms key to understanding risk-based approaches to AI and identified some areas for U.S.-EU standardization. The partners also continued to develop a common vision on 6G wireless communication systems and discussed expanding cooperation to counter the misuse of technology (e.g., foreign information manipulation and interference). 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. On the margins of the January 2024 ministerial, the United States and EU agreed to continue to cooperate on trade facilitation of green goods and technology, including on conformity assessments, per the EU readout. The TTC's Transatlantic Initiative on Sustainable Trade (TIST) has workstreams to support a transatlantic "green" marketplace that benefits businesses, workers, and consumers. The partners have sought stakeholder input through the TIST and TALD. Other cooperation focuses on clean energy technology 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 Facing Congress

Key issues facing Congress regarding the TTC include the following.

**Congressional Role.** Congress could assess its role in shaping the TTC's structure, priorities, and outcomes. It also could consider whether the TTC's executive-led approach limits the durability and enforceability of outcomes not enacted into U.S. law. Congress may consider whether or not 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 in trade initiatives generally have arisen in the context of the Indo-Pacific Economic Framework for Prosperity (IPEF).

Congress also could consider whether or not to add a TTC parliamentary component for bilateral sessions between

Members and European Parliament (EP) counterparts or to use the ongoing Transatlantic Legislators' Dialogue (between U.S. House Members and the EP) to shape and boost the durability of the TTC. Among other possible options, one think tank, for example, proposed a U.S.-EU trade agreement framework on the TTC to add more structure and legitimacy across U.S. Administrations.

**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 interact with U.S. efforts to regulate the digital economy, given USTR's decision to end support for some digital trade positions in IPEF and the WTO in 2023, citing the need for space to "come up with new positions" on domestic technology regulation.

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 effective in advancing U.S.-EU trade cooperation and 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 and of the TTC losing momentum. Others assert that the TTC dialogue process is important for relationship building and 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 may be limited, given the Biden Administration's stated preference for executive economic initiatives to address "21<sup>st</sup> century" issues and advance "worker-centered" policies and the EU's stated interest in avoiding a repeat of the now-defunct Transatlantic Trade and Investment Partnership (T-TIP) FTA negotiations that took place during the Obama Administration. 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 laying the groundwork for any comprehensive FTA talks in the future.

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