



TRANSCRIPT

Deepening the Transatlantic Marketplace: From Rhetoric to Reality

Discussants: The Hon. Bob Bennett, Member, U.S. Senate
 The Hon. Elmar Brok, Member, European Parliament
 The Hon. Christopher Cox, Chairman,
 U.S. Security and Exchange Commission
 Mr. Mario Monti, President, Bocconi University, and
 Chairman of the Board, Bruegel

Moderator: Mr. Bruce Stokes, International Economics Columnist, *National Journal*

BRUCE STOKES, INTERNATIONAL ECONOMICS COLUMNIST, NATIONAL JOURNAL: Welcome all of you to the final session of this year's Brussels forum. And since this is our final session, I'd like to take this opportunity if we could to take a moment and thank the organizers of this Brussels Forum, and in particular, all of those people who have worked behind the scenes to make this such a successful event.

Our session today, as you know, is about deepening the transatlantic marketplace. There's no need really to go into great detail about this marvelous market that we all live and work in. It's 40 percent of world trade. It's 60 percent of world GDP.

There are millions of jobs and billions of dollars in investment that cross the Atlantic that drive this single market even though we don't have really a single market, and part of our discussion here is how we make it more single and how we make it more barrier free.

I think we can trace the current effort and as you know, there is an effort, which will be highlighted on Monday, tomorrow, in Washington with the signing of an agreement between the European Union and the United States about deepening the marketplace.

We can trace this particular initiative I think back to the beginning of 2005, when it was clear the Bush Administration wanted to re-launch their relationship with the European Union and with Brussels. The President came to Brussels on an unprecedented trip, and there was a conscious effort on the part of the United States government to revivify this relationship and breathe new life and energy into it.

And the second telling change here was the personal interest of Chancellor Merkel in attempting to bring to the forefront the economic aspect of our relationship to deepen transatlantic ties through some kind of strengthening of the economic marketplace.



And I think without her personal commitment to this, what's going to happen tomorrow would not have been possible. Now of course what we're building on is an effort that's been going on since 1995, an effort that was launched in 1995 to create a stronger transatlantic market.

That was a process bottom up building of the market step by step, block by block, and I think after a decade of that, the effort had lost energy. It had lost commitment. It hadn't produced enough and we were ready for a new top down initiative that had more of a political impotence.

I like to think of it as we had a glass of water. The water in it had lost its fizz. It had become stale. We've poured out the water. We've poured in new water and I think one of the questions we want to get our panelists to address today is this new glass of water half full or half empty. How do we judge what is about to be signed tomorrow.

We don't know exactly what's going to be signed tomorrow. Actually, a couple of you sitting out here know what's going to be signed tomorrow, but that's not public yet, but we have somewhat of a sense. We know that we made a very important initiative in signing an Open Skies agreement.

Hopefully, it'll be the first part of a two-part Open Skies agreement across the Atlantic. We have a commitment, a very strong commitment to every counting equivalency by 2009 at the latest which would be a terribly important, both important for our businesses and I think symbolically very important.

And we will be committing ourselves to regulatory cooperation in a number of areas, in automotives, in pharmaceuticals, better intellectual property enforcement, new initiatives on trade security and easing that impact on our economies.

We will be creating a Trans-Atlantic Council that will hopefully add some political impetus to this effort, some political oversight, led by Commissioner Verheugan on the European side and probably Al Hubbard in the White House or Bob Portman from the OMB on the U.S. side, so there'll be someone who is driving this process.

But still the issue is the proof is in the pudding. These are all bold new commitments, but we don't know yet how much they will deliver. So these are the kinds of issues we want to address with our panelists.

I will start with Senator Bennett who many of you know from Utah. Senator, one aspect of this deal for tomorrow, there is no formal framework. The Europeans had initially talked with us about some kind of legally binding formal framework across the Atlantic. From an American perspective we thought that wasn't possible. I would be curious to get your sense of why we think that is not the way to go.



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BOB BENNETT, MEMBER, U.S. SENATE: Let me first comment on your analogy about the glass, is it half full or half empty. An engineer would say it is too big. And so we need to shape the glass to say what is it that we are trying to do.

And I think you're correct in saying that the impetus in where we are is the 2005 Agreement in that Chancellor Merkel has made a significant contribution by putting that as her number one initiative in her conversations with President Bush.

The primary impact of that will be to raise the visibility of this whole thing. There is a lot of conversation about EU and American cooperation, a lot of conversation about the need, the depth of the relationship, the amount of money involved and so on and so forth, and, then that conversation goes away.

You get together, everybody says the same cliché's and then everybody turns around and goes to what they think is something important like China. I would point out from the conversation we had in the last panel that the amount of GDP growth in the United States from 2001 until today is greater than the total Chinese GDP is.

We've grown by roughly \$2.7 trillion. The total Chinese GDP is about \$2.3trillion. So, as you point, out the total GDP between the United States and the European community is 60 percent of the world. This is where the action is and we just simply ignore it.

So what is going to happen tomorrow, the initiatives set in motion by Chancellor Merkel is tremendously important simply because it is pointing out the glass is too big. Let's either get a smaller glass or more important, let's pour more water in it and in this case more money, and, this is the point I want to make with respect to how important this is.

Again, the conversations we have had yesterday and today about a number of things, our responsibilities around the world, our responsibilities to the environment, responsibilities to the poor and so on.

You cannot meet any of those responsibilities if you do not have the money and money does not come from the budget. Money comes from the economy. The main impact of an intelligent effort on the part of United States and European community to reduce the regulatory burden will be to make 60 percent of the world's GDP, that economy, more efficient and more productive which means more money.

It means we will have more opportunity to deal with the environmental challenges, because we can afford it. The places that are the dirtiest in the world are the places that are the poorest. The places where you have clean air and clean water are the places where they have enough money to pay for the scrubbers on the factors and the filters on the water.



So we, to get back to your question, how is Congress going to react, I hope congress is going to wake up to the fact that we have these kinds of opportunities, we have this situation and it is something that is frankly relatively low hanging fruit, because we don't have to muscle through a free trade agreement.

We don't have to fight over labor and environmental standards in some third world country. We just have to do the logical thing with respect to regulatory reform all across the board and we will see the benefit for the economies everywhere.

STOKES: You talk about the need to get Congress involved and I think that is one of the issues we want to talk about in great detail here and get legislative officials on both sides. Is one of the reasons why we don't want a formally legally binding agreement with Europe is that it may get Congress too involved to soon and it may become to controversial in the U.S. side.

BENNETT: It's the wrong vocabulary. In today's Congress, anything that says free trade agreement is in real trouble, regardless of the substance.

I traveled with Harry Reed we were down in South America and they were very interested in free trade agreements and Harry said, I've never voted for a free trade agreement in my life and I don't intend to ever do so at any point in the future.

Well, that's a little bit of a difficult starting point when you want to deal with this. So, to say, no this is not a free trade agreement, this is simply a cooperation across the Atlantic to try to reduce the regulatory burden by 25 percent, as a former businessman, I think that's a marvelous goal to set and we now can have a framework and some specifics without having to fight through the political problem connected with the title, Free Trade Agreement.

STOKES: Brok, you've been involved in various efforts for years to try to further a transatlantic economic cooperation and deepening and broadening of the market. You're also a politician to carry over the political discussion.

We are creating a transatlantic council which will involve Commissioners and members of the U.S. Cabinet; try to bring some political impetus to this. Will that be sufficient? What more might be needed in the future? What's needed from people in this audience to make sure that that political commitment is there?

ELMAR BROK, MEMBER, EUROPEAN PARLIAMENT, CHARIMAN, COMMITTEE FOREIGN AFFAIRS: I think that we need, after we have not got this formal framework agreement which might be a task for the future, we have to do something to put it for longer time on the political level.



The voluntary button up building block approach to cooperation pursued by various American and European regulatory agencies (INAUDIBLE) ties and personal relationships between regulated but has produced few tangible results.

That is the practical result of that because we know it on the very beginning before we had to single market legislation possibly European Union it was also Europe created a single market before it's 86 and in the European market it was a similar situation.

And therefore to put such a question on a political level, to control it on a political level, give injections and new debates about it all the time. Such a council is an important addition, but it's important that this council does not just exist out of the first class people of the agencies.

There must be also involved people from business, from Parliaments in a way. In order to have such a control that it does not go again down the bureaucratic drain. I think that's a crucial point to achieve.

And therefore I believe that the setting up of this council might be one of the major points how such a thing can be made run for a longer time, and to come to results. And here also we have certain figures which (INAUDIBLE) clear.

If you vote you haven't fully integrated transatlantic market it would mean 3.5 percent growth rate per capita. It has to do with 40 million drops on both sides. So, it is of huge interest of ordinary citizens to come to a result here and therefore I think it is important to have such another broader debate which makes it possible to come to such a result.

And therefore I am very thankful that this was taken by (INAUDIBLE) on board. And the American side where many people like Mr. Cox, Mr. Bennett and others have taken responsibility and deserve a grey as between someone who has been in Brussels to help us to make this possible in their last weeks.

STOKES: Commissioner Chris Cox, you're the head of the Security Exchange Commission. One of the deliverables that people feel we'll get quite soon is an agreement on accounting standards.

Possibly some time next year even. I'd be curious to get your sense of how fast you think that can be resolved, maybe what some of the remaining issues are, and what comes next in the financial markets in terms of what we can learn from that exercise and where we can go next?

CHRISTOPHER COX, CHAIRMAN, U.S. SECURITY AND EXCHANGE COMMISSION: Well that's a wonderful example of how all of this cooperation can lead to very tangible results and indeed I would suggest that the transatlantic cooperation, in this case, the global cooperation on building truly global high-quality accounting standards as a model for the



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whole enterprise. It has had political support in all of the nations of the world, essentially, certainly across the EU.

It's had support in the United States. Congress three times has directed the Securities and Exchange Commission of Legislation in the Sarbanes-Oxley Act to take a look at principles based rather than rules-based systems of counting, and inform Congress how quickly this might be done.

What's happened in the last five years since 2002 and the famed Norwalk Agreement, is that first in that year Europe made the decision to go forward with international financial reporting standards. And now that is mandatory across the EU. The second, in our country, the U.S. Financial Accounting Standards Board began a convergence project with the IASB. That's been going swimmingly.

2005 we announced a roadmap very publicly that would lead, if we stayed on track, to the lifting of the requirement in the United States that any country that uses international financial reporting standards has to keep a second set of books and reconcile that back to U.S. GAAP, Generally Accepted Account Principles in our country.

We just announced this past week that we are taking the next step on that roadmap, on that course, so that it is becoming very likely that in 2009 or earlier that requirement will be lifted. The result of that will be that foreign private issuers will have a choice.

It will be up to the marketplace, not the government to determine whether or not they want to use IFRS, and U.S. GAAP. We'll have those two systems operating in our country. And that inexorably lead to another question, what about U.S. issuers who will not have that choice.

So this summer we'll publish a concept paper that will raise all of these questions for discussion. And I'm not entirely sure where that will lead, but it's quite clear that we are getting much closer to this desired objective of a global standard.

And let me say why that's important. It's not important just so everyone can be the same. It's important because of the regulatory friction that it eliminates. It's important because from an investor protection standpoint, there's a much higher level of comparability. And that's what we're all about.

So I would hold this up as a model. During this trip in Europe I've been in the UK, in Germany, and here in Brussels. And each place concluding important agreements that are with CESR, in one case, the Committee of European Security Regulators with the UK, both their FSA and their Financial Reporting Counsel, and with BAFA in Germany, moving us closer to the ability to work hand-in-glove a regulators to reduce friction.



I think at the same time we're going to be able to increase investor protection, and improve the quality of trading in our markets, because we're washing out differences that are needless when regulators have the same objectives.

STOKES: It does seem to me that this is terribly important politically. Because when this is finally done and it's public, we have another deliverable to demonstrate to our publics and to our politicians that this kind of cooperation can be successful.

Now there's another set of cooperation I want to talk to Mario Monti about. But first I want to ask him a question. The International Herald Tribune the other day had an article about US-EU cooperation. And it led saying we have had a somewhat acrimonious situation over the last few years in terms of anti-trust issues, in terms of Microsoft in Iraq. And I want to know, Mario Monti, are you responsible for all of those?

MARIO MONTI, PRESIDENT, BOCCONI UNIVERSITY, CHAIRMAN OF BOARD BRUEGEL: I did not have a primary responsibility for Iraq.

STOKES: But let me ask you though. You were part of the anti-trust, a potential wreck.

MONTI: Yes.

STOKES: We were all convinced there was going to be a huge dust-up over anti-trust, and we came close, very, very close. However, there was background discussions that have evolved. And now I think it would be fair to say that our accounting dialogue, in fact, learned something from the anti-trust dialogue that's going on, the need for regulators to work together behind the scenes. Can you talk a little about that, and then what lessons that gives us for the future?

MONTI: Yes. The U.S. and EU started out with a bilateral cooperation agreement on anti-trust in the early 90s. Then towards the end of the 90s there was an interesting moment of discussion on whether to go multi-lateral.

The EU did want anti-trust to go multi-lateral, and wanted that to be done with some bind elements like the discussions today, in the context of the WTO. The U.S. did not want any multi-lateral approach let alone in the context of the WTO. Then there was a positive breaking moment and the end of the 2000 when the U.S. said OK we've reflected we accept a multi lateral approach to competition policy but not in the WTO.

And we, I was then Competition Commissioner immediately replied saying OK, welcome we dropped the WTO and they brought to ICN, the International Competition Network which now comprises some 90 anti trust authorities.



I mention this because as much as I among others would have liked tomorrow a more formal structure to be decided upon, the fact that there no binding elements is not necessarily a recipe for failure as this anti trust among others shows.

Now in terms of bilateral cooperation, the attention has been attracted by those very, very rare exceptions to the harmonious working of the U.S. and E.U., AG Honeywell merger if I remember well and the Microsoft case.

But the good thing about this is that in spite of this isolated divergences, and what the arrangements you will never get the mathematical certainty of completely converging our camps.

The climate of the corporation has been able to reabsorb this very, very promptly, why? In my analysis there are two conditions which have played to make anti trust cooperation a success between Washington and Brussels.

One is the common cultural vision, and increasingly so about the fact that anti trust is there to promote consumer welfare. And this is common to the two. And second the fact that in anti trust we do not have one of the usual institutional weaknesses of Europe.

In anti trust, because of the treaty on which it relies, Europe is about to speak and act as one. Several times I joked with Dr. Kissinger that his theorem actually plays the other way around for anti trust because there are two telephone numbers in Washington, the DOJ and the FTC.

They tend to work most of the cases harmoniously together. There are two; there is only one in Europe. So if I look back at this anti trust positive experience which the business community of course has very much supported.

I think that we must talk from this new effort transatlantically which will be signs tomorrow to have again a boost in the bilateral cooperation but in a very, very open manner to the rest of the world. Just like the ICN which mentioned was the derivative of this bilateral cooperation.

Let's try to have in the near future something similar in other areas.

STOKES: Chris Cox, before we go to the panel, is there any lesson that you can derive from your experience now on accounting a lesson to teach other regulators about how to do these things. Because we have number of areas, pharmaceuticals, auto parts, and so forth where we're going to try reengage our regulators and try to get them actually to make some progress.

COX: I think the first lesson is to be attentive to the market because most of the success that we've had not just in the accounting area but across the board in transnational securities regulation has been dealing with what we considered to be salutary market developments.



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You can take as an additional example, the recent combination of the New York Stock Exchange and Euro Next that is now a very significant transatlantic company that's operating six different exchanges, serving customers of all kinds.

That forced the Euro Next College of Regulators and the Securities and Exchange Commission into one another's arms. It could have been a calamity, but because we all saw that there were benefits if this were done right, we succeeded.

I think the same thing is true with IFRS, it's quite clear that there can be significant benefits for investors, significant benefits for ordinary people around the world not to mention, business and institutional investors and pension funds and so on.

If there were a truly high quality set of global standards that would promote comparability on a principle basis, so we have to recognize that these marketplace developments, which are in the main driving us towards greater transatlantic cooperation in any way event can be the wind at our back, and we have to be humble about it and recognize that the regulators are not the engine that drives the innovator. We are, however, the grease in the wheels that's necessary to make it work.

STOKES: Let me ask again, just to push this, both of you. Both of you had success. You're about to have success hopefully in part because of a crisis, one was in anti-trust in a series of potential train wrecks. The other was Sarbanes-Oxley and the kind of tension that grew out of that. Do you need a crisis to actually make these regulatory cooperation work? Either one of you.

COX: Well, you need something to get people's attention. It can be good or ill. One hopes it isn't always a train wreck or a calamity. But we've had people's attention in a variety of ways. Obviously, it got the world attention when we had those horrible scandals in the United States.

It certainly got our attention. But it also got people's attention when with alacrity United States dealt with it and a great deal of Sarbanes-Oxley has been imitated around the world by legislators and by I should say legislators, parliaments and by regulators.

There was one particular aspect of Sarbanes-Oxley that didn't go over well in Europe or the rest of the world and that was what we call Section 404, the portion of the law that deals with internal control audits. We have listened very carefully to Europe in that respect. We've been very attentive to European concerns.

We have, on multiple occasions, differed compliance with it for certain issuers. We've changed our de-registration rules and the way that one calculates market interest in the United States, so it's easier to withdraw. But because those concerns were not just expressed



by foreign private issuers, but also by issuers and many stakeholders in the United States, we've also been very, very busy trying to improve the standard, and so I think much good can come simply from having people's attention. It doesn't always have to be in a bad way.

STOKES: We're going to throw this open to the audience now. I would remind you, you don't have to ask a question. You can make a comment. You don't have to put a question mark at the end of your comment. The only thing you have to do is keep it short or I will cut you off. I promise you.

And we're going to take a couple of questions and then, please if you can, if you want, it'd be better if you could address it to one person on the dais, so that everyone doesn't feel compelled to answer every question, so we can get more questions in here. So we'll start here, second question over there with Lord Wallace and I'll take a third question, Congressman here.

LORD WILLIAM WALLACE, HOUSE OF LORDS: Just to build a bridge between the two panels, I've read, there's a starting statement by Barroso, a few days ago who said that the American investment into Belgium in 2005 was four times greater than all American investment into China in 2006. So this gives us a certain perspective of the bond between in terms of (INAUDIBLE) relations.

The question I wanted to ask is two parliamentarians. Of course the subject of this session is the reality of the marketplace. But there are certain things which cannot be solved by the market. I'm talking about the energy situation. And we had very mixed signals from the American administration, who on one hand have expressed a great interest in promoting the Central Asia flow of oil and gas. There was talk about the pipeline ...

STOKES: If you could get to the question though.

WALLACE: Yes.

STOKES: Please.

WALLACE: And then they referred, but it has to be business-based because it has to be. That means it cannot be executed as (INAUDIBLE) state policy, and that means we don't know when it will be, you know, at the center of the attention of the American administration and whether it can be a common transatlantic energy security policy.

STOKES: OK. Good question about comment. Lord Wallace, behind you. If we can get some more mikes available so people, so we can do this faster.

WILLIE MARS (ph), LONDON: Willie Mars (ph), London. I want to ask about reciprocity. In the session we had on security, both (INAUDIBLE) said very gently and his American



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colleagues did not respond, that the Europeans sense a real problem of reciprocity in cooperation on security because of the argument made in the United States that the U.S. Constitution does not allow you to do a number of things in terms of international law. Tell me what happens from both sides as you as you move towards a much closer relationship among litigators litigating etcetera. I have already heard one or two hints that Congress gets in the way. There are some things you can't do because Congress won't let it, and that for Europeans is clearly a problem.

Other things from the American's side that you also say the Europeans can't deliver on because we are not always united and because commission competence is limited. Where are the problems in getting the other side to deliver what you want?

STOKES: And Congressman?

ISSA: Well certainly I would say that there are limitations on the Congress and I think the Senator and I would agree there are two things that Congress does well, nothing at all and overreact.

And Chris is in a position now where he can't call Sarbanes-Oxley an overreaction as overtly as I might. Of course, I am still a member of a public board so I can complain about Chris's lack of action everyday at every board meeting.

But going to the anti-trust question, perhaps since we didn't mention Boeing and McDonnell Douglas's merger, that for me was the beginning of an observation that venue mattered, that anti-trust was in the eye of the beholder and the beholder in Europe seemed to have a very different view than in the U.S.

And, my question is if at the present time there is an attack on pharmaceuticals for their anti-trust of about five years of exclusivity that's usually five to ten years that they have on their patents being questioned around the world, on that intellectual property, as though it was a trust and in the case of Microsoft, I think it's still a train wreck.

Here we have about a 6.5 percent asked by one of the most profitable companies in the world, saying this is what we need in order for our mandated, giving up of our capability to produce server technology and the European Union saying 6.5 percent is too much money.

Six and a half percent on a company whose output on that product is about a 50 percent net bottom line profit and you give it away and you're being told 6.5 percent is too much to ask for.

What I would say to the European Union is, don't we have to answer the question of what copyright means and what patent means relative to anti-trust. I think in the U.S. we view that



those are not anti-trust mechanisms on the whole where it appears as those here they are being treated as though they are anti-trust mechanisms.

STOKES: Senator Bennett would turn to you first to talk about does Congress have the power over regulatory agencies to prove their budgets. So there is that power of when they have to come before the Congress to ask for their budget.

On the other hand, we pride ourselves on having independent regulatory agencies and Congressman Cox having been, when you were a Congressman, on both sides of this issue may want to jump in here. Talk about that tension in the U.S. system and what frustration you both might hear or feel about what tensions you see in Brussels where we can't get what we would like.

BENNETT: Yes, it is very interesting to get the question in the way that we have here and then get the same thing from town meetings in my home state because the view is very different.

Congress passes legislation with the limits on the regulations set thusly. The regulators, obviously this does not include the SEC. We are talking about FTC and FDA and some of the others. The regulators then write the regulations.

Congress does not. Congress sets the parameters. The regulators write the regulations and they usually go here. And then the individuals within the regulatory agencies show up at the individual plant to enforce those regulations and they very often go everywhere and it becomes very, very difficult.

STOKES: Let me interrupt, a European hears that and says, oh, my goodness, what are we getting ourselves into with the Americans?

BENNETT: Yes, but my point is, if we do have the kind of dialogue that we are talking about here, we have to be able to pull that back in and say wait a minute, there has to be some consistency here, because it's more than one inspector in one pharmacy plant from FDA that thinks it ought to be somewhere different.

We are now talking about some kind of standard that's going to have to apply on both sides of the Atlantic so we better be a little tighter; the regulators have on the individuals or bring them in to the specifics and then the Congress as we are reacting to the market's reaction to Sarbanes-Oxley saying, wait a minute, we need to be a little firmer in what we did we did not intend Sarbanes-Oxley section 404 to produce the consequence that it produced.

Now, Paul Sarbanes still thinks that it hasn't, but the rest of us understand that it has and we burden Chairman Cox with, you've got to clean it up for us. We went too far with Sarbanes-Oxley and Section 404 now you've got to, in your writing of the regulations, clean it up.



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If you can't, come to us and tell us what we need to do. But regulation in the United States has been kind of well. There's nothing we can do about it. Now we've got a framework in which we can.

STOKES: Both of you, one way or the other has said, the market should be the ultimate arbiter on whether this is working in Congress and the regulators need to listen to the market and react if it's not working?

COX: Yes. I would certainly put an asterisk right there and drop a footnote and say that policymakers always have the right to make sure that the market is pursuing what ultimately is a salutary objective.

There's a market in crack cocaine, but government has every right to regulate these things so market forces are very powerful they can be very useful and ultimately it's the necessary act of humility for government to recognize how much more powerful markets and individual marketplace actors are than regulations?

STOKES: Well, as someone who has been on both sides of this issue now, with Congress and as a regulator, how best is it that the political leadership, while maintaining the independence of the regulatory agencies in the United States give them some direction, give them some impulses it may not be just legislation.

Other ways in which we've got a deal between the European Union and the U.S. now, obviously, there are some political commitments there. How do the White House and other people translate the regulatory agencies? We'd like to see some progress on that political commitment.

COX: Well I think what I would say with respect, certainly to securities regulation, precisely the way it is presently done, because there is a great deal of distance between actual implementation of securities regulatory policy of the SEC and what politicians ask for.

The United States Congress has every right to set policy as they did in the Sarbanes-Oxley Act to revisit that; I've been up, testifying before the House and the Senate with respect to section 404.

I was just a few days ago before Senator Kerry's small business committee, the small business committee being concerned about the impact of that provision on small or smaller public companies. But there has been a lot of space given to us to get it right.

I would say that the same is probably true with respect to the European parliament, probably with respect to Parliament's national legislatures across Europe. There needs to be a



consistency in pursuit of that policymaking Board of Directors function that none the less gives the regulators the opportunity to operate.

I say this with some confidence because at least in the securities regulatory area I'm dealing with these people routinely. We have just concluded, in the United States, two weeks of an international institute where we hosted regulators not just from across Europe, but from 74 countries, and we had 174 people participate.

We're sharing very deeply and I think that they are all striving for the same kind of thing that we are. Well, lastly I would say, just I think you need to go easier on yourself Senator because I was a conferee on the Sarbanes-Oxley Act with the House and Senate and that worked out.

Section 404 is completely unobjectionable on its face, it is the way that it was implemented including with a multi-hundred page auditing standard by the public accounting oversight board and by the lack of management guidance forms the SEC that caused the problem and so we're busy fixing that.

STOKES: Mario Monti, the Congressman's question here?

MONTI: Yes.

STOKES: ... in this agreement tomorrow, as far as we know, there will be agreement across the Atlantic to share more information, intellectual piracy, beef up resources for enforcement but the Congressman's question really went to some fundamental, potential fundamental differences in philosophy, in concept and I would be curious to get your thoughts on that.

MONTI: That's a crucial question and indeed everywhere in the world these days the interface between intellectual property rights and anti-trust or competition law, is at the core of the reflections.

It's good that the European Union and the U.S. are working together to deepen this subject. On Microsoft, I'm not in a position to comment on current developments with Microsoft, but of course I do take full responsibility for the March 2004 decision.

There has been a divergence between Washington and Brussels on that unquestionably. But isn't that relatively minor to the huge divergence on Microsoft that we have been seeing within the U.S. with all due respect, both over time and over space.

Over time if you compare the Clinton Administration approach to Microsoft leading up to the breakup decision of the DOJ. And the Bush Administration approach on Microsoft, and over space even within the time of the Bush Administration, you'll certainly remember the fact



that you had the Justice Department here plus a number of states. And a number of states were opposing.

ISSA: That's a court decision; it's not an Administrative decision in Washington. Presidents don't matter much in due process.

BROK: And while the DOJ works of course in independence much better than I do, it's still part of the Administration. And in the Microsoft case the settlement of November 2001 was a settlement between the DOJ and the company was then approved by the Court.

What I am now saying is that consolidating the Administrative and the Judiciary the U.S. itself has shown that this is a very tricky subject. So much that there have been huge divergences, even more than it has been the case transatlantically.

Now on the non U.S. affect of Microsoft let me just maybe remind ourselves of the fact that it was not only the U which took the stance that it took, but at the same time also the Korean and the Japanese competition authorities followed that sort of approach.

One positive note I would like to strike concerning the Microsoft case relative to the previous tension on GE Honeywell a few years earlier. My impression is that the way in which the U.S. Administration has behaved in terms of lobbying efforts in Brussels has been much more mature and much less disrupting in terms of the climate.

Final point if I may very quickly, if we look at the competition landscape, there is one aspect to which I think we should turn more and more of the attention. That is the ability and willingness in our respective jurisdictions to overcome what we call nationally or could be protectionism.

And there isn't symmetry, because if in the U.S. somebody is against seen or taking over (INAUDIBLE) and that is prevented or to buy ports, taking over ports that is prevented. That's the end of it. In the EU we have had many cases of tension with national governments, trying to oppose cross border consolidations.

France did not want McDowell to take over our solar, and yet there is a super nation a layer here, the European Commission, the European Court of Justice which implements the market against the politicians. It's difficult to have that in the U.S. but maybe there's something on which to reflect

STOKES: Elmar we had a question about energy security. We have obviously different needs, different self interests around energy security. How do we resolve those issues do you think?



BROK: I think we should clarify for all of us that such an agreement which should give us more possibilities to have less contradicting regulations. There is, or has also some reason in it that you want to increase better relationships between the United States and the European Union and in most countries.

This whole exercise has also a political motive, perhaps an overall a political motive. I believe if we combine interests more, while we can set up common regulations, increase internal market, have the interest of our people because it's success and versed for them.

Get more attention as Chairman Cox said, or parliaments are able to get closer parameters to find a way that's not increase of that at the end of a day which destroys the market possibilities.

Then you are think we have also a stronger political position, which makes it easier to solve such political problems. I believe that besides the economic – individual questions, it has two reasons. First, it creates a transatlantic market, with a population which is similar to the increasing markets of China and India, which gives us a possibility to set up global standards, which we do not can do perhaps in the future any more, because in the time of globalization.

And the second point is have next to NATO and combination of interest, which brings us closer together over ocean. And from these political implications I think you might find a way that also in such questions as energy security.

We look in to that from the political side for sure. And here I understand the American position that it must be economically viable, otherwise it makes not sense in the long run. But see also here common interests in such a way, so as we have learned in the European Union that the interest of Poland, for example, in this energy question because of it's doing the irrevocable situation, it's more challenging for Poland as we see it perhaps in Germany or in France.

So we all together (INAUDIBLE) this combination of interest to find a way that the United States – these are also in individual cases more important that it's a common foreign policy a challenge, and have also an economic solution for that as we have done until now.

So therefore this is just a beginning of such a process of political deepening.

STOKES: So the political deepening will lead us to be able to overcome things that seem impossible at this point. We're going to open this up to more questions from the group in the back here. Yes. And next will be from here, and the third will be over there. Yes.

NANU GHANDI (ph): Nanu Ghandi (ph), Istanbul. I have a question for Mr. Monti. With reference to the factors of success that you have mentioned in relation to the anti-trust dialogue, if you were to be in charge of drafting the text that's going to be adopted tomorrow,



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what will be the areas of regulation that you would incorporate in that text with a view to achieve fast progress on the transatlantic front in terms of regulatory cooperation and harmonization, but also potentially to go global on these areas.

So in other words, are there any easy avenues for emulating the success that you had in the anti-trust field?

STOKES: I like that question because it says basically says what have you done for us today. So here we have the next question. Just press the button.

LEAH ZELLWANGER: I have two questions.

STOKES: Can you identify yourself, please?

LEAH ZELL WANGER, LZW GROUP: I'm Leah Zell Wanger from the LZW Group in Chicago. My first question regards the growing pools of unregulated capital, both hedge funds and private equity. I would like to hear whether regulation is inevitable, and in what areas, and specifically how far apart are U.S. and EU's view on this.

And second of all with regard to competition amongst exchanges, there's talk of New York losing market share especially to London. The 2006 statistics are quite arresting. Is this a matter of discussion in government interest right now? Do you foresee any regulatory or policy implications for this, and what defines a win-win situation? Thank you.

STOKES: Back here.

VIVIAN SCHMIDT, BOSTON UNIVERSITY, (INAUDIBLE) CHAIR IN BRUSSELS: Yes, Vivian Schmidt, Boston University and (INAUDIBLE) Chair in Brussels. Question about politics, which issue area specifically do you see as politically problematic, where the EU and U.S. are still far apart; services, defense procurement, product harmonization, cement yes, drugs maybe, chocolate never? No, that was a joke.

So basically where are the differences? Where would Congress come in, the EU parliament, the member states have difficulty?

STOKES: Let's start with that last question first, and Senator and Elmar both jump in here.

BENNETT: Well, the politics will, I think, depend on what the market says. We will not, in an ivory tower in the Congress say oh, we want to work on this first, or we want to work on that first. It will be – there are problems.

Intellectual property is a major problem, particularly in Asia, it doesn't seem to be as big a problem between the United States and Europe. But the reason we are spending as much time



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on intellectual property as we are is because the people that are in Asia are telling us they are stealing our stuff and it isn't just the high tech stuff.

Proctor and Gamble is very upset that their toothpaste is being duplicated and sold under labels that look exactly like Proctor and Gamble labels and the only way you can tell it is different toothpaste is to squeeze it out and taste it and then you realize that you have got something that is wrong.

So I would expect that the focus would come as these groups are formed as we respond to the (INAUDIBLE) initiative and the officials are formed on both sides of the Atlantic. Then will be well, who is complaining the most about the breakdown between standards in the United States and the European Union and frankly, the people to whom they complain are the members of Congress.

STOKES: So we need more squeaky wheels if we are ---

BROL: Yes, we will respond to the squeaky wheels. What issues do you think that?

STOKES: Elmar, what issues do you think?

BROK: I think for sure we have on both side's questions, which divide us in our different (inaudible) cultures of we have learned this last days and weeks. In Europe (inaudible) still a problem with which you just cannot discuss without emotions.

And, so there are other questions the United States and I think this will be the most difficult question, because then you have the involvement and a critical position on both sides of the Atlantic and the population.

So you have to look into that what is easy in the beginning to have some positive results, which creates an atmosphere of future progress. But also I believe we need an early warning system, not just to harmonize regulations, in certain, but an early warning system, a closer relationship between Congress and the European Parliament for example.

I believe the European Parliament made a big mistake in the REACH legislation that they have put in extra territorial mechanisms but the same thing in other questions Congress has done. So it should be possible in the future in developing this agreement that legislatures come in a very early moment before they really start this legislation to get on both sides to find a solution which is not a contradicting to transatlantic market.

STOKES: Let me follow up on that because it is a very interesting question. We have for years talked about the need for some kind of early warning system and the question is how formal it is and how informal it is and obviously, informal is probably easier to pursue.



But, it seems to me Sarbanes-Oxley is a perfect example of the limitations of that. Mike Oxley, co-author of Sarbanes-Oxley was a member of the Trans-Atlantic policy network for years.

This is a guy who knows where Brussels is. He knows who to talk to in Brussels. He talks to people in Brussels all the time. He played golf with members of the European Parliament, and yet, Sarbanes-Oxley ended up causing friction across the Atlantic.

Now Chairman you suggested that in part it was the way the regulation was written, not the way the law was written. Does that give us any sense in how we structure and early warning system, that just having legislators know each other and talk to each other and even understand each other may not be sufficient?

COX: I don't think that one can look at the inaccurate implementation of Sarbanes-Oxley as a failure of the Trans-Atlantic dialogue, rather what went wrong there to the extent that in the implementation and I think that is where it occurred, yes.

What went wrong there, went wrong because of the cauldron in which all of this was happening. There was a real sense of urgency and alacrity. Not only did the legislation itself get minted in the final act rather rapidly, but then there was a legislative mandate to create an entirely new regulatory structure, the Public Company Oversight Board.

So this outfit, which attracted very, very high talent, had to in short-order set up offices around the country, recruit people. They were in an entrepreneurial phase. I mean just think of it, going from a standing start to the execution immediately of all of these responsibilities in no time flat.

They had to do all of these things at once and by the way satisfy not just the United States but the world, because the world's press was focused on this, that they were entering that breach and putting in auditing standards out there. So I think they did the best job that they could in the circumstances. It makes perfectly good sense that we go back and revisit that.

It wasn't all bad either. There were some start up costs that have already gone away with respect to larger public companies, and a lot of larger public companies are happy to say that they're better for the exercise. But there was, certainly, plenty enough that we could fix and we're busy doing that.

STOKES: It sounds like, just by me interpreting your words though, that inherent in this process is when we react to crises we're like to make mistakes (INAUDIBLE) ...

Cox: Well it gets back to your earlier question is the best way for us to broker cooperation is to have a crisis and there's an example why the answer might not be as ...



STOKES: Yes. Mario Monti, we had a question over hear about ...

MONTI: Yes.

STOKES: ... what more could we do? If you were still working in the Commission and you were part of this new transatlantic council, what would you see as some of your priorities?

MONTI: I think in terms of areas to work on, those identified in tomorrow's document as far as I know are the correct ones. I would only give two advice on the methodology.

One, try to involve as early on as possible, third countries, the rest of the world, so as to eliminate completely the suspicion that this is a bilateral dimension against the multilateral. On the contrary they must soon feel co-ownership of this exercise.

And secondly, yes, this must be driven by business, but I think with a bit of caution it to be possible to present this exercise as being driven by business and consumers, because I think this is a wonderful opportunity to show to a wider constituency that this is an effort to put up governments, public policy governments to the challenges of a governed globalization and could help a lot, in my view, if successful in eliminating certain visceral oppositions to globalization. But, of course, the consumer dimension has to be taken on board.

STOKES: Senator Bennett?

BENNETT: Let me just intervene very quickly; as a businessman, I set the market and in my opinion the market very much is driven by consumers. A businessman can't survive if he spends his time ignoring, beating up, exploiting, his customers. They don't come back.

And so, I want to be clear, I didn't say it's driven by business, it's driven by the market and the consumers are very much a key part of the market.

STOKES: Chris Cox, we had a question back here about, actually it goes to the heart, it seems to me, of one of the differences that came up in some of the other panels that came up earlier in our sessions and that was a European (INAUDIBLE) in some parts of Europe to put new regulations on private equity, on hedge funds.

And I'd be curious to get your sense of what the pulse is in America on do we need to look at this more closely? Do we need to do anything about it? Or should we keep our hands off of it? What's your sense?

COX: In fact there were really two questions there; One was on private pools of capital ...

STOKES: Yes.



COX: ... and the other was on the competition for IPOs between London and the U.S. and perhaps the broader question of competition among exchanges around the world and is there a win-win answer I believe is what you asked, specifically.

There are differences between countries and so as we try and harmonize our regulations, we don't want to overlook that. Sometimes there are differences in regulation that simply can't be harmonized, and perhaps ought not to be.

If the difference in regulation for example is directed at local conditions which aren't universal, then there's no reason in the world that we shouldn't try and take that into account. The U.S. market has a much higher retail component than for example the U.K. market. And I daresay, a much higher retail component than most of the markets ...

STOKES: And by retail you mean in stock market. Retail stock?

COX: Securities. Right.

STOKES: Yes, Securities. Yes.

COX: So that what I'm talking about is individual investors, retail customers. As a result, our securities regulatory regime is focused, not surprisingly, on investor protection in ways that for large institutions, might not be so meaningful.

Second, we have dispersed ownership in America. There is a different tradition in many countries with large block holders where they have controlling shareholders.

A regulatory regime in such a country might, more likely, be focused on protecting the rights of minority shareholders against the controlling block holders but thereafter because of a lack of a retail component be more caveat emptor. So, you know, to the extent that those are driven by local conditions, that's the kind of regulatory difference we need to be able to tolerate so with specific application to hedge funds.

There's seems to be a move afoot, at least in some countries in Europe, to open up the hedge funds base to more retail investment. That means with respect to one of the two main issues surrounding hedge funds, retailization and systemic risk. There's a choice being made that we're not so concerned about retailization.

In the United States we are going the other way. We are dealing with the potential retailization issue by making sure that unless there is disclosure, these things simply aren't sold to smaller customers. It's an opportunity for me by the way to say that our regulatory regime in the United States never says retail investors can't buy things.



Rather it says with respect to all kinds of securities offerings, including plain vanilla stock in a public company, anybody can buy it. They can buy it for a nickel and they can buy only \$1.00 worth, but there has to be disclosure.

Hedge funds don't want to disclose. They want to be exempt from the disclosure regime and so that's the reason that the retail administrators get fenced off. So on a question of is regulation inevitable? Probably more so in the EU where they're going to sell it to retail customers, if that's the way they choose to go.

But with respect to the other question of win-win on competition among markets, it's hard to see how we can't win from this competition. What's happening is that there are now more places that you can raise money around the world than ever before. This is a great success in part for the Trans-Atlantic cooperation because we have a lot more market economies than we ever used to.

Some of these market economies are producing security exchanges to the extent that there is that sort of competition, investors and ultimately customers and entire economies are going to benefit.

STOKES: OK. We're going to go for another round of questions here. We got a question here, we got a question here and I'm actually going to ask Boyden Gray a question. But, introducing the U.S. Ambassador to the EU, but I'll ask him a question in a minute. So let's get these two questions out and then I'll drag Boyden Gray into this.

JOHN KORNBLUM, LAZARD & CO. GMBH: My name is John Kornblum and I live in Berlin and I've been discussing this issue with a lot of people over the past few months and I just have two points to make.

First, Elmar Brok's point about making it a political initiative and using it as a foundation for building deeper ties, I think given the immense confrontation, we have to use that word, in Atlantic relations over the past few years, the need for this new kind of political foundation is quite strong and I think myself, and I think Chancellor Merkel agrees that this economic and financial regulatory area is the place to do it.

We might remember however that there was a very similar exercise in 1996-97, which was actually approved at the summit level with all kinds of fanfare. It was called the New Trans-Atlantic Agenda. And up until recently if you looked on the Web site of the European Union and I think on the Web site of the U.S. Mission to the European Union, you found a section where they reported that they were having meetings every couple of months to implement this agenda.

This must be one of the most secret agreements ever contained, because I don't think that anybody, other than those I worked on it a bit back then, have ever heard of it before. Why?



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Because it was sent into bureaucracy. The political initiative, once it was President Clinton who signed it and Chancellor Schroeder I think, once this happened, it was forgotten, so Elmar's point is extremely important.

Secondly, and I do think there's a warning necessary here, perhaps especially in the European direction, Chancellor Merkel is the author of this, but the pressure for it has been coming from European and German industry for some time.

And I had some discussions with very senior people in the German government just on Thursday about this, and their line was we hope the Americans understand they have to come through for us. Well, no. I hope the Americans don't understand that they have to come through.

This exercise cannot be the Europeans finally getting their ability to tell the Americans how wrong they are about everything. But there is, underneath the surface in European business and in politics a bit, the sense that this is going to be the way they're going to make the Americans behave.

If that ends up being the climate of this thing, then again it will join the new transatlantic initiative, agenda rather, as two failed transatlantic initiatives.

STOKES: Here.

ANDREAS KRAMER, BERTELSMANN AG: Great, thank you. Andreas Kramer. I have a comment and a question to Christopher Cox and Elmar Brök. The comment is thank you very much for underlining that this must not only be business driven, but also consumer driven.

I think it is important to also include conservation and environmental interests in that you know that the transatlantic environmental dialogue has died of neglect. That shouldn't happen again because it loses the hearts and the minds of Europeans as well as American citizens.

Creating this transatlantic marketplace, I'm fascinated by the fact that we haven't talked about the E.U. Emissions Trading Scheme. It is a very large market every year, billions, tens of billions of euros of new emission rights are being created. It is a good market for American business to be in.

It something that needs to be brought, somehow need to think Christopher Cox on how that has to be represented on balance sheets because these are assets that have value and it's exhausted at some point. That is obviously something that needs to be looked at if we want to avoid the creation first competitive distortions which we in Europe and U.S. businesses.



And then perhaps later trade barriers. How do we make sure that there is no leakage in the system and that we create a transatlantic system out of this? So the question goes to Elmer and Christopher Cox on how to do it?

STOKES: Great I'm going to drag Ambassador Boyden Gray into this at this point to as those of you who don't and anyone who lives in this city I think probably does know. Ambassador Boyden Gray has been one of the driving forces behind trying to breathe new life into this transatlantic effort.

In part because of his life long commitment to deregulation on the U.S. side. And I'd be curious Mr. Ambassador, come Tuesday when Ambassador Merkel is flown back to the United States and Washington is on to another set of issues, what are the challenges ahead in terms of how we get this on a path that doesn't fall into the problems that John Kornblum was raising and so forth.

AMBASSADOR BOYDEN GRAY: I don't know which button I'm supposed to. I think that the first six to nine months will be critical and the business community and the NGO community have to be very alert to make sure that this project produces identifiable winners for the public for consumers for environmentalist, for who ever.

There were, Professor Monti, these lighthouse projects were supposed to be initially identified, isolated, discreet achievables that could be done in the next six to nine months, they morphed into sectors for examination. Not that that's wrong that's right. But we will need to have actual concrete results within the next year otherwise the business community will lose interest.

The NGO's will lose interest, but perhaps most importantly the media will lose interest and Ambassador Kornblum's prediction will come correct this fall, sink just like all the previous efforts.

So it really is up to the people in this room, especially the media, especially the business community to keep us honest about this. I want to make one other little point though about accountability.

Just to remind people, I wish Justice Breyer was still here. We talk, the German goal I think would be, and certainly Verheugen's goal is to cut regulatory burdens by 25 percent. Senator Bennett referred to for this.

In our country, in the U.S. we have a thing called the DC circuit. It's the breeding ground for more Supreme Court justices than in any other forum. Four of the current justices are graduates of this court. It oversees our regulatory output and most the regulatory agencies inside the executive branch and Cox, Chris Cox's agency.



And it typically throws out a quarter to a third of all of the regulations that come before it. Think of how much better live would be in Europe if Europe and DC circuit.

STOKES: In fact we could probably export some lawyers to work on that circuit if you would really like to. I think we have some excellent points here. One is and I throw this open to any of you who would like to comment on it briefly.

We have a history of this getting mired down in detail to the point where there's no identifiable progress that any normal human being or politician could really understand. And I must say as representative of the media, I'm really tired of writing about headlight standards and marine technology successes and try to trumpet those as actually big advances.

I mean the reality is that they aren't. And for all of the bureaucrats who might be in the room and have worked on those issues, and I know they've worked very hard. And they've seen great progress. Average human beings don't see it as progress. And I think the Ambassador is right.

This is going to die on the vine unless we can have some real deliverables in short period of time. So one question to all of you would be is there any way for us to push this process along to get some victories early on that people can understand beyond accounting? Because it seems to me that is one that is deliverable, and people will understand. Any taker on this?

BENNETT: I think the fact that we have such a high level Angela Merkel-President Bush kind of approach here, helps keep it out. Now maybe it was that high level back in the 90s, and you're nodding that it was. OK. Well we'll just try to do a little bit better.

UNIDENTIFIED PARTICIPANT: (INAUDIBLE)

BENNETT: Yes and...

STOKES: And to follow up John's point, I was just in Berlin as well. And a number of people said to me privately, this is going to hurt Merkel if we don't have some deliverables, that she has stuck her neck out on this.

So I think we Americans have to realize if Merkel is one of the White House's few friends in Washington, I mean in Europe, maybe in Washington. I just had a Freudian slip there. I think that yes, it's unfortunately the case. I think that if that is the case we have to realize the cost now for not delivering maybe higher than the cost for American relations with Europe than it was in the 90s.

BENNETT: Well, the Congress is not going to play a push roll here, because we pass legislation. And we hold oversight hearings that no one pays any attention to. It's going to



have to come out of the executive branch, and you have Secretary Kimmitt here who can see to it that at least in the Treasury Department this doesn't die.

But my sense is that the Bush Administration is looking for something to do with Europe that will produce some deliverables. It has its own political agenda – its own political benefit to come out of this. And one of the things I learned as a lobbyist when I was one is that you never ask a politician to do anything that's not in his best interest.

So this is something that is in the Bush Administration's best interest, and what Chancellor Merkel's asking them to do is probably the right thing.

STOKES: On that issue, Chairman Cox, of course you never taken direction from the White House, you're an independent agency. But what signals could you get from the White House that could help you move the agenda as you would like to move anyway in a transatlantic ...

COX: Well this gets back to the point about follow through.

STOKES: Yes.

COX: What we need here is for everybody to play their position. We need constancy. We don't want people to give up. It can't be a fad; it can't be something we do every few years. But what's going to keep everybody constant is the fact that there's a real self-interest involved.

One difference between where we are now nearing the end of the first decade of the 21st century and where we were in the 1990s, is that Europe and the United States of America are, in fact, economically more closely integrated. It's just a function of technology, of increasing commonality of product markets, of continued business integration.

And so long as that's the case, so long as this is indeed customer driven – as you point out, because that's where markets start – and market driven, then it will be in the self-interest of everyone who is, after all – when you talk about consumers that's wearing a business hat. When you talk about voters, that's wearing your political hat. They're exactly the same people.

And when “the customer ain't happy, ain't nobody's happy.” So it's in everyone's self-interest here to do this. I think with respect to the SEC-White House relationship, I started out in Washington working in the White House. So I know what that relationship looks like from the White House end.

I also now know what it looks like from this end, and for 17 years in the middle I saw what it looked like from Congress. There can't be a better example of letting the regulator do its job. And there are just absolutely zero interference.



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But what there is at this high level and the Merkel initiative is a great example of it – is air cover for the way that fits in to the broader agenda and the common interest of Europe and the United States, and if we let everybody continue to play their position in that way, I think we will succeed, and I think that the facts on the ground are driving us more likely to success this time than last time.

STOKES: Elmar Brok, finally we've got 30 seconds. Can Green Cooperation help in this effort to make this more tangible for both of our publics, and deliver some results?

BROK: Yes, I think so. And I think – although a political question which has certain attractions in the public are helpful. Therefore it's very much important that this counsel which will be set up will attract public media and the presidents on both sides.

Make it difficult for parliaments not to follow this route to have a combination of priorities and not just stick in one issue and forget the others, which make it impossible then to solve the one because it's not seen as a combination of all.

And I think it's going to be also very important this study which we'll agree on tomorrow – that this study is done in a way as we had in the single market in the Cecchini report. It must be a study we chose that is such a result of a transatlantic market.

We would have an overall impact in a positive way that parliaments and bureaucrats have problems to say why they on a certain issue do not agree, and to go to the nitty-gritty's. If you achieve that, then I think what John is asking for, we have this broader prospective which makes a difference.

STOKES: I'd like to thank all of you. I think it's been a very stimulating discussion. I would like to thank you.

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