

New Trade Players

EU's trade panel offers new White House openings

WITH THE BUSH ERA WINDING DOWN, THE WHITE HOUSE IS LOOKING TO BOOST ITS MIXED PERFORMANCE RECORD IN ADVANCING A FREE-TRADE AGENDA. ECONOMIC POLICY MAKERS THINK THEY MAY HAVE FOUND AN EFFECTIVE VEHICLE IN THE NEWLY FORMED TRANSATLANTIC ECONOMIC COUNCIL (TEC), AN AMBITIOUS NEW U.S.-EUROPEAN UNION INITIATIVE THAT DEPUTY TREASURY SECRETARY **Robert M. Kimmitt** says "links our two economies more closely so as to increase prosperity and wealth."

The World Trade Organization's higher-profile negotiations for a new set of trade accords, known as the Doha round, have so far stymied the Bush administration's overall goal of a tariff-free global trade regime. But the TEC enables

the White House to simply sidestep the tariff issue and focus on more technical, but still important, questions of co-ordinating transatlantic regulations and standards.

It's an especially welcome shift for U.S. businesses operating in Europe, which have to contend with a welter of often confusing trade regulations. Example: After March 2009, it will no longer be possible to sell cosmetics tested on animals in the 27 countries of the EU, a potential blow to the American cosmetics trade's \$2.1 billion in exports. The EU also wants American auto manufacturers to start modifying vehicle trunks and bumpers to cause fewer injuries to pedestrians in accidents.

Meanwhile, EU companies that want to do business in the United States are concerned about such litigation risks as class action suits, punitive damages and discovery — core features of the U.S. business landscape that are virtually unknown in Europe.

The TEC first got on its feet — to very little fanfare, even on Capitol Hill — at the annual EU-U.S. summit in Washington last April. But then a member of the European Parliament brought it to the attention of Democratic Rep. **Shelley Berkley** of Nevada, the American chair of the Transatlantic Legislators' Dialogue, a

caucus of members of Congress and of the European Parliament.

"We were not in the loop," Berkley says. "The EU knew more about the initiative than we did." When she "requested a seat at the table," as she puts it, the White House agreed that members of Congress and EU parliamentarians will attend as advisers at the TEC's first meeting when it convenes for its first summit in Washington on Nov 9. "We've got huge issues that require representation," Berkley says.



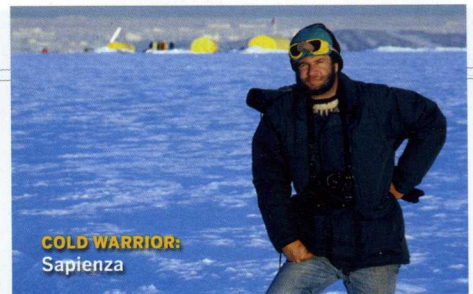
TEC SPECIALIST: Hubbard

All parties have a strong financial stake in making the new trade group work. According to **Günter Verheugen**, the EU's vice president for trade and industry, trade between the United States and the EU works out to \$2.8 billion a day, or 40 percent of world trade, making each the other's most vital trade partner. Altogether, transatlantic trade underwrites some 14 million jobs, here and overseas. A successful effort to remove regulatory barriers would certainly redound to the administration's credit — which is why the White House has detailed its side of the negotiations to **Allan Hubbard**, head of the National Economic Council and assistant to the president for economic affairs.

Negotiations will probably require his full attention. In a speech to members of Congress, Verheugen likened the search for trade accommodations to the variations in European and American "football." The European sport — known stateside as soccer — is so different, he argued, that "if you put two teams on the same playing field, but each plays to different rules, you will not get a fair game. . . . Nobody wins."

Come next month, negotiators will start thrashing through accords in patent laws, barrier-free investment and electrical equipment safety. Integrating football and soccer will have to wait until later.

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COLD WARRIOR:
Sapienza

A Cold Navy Case

THE military's battlefield vow is to leave no soldier behind. But that's been hard to honor in the case of three U.S. servicemen whose remains have been buried since 1946 in a makeshift grave of snow and airplane debris on Antarctica. Now a group of adventurers led by Seattle photographer **Lou Sapienza** want to recover the bodies of the Navy aviators, who died after crash-landing their PBM-5 Mariner seaplane, the *George One*, during a mapping mission.

Sapienza wants the Pentagon to provide \$1.3 million for the mission and has been asking members of Congress to pressure the military for the money. He's also lined up support from survivors of the three, Ensign **Maxwell A. Lopez**, Aviation Machinist's Mate First Class **Frederick Warren Williams** and Aviation Radioman First Class **Wendell K. Hendersin**, the first Americans to die in Antarctica. Six others survived the crash and were found by another Navy plane after a 13-day ordeal. But rescuers were unable to retrieve the bodies of Lopez, Williams and Hendersin, which were buried under one wing of their plane.

The military has demurred on a recovery effort, citing the safety concerns and logistical challenges of locating the remains below 90 to 150 feet of snow and ice on Antarctica's Phantom Coast. But Sapienza says his crew can do the job relatively quickly and cheaply with a conical drill that uses hot water circulating in copper coils. (Sapienza, who photographed a 1990s expedition to Greenland that recovered a World War II-era P-38 Lightning known as "Glacier Girl," learned about the Antarctica case from the Smithsonian's *Air and Space Magazine* this past summer.)

His lobbying campaign is yielding some results. This month, Democratic Sen. **Russ Feingold** of Wisconsin — where lost aviator Hendersin was from — broached the subject with the Navy and was told to expect a decision soon. And **Betty Jean Spencer**, Hendersin's sister, persuaded her representative, Illinois Republican **Mark Steven Kirk**, to press the Defense Department to fund the mission. "I think it offers an opportunity for good PR for the Navy," Kirk says, while also providing some comfort for the families. "Right now their loved ones are underneath a glacier."

— SHAWN ZELLER