



7 January 2016

The Honorable Michael Froman  
U.S. Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, D.C. 20508

The Honorable Cecilia Malmström  
European Commissioner for Trade  
Rue de la Loi 200B-1049  
Brussels, Belgium

Dear Ambassador Froman, Dear Commissioner Malmström,

On behalf of motor vehicle suppliers in the United States and Europe, the Motor & Equipment Manufacturers Association (MEMA)<sup>1</sup> and the European Association of Automotive Suppliers (CLEPA)<sup>2</sup> congratulate you on the renewed efforts on the Transatlantic Trade and Investment Partnership (T-TIP) negotiations. Our associations and our members have actively participated in previous public discussions regarding priorities for the negotiations and stand ready to assist in finalizing a strong agreement.

These two economies account for nearly half of the world's GDP and represent 35 percent of global automotive sales. There is no doubt that a successful T-TIP would bring about economic gains, enhanced job creation, innovation, and investor confidence.

As we communicated to you in our January 28, 2015 letter and at the Stakeholder Session during the 11<sup>th</sup> Negotiating Round in October, we continue to support an agreement that:

- Addresses regulatory convergence and mutual recognition of existing technical requirements provided that safety levels and environmental protection are not lowered;
- Promotes opportunities for a strong worldwide system of future harmonized regulations through the UN process under the 1998 Agreement and a proposed pilot program;
- Eliminates tariffs, reciprocally, and secures 100 percent liberalization with relatively short phase-out periods;
- Addresses the gaps between our respective position on intellectual property protection and Rules of Origin; and,
- Commands a strong and sustained political commitment, at the highest levels of government and regulatory authorities, allowing for transparency and regular consultation with automotive stakeholders.

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<sup>1</sup> The Motor & Equipment Manufacturers Association (MEMA) represents over 1000 companies that manufacture motor vehicle parts for use in the light- and heavy-duty vehicle original equipment and aftermarket industries. Motor vehicle parts manufacturers are the nation's largest manufacturing sector, directly employing over 734,000 American workers with a total employment impact of 3.62 million U.S. jobs contributing nearly \$355 billion to U.S. GDP. MEMA represents its members through four affiliate associations: Automotive Aftermarket Suppliers Association (AASA); Heavy Duty Manufacturers Association (HDMA); Motor & Equipment Remanufacturers Association (MERA); and, Original Equipment Suppliers Association (OESA).

<sup>2</sup> CLEPA represents 116 of the world's most prominent suppliers for car parts, systems and modules and 24 National trade associations and European sector associations are members of CLEPA, representing an industry with an annual turnover of 600 billion Euro, more than 3,000 companies, employing more than 5 million people and covering all products and services within the automotive supply chain.

We believe 2016 represents a new and critical phase in the negotiations. Our industry is concerned that the need for a strong system for future harmonized regulations may not be receiving the attention it deserves in the negotiating process. A focus on the harmonization of future regulations will eliminate unnecessary regulatory burdens worldwide. MEMA and CLEPA have long advocated for a focused approach to harmonized regulations on new and emerging, unregulated technologies that will significantly enhance vehicle safety and performance.

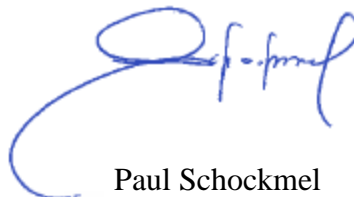
T-TIP could build on these initiatives by elevating the discussions on harmonization and speeding the adoption of new regulations. MEMA and CLEPA strongly support a proposed harmonization pilot program focusing on Advanced Emergency Braking (AEB), Adaptive Lighting, and Seat Belt Interlocks. All of these technologies are gaining a foothold in the marketplace but are not currently regulated. As a recent studies from the Boston Consulting Group (BCG)<sup>3</sup> and Transport Research Laboratory (TRL)<sup>4</sup> demonstrated, the adoption of a suite of Advanced Driver Assistance System (ADAS) technologies could reduce fatalities significantly. In the United States alone about 10,000 lives could be saved annually.<sup>5</sup> By providing a specific focus for the future of harmonization, the negotiators could speed adoption of these life-saving technologies while reducing costs for both industry and government.

MEMA and CLEPA are committed to working closely with all the parties. We look forward to our ongoing discussions.

Sincerely,



Steve Handschuh  
President & CEO  
MEMA



Paul Schockmel  
CEO  
CLEPA

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<sup>3</sup> Report: "A Roadmap to Safer Driving through Advanced Driver Assistance Systems" The Boston Consulting Group, Inc. and the Motor & Equipment Manufacturers Association, Sept. 2015.

<sup>4</sup> Report: "Benefit and Feasibility of a Range of New Technologies and Unregulated Measures in the fields of Vehicle Occupant Safety and Protection of Vulnerable Road Users" EC-DG GROW, March 2015.

<sup>5</sup> BCG, *op. cit.* p. 2 and 13