

# Building a Transatlantic Consensus on AI Governance: The Trade and Technology Council's Advances and Challenges

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January 25, 2023

## Key points

- The Trade and Technology Council (TTC) serves as the premier platform for transatlantic coordination on trade, technology, and AI-related matters, including the development of global standards on AI and security.
- The TTC serves as an important platform for transatlantic coordination on AI governance, but its impact is ultimately limited by its non-binding nature.<sup>1</sup>
- The third TTC Meeting, held in December 2022, was a pivotal moment in the transatlantic partnership's efforts to establish a robust framework for AI governance.
- The Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management aims to create tangible outputs and establish short- and long-term objectives, such as creating a shared repository of metrics and methodologies.
- While the TTC may have been disappointing regarding key contentious technological issues such as semiconductor export controls or subsidies for electric cars, it delivered timely, if less flashy, outcomes regarding AI.
- Challenges remain in the implementation and enforcement of plans for AI governance, as well as the potential for rapid advances in AI technology to create new crises.

## Background: Synchronizing Approaches to AI Governance

The Transatlantic Technology Council (TTC) was established in June 2021 as a forum for the United States and European Union to coordinate approaches to key global trade, economic, and technology issues, with a focus on AI governance. The **non-binding nature** of the TTC allows for a flexible approach to addressing emerging issues and facilitates efficient negotiations, drawing lessons from the unsuccessful Transatlantic Trade and Investment Partnership (TTIP) initiative and the strain placed on EU-US relations during the Trump administration. However, it also implies that the decisions reached under the TTC will have **limited scope and applicability**. Both the EU and the U.S. have emphasized that the TTC will not compromise the regulatory autonomy of either side. Thus, any expectations for rapid regulatory convergence through the TTC, such as in the regulation of digital platforms, are unlikely to be met.

The TTC has prioritized AI as an area of cooperation, providing a useful forum for coordination, mutual understanding, common policy principles, and narrative development. The inaugural meeting of the TTC, held in September 2021, saw the U.S. and EU commit to developing and implementing innovative and trustworthy AI systems that respect universal

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<sup>1</sup> [Setting the tone: The value of the EU-US Trade and Technology Council](#)

human rights and shared democratic values. The council holds several working groups addressing topics relevant to AI governance, such as **technology standards, supply chains, data governance, security, and export controls**. The TTC complements other international forums discussing AI governance, such as the OECD and the Global Partnership on AI, by providing a direct coordination mechanism between the U.S. and the EU.

The council met for a second time in May 2022, in the wake of Russia's aggression against Ukraine, and emphasized the **TTC's central role in the transatlantic response**. While it is true that the TTC engagement between the European Commission and White House officials helped in facilitating the quick coordination of those controls, ultimately, it was the member states that negotiated and made the final decision on the measures in the Foreign Affairs Council, separate from the TTC. Discussions at the meeting centered around the implementation of common AI principles and the development of a joint roadmap for evaluating and measuring AI trustworthiness and risk management.

### **Third Meeting: A Pivotal Moment**

The third TTC meeting, held in December 2022, represented a pivotal moment in the transatlantic partnership's endeavors to establish a robust framework for AI governance.

The council's handling of broader technology policy issues has been criticized. The meeting **did not address disputes over the U.S.'s Inflation Reduction Act**, which provides subsidies for made-in-America electric cars, and conflicts over the **EU's digital sovereignty initiatives**. The meeting also failed to reach a meaningful agreement on semiconductors, a crucial sector in competition with China. The TTC also did not discuss much content moderation, digital market regulation, or semiconductor export controls to China. Critics have given the meeting's outcome a grade of "F."<sup>2</sup> Before the meeting, the EU expressed concerns about President Biden's plans for large subsidies for made-in-America electric cars as part of the Inflation Reduction Act. The EU's Commissioner for Internal Market, Thierry Breton, decided not to attend the event because not enough time had been dedicated to these disputes.

However, **the relative absence of these contentious issues from the agenda enabled substantial progress in AI governance**. The meeting yielded meaningful discussions and advancements in crucial areas. Among the results is the Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management.

### **The Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management**

The Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management ("the Joint Roadmap") represents a significant step forward in the partnership's efforts to establish a concrete and actionable plan for AI governance. The roadmap shows a clear way to set up a strong AI governance framework with both short-term and long-term goals.

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<sup>2</sup> [Trade and Tech Council Report Card: Small Victories, Unanswered Big Questions](#)

The roadmap identifies three key areas of focus, each established with a dedicated expert group:

1. **Development of shared terminologies and taxonomies for AI governance.**

The focus of the roadmap on establishing a **shared understanding of basic terms** will facilitate interoperable standards and the identification of responsibilities, practices, and policies. This includes key concepts such as risk, risk management, risk tolerance, bias, robustness, safety, interpretability, and security. The work in this area will be informed by ongoing global efforts in organizations such as the OECD, ISO, and IEEE, as well as existing AI regulations from the U.S. and EU. This is especially important when AI governance is still a “virgin” area for international coordination. The U.S. has pushed for a narrower definition of AI systems in the EU AI Act - and this kind of conversation will facilitate common understanding.

2. **EU-U.S. leadership on cooperation on international technical standards and tools for trustworthy AI and risk management**

The Joint Roadmap launched a **shared repository of metrics and methodologies** for measuring AI trustworthiness, risk management methods, and related tools. The EU and the United States intend to take joint leadership in AI standards, ensuring that AI technologies and systems meet critical and performance characteristics, as well as ensuring accessibility and valid solution-focused design. The U.S. and the EU aim to play a convening role with their respective stakeholders to promote appropriate representation at important standards-setting bodies and organizations.

Industry standards will largely determine how the EU’s AI rulebooks will be applied in practice, to the point that academics defined **standard making as where “the real rulemaking”** in the upcoming months will occur.<sup>3</sup> This is also true for the U.S. AI standards. Coordination by the two blocs is thus a significant step forward. One of the major challenges that must be addressed is the **difficulty of creating technical standards for AI that are reliable and effective**. There are concerns that current state-of-the-art AI systems may not be able to adhere to these principles, and testing their adherence is also problematic. Moreover, a recent paper sent to government officials in EU capitals reported that the United States has been pushing for a **perceived dilution of the EU’s proposed AI regulation**, notably regarding regulating general-purpose AI systems.<sup>4</sup> The release of OpenAI’s ChatGPT has shown that neural network-powered chatbots could create dangerous content and it is unlikely that the Commission will not want to regulate these types of systems. Hence, part of the challenge of the next few months is finding a zone of agreement where the higher-risks systems are regulated while giving enough room for innovation.

The **TTC process of December lacked transparency** and will need to improve to show that the EU and the U.S. lead in this domain. The key to successfully implementing standards for AI governance is to make sure that the process is open and transparent, with input from a wide range of stakeholders, such as think tanks, non-profits, and academics.

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<sup>3</sup> [Demystifying the Draft EU Artificial Intelligence Act by Michael Veale, Frederik Zuiderveen Borgesius. : SSRN, Commission leaves European standardisation body out of AI standard-setting – EURACTIV.com](#)

<sup>4</sup> [The U.S. unofficial position on upcoming EU Artificial Intelligence rules – EURACTIV.com](#)

### **3. Monitoring and measurement of existing and emerging AI risks.**

The TTC aims to create a comprehensive "risk tracker" that will give a dynamic and up-to-date overview of the different risks and risk categories associated with AI based on context, use cases, and empirical data on AI incidents, impacts, and harms. The roadmap emphasizes the need for interoperable **tests and evaluations of AI risks**. These evaluations are crucial for strengthening research communities, establishing apt research methodologies, and supporting the development of robust standards for trustworthy AI. The Joint Roadmap also acknowledges **the challenges of evaluating AI systems in the context of deployment**, as accuracy measures alone may not be sufficient to determine efficacy in deployment, particularly for the complex and emergent capabilities of large deep learning systems. In the short term, the objectives for this group will include **establishing the methodology for tracking existing AI risks** based on use cases and incident reporting through pilot attempts at categorization. In the long term, the group may conduct theoretically informed and analytical forecasting of emerging and future risks.

This type of forecasting approach seems especially promising. The rapid pace of AI development presents a significant challenge for governments and other stakeholders trying to keep up with the latest developments and emerging risks. What has been lacking in these discussions is the **preparation for AI-induced crises**, notably in the cyber, financial, and disinformation areas.

#### **Other outcomes of the third TTC meeting**

The December 2022 meeting made progress in building resilient semiconductor supply chains and implementing mechanisms for transparency and cooperation in AI governance. The TTC also made agreements for the EU and US to pool digital resources for addressing challenges in climate change and extreme weather forecasting and for investment screening to ensure security risks posed by certain investments in sensitive technologies. The meeting released a joint study on the impact of AI on the workforce, highlighting the benefits and risks of AI adoption and suggesting ways for governments to guide AI development in a positive direction. Two TTC initiatives for secure digital infrastructure projects in Jamaica and Kenya were announced as a first response to China's global infrastructure investments.

In conclusion, the third TTC meeting represented a pivotal moment in the transatlantic partnership's endeavors to establish a robust framework for AI governance. The Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management, which aims to create tangible outputs, established short- and long-term objectives, such as creating a shared repository of metrics and methodologies. While the TTC may have been disappointing regarding key contentious technological issues such as semiconductor export controls or subsidies for electric cars, it delivered timely, if less flashy, outcomes regarding AI. However, challenges remain in the implementation and enforcement of plans for AI governance, as well as the potential for rapid advances in AI technology to create new crises. The EU and US must continue to work together to establish a framework for AI governance that respects human safety and fundamental rights in an inclusive and transparent process. The TTC has shown that transatlantic cooperation is possible and necessary in AI governance.