

Issue Insight



A look at Transatlantic Policy News

June 2005

Biometric Passport Success – Deadline Extended **Washington**

On 15 June the US Department of Homeland Security (DHS) announced a one-year extension to the Visa Waiver Program (VWP). The requirement for VWP travelers to the US to hold biometric passports will now apply to all new passports issued **on or after 26 October 2006**.

The requirement had previously been designed to apply to all passport-holders, and would have caused substantial difficulties for BABi members and other companies involved in transatlantic business.

For the second year running, BABi took up this issue on behalf of our members, and urged the Chairmen of the relevant Congressional Committees to amend the requirement. [LINK](#)

Machine-Readable Passports from 26 June **Washington**

On 12 May, the Department of Homeland Security announced that as of 26 June 2005, all visitors to the US travelling under the Visa Waiver Programme (VWP) must present a machine-readable (not necessarily a biometric) passport to enter the US without a visa. Machine-readable passports include two optical typeface lines at the bottom of the

Annual EU-US Summit **Washington**

The annual EU-US Summit took place in Washington DC on 20-21 June. President Bush hosted European Council President Jean-Claude Juncker and European Commission President Jose Manuel Barroso. The Summit agreed to boost trade and investment between the EU and the US by setting up a *High Level Regulatory Co-operation Forum*. Other issues covered were economic reform in the EU, Iraq, China, Africa and the Middle East Peace Process. [LINK](#)

Airbus-Boeing Dispute **Washington/Brussels**

On 30 May, the US Government announced it would file a request for a WTO dispute settlement panel to resolve the dispute with the EU over subsidies to its civil aircraft manufacturer, Airbus. A day later, the European Commission decided to countersue the US over subsidies to Boeing. On 13 June, the WTO dispute settlement body started discussion of a possible consultation procedure.

USTR: [LINK](#)

EU: [LINK](#)

Guidance on Sarbanes-Oxley **Washington**

biographic page of the passport.
For further information and a sample image of a machine-readable passport: [LINK](#)

UK 'postpones' ratification of EU Constitution

London

Referenda in France and the Netherlands rejected the European Union Constitution. Subsequently, the UK decided to postpone its referendum until the consequences of this double rejection is clarified. Further discussions between EU Member States are taking place at the European Council meeting on 16-17 June. [LINK](#)

Background: The European Constitution was signed on 29 October 2004 at a ceremony in Rome, but must be ratified by all 25 EU member states, either through a referendum or by parliamentary vote. Ratification has to take place by 1 November 2006, unless this deadline is extended. Ten countries have ratified by vote and referendum to date.

EU Congressional Caucus Introduced

Washington

On 3 May, the US Congress announced that an EU Congressional Caucus had been formed. This House of Representatives bi-partisan group will work towards a better understanding of the EU institutions, leadership and relationship with the US. The Caucus aims to complement the work of the Transatlantic Legislators Dialogue (TLD), where Members of Congress and the EU Parliament meet to discuss issues relevant to both regions.

TLD: [LINK](#)

EU Caucus: [LIST](#)

UK Wins First Stage of EU Working Hours Battle

Brussels

Due to the problems caused by Section 404 of Sarbanes-Oxley, the Securities Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) have now both issued guidance on internal controls.

SEC guidance: [LINK](#)

PCAOB guidance: [LINK](#)

Extradition Act is growing concern

London/Washington

There has been increased public discussion of the UK's Extradition Act 2003, which came into force on 1 January 2004. The Act was passed in the wake of 9/11 and the perceived increased threat of global terrorism, but is increasingly being used in relation to white-collar crime. It allows the UK to extradite any individual to the US (and other designated countries) without the need for the US to provide prima facie evidence to support the extradition request. The US has not ratified the treaty with the UK, and the UK is the only country in the EU to sign this treaty with the US. Of the forty-plus applications made by the US authorities subsequent to the Extradition Act 2003, more than half have related to white-collar crime. [LINK](#)

Politics at a glance

London:

1 July: UK takeover European Council Presidency

6-8 July: Annual G8 Summit, Scotland. UK presides.

Washington:

21 April: The House of Representatives passed a comprehensive energy bill aimed at boosting domestic production and making it easier to import natural gas. The bill would provide tax incentives worth \$8 billion over 10

On 2 June, the UK led a group of several EU Member States in the rejection of the European Commission's proposals to end the Working Time Directive opt-out clause by 2012. This Directive aims to limit the working week to 48 hours, but the opt-out clause offers Member States the option of non-compliance. On 11 May the European Parliament had voted to scrap the clause altogether, but the UK and others, including Germany, Poland and Hungary, opposed this. The UK continues to resist the clause, considering the opt-out crucial to economic competitiveness. [LINK](#)

Reports on EU Services Directive Brussels

The two main EU Rapporteurs on the Services Directive have presented their full reports to their Committees. These documents will serve as the basis for the European Parliament's final opinion on the European Commission's proposal for a Directive completing the European single market for services. Votes in these Committees are expected to take place on 12-16 September. A final plenary vote is expected early October.

Background on the Services Directive in April edition *Issue Insight* [LINK](#)

Key appointments:

- **6 May:** Following the UK elections, the Labour Party wins third successive term. For a full list of Cabinet Ministers: [LINK](#)
- **26 May:** Former EU Trade Commissioner Pascal Lamy appointed Director-General of WTO. He will take up post on 1 September. [LINK](#)

years mostly for domestic producers of fuels. The bill must now be signed by the Senate and then the President in order for it to become law. [LINK](#)

7/8 June: Prime Minister Tony Blair held talks with the President George W. Bush on the G8 agenda. [LINK](#)

20/21 June: Annual EU-US Summit

Brussels:

16-17 June: European Council, Brussels

BABi Action:

- **Campaign to Extend Visa Waiver Programme (VWP)**

Following member consultations last year, BABi considered the original date of 26 October 2004 to be an unrealistic deadline to implement biometric technology. Therefore, in 2004 BABi urged the US Committee on the Judiciary for a two-year extension of the VWP. A one-year extension of the programme was secured. BABi has been pressing for a further year to ensure the technology will be in place and wrote letters to the Judiciary and Senate Committees. This second extension was granted as of 15 June 2005. [LINK](#)

- **BABi Surveys Members**

BABi teamed up with government organization UK Trade & Investment for the first time to launch the Transatlantic Business Survey 2005. The survey highlights current trends and opinions pertinent to transatlantic business. Member responses are being collated and results will be available shortly. [LINK](#)

Members of the British American Business Council
and the European Council of American Chambers of Commerce
