

Transatlantic Trade | US and Europe – Week of May 31, 2021

Article By:

Stacy A. Swanson

Christina Economides

The European Union (EU) continues to resist supporting the World Trade Organization (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) waiver for COVID-19 vaccines; and unveiled its alternative proposal on Friday. Meanwhile, the United States (US) Government announced how it would start sharing some of its vaccine supply with the world this week. Ahead of the Group of Seven (G7) Leaders' Summit next week in the United Kingdom (UK), Britain hosted the G7 Health Ministers for a two-day meeting this week.

The US also concluded its Section 301 investigations of Digital Service Taxes (DSTs) adopted by six countries, including four European countries. Instead of imposing tariffs, the US suspended this action for six months, while international taxation talks continue. This week, the US also expanded its American investment ban to include surveillance technology entities in the People's Republic of China ("China"). US President Joe Biden will depart next week for his first overseas trip, starting with his first stop in the UK. Meanwhile, the UK and EU continue to struggle to find common ground over tensions related to the Northern Ireland Protocol.

In this issue, we also cover:

- *COVID-19 highlights among the transatlantic partners;*
- *Notable UK, US, and EU developments; and*
- *UK-EU trade deal*

COVID-19 Highlights | EU, US, UK

WTO Director-General Ngozi Okonjo-Iweala continued this week to pressure the EU into supporting the proposed TRIPS waiver for the COVID-19 vaccines. The EU is [holding back](#) its support and has instead suggested alternative solutions in a [proposal](#) published on 4 June that could remove export restrictions on vaccines and their raw materials, as well as expand vaccine manufacturing capacity across the world. It also calls on "facilitating the use of compulsory licensing" within the TRIP

Agreement. The EU's alternate proposal is expected to be formally presented at the WTO next week. European Commission President Ursula von der Leyen stressed, the *"EU proposes concrete short and medium term solutions to ensure universal access at affordable prices. I am looking forward to discuss with the G7 leaders next week how to achieve this goal."*

Regarding vaccine supplies in the EU, Moderna [announced](#) this week that it plans to double production of its vaccine at its Dutch facility. Meanwhile, the European Medicines Agency [approved](#) the use of the Pfizer/BioNTech vaccine for adolescents aged 12- to 15-years old this week, a move the United States made last month. On 4 June, the UK Medicines and Healthcare products Regulatory Agency (MHRA) [also authorized](#) an extension to the current UK approval of the Pfizer/BioNTech COVID-19 vaccine to allow use of the vaccine for adolescents aged 12- to 15-year-olds.

On 3 June, President Biden [explained](#) how the United States would start sharing 80 million doses of its vaccine supply with the world. At least 75 percent of the first 25 million doses – nearly 19 million – will be shared through COVAX, including approximately six million doses for Latin America and the Caribbean, approximately seven million for South and Southeast Asia, and approximately five million for Africa, working in coordination with the African Union and the Africa Centres for Disease Control and Prevention. The remaining doses, just over six million, will be shared directly with countries experiencing surges, those in crisis, and other partners and neighbors, including Canada, Mexico, India, and the Republic of Korea. President Biden stressed,

We are sharing these doses not to secure favors or extract concessions. We are sharing these vaccines to save lives and to lead the world in bringing an end to the pandemic, with the power of our example and with our values."

A fact sheet on the initial allocation is available [here](#).

On June 1, Moderna joined Pfizer/BioNTech in initiating the rolling submission process with the US Food and Drug Administration (FDA) for a Biologics License Application (BLA) for the licensure of its mRNA COVID-19 Vaccine to prevent COVID-19. This would move these vaccines from the Emergency Use Authorization (EUA) category to BLA, once approved by the FDA. Meanwhile, on 28 May, the Equal Employment Opportunity Commission (EEOC) announced US companies can mandate that employees be vaccinated against COVID-19, as long as employers comply with the reasonable accommodation provisions of the *Americans with Disabilities Act* and other laws.

On Thursday, 3 June, the UK Government hosted a two-day G7 Health Ministers Meeting in Oxford to take action on improving global health and tackling COVID-19 around the world. Ahead of the first day, the UK Health Secretary, along with the Foreign Secretary Dominic Raab, published a [new report](#) on G7 progress to improve global health in developing countries. US Health and Human Services (HHS) Secretary Xavier Becerra participated in the meeting, with HHS providing a readout of the first day of the meeting [here](#).

Notable UK Developments

On 3 June, the UK Department for International Trade [shared](#) that a UK-Australia trade deal under negotiation could possibly include a boost for Scotch whisky producers with the removal of a five

percent tariff on whisky exports. Australia is the 8th biggest market for Scotch whisky exports, worth £113 million last year.

On 2 June, Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) nations agreed to the UK's bid to begin the accession process to join the CPTPP. UK International Trade Secretary Liz Truss [said](#) of the decision,

CPTTP membership is a huge opportunity for Britain. It will help shift our economic centre of gravity away from Europe towards faster-growing parts of the world, and deepen our access to massive consumer markets in the Asia-Pacific."

British Foreign Secretary Raab [spoke](#) at the United Nations (UN) General Assembly Special Session against Corruption on 2 June. He explained the UK's role in combatting global corruption, noting the Government's Anti-Corruption Strategy has pioneered innovative methods of asset recovery, such as Unexplained Wealth Orders and Account Freezing Orders, coupled with British sanctions on individuals who have been involved in serious corruption from six different countries.

Following Russia's fourth informal Arria-formula meeting at the United Nations this week, the UK joined Albania, Australia, Canada, Costa Rica, Estonia, Federated States of Micronesia, Georgia, Marshall Islands, Moldova, Montenegro, New Zealand, North Macedonia, Ukraine, and the United States in a [joint statement](#) condemning Russia for perverting the truth and obfuscating its malign activities in Ukraine. They also called on Russia "to fulfill its Minsk commitments, including implementing an immediate and comprehensive ceasefire and withdrawing its military personnel and materiel from the territory of Ukraine."

Notable US Developments

On Wednesday, 2 June, US Trade Representative Katherine Tai [announced](#) the conclusion of the one-year Section 301 investigations of DSTs adopted by Austria, India, Italy, Spain, Turkey, and the United Kingdom. The final determination in those investigations was to impose additional tariffs on certain goods from these countries. However, Ambassador Tai said that the United States would suspend imposing the tariffs for up to 180 days to provide additional time to complete the ongoing multilateral negotiations on international taxation at the Organisation for Economic Co-operation and Development (OECD) and in the Group of 20 (G20) process. Federal Register notices announcing and suspending the trade actions in the six investigations can be viewed [here](#).

On Thursday, 3 June, President Biden signed a [new Executive Order](#) expanding the scope of a ban that prevents US citizens from buying publicly traded securities of any entities determined by the Treasury Secretary to be operating "in the defense and related materiel sector or the surveillance technology sector" of China's economy. The order also creates the "Non-[Specially Designated Nationals] Chinese Military-Industrial Complex Companies List," which will be controlled by Treasury's Office of Foreign Assets Controls and initially [listed 59 entities](#). Notably, this new list is different from the Section 1237 List, which requires the US Defense Department to list companies operating directly or indirectly in the United States or any of its territories and possessions that are Communist Chinese military companies. The White House released a fact sheet on the new order, accessible [here](#).

Also on Thursday, President Biden issued a [National Security Study Memorandum on the Fight Against Corruption](#) to establish combatting corruption as a core US national security interest. The President directed US Departments and Agencies to make recommendations that will “significantly bolster” the ability of the US Government to combat corruption; he [added](#), the US “will lead by example and in partnership with allies, civil society, and the private sector to fight the scourge of corruption.” A White House [fact sheet](#) reflected the Administration would work with international partners to curb offshore financial secrecy, seize stolen assets, and make it more difficult for those who steal to hide behind anonymity by accelerating efforts to establish a “beneficial ownership” registry, among other things.

US National Security Advisor Jake Sullivan met with Dr. Jan Hecker, Foreign and Security Advisor to the German Chancellor, on 2 June. A White House [readout](#) reflected the discussion focused on the upcoming G7 Leaders and NATO Summits, securing Europe’s energy future, collective efforts to share COVID-19 vaccines, coordination on cybersecurity and response to ransomware attacks, and foreign policy priorities that included Russia, Ukraine, Iran, the Sahel, and the Western Balkans. The Nord Stream 2 pipeline was also raised, with the US reiterating concerns about the risks the project poses to Ukraine and European energy security. Deputy National Security Advisor Daleep Singh also met with Professor Lars-Hendrik Röller, German Chancellery Chief of Division for Economic, Financial, and Labor Policy, to discuss objectives for the upcoming G7 Leaders Summit, vaccine dose sharing, forced labor, post-COVID economic recovery, and 5G security.

On 1 June, House Foreign Affairs Committee Ranking Member Michael McCaul (R-Texas) – along with 20 Committee Republicans – [sent a letter](#) to US Secretary of State Antony Blinken expressing concern over the Biden Administration’s decision to apply a waiver foregoing sanctions on Nord Stream 2 AG and top officials for their involvement in the Nord Stream 2 pipeline project. They spotlighted the Administration’s rationale for the waiver in the letter, noting “the assertion that these sanctions would ‘negatively impact U.S. relations with Germany, the EU, and other European allies and partners’ completely discounts the opinion of the frontline Central and Eastern European countries, in particular Ukraine.” The Republican lawmakers added, “the Administration appears to be prioritizing Berlin’s interests over the interests of the rest of Europe.” The lawmakers reiterated mandated congressional sanctions also included provisions addressing the insurance and certification companies involved in the pipeline project, spotlighting in particular the Danish Energy Agency’s construction permit requires an active insurer; noting the permit and relevant national regulatory authorities require an independent third-party verifier to green light the pipeline’s operation.

Next week, President Biden and First Lady Jill Biden will travel to the United Kingdom. The President will meet with British Prime Minister Boris Johnson on 10 June to affirm the special relationship between the two countries. In Cornwall, President Biden will attend the G7 Leaders’ Summit (11-13 June). On the margins of the Summit, President Biden will hold bilateral meetings with his G7 counterparts. He and the First Lady will meet with Her Majesty Queen Elizabeth at Windsor Castle on 13 June.

President Biden will travel next to Brussels, Belgium, to attend the NATO Summit on 14 June. The President will also meet with Turkish President Recep Tayyip Erdoğan to discuss bilateral and regional issues on the margins of the Summit. While in Brussels, President Biden will meet with European Commission President Ursula von der Leyen and European Council President Charles Michel on 15 June for the EU-US Summit. Ahead of that Summit, EU Executive Vice President Margarethe Vestager said this week that the trading partners hope to announce the creation of a Transatlantic Trade and Technology Council. Last month, Ambassador Tai indicated the Biden

Administration was “very interested” in the proposed council. President Biden will also meet with His Majesty King Philippe of Belgium and Belgian Prime Minister Alexander De Croo in Brussels.

The President will then travel to Geneva, Switzerland, for a bilateral summit with Russian Federation President Vladimir Putin on 16 June. While in Geneva, President Biden will also meet with Swiss President Guy Parmelin and Foreign Minister Ignazio Cassis.

Notable EU Developments

The Council of the EU [approved](#) a negotiating mandate on the Regulation for an International Procurement Instrument (IPI) on Wednesday. IPI, as a tool, could provide negotiating leverage for the EU to open up third countries’ procurement markets and ensure a level playing field. Subject to the adoption of the European Parliament’s position, the inter-institutional negotiations to reach a common view on the proposed law is expected later this summer.

Early this week, the European Commission launched [public consultations](#) on the reform of legislation aimed at shaping how data is shared between businesses, consumers and governments, known as the EU’s Data Act. While the drafting of the legislation has yet to start, there are plans to introduce risk-mitigating transparency measures for governments accessing non-personal data of companies that are hosted by cloud computing service providers based in the EU, most of which are of US origin. Such measures could include reporting obligations on the types of foreign laws applying to cloud computing service providers, as well as obligations preventing foreign governments from assessing European companies’ data.

UK-EU Trade Deal Updates

EU-UK tension continues with respect to negotiations over the Northern Ireland Protocol, with trade facilitation and outstanding post-Brexit problems yet to be addressed. The EU27’s patience is running out, according to a Financial Times [interview](#) with European Commission Vice President Maroš Šefčovič. The EU-UK Joint Committee – scheduled for next week – is set to identify a roadmap to iron out the remaining differences with respect to the Northern Ireland trading border. Pragmatism is needed, according to Šefčovič, who called for the need to agree on common veterinary standards. This could possibly eliminate one of the main struggles for UK customs authorities at the border – checks on animal and plant products.

EU Ambassador to the UK João Vale de Almeida [rejected](#) the criticism from the newly elected Democratic Unionist Party Leader, Edwin Poots, who accused the EU’s actions of doing “demonstrable harm” to Northern Ireland’s Good Friday Agreement. Vale de Almeida also called on the need for the UK to be more engaged on finding a solution on the Northern Ireland Protocol.

Despite the Northern Ireland-related tensions, the EU and UK [reached](#) an Agreement this week on fisheries quotas for the remainder of 2021, aligning with fisheries provisions of the EU-UK Trade and Cooperation Agreement.

© Copyright 2025 Squire Patton Boggs (US) LLP

Source URL: <https://natlawreview.com/article/transatlantic-trade-us-and-europe-week-may-31-2021>
