

Eclipsed by Elections? The Future of the TTC Is TBD

ASG Analysis



Key Takeaways

- The overriding message of the sixth ministerial of the U.S.-EU Trade and Technology Council (TTC) was “we have done a lot, but there is much more work to do.” The U.S. and EU had hoped to end the TTC with a loud bang, going out of their ways to make a strong case for the format and the benefits of transatlantic cooperation during their sixth ministerial meeting in Belgium.
- The goal of this meeting was to wrap up progress made during this political cycle and to tee up issues that a new European Commission and the next U.S. presidential administration can continue to work on together. TTC officials spent little time speculating on the TTC’s future in the event of a Trump presidency, instead choosing to recount the TTC’s successes and utility while expressing general interest in the forum continuing in an undefined format in the future. While few new major announcements were made, despite some progress on AI, 6G, and semiconductors, U.S. and EU officials were in a self-congratulatory mode and keen to put their differences aside for the sake of unity.
- Despite the positive rhetoric, the future of the TTC is an open question. Both sides remain supportive of the format and want to keep it in some permutation, but elections, especially in the United States, will determine whether the TTC survives or goes by the wayside.

Background

Despite U.S. and EU officials hoping to conclude the sixth and final ministerial meeting of the U.S.-EU Trade and Technology Council (TTC) during this political cycle with a lasting impact, expectations were muted. Even before the fifth ‘stocktaking’ [meeting in Washington, D.C. on January 30th](#), it was already clear that the TTC format, at least in its current configuration, was running out of steam. While the format has delivered few newsworthy major announcements, it has nevertheless played an invaluable role in rebuilding transatlantic trust after rocky trade relations during the Trump administration. It has also allowed U.S. and EU officials to better connect and pursue more aligned approaches across a number of topics, such as sanctions and export controls, AI risk, semiconductor subsidies, and economy security.

Main Outcomes

Set in Leuven, a picturesque Flemish town in Belgium home to the world-famous Imec chip lab, the sixth edition of the TTC under the auspices of the rotating Belgian EU Presidency was intended to underscore the importance of the TTC as a valuable format for U.S.-EU cooperation on a wide range of trade and technology issues. In attendance was the usual group of TTC principals, Secretary of State Antony Blinken, Secretary of Commerce Gina Raimondo, and Trade Representative Katherine Tai on the U.S. side, and European Commission Executive Vice Presidents Margrethe Vestager, Valdis Dombrovskis, and Commissioner Thierry Breton on the EU side.

Discussions in Leuven therefore focused on taking stock of the successes and shortcomings of the TTC, any follow up steps to be taken in the coming months, and what the post-2024 future holds for transatlantic cooperation. Officials had privately previewed that the sixth TTC would include a lengthy communiqué tallying up key achievements in the format and charting the path forward and they did not disappoint. The extensive [joint statement](#) provided updates on the progress of several of the TTC’s initiatives but was relatively thin on actual deliverables. As

expected, tech developments came in much more abundance than trade updates. Key outcomes of TTC6 included:

- **Artificial intelligence:** TTC officials reaffirmed their commitment to taking “a risk-based approach” to AI underpinned by transparency and risk mitigation. To advance cooperation on regulatory structures and mutual governance, they pledged to continue to align their respective approaches following the White House’s executive order and the recent passing of the EU’s AI Act as well as at the multilateral level in the OECD, UN, and other fora. They also announced the establishment of a dialogue between the European AI Office and the U.S. AI Safety Institute, a top priority for Secretary Raimondo, to discuss scientific collaboration and technical issues such as model testing and watermarking, although the precise mechanics of this new cooperation is not yet clear given that the EU office will have a regulatory function whereas the U.S. one will not.
- **6G:** Cooperation on 6G wireless communication has been a key focus for both the U.S. and the EU to avoid a scenario where Chinese technology giant Huawei could dominate 6G, as it has with 5G technology. Having already agreed on a joint industry roadmap for 6G, the Leuven meeting saw the announcement of a “6G Vision,” the culmination of discussions on how to manage the development of 6G. Technical dialogue will follow, touching on national security, standards, and affordability, among other things. 6G is also a part of TTC efforts, alongside the G7, to promote digital connectivity and communications technology marked by trusted networks in third countries, with TTC6 announcing additional support to Tunisia in this area.
- **Semiconductors:** A high priority on both sides of the Atlantic, cooperation in the TTC on semiconductors has already produced a joint early warning system to help identify potential supply chain disruptions and a mechanism to coordinate subsidies. In Leuven, the U.S. and the EU decided to extend the administrative agreements (one being an info-sharing mechanism and the other a joint early warning mechanism) that allow for synergy between the EU Chips Act and the U.S. CHIPS Act for an additional three years. In addition, the EU agreed to join the U.S. in combating dependencies on so-called legacy chips from China, a Biden administration priority, reflecting a willingness to get on the “offensive” as it concerns semiconductors as Vestager said during a side event discussion.
- **Economic security:** Economic security has emerged as a key area where the TTC has helped shape transatlantic alignment in conjunction with similar discussions in the G7 format. The joint statement notes the “unprecedented cooperation” between the U.S. and the EU on sanctions and export control restrictions in the aftermath of Russia’s invasion of Ukraine and pledges further work in this area with a focus on preventing sanctions circumvention by third parties—an area that the EU is expected to continue focusing on in its forthcoming 14th sanctions package. The U.S. and EU agreed to set up a platform for information sharing and third-party outreach strategies as it concerns mutual export controls on Russia. While the U.S. side pushed hard to get tough statements on China in the joint statement, it only explicitly mentioned China three times. However, it did include progress on several China-related topics such as investment screening in the form of a forthcoming joint repository to provide additional resources for U.S. and EU professionals. Outbound investment screening occupied little space on the joint statement, with a pledge to “continue exchanging information” reflecting the continued touchiness and internal European differences on the subject.

Besides these areas, the meeting also noted progress on online safety by releasing a set of joint principles on gender-based online violence and highlighting the previously agreed recommendations for online platforms to protect human rights defenders. On foreign information interference and manipulation, the U.S. and EU committed to further collaboration, including by launching a coordination mechanism with the countries of the Western Balkans to combat Russian and Chinese disinformation and interference in the region. The Quantum Task Force continues to work without substantial updates. The joint statement also underscores how there seems to be growing alignment between the two sides' approaches to regulating 'big tech' platforms, with the Biden administration recently having taken a more pragmatic view of the EU's major digital regulatory efforts such as the Digital Service Act, the Digital Markets Act, and the recent AI Act.

However, the Leuven ministerial also underperformed in crucial areas. Negotiations towards a critical minerals agreement that would help address European concerns about the IRA did not reach the finish line. According to a senior U.S. official, discussions remain ongoing but are plagued by remaining differences with the EU on certain aspects of the agreement as well as concerns on Capitol Hill about a trade agreement bypassing Congressional approval. As a consolation prize, the U.S. and EU did announce the launch of the Minerals Security Partnership Forum to formalize cooperation with mineral-rich third countries. The forum will also seek to accelerate existing projects within the U.S. State Department-led Minerals Security Partnership (MSP) format which includes a smaller group of likeminded partners, including the EU. As expected, also missing from the TTC6 joint statement was an update on steel and aluminum tariffs which have been punted to 2025, although Raimondo remarked that the two sides are "on our way to a steel arrangement."

Another area where the TTC has chronically underdelivered is on the trade track, especially when it comes to promoting cooperation on green tech. While TTC6 noted some progress on compatible e-invoicing and standards for green public procurement standards, these efforts are very different from an ambitious transatlantic green marketplace as called for by Brussels. No progress on conformity assessments was noted although the two sides committed to continue discussions.

What To Watch

With Leuven marking the final ministerial meeting of the TTC before elections, not much is expected to come out of the format between now and next year. Discussions between U.S. and EU officials on trade and technology issues will continue in TTC working groups in the coming months, with the latest joint statement pointing to several items that require follow-up. But given the political cycle on both sides of the Atlantic, it will mainly be up to external stakeholders to carry on discussions in other formats until there is more clarity about the TTC's potential next phase, despite the fact that industry groups and civil society have been disappointed with their lack of input in the TTC process. Some TTC-related discussions will also take place in the leadup to the G7 Summit in Italy in June, (which includes both the U.S. and the EU as participants) which will seek to drive further progress on AI and economic security.

In the meantime, both U.S. and EU officials insist that the TTC is a valuable framework that has made a difference for transatlantic cooperation. The EU side is particularly keen on maintaining it after this year whereas the U.S. side has been less openly committed to maintaining the TTC as is, reflecting uncertainty about where U.S. policy will be in the event of a Trump presidency in

2025. Any official discussions about revising the TTC format, such as streamlining the number of working groups or reducing the number of principal meetings, will therefore be shelved until there is clarity about the political direction on either side. Recognizing the risk that a different U.S. administration might do away with the TTC altogether, some efforts have already gone into election-proofing the TTC. With the idea being that it would be harder to unravel a promising initiative embedded at the agency-level, as opposed to a diplomatic format that is reliant on political priorities and goodwill.

ABOUT US

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