



November 2006

BritishAmerican Business Policy Action:

► **BritishAmerican Business participates in the Department for Culture, Media and Sport (DCMS) consultation on the TV Without Frontiers Directive**

In September, the BritishAmerican Business Information, Communication and Entertainment (ICE) Forum submitted a response to the DCMS's consultation on the European Commission's proposals to widen the scope of the TV Without Frontiers (TVWF) Directive. While BritishAmerican Business members recognise the need to update the existing TVWF Directive, we are concerned that as presently outlined, the proposed extension of the Directive still lacks clarity and would therefore not contribute to generating a legal and economically certain environment. The unintended consequence of regulating a sector that is little understood and rapidly evolving could be to stifle innovation. The regulatory burden (increased compliance and enforcement costs) imposed by regulation on small companies and new market entrants will increase barriers to entry for small firms, which are important to the competitiveness of this sector. At the same time, we are concerned that larger firms might choose to relocate outside of the EU to avoid having to comply with the Directive. The ICE Forum will be holding an event to discuss the potential impact of an extended TVWF Directive on 28 November. It is hoped that the DCMS will have published its recommendations by this time.

► **BritishAmerican Business calls for the consistent enforcement of Unfair Commercial Practices Directive**

In a letter to Christopher Hopley Esq, Assistant Director—Unfair Commercial Practices, at the Department of Trade and Industry, BritishAmerican Business expressed members' concerns about misleading packaging in the UK. This is one of the most widespread problems that the Unfair Commercial Practices Directive (UCPD) will address in terms of the numbers of consumers and businesses actually impacted. The practice of misleading packaging is covered by the blacklist in the Annex (Clause 13) and by Article 6 of UCPD. Because existing remedies in the UK against the practice are currently so ineffective, we

**EU's energy future in the spotlight
Brussels**

On the same day as the launch of the Stern report in the UK, the EU-Russia Energy Dialogue Conference and a new Report by the High-Level Group Competitiveness-Energy-Environment all demonstrated that energy issues have become an EU priority. At the conference on Energy Dialogue in Moscow, EU Energy Commissioner Andris Piebalgs stressed that Russia and the EU needed to improve mutual understanding. International cooperation was a major recommendation in the report from the high-level group on competitiveness, energy and the environment. The report also stipulated that the EU should develop a "comprehensive evidence-based strategy" for its energy future and improve the existing emissions trading scheme. [LINK](#)

**No 10 announces mini-reshuffle following Lord Sainsbury's resignation from government
London**

Malcolm Wicks has been appointed the new Minister for Science following Lord Sainsbury's resignation. Alistair Darling, Trade and Industry Secretary, will take on Wick's former energy responsibilities and will be assisted in his role by Lord Truscott, who joins the Department of Trade and Industry as parliamentary under-secretary. [LINK](#)

**Britain will introduce regulatory regime to support the domestic issuance of "Islamic Bonds"
London**

Britain will become the first Western country to introduce a regulatory regime to support domestic issuance of *sukuk*—Islamic Bonds or those which do not pay overt interest. The move will ensure that companies in London can issue *sukuk* as easily as corporate bonds therefore boosting the City of London's role in global capital markets. It is hoped that the framework to support issuance of *sukuk* will be introduced next year via parliamentary legislation. [LINK](#)

**Regulating the gaming industry
London**

expect the Directive to be particularly significant in this context. While enforcement by those with powers under the Enterprise Act (notably the Office of Fair Trading and Trading Standards) can be expected to be effective for most of the Directive's provisions, this is unlikely to be the case in respect of misleading packaging. Identifying whether packaging is misleading or not is not straightforward and furthermore this would be a new duty for an already over-stretched Trading Standards function. The Directive makes provision for competitors with a legitimate interest to initiate enforcement action, an approach that is being adopted in other EU member states. BritishAmerican Business have asked that this provision be considered seriously in relation to misleading packaging in the UK, thereby ensuring that the UK complies with its overall duty to provide adequate and effective enforcement.

Democrats take control of the House and Senate after midterm election victory **Washington**

Midterm elections on 7 November 2006 saw the Democrats regain control of the House and, after a close race in Virginia, it has been confirmed that Democrat James Webb succeeded in unseating Republican George Allen, giving the Democrats a 51-seat majority and control of both houses of Congress. [LINK](#)

Nancy Pelosi is the new Democrat Party Leader of the House of Representatives **Washington**

President George W. Bush met with Nancy Pelosi, the new Speaker of the House, after the Democrat Party's victory in the US midterm elections. The main focus of their talks was Iraq policy. [LINK](#)

Resignation of Defense Secretary Donald H. Rumsfeld **Washington**

On 8 November 2006, the day after the midterm elections, President George W. Bush announced that he had accepted the resignation of the Defense Secretary Donald Rumsfeld. [LINK](#)

Transatlantic regulatory cooperation doubtful **Washington**

Barney Frank, a senior Democratic congressman who is expected to take over the chair of the House Financial Services Committee as the Democrats have retaken the Chamber, said that he does not think financial regulators on both sides of the Atlantic would be able to resolve policy disputes through cooperation and the creation of a global regulator should be considered. Frank's views differ from those of the Securities Exchange Commission (SEC), the financial regulator that the committee oversees. Chairman of the SEC Christopher Cox has been at pains recently to

Speaking ahead of the international gaming summit Tessa Jowell, the UK's culture secretary, said there was consensus among stakeholders to support tough regulation of internet gambling and that the UK would not be following the American route of prohibition. Britain's regulatory approach has won the support of organizations working with gambling addicts and industry. [LINK](#)

EU businesses want greater involvement in China **Brussels**

French President Jacques Chirac led an elite contingent of European businesses to China from 25-28 October in an effort to secure a number of deals that would reduce the EU's trade deficit with China and increase European presence in the market. The trip comes as the EU is increasing pressure on China to improve market access for European goods and services. The World Trade Organisation (WTO) agreed on 26 October to initiate investigations into duties imposed by China on imports of car parts following a joint complaint from the EU, the US and Canada. [LINK](#)

EU-US technology gap grows **Brussels/Washington**

The EU still lags behind the US and Asia in R&D investment. Spending on industrial innovation and corporate R&D rose only 5.8 per cent in the EU between 2005 and 2006 in comparison to 8.2 per cent in the US , 10.7 per cent in China and 25.1 per cent in India according to the Department of Trade and Industry's 2006 R&D Scoreboard published on 30 October 2006. R&D spending in the EU is highest in the automotive and pharmaceutical sectors. [LINK](#)

Confidence in European economies rises **Brussels**

Confidence in the European economy rose to a five-year high in October with inflation slowing as a decline in oil prices increased spending power of consumers and businesses. The European Central Bank is concerned that the fastest economic growth in 6 years will fuel inflation in the euro region. [LINK](#)

Consumers and businesses less optimistic about US economy **Washington**

Consumers and companies in the US were less optimistic than Europeans after a slow down in the economy's expansion in the last quarter. With mid-term elections fast approaching, signs of a slowing economy may make it more difficult for the Republicans to link growth to President Bush's \$2 trillion in tax cuts. [LINK](#)

Forthcoming Events

London:

demonstrate increasing cooperation with foreign regulators such as the UK's Financial Services Authority (FSA). [LINK](#)

Stern report on climate change hailed as a milestone
London

Speaking at the launch of the former World Bank chief economist Sir Nicholas Stern's study of the economic impact of global warming on 30 October, Prime Minister Tony Blair stated that Britain should try to lead global action to prevent disastrous consequences of climate change. The Prime Minister emphasised that action to tackle climate change required global cooperation. [LINK](#)

The Prime Minister will now try to revive talks on a post-Kyoto agreement. Sigmar Gabrielle, Germany's environment minister, supports the UK's position saying that it would rank on Germany's list of priorities when it takes over the Presidency of the European Union and chair of the G8 in January 2007. [LINK](#)

Chancellor Gordon Brown appoints Al Gore as environment advisor
London

The Chancellor reinforced his desire to see global action on climate change by appointing Al Gore, former US Vice President, as his advisor on environmental issues. In a letter to European leaders, Brown also calls for cuts in carbon dioxide emissions of 30 per cent by 2020 and 60 per cent by 2050. Brown has also confirmed that there will be a Climate Change Bill to put carbon dioxide reductions on a statutory basis. [LINK](#)

6 Dec: Consultation closes on the UK's new supervisory regime for Money Service Business to combat money laundering and terrorist finance in the sector
12 Jan: Department of Trade and Industry consultation on the effectiveness of current gas security of supply arrangement closes

Washington:

14-15 Nov: Centennial regional meeting of the American Society of International Law (ASIL), "UN Reform: Who needs reforming the most—the UN or its members?" San Diego, CA

Brussels:

7 Nov: Employment, Social Policy, Health and Consumer Affairs Council meeting on the Working Time Directive, Brussels

24 Nov: EU-Russia Summit, Helsinki

BritishAmerican Business Policy Events

▶ **23 Nov:** Breakfast Briefing with Geoffrey Van Orden, Conservative MEP—"The Relationship Between Europe and the US: What are the problems and what's to be done?" Supported by Penningtons Solicitors LLP

▶ **28 Nov:** TV Without Frontiers, supported by IBM United Kingdom Ltd

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*Members of the [British American Business Council](#)
and the [European Council of American Chambers of Commerce](#)*
