



Policy Focus

A bi-monthly review of major policy developments in Brussels, London and Washington, prepared for BABC member companies

March 2008

BABC Policy Action:

- ▶ As part of the UK Government consultation on proposed new tax regulations for non-domiciled residents, we sent a letter to the Chancellor of the Exchequer, the Rt. Hon. Alistair Darling, on December 18, 2007. In it, we called for the new regulations to be deferred beyond the proposed introduction date of April 6, 2008 to allow for further consultation and research into their impact. Subsequently, we participated in two meetings with the Treasury to express our concerns further. These meetings have reinforced our view that the regulations should be deferred.
- ▶ In response to concerns from our members we wrote to IRS Director Bert DuMars and IRS Attaché Kathy Beck, on February 6, 2008, to express concerns about the new electronic filing obligations for US tax returns. We stated that a number of issues, including software incompatibility, were causing problems for many of our members and sought a meeting to discuss our concerns in more detail.
- ▶ Following our letter last year highlighting increasing problems for business passengers travelling through London Heathrow, we wrote again to the Secretary of State for Transport, the Rt. Hon Ruth Kelly, on February 21, 2008, to lend our support for the introduction of a third runway, which we see as facilitating travel and the transaction of business, and enhancing the business prospects for London and its attraction to inward investors.

London

Northern Rock Bank to be Nationalized

The British bank, Northern Rock is to be nationalized by the British Government following failed bids by

Washington

US Consumer Confidence Drops to Lowest for 16 Years

The Reuters/University of Michigan index of consumer sentiment fell 11 per cent in February to 69.6, compared with the previous month – the lowest level since February 1992. Previous downturns of this magnitude have been associated with subsequent recessions. This evidence has fueled further speculation that the US will enter a recession during 2008. [LINK](#)

Brussels/London

UK Broadband De-Regulation Welcomed in Brussels

The UK telecoms regulator, Ofcom, has become the first European telecoms regulator to identify different broadband markets within a country, a move that allows it potentially to lift regulations in the market. Many believe that the dividing of national markets is crucial to overcoming the 'digital divide' between urban and rural areas. [LINK](#)

Brussels

Slovenian Health Minister Calls on EU for Cross-Border Health Plans

Slovenian Health Minister Zofija Mazej Kukovič has said she hopes during her country's Presidency of the EU that plans for EU cross-border healthcare provisions will be announced. A draft directive, which was due to be published last December, is believed to contain guidelines for the treatment of patients notwithstanding their country of origin. However, the European Commission has not committed to a date for releasing the plans. [LINK](#)

private buyers. This is the first nationalization since 1977 and commentators are divided on whether this was the right decision. Director-General of the CBI, Richard Lambert, commented, "In the circumstances, a period of temporary state ownership may well be the least bad outcome." [LINK](#)

London **Warning on Flexible Working**

The Business Secretary, the Rt. Hon. John Hutton, has warned that further changes to flexible working laws for parents could lead to business becoming less accommodating of flexible working arrangements. In new proposals, the current rules, which allow for flexible working provisions for those with children under 6, could be extended to those with children under 18.

[LINK](#)

London/Washington **New U.S./U.K. collaboration to tackle nuclear and radiological threats**

The Energy Minister Malcolm Wicks announced a new collaboration between the US and UK governments to identify nuclear and radiological threats, including securing high-risk nuclear and other radioactive materials and combating their illicit trafficking. The US Department of Energy's National Nuclear Security Administration stated they welcomed "the opportunity to work together with our allies...to advance our common international security goals."

[LINK](#)

Washington **U.S. Reaches Open Skies Accord with Australia**

In February, the United States and Australia reached an agreement on a comprehensive Open Skies Framework. The agreement will remove limits on the number of flights that airlines can operate between the US and Australia. Transportation Secretary Mary E. Peters said it "begins a new era where American and Australian consumers, airlines and economies can enjoy the benefits of lower fares and more convenient service."

[LINK](#)

Washington **Possible Trade Dispute with Canada**

The US has been warned that its new fuel purchasing

Brussels **EU Commission Criticizes US over new Visa-Waiver Proposals**

The EU has criticized attempts by the US to re-open a 2007 deal on exchanging personal information of trans-Atlantic air passengers. The US has offered several EU countries visa-free travel if they agree to the stronger restrictions. European Commission spokesman, Jonathan Faull, said that if the US did not offer the visa waiver program to all EU member-states, then the EU would be forced to consider its visa program for US citizens. [LINK](#)

Forth Coming Events

London

- ▶ **Mar 13-15 2008** – Federation of Small Business (FSB) Annual Conference
- ▶ **Mar 18-19 2008**: DIMDEX Maritime Defense Conference: Challenges, Capabilities, and Cooperation

Washington

- ▶ **Mar 04-06**: Washington International Renewable Energy Conference (WIREC)
- ▶ **Mar 13-15**: ACI-NA / AAEA Spring Conference

Brussels

- ▶ **Mar 31/Apr**: European Wind Energy Conference & Exhibition
- ▶ **Apr 03-04**: European Conference on Bicycle Transport and Networking

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regulations could leave it open to a trade dispute with Canada. The new rules, which were outlined in the 2007 Energy Independence and Security Act, restrict the US from purchasing fuels that emit more greenhouses gases during their production, than they do in their use. Canada has begun to utilize more oil from underground “tar pits,” a method that uses lots of energy and as a result Canada may be subject to more stringent US trade restrictions. [LINK](#)