

# [NEW: TTIP FAQ: the negotiation phase – events, updates, key positions and docs](#)

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## TTIP FAQ – Negotiation phase

### (Transatlantic Trade and Investment Partnership)

- Latest update: 12 July 2013 -

- The [pre-negotiation phase TTIP FAQ](#) can be accessed here -

#### 1. Upcoming meetings and events

- **On 16 July 2013** the European Commission hosts an “ad hoc meeting” to update on the Transatlantic and Investment Partnership – First Negotiation Round.
- **On 18 July 2013** a hearing on the US President’s Trade Policy Agenda is scheduled by the House Ways and Means Committee, this hearing might give more info on preparations for Trade Promotion Authority (TPA).
- **On 4 September 2013** the US Monitoring Group of the International Trade Committee of the European Parliament will meet with Commission negotiators to reflect on the first negotiation round that took place from 8-11 July in Washington DC. This meeting is not open for the public.
- **On 26 September 2013** the US Congress International Trade Committee (US ITC) is expected to deliver its impact assessments.
- A second negotiation round is envisaged for **mid-October 2013** in Brussels, a third round is expected to be held in December 2013 in Washington DC.
- The US ITC will also investigate and produce a **report on trade-related barriers that US small-and-medium enterprises perceive as disproportionately affecting their exports to the EU**; this report should be prepared by **January 2014**.

#### 2. Past meetings and events

- From **8 to 11 July 2013 in Washington DC** US and EU negotiators met for the first round of formal negotiations. The first round was likely to focus on the framework of the negotiations and the scope of TTIP.
- **On 25 June in Brussels**, the European Commission informed the ‘US Monitoring Group’ about the upcoming round of negotiations. This group was set up specifically to deal with TTIP and consists of delegates from the International Trade Committee (“**INTA**”) of the European Parliament. The meeting was not open to the public. The Commission will report on the first round of negotiations at the beginning of September. INTA will receive

all the documents that the member states receive. In this way, the Parliament will remain involved and informed.

### 3. First negotiation round: 8-11 July, Washington DC

- EU and US negotiators met in Washington DC from **8-11 July**. A [joint press release](#) was issued on the first day. The opening remarks by the United States Trade Representative (USTR), Mr. Michael Froman [can be read here](#). A joint USTR, Commission [update was published](#) on **10 July**. A joint press conference took place on **12 July** ([link](#)).
- According to the Lithuanian Presidency of the European Council [24 working groups](#) have been established to streamline the negotiations. So far the names of the negotiating team of the EU have not been published, it is expected these will be disclosed in the coming days. USTR has already [published a list](#) of lead negotiators.
- Negotiators discussed the following topics on **8 July**: investment, government procurement, cross-border services, textiles, rules of origin, energy and raw materials and legal issues (source: USTR).
- Negotiators discussed the following topics on **9 July**: sanitary and phytosanitary (SPS) measures, market access and industrial goods, government procurement, cross-border services, investment, and energy and raw materials. The negotiating groups on labor and environment also will hold a joint session (source: USTR).
- Negotiators have met several times to discuss investments (daily), labor and SPS measures.
- According to negotiators the talks so far have been of a technical nature, in terms of exchanging factual information, common practices on each side and how to streamline the negotiating process.
- Both U.S. Trade Representative Michael Froman and Trade Commissioner Karel De Gucht will stay closely involved, while giving the negotiators space to do their job.
- According to trade info portal [insidetrade.com](#) talks on detailed matters such as how to schedule trade liberalization commitments were also included. On services for example the US favors the “negative list” approach while the EU favors the “positive lists” approach, explicitly stating which areas are included in a final deal.
- Regulators from US sides were involved in the talks: Food and Drug Administration, the Environmental Protection Agency, the Federal Telecommunications Commission and the Department of Transportation (source: [insidetrade.com](#)), from the EU side the DG’s Health and Consumers, Agriculture and Rural Development, Internal Market and Services, and Enterprises and Industry took part in the talks.
- On **10 July** an open stakeholder meeting was organized by USTR, attended by both the EU and US top negotiators.

### 4. State of play

The first phase – or ‘pre-negotiation phase’ is concluded with the granting of a negotiating mandate by the European Member States to the European Commission, and by the **expiration of the 90-day consultation period** (on 18 June 2013) of the US Congress after the Obama administration formally notified it of its intend to engage in trade negotiations with the EU. The second phase – or ‘negotiation phase’ is about to start with the first talks on July 8th in

Washington DC. The US side is not yet allowed to hold ‘market access’ discussion until the US International Trade Committee (“ITC”) publishes its [impact investigation](#) (upon request of the United States Trade Representative (“USTR”), the US negotiator) on **26 September 2013**.

The European Commission, as the exclusive negotiator for the European Union, has a binding **obligation to duly inform the European Parliament** before and after the negotiation rounds and will also share the final negotiating mandate with the INTA committee and other key documents, provided that the EU’s strategic position will not be undermined.

In the US the White House has indicated it intends to request so-called “Trade Promotion Authority” (“TPA”) or “Fast Track”, from the US Congress (where the [House Ways and Means Committee](#) is in the lead), by which the Congress agrees to a simplified consideration procedure for the negotiated trade deal, meaning that no amendments can be made and it has a limited amount of time to approve or reject the agreement.

## 5. Key figures/data

Data: [CEPR](#)

- Total bilateral trade in goods between the EU and US in 2011 amounted to €455 billion, with a positive balance for the EU of just over €72 billion.
- The US was the EU’s third largest supplier, selling it €192 billion of goods (representing around 11% of total EU imports) and the EU’s main export market, buying €264 billion of EU goods (representing around 17% of total EU exports).
- Top sectors for trade in goods for the EU were machinery and transport equipment (some €71 billion of imports and €104 billion of exports), followed by chemicals (roughly €41 billion of imports and €62 billion of exports).
- In 2011 trade in commercial services was worth €282.3 billion (according to the latest available figures from Eurostat) with a positive balance for the EU of €5.5 billion.
- The US was the EU’s top partner for trade in commercial services, with its imports reaching €138.4 billion (around 29% of total EU imports) and its exports €143.9 billion (around 24% of total EU exports).
- In total, the commercial exchanges of goods and services across the Atlantic average almost €2 billion per day.
- In 2008 around 5 million jobs across the EU were supported by exports of goods and services to the US market.
- In 2011, US companies invested around €150 billion in the EU and EU firms some €123 billion in the US. In the same year, the US stock of investments in the EU reached over €1.3 trillion and the total of EU stock of investments in US over €1.4 trillion.

An ambitious and comprehensive TTIP could generate 119 billion Euros in economic gains for the EU as a whole every year. This translates on average to 545 Euros of disposable income each year for a family of four in the EU. A Comprehensive TTIP would also structurally increase salaries for both skilled and unskilled workers by 0.5% on average. Aside from wages, the agreement would also stimulate the growth of jobs due to the increased output in most industry sectors.

The TTIP would boost exports in almost all sectors, but would be especially beneficial to certain sectors in both the EU and the US. In the motor vehicles sector, EU imports are expected to go up by 42% and exports by 43%. EU exports of motor vehicles to the US would increase by 149%. Other EU sectors that have a lot to gain from the TTIP by increased sales to the rest of the world would be the metal products (+12%), processed foods (+9%), chemicals (+9%), other manufactured goods (+6%) and other transport equipment (+6) sectors.

## 6. Transparency

Based on **Article 207 (3) and Article 208 of the Treaty on the Functioning of the European Union** (“TFEU“) the European Parliament has to give its consent to any international agreement, including trade agreements, before these can enter into force. While the Parliament is not officially engaged in the negotiations with the US the European Commission has a binding obligation to fully inform the Parliaments about the progress and process of the negotiations (before and after each negotiation round). The Parliament has made it very clear in its two resolutions of [October 2012](#) and [May 2013](#) that **maximum transparency** and involvement of all stakeholders is required in order to build trust and legitimacy of both the negotiations and the outcome:

*“Recalls the need for proactive outreach and continuous and transparent engagement by the Commission with a wide range of stakeholders, including business, environmental, agricultural, consumer, labour and other representatives, throughout the negotiation process, in order to ensure fact-based discussions, build trust in the negotiations, obtain proportionate input from various sides, and foster public support by taking stakeholders’ concerns into consideration; encourages all stakeholders to actively participate and to put forward initiatives and information relevant to the negotiations;”*

## 7. Bottlenecks

### *SPS measures, food & product safety regulation*

Both the EU and the US have high standards for food and product safety regulation. The EU treaty includes the so-called ‘**precautionary principle**’ (Art. 191 TFEU) that seeks to enable a rapid response by authorities in case of a direct danger to human, animal or plant health, or to protect the environment. The principle leads to preventive decision-making (‘better safe than sorry’) in the case of risk, which means that certain products are not allowed to be exported to the EU. The EU can invoke the principle if a scientific “evaluation does not allow the risk to be determined with sufficient certainty”, and puts the burden of proof on the manufacturer of the product to show there is no danger. The EU has invoked the precautionary principle to ban the import of US hormone-treated beef. Other areas of concern are chlorine-washed chicken, cherries, molluscan shellfish, tallow, raw milk and genetically modified/engineered crops (GMO/GE). High levels of consumer protection and current practices will make it difficult for both sides to compromise or adapt standards on these highly sensitive issues.

### *Public procurement*

The EU and the [US](#) (except for 13 of the 50 individual States) have both signed up to the revised Agreement on Government Procurement (“[GPA](#)”), currently being implemented. The GPA rules and coverage will be the baseline for the procurement chapter in TTIP. Public procurement in the US is not a competence of the Federal Government, which cannot bind public procurement markets of the individual States. This is a concern for the EU which has a major interest in the opening up of US State procurement markets and wants TTIP to be **binding on all levels of government**. The EU is specifically worried about existing “Buy America (n) clauses which excludes EU companies from tendering. The US also maintains a preferential regime for national SME’s (Small and Medium size Enterprises). Under the revised GPA commitments (yet to be implemented) only 32% (178 bln. EUR) of the US procurement market is open for EU businesses (source: EC estimates). The new GPA has not changed the current commitments of the US at state level, with the coverage in the 37 States varying but excluding the procurement of cities, municipalities (in charge of procurement in the domain of utilities). The EU’s public procurement market is de jure open.

### *Air and maritime transport*

While it is impossible for EU airlines to hold more than 25% of an US carrier and the US cabotage market is totally closed to EU business both in air and maritime transport, the reverse does not hold for the EU. This has serious negative effects also on the EU express and courier services industry. Many of the additional regulatory barriers stakeholders brought to the attention of the Commission are on the US sub-federal (i.e. state) level. For the maritime sector the US Jones Act establishes the biggest barrier. **The Jones Act** (formally The U.S. Merchant Marine Act 1920) is a 1920 law that protects the U.S. maritime industry from competition. It also raises costs for many other industries, keeps foreign ships from helping when disasters like the BP oil spill strike. The Jones Act requires all waterborne shipping between US ports to be carried out by vessels built in the US and these vessels have to be owned, registered and operated by Americans. As a consequence of the Jones Act and its subsequent revisions, the European shipbuilding industry including ship repair and maintenance has been effectively excluded from selling vessels to be used in American coastwise trades. If the Jones Act would be partially lifted for European ship types, the European shipbuilding industry (including ship maintenance and repair, marine equipment) will be able to enter a new ‘market’ and to compete with the US industry on a fair level playing field.

## **8. Intellectual Property Rights**

TTIP will inevitably include provision on Intellectual Property Rights (IPRs) in order to protect the interests of European businesses in the United States and vice-versa. You can watch a recording of **an event I hosted on May 15th** in the European Parliament on “What role for IPR in TTIP” via [this link](#). The European Commission has made it clear it does not want to include online copyright enforcement provisions in TTIP. An official summary of a so-called ‘civil society dialogue’ on IPRs in trade negotiations with the US (and Japan) can be read [here](#).

European Trade Commissioner De Gucht has made the following statements in the International Trade Committee on TTIP and ACTA:

*“ACTA, one of the nails in my coffin. I’m not going to reopen that discussion. Really, I mean, I am not a masochist. I’m not planning to do that.”*

*“If the Commission advances new basic legislation, which I think she should, we will revisit the question, but I’m not going to do this by the back door”.*

The approved negotiating mandate explicitly states in paragraph 30 that:

*“The Agreement shall not include provisions on criminal sanctions”.*

## **9. Key positions**

### **EU:**

Full list of contributions submitted to a [public consultation](http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149761.pdf) round by the European Commission following the HLWG – [http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc\\_149761.pdf](http://trade.ec.europa.eu/doclib/docs/2012/july/tradoc_149761.pdf)

Association for Ships and Maritime Equipment, SEA Europe – <http://www.marietjeschaake.eu/wp-content/uploads/2013/06/20130405-SEA-Europe-position-paper-for-TTIP-on-the-Jones-Act.pdf>

FoodDrinkEurope – ‘Europe’s Food Manufacturers welcome EU – USA trade talks. <http://www.fooddrinkeurope.eu/news/press-release/europes-food-manufacturers-welcome-eu-usa-trade-talks/>

European Chemical Industry Council CEFIC – ‘Kick-off of EU-US Free Trade Agreement at G8 summit’ <http://www.cefic.org/newsroom/top-story/20121/Kick-off-of-EU-US-free-trade-negotiations-at-G8-Summit/>

Medica Technology Industry (AdvaMed, COCIR, Eucomed, EDMA, MITA) [http://insidetrade.com/iwppfile.html?file=apr2013%2Fwto2013\\_1148a.pdf](http://insidetrade.com/iwppfile.html?file=apr2013%2Fwto2013_1148a.pdf)

IATP (Institute for Agriculture and Trade Policy) position: [http://www.iatp.org/files/2013\\_06\\_25\\_US\\_EU\\_letter.pdf](http://www.iatp.org/files/2013_06_25_US_EU_letter.pdf)

Orgalime (European Engineering Industries Association): <http://www.orgalime.org/position/negotiations-comprehensive-transatlantic-trade-and-investment-partnership>

*(Something missing? Please send your suggestions to [marietje.schaake@europarl.europa.eu](mailto:marietje.schaake@europarl.europa.eu))*

### **US:**

American Federation of Labor and Congress of Industrial Organizations AFL-CIO – <http://www.aflcio.org/content/download/83241/2300531/AFL-CIO+Comments+on+TTIP+%26+Request+to+Testify+May13.docx.pdf>

National Association of Manufacturers, NAM –  
[http://www.nam.org/~media/26CB9C76E98C4284A9D45AEF21849587/JT Letter to POTUS on EU.pdf](http://www.nam.org/~media/26CB9C76E98C4284A9D45AEF21849587/JT_Letter_to_POTUS_on_EU.pdf)

Business Coalition for Transatlantic Trade (BCTT) –  
[http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013\\_1127a.pdf](http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013_1127a.pdf)

Medical Technology Industry (AdvaMed, COCIR, Eucomed, EDMA, MITA)  
[http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013\\_1148a.pdf](http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013_1148a.pdf)

American Automotive Policy Council (AAPC) –  
[http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013\\_1151a.pdf](http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013_1151a.pdf)

U.S. Food and Agricultural Groups –  
[http://insidetrade.com/~index.php?option=com\\_iwpfile&file=apr2013/wto2013\\_1196.pdf](http://insidetrade.com/~index.php?option=com_iwpfile&file=apr2013/wto2013_1196.pdf)

Manufacturers Alliance for Productivity and Innovation –  
[http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013\\_1266a.pdf](http://insidetrade.com/iwpfile.html?file=apr2013%2Fwto2013_1266a.pdf)

Financial Services Sector – <http://www.sifma.org/workarea/downloadasset.aspx?id=8589943558>

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## **10. Short history of TTIP**

In 2011 the U.S. and the EU jointly established a High Level Working Group on Jobs and Growth (HLWG) tasked with a scoping exercise into measures and sectors that could strengthen and optimize the transatlantic economy in order to create new jobs and economic growth. As the world's largest trading partners (50% of world GDP) with bilateral trade flows representing 33% of world trade the benefits were expected to be huge and could alleviate the burdens of the financial and economic crisis that hit both the EU and the US. Moreover, in rapidly changing world with emerging economies displaying a more active role in global trade and politics a deepened transatlantic partnership also brings strategic benefits and robustness. The HLWG issued an interim report of the scoping exercise in June, reporting good progress, and recommended to transatlantic political leaders to launch formal negotiations as soon as possible. During his state of the Union address on February 12th President Obama politically endorsed the talk. On March 20th the US Administration formally notified the US Congress of its intend to start negotiations with the EU on a trade and investment agreement, kicking of a 90-day consultation allowing formal negotiations to start upon its expiry. On June 14th the 27 EU Trade Ministers handed gave the European Commission a broad mandate to negotiate on their behalf with the Americans. The European Parliament has adopted two political resolutions to feed into the final mandate. After the conclusion of the talks all EU Member States and the European Parliament have to approve the agreement. In the US the deal is subject to Congressional approval.

## **11. Official documents**

June 2013 – approved negotiating mandate for the European Commission of 14 June 2013 – <http://www.marietjeschaake.eu/wp-content/uploads/2013/06/TTIP-mandate.pdf>

May 2013 – Commission Memo on the audiovisual sector and TTIP – <http://blogs.r.ftdata.co.uk/brusselsblog/files/2013/06/non-paper-guarantees-of-the-treatment-of-AV-in-TTIP-1.pdf>

May 2013 – European Parliament Resolution on draft Commission Mandate – <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2013-0227&language=EN&ring=B7-2013-0187>

April 2013 – European Parliament impact assessment of Commission Impact assessment of TTIP – <http://www.europarl.europa.eu/committees/en/studiesdownload.html?languageDocument=EN&file=92710>

March 2013 – European Commission – Staff Working Document – Impact Assessment Report on the future of EU-US trade relations – [http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc\\_150759.pdf](http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc_150759.pdf)

March 2013 – Notification letter to the US Congress by the United States Trade Representative – [http://www.sice.oas.org/TPD/USA\\_EU/Negotiations/03202013\\_TTIP\\_Notification\\_Letter.PDF](http://www.sice.oas.org/TPD/USA_EU/Negotiations/03202013_TTIP_Notification_Letter.PDF)

February 2013 – Final report of the High Level Working Group on Jobs and Growth – [http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc\\_150519.pdf](http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc_150519.pdf)

October 2012 – European Parliament Resolution on report High Level Working Group on Jobs and Growth – <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2012-0388&language=EN>

June 2012 – Interim report of the High Level Working Group on Jobs and Growth – [http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc\\_149557.pdf](http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc_149557.pdf)

## **12. Studies on the impact on TTIP**

*(Something missing? Please send your suggestions to [marietje.schaake@europarl.europa.eu](mailto:marietje.schaake@europarl.europa.eu))*

June 2013 – ‘A Transatlantic Corporate Bill of Rights’, Corporate Europe Observatory & The Transnational Institute – <http://corporateeurope.org/publications/transatlantic-corporate-bill-rights>

June 2013 – ‘TTIP, Who Benefits From A Free Trade Deal?’, Bertelsmann Foundation, – [http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-05089388-192802B3/bst\\_engl/xcms\\_bst\\_dms\\_38065\\_38066\\_2.pdf](http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-05089388-192802B3/bst_engl/xcms_bst_dms_38065_38066_2.pdf)

2013 – ‘EU policies on online entrepreneurship. Conversations with U.S. venture capitalists’, ECIPE – [http://www.ecipe.org/media/publication\\_pdfs/OCC22013.pdf](http://www.ecipe.org/media/publication_pdfs/OCC22013.pdf)

March 2013 – ‘Reducing Transatlantic Barriers to Trade and Investment: An Economic Assessment’, Centre for Economic Policy Research – [http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc\\_150737.pdf](http://trade.ec.europa.eu/doclib/docs/2013/march/tradoc_150737.pdf)

March 2013 – ‘Crafting a Transatlantic Trade and Investment Partnership: What can be done?’, Peterson Institute for International Economics – [http://insidetrade.com/iwpfile.html?file=mar2013%2Fwto2013\\_0813.pdf](http://insidetrade.com/iwpfile.html?file=mar2013%2Fwto2013_0813.pdf)

February 2013 – ‘Dimensions and Effects of a Transatlantic Free Trade Agreement Between the EU and US, Ifo Institut – [http://insidetrade.com//index.php?option=com\\_iwpfile&file=mar2013/wto2013\\_0979.pdf](http://insidetrade.com//index.php?option=com_iwpfile&file=mar2013/wto2013_0979.pdf)

October 2012 – ‘Study on EU-US High Level Working Group’, ECORYS – <http://english.ecorys.nl/dmdocuments/EU-US%20HLWG%20Ecorys%20Final%20report.pdf>

2012 – ‘A New Era For Transatlantic Trade Leadership’, ECIPE – [http://www.ecipe.org/media/publication\\_pdfs/TATF\\_Report\\_2012\\_PDF.pdf](http://www.ecipe.org/media/publication_pdfs/TATF_Report_2012_PDF.pdf)

2012 – ‘Regulatory Cooperation in the EU-US Economic Agreement’, BusinessEurope, U.S. Chamber of Commerce – [http://ec.europa.eu/enterprise/policies/international/cooperating-governments/usa/jobs-growth/files/consultation/regulation/9-business-europe-us-chamber\\_en.pdf](http://ec.europa.eu/enterprise/policies/international/cooperating-governments/usa/jobs-growth/files/consultation/regulation/9-business-europe-us-chamber_en.pdf)

2012 – ‘Jobs and Growth Through a Transatlantic Trade and Economic Partnership’, BusinessEurope – <http://www.businesseurope.eu/Content/default.asp?pageid=568&docid=30028>

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