

FOURTH EU-U.S. TRADE AND TECHNOLOGY COUNCIL MINISTERIAL STAKEHOLDER EVENT REPORT

THE TRADE & TECHNOLOGY
DIALOGUE



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This report was written following the **Fourth EU-U.S. Trade and Technology Council Ministerial (TTC4) Stakeholder Event**, held on May 31, 2023 in Luleå, Sweden. The Trade and Technology Dialogue (TTD) supported the European Commission and the Swedish Presidency of the Council of the EU with the organisation of a high-level stakeholder event. It facilitated stakeholder engagement with EU and U.S. Principals on the sidelines of TTC4.

The TTD is an EU-funded project, supporting the TTC by mobilising stakeholders and providing research outputs. It is a Consortium of several organisations, based in the EU and the U.S. (CEPS, EUI, IAI, Forum Europe, Providence Group).

Overview

On the occasion of the Fourth EU-U.S. Trade and Technology Council Ministerial (TTC4) in Luleå, Sweden, the Trade and Technology Dialogue (TTD) supported the European Commission and the Swedish Presidency of the Council of the European Union with the organisation of a stakeholder event. The event consisted of two high-level panels bringing together EU and U.S. principals and stakeholders to discuss transatlantic cooperation in furthering the green transition and large artificial intelligence (AI) models. Across two panels, twelve TTC stakeholders representing, industry, academia, and civil society engaged with five high-level EU and U.S. government representatives on these pressing issues in transatlantic trade and technology policy. After brief remarks by the principals, stakeholders shared their individual perspectives followed by a moderated discussion.

The event is summarised below and can be watched in full [here](#).

Agenda

Welcome

Welcome remarks by Johan Forssell, Swedish Minister for International Development Cooperation and Foreign Trade

Panel 1: Furthering the Green Transition Through the Transatlantic Marketplace

Moderator: **Johan Forssell**, Swedish Minister for International Development Cooperation and Foreign Trade

EU and U.S. Principals:

- **Valdis Dombrovskis**, Executive Vice-President responsible for an Economy that Works for People, European Commission
- **Ambassador Katherine Tai**, U.S. Trade Representative
- **Antony Blinken**, U.S. Secretary of State

EU and U.S. Stakeholders:

- **Karin Lexén**, Secretary-General, Swedish Society for Nature Conservation (SSNC)
- **Antoine Oger**, Head of Programme, Institute for European Environmental Policy (IEEP) and Coordinator of the Green Trade Network
- **Peter Carlsson**, CEO and Co-Founder, Northvolt
- **Samantha Smith**, Strategic Adviser to the President for Clean Energy Jobs, The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
- **Ann Mettler**, Vice President, Europe, Breakthrough Energy
- **Marjorie Chorlins**, Senior Vice President, Europe, U.S. Chamber of Commerce

Panel 2: Perspectives on Large AI models

Moderator: **Andrea Renda**, Senior Research Fellow, Centre for European Policy Studies (CEPS) and Director of the Trade and Technology Dialogue (TTD)

EU and U.S. Principals:

- **Gina Raimondo**, U.S. Secretary of Commerce
- **Margrethe Vestager**, Executive Vice President for A Europe Fit for the Digital Age and Competition, European Commission

EU and U.S. Stakeholders:

- **Daniel Gillblad**, Co-Director, AI Sweden
- **Jonas Andrulis**, Founder and CEO, Aleph Alpha
- **Gemma Galdon-Clavell**, CEO and Founder, Eticas Research and Consulting
- **Dario Amodei**, CEO and Co-Founder, Anthropic
- **Alexandra Reeve Givens**, President and CEO, Center for Democracy & Technology
- **Brad Smith**, Vice Chair and President, Microsoft

Closing

Closing remarks by Johann Forssell, Swedish Minister for International Development Cooperation and Foreign Trade

Event Summary

Panel 1: Furthering the Green Transition through the Transatlantic Marketplace

Minister Forssell opened the first panel of the stakeholder event by framing the conversation with three key themes: the transatlantic marketplace as a backbone of sustainable, resilient, secure, and diversified supply chains; clean incentives for transatlantic decarbonisation efforts; and building an innovative and clean technology-driven transatlantic marketplace.

Executive Vice President Valdis Dombrovskis offered the first set of remarks, noting that **the EU and U.S. cannot afford to have two separate green markets emerging on each side of the Atlantic**. As such, the transatlantic partners have much to gain by working together to promote fair, competitive, and resilient environments where companies, workers, and consumers can thrive and withstand sudden shocks or ruptures in supply chains. EVP Dombrovskis referred to the TTC's Transatlantic Initiative on Sustainable Trade (TIST) which aims to build long-lasting bilateral engagement and to promote a more integrated and resilient transatlantic marketplace which can leverage trade to accelerate the green transition.

Ambassador Katherine Tai followed and emphasised that **acting to protect the climate is good for businesses, for workers and for economies – not just critical for the environment**. While certain initiatives undertaken by the EU and U.S. have sometimes raised concerns – such as the U.S. Inflation Reduction Act (IRA) or EU Carbon Border Adjustment Mechanism (CBAM) – the shared transatlantic ambition to tackle climate challenges should remain the priority. Ambassador Tai also previewed the **upcoming launch of the world's first carbon-based sectoral arrangement to address carbon intensity and overcapacity in the steel and aluminium sector** – to be announced this autumn by the EU and U.S.

Secretary of State Antony Blinken first turned to the role of stakeholders in the TTC process, noting that *“if we do not have stakeholders with us on the take-off of every big issue, they're probably not going to be there on the landing.”* He emphasised the need for resilient supply chains – as exemplified by the TTC's work on the semiconductor early warning system – that are also sustainable, free from forced labour and immune from economic coercion. He noted that **the ambition should be to create a “race to the top” in which everyone can partake**. Additionally, Secretary Blinken referred to the necessity of a whole ecosystem of support for the development of new clean technologies like solid-state batteries of the future, hydrogen, and other clean fuels. He concluded by noting that **governments should ultimately facilitate and catalyse the efforts led by the private sector in this realm**.

Peter Carlsson from Northvolt opened the stakeholder portion of the panel by explaining the large-scale investments his company has made to build an integrated factory that will deliver the lowest carbon footprint of any battery in the world. From his perspective, the greatest value of the collaboration between Europe and North America is creating conditions which can help both sides overcome the disadvantages in the scale of industry which they both face today. **He recommended that the EU and the U.S. collaborate on strategic raw materials supply chains – a crucial element of their joint goal of a green transition.**

Ann Mettler from Breakthrough Energy noted that being a leader in clean tech innovation means tackling the climate crisis while also shoring up energy resilience and boosting competitiveness. She urged policymakers to recognise the importance of market size, speed to market, and ease and scale of technology deployment. The more aligned the EU and U.S. are, the more attractive the transatlantic market will be as an investment destination. **To that end, Ms Mettler made two recommendations: opening up the TTC process to the Clean Tech community to help identify where there is scope and need to align; and infusing the TTC with commercial perspectives.**

Karen Lexén from the Swedish Society for Nature Conservation (SSNC) offered a perspective from civil society focused on three key pillars for the green transition: (1) **establishing a resilient supply chain by identifying the sources of demand**, implementing an appropriate strategy to mitigate these demands and prioritising increasing product lifetime; (2) **emphasising a holistic approach to climate change** mitigation which goes hand-in-hand with nature protection and restoration; (3) and lastly, **centring human rights and indigenous people's rights in the green transition.**

Samantha Smith from the AFL-CIO highlighted the critical importance of ensuring that the jobs created by the massive investments in the green transition centre the rights of workers and prioritise the creation of union jobs. To achieve this, Ms Smith made two key recommendations: **first, that the EU and U.S. should work together to ensure that the highest labour standards are attached to green investments; and second, the signing of a Memorandum of Understanding (MoU) between the EU and the U.S. to create a formal process to establish “High Road” supply chains for green goods.**

Antoine Oger from the Institute for European Environmental Policy (IEEP) and the Green Trade Network advocated for **centring trade as a solution to mitigating the risks associated with climate change’s inevitable impact on ecosystems, people, and infrastructure.**

Marjorie Chorlins from the U.S. Chamber of Commerce concluded the stakeholder remarks by focusing on three key areas for EU-U.S. cooperation in the green transition. First, she emphasised the critical role of regulatory alignment on clean energy technologies for measurement, monitoring and reporting on emissions. Second, she underscored the importance of cooperation on strategic minerals – noting **it is essential that the EU and the U.S. partner together to secure strategic minerals** and reduce dependency on certain actors. Lastly, Ms Chorlins recommended that **the EU and U.S. resume the WTO Environmental Goods Agreement negotiations to demonstrate joint leadership in multilateral fora.**

After the stakeholder statements, Minister Forssell opened the floor for discussion by asking the panellists how the TTC can leverage the role of the transatlantic marketplace and promote the transition to a low carbon emissions economy.

Executive Vice President Margrethe Vestager started her intervention by pointing to **a tangible result which was showcased outside of the TTC4 Ministerial meeting: a common approach to standards regarding the megawatt charging system (MCS) for heavy-duty vehicles.** She indicated that this impactful outcome was built on a longstanding research and development cooperation between the EU and U.S.; and serves as a proof of concept and a good basis for further collaboration in the field of standardisation of clean tech.

Ms Smith followed EVP Vestager by noting that while the focus has largely been on aligning technical standards and on measuring and reporting emissions from different value chains; **the TTC can also be a forum through which the EU and U.S. align on labour standards.** Ms Mettler built upon her initial remarks by **urging policymakers to focus particularly on frontier technologies to avoid divergences and accelerate their deployment.** Mr Oger commented on the road ahead for the TTC, referring to the possibility of a **transatlantic initiative on secure economy for the next Ministerial meeting.**

Minister Forssell pivoted the conversation towards supply chains, asking panellists to elaborate on how the TTC can promote supply chain security and reduce excessive dependencies.

Secretary Blinken answered by noting that the EU and U.S. have already demonstrated proactive approaches to this question through the TTC, such as the development of an early warning system to be able to detect, in real time, challenges, threats, and disruptions to supply chains. EVP Dombrovskis expanded further on the role of diversification in building resilience. He noted that **the EU and U.S. are already in discussions on establishing an agreement on securing critical raw minerals and broader cooperation in this field should be developed through the TTC.**

Ms Lexén built upon her first statement by noting that much can be gained through reuse, eco design, and through innovative techniques which reduce emissions and create new jobs. Ms Chorlins answered that the solutions required for the green transition call for effective, sustained, ongoing, and detailed engagement with stakeholders. **Not all the technologies that will further the green transition exist today, thus making it imperative that policymakers understand the necessary ecosystem to develop these new technologies, and what is feasible and commercially viable.** She added that supply chains are not only about reducing dependency on individual countries for particular products, but also about **promoting trade – which calls for reducing as many existing barriers to trade as possible in the transatlantic market.** Mr Carlsson concluded the discussion by emphasising the importance of certification for new technologies, which helps investors and innovators assess the risks they take on with the creation of new technologies.

Panel 2: Large Artificial Intelligence (AI) Models

The second panel moderated by Andrea Renda from the Centre for European Policy Studies (CEPS) was framed by three key questions: (1) what are the strengths and limitations of generative AI and the opportunities and risks associated with it (2) what can policymakers and industry do to respond to the opportunities and risks presented by AI systems; and (3) what can the EU and the U.S. do to promote transatlantic leadership in generative AI in line with shared values?

EVP Margrethe Vestager provided the first statement, noting that AI has been a central topic of the TTC process since the First TTC Ministerial in 2021. Through a shared risk-based approach to AI, the EU and U.S. are creating tools to promote a transatlantic approach to AI and to bolster the transatlantic market for technological developments. **EVP Vestager took the opportunity to announce the AI Code of Conduct, a joint EU-U.S. initiative to produce a draft set of voluntary standards for businesses to adopt.** With the current pace of developments in new technologies, the Code of Conduct aims to bridge the gap between different jurisdictions by developing a set of standards which will provide guidance on the use of the technology ahead of legislation being passed in any country. EVP Vestager also noted this TTC initiative aims to go beyond the EU and U.S. and involve other countries including Indonesia and India.

Secretary Raimondo echoed EVP Vestager's remarks on the "breakneck pace" of innovation today. As institutions and regulatory agencies in the EU and U.S. attempt to catch-up, the TTC can play a key role in providing a forum for stakeholder engagement, engagement of the private sector, and engagement of EU and U.S. companies to figure out what can be done today to mitigate risks without stifling innovation. **Secretary Raimondo further noted that the work done through the TTC will ultimately be folded into the G7.**

The stakeholder portion of the event opened with Jonas Andrulis from Aleph Alpha. Mr Andrulis focused on the responsibility and uncertainty created by the rapid pace of development of AI systems. From a business perspective, Mr Andrulis noted that the existing regulatory uncertainty in the EU today has contributed to an environment where developments are slower. **While the knowledge work created across the EU today is valuable, he recommended limiting regulation to the necessary parts as to facilitate innovation.** He also highlighted the importance of creating regulations which level the playing-field, mentioning the whole ecosystem of monopoly chains, software giants, semiconductors, capital allocation which can impact European companies' ability to compete in the market.

Dario Amodei from Anthropic first took a geopolitical perspective on the question of AI, noting that as this technology creates new sources of power, the world is also witnessing a resurgent threat from autocracies. These parallel developments make the TTC all the more crucial to prevent harms and defend shared democratic values. Mr Amodei emphasised that AI technology has two key characteristics: fast progress and poor measurement. To remedy these characteristics and the risks they create, standards and evaluation are a crucial prerequisite for effective AI developments. As such, Mr Amodei recommended that **the EU and U.S. undertake two commitments: as a first step, a joint commitment to fund the development of standards and evaluations, through industry, civil society, academia – an area in which the EU and U.S have a long tradition of collaboration; and eventually, a commitment to adopt a set of common standards and evaluations as a "raw material" for the rules of the road in AI.**

Alexandra Reeve Givens from the Center for Democracy & Technology (CDT) built upon Mr Amodei's remarks by making four, compounding points. First, while generative AI is grabbing headlines around the

world **there are other uses of AI that are today directly impacting people's rights, freedoms and access to opportunity.** Second, echoing Mr Amodei, she highlighted the important work that must happen on measuring AI harms and the effectiveness of mitigation strategies. **Policymakers must ensure AI audits and assessments are rigorous, comprehensive and escape issues of capture.** Third, the TTC AI Roadmap calls for joint tracking of emerging risks and incidents of harms, and this important work should be lifted up and expanded. Information-sharing is crucial to developing a common EU-U.S. foundation. Finally, she advocated for **the TTC's work to engage with civil society voices more deeply** as AI governance tends to be dominated by a self-selecting group of voices that are comfortable in the technical realm.

Eticas Consulting's Gemma Galdon-Clavell delved into algorithmic audits and how they can serve as a crucial tool to understand, quantify, and mitigate harms in AI. Using the example of the development and proliferation of seatbelts in the 20th century, Ms Galdon-Clavell explained the collaborative relationship which can be fostered between the private sector and regulators. **Pioneers in the industry must understand that regulators pleas for safety are not indirect attacks on industry, but rather an attempt to protect people.** And one tool is never enough – whole ecosystems of safety and risk mitigation must be built around tools such as algorithmic audits to make the most of innovation and protect people in the best way.

CEO of Microsoft Brad Smith made four concise points in his remarks, first noting that AI can do good for the world. He noted that, despite this, safety is equally important and technologists must be clear-eyed about the risks. To that end, he applauded the TTC – emphasising that if the EU, the U.S., the other members of the G7, India and Indonesia can all move together to regulate uses of AI systems, that is good news for the world. To make these efforts work, it is crucial **to keep learning about the technology** itself, and to keep sharing that technology. It is also essential to **refine the art of international coordination on technology regulation or technology standards.** Existing examples, both in technology standards and international cooperation, can help guide these new efforts.

Daniel Gillblad from AI Sweden concluded the stakeholder remarks. He referred to current technological developments as the emergence of a new infrastructure. Echoing Mr Amodei and Mrs Reeve Givens, Mr Gillblad noted that current conversations focused on long term risks and existential risks have distracted from the real risks that exist and cause harm today. **To encourage responsibility among commercial actors, Mr Gillblad emphasised the necessity of open developments and a renewed focus on sharing – data models, benchmarks and more.** This open exchange of information benefits all and is crucial to foster transatlantic innovation and development.

Secretary Blinken followed the stakeholder remarks with a brief statement of optimism – noting that **it can be considered an advantage that there are no inherited legacy structures or systems for approaching AI regulation.** While this makes the task more daunting, it also allows the AI community to think creatively and quickly in creating this new infrastructure. Secretary Blinken referred again to the AI Code of Conduct mentioned by EVP Vestager, emphasising the importance of “minding the gap” ahead of governments and other institutions being able to effectively legislate and regulate.

EVP Dombrovskis added a brief note on the **important role digital trade and data flows play in the development of AI.** Ambassador Tai further expanded on the human-centric approach to AI – thinking about the human component of the economy and ensuring that what is important to the human experience can be served by these new tools as opposed to undermined or harmed by them.

EVP Vestager's final remarks applauded the different perspectives represented. She noted that the AI Code of Conduct will soon be presented to global partners, asking them to come on board urgently.

Secretary Raimondo closed the panel by emphasising that **as the benefits of AI are better understood, it is imperative to remain eyes wide open about the costs and risks of these developments.** Echoing remarks made by Ambassador Tai earlier in the panel, Secretary Raimondo noted that when it comes to AI systems, simply because something can be done does not necessarily mean it should be done.

Minister Forssell closed the event, thanking all participants for their contributions.

About the TTD Consortium



Consortium Leader

The Centre for European Policy Studies (CEPS) is a leading think tank and forum for debate on EU affairs, ranking among top ten non-U.S. think tanks.



Consortium Partner

The European University Institute (EUI) is a doctoral and postdoctoral academic institution.



Consortium Partner

The Istituto Affari Internazionali (IAI), founded in 1965, is a private, independent non-profit think tank which promotes the understanding of international politics through research, training, conferences and publications.



Consortium Partner

Forum Europe's raison d'être is to bring stakeholders together to analyse, debate, and inform policy making through the medium of events.



Capacity Providing Entity

The Providence Group provides strategic advice to transatlantic organisations in navigating the complexities of transatlantic data, privacy, and cybersecurity risk.