



November 2004

Washington

Bush wins second term

President Bush outlines agenda for his second term: [LINK](#)

BABi Action:

Washington/Brussels

Earlier this year, the US Government postponed implementation of projected changes to US entry requirements, as we had urged them to do in light of our April survey of our members on this issue. In October, we sought members' views on the following question from the current EU-US Consultation:

To what extent do new border and transport security measures have an impact on trade, investment and travel? If they do have a negative impact, what remedies would you propose?

Please send any further comments on this issue to Sarah Sim, BABi Policy Manager at immigration@babinc.org

Please send any comments on other questions in the Consultation by November 22 to Sarah Sim at consultation@babinc.org

Brussels

European Union suspends US trade sanctions for tax breaks under Foreign Sales Corporation

On October 25, the European Commission announced its suspension of sanctions on \$US4 billion worth of US goods. This was in response to President Bush signing a bill repealing tax breaks ruled illegal by the World Trade Organization (WTO). Trade sanctions had been imposed on US imports by the European Union (EU) in March for US tax breaks to exporters under the Foreign Sales Corporation (FSC) and its successor, the Extraterritorial Income Act (ETI). The European Commission seeks further consultations with the WTO to determine whether the US export regime is now compatible with international law.

[LINK](#)

BABi welcomes this outcome, having (in a joint initiative with AmCham Germany) urged the US Congress to comply as quickly as possible with the WTO's ruling. [LINK](#)

Westminster

UK government consults on night flights

BABi has responded to the Department for Transport's Night Flight Stakeholder Consultation,

Brussels

Signing of EU Constitution

On October 29, 2004, the Heads of State or Government of the 25 Member States and the 3 candidate countries – Romania, Bulgaria and Turkey – signed the Treaty establishing a Constitution for Europe, which was unanimously adopted on June 18. The Member States now have to ratify the Constitution in accordance with their respective internal requirements, taking about two years. For it to be adopted it will need signing by all Member States. November 1, 2006 is the date set for the Constitutional Treaty to come into force.

[LINK](#)

To see where Member States stand on the Constitution: [LINK](#)

Washington/Brussels

EU-US Summit Consultation

Following the June EU-US Summit in Ireland, the European Commission and the US Government have launched a public consultation of stakeholders on how to enhance the Transatlantic Economic Partnership. Their goal is to recommend concrete, actionable ideas for transatlantic economic integration, innovation and job creation. Results will feed into a joint forward-looking strategy and will be presented at the next EU-US Summit in 2005. For [US consultation](#) For [EU consultation](#)
See *BABi action*

Washington

Machine-Readable Passport Requirement

From October 26, all travelers to the US under the Visa Waiver Program (VWP) must have machine-readable passports. As an alternative, travelers may obtain a non-immigrant visa in their current (non-machine-readable) passport. [LINK](#)

How to tell if your passport is machine-readable:

[LINK](#)

Washington/Brussels

Boeing and Airbus subsidies dispute

On October 6, the EU took its first legal steps against the US over its subsidies to Boeing. This followed a US decision to file a dispute settlement case against the EU regarding its subsidies to Airbus. This case is now with the WTO where

highlighting the need for a real assessment of the impact and efficiency of the current measures to reduce noise at the three London airports, before any further restrictions are implemented. [LINK](#)
For BABi's full response: [LINK](#)
The current restrictions are valid until October 30, 2005. This Consultation looks at the night flying regime until 2011.

Washington

House votes to repeal dumping law rejected by WTO

The House of Representatives has signed a bill which will repeal a dumping law ruled illegal by the WTO. It will now need approval by the Senate and the President. On August 31, the WTO agreed that the EU could impose tariffs of up to \$150 million a year on American goods for its anti-dumping law. Under the law, about \$561 million was given to US companies in 2001 and 2002. [LINK](#)

Washington

US files case with WTO on EU customs laws

On September 21, the US filed a case with the WTO asking for consultations with the EU on their customs laws and regulations. The US Trade Representative Office (USTR) cites the problem as a lack of uniformity in customs administration across the EU, which places burdens on US exporters. [LINK](#)

resolution could take six months or more. [LINK](#)

Westminster

UK tops investment table

Figures released by the UK Government show that the UK attracted most foreign investment in Europe in 2003, with inward investment rising by 14%. It has also increased market share – winning 23% of investment into Europe in 2003, up from 19% in 2002. The UK remains the top European investment location for research and development, headquarters operation, software, electronics, pharmaceuticals, financial services and telecommunications, including call centers. [LINK](#)

Politics at a glance

Washington:

Jan 3: 109th Congressional session starts
Jan 20: Presidential inauguration

Brussels:

Nov 15-18: Next EU Parliamentary session
Current EU Commission and Commissioner Prodi will remain in post until at least this session.

Westminster:

Nov 10-11: Prime Minister visited Washington
Dec 18: House of Lords Christmas recess
Dec 21: House of Commons Christmas recess
Jan 1: UK Presidency of G8 begins

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