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TTIP NEGOTIATIONS: A SUMMARY OF ROUND 7

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Weighing the Proposals

The seventh round of negotiations was held in Chevy Chase, Maryland from September 29 - October 3. Negotiators advanced from establishing the framework of an agreement to discussions over each other's proposals. Though this is a time-consuming and detailed process, lead negotiators Dan Mullaney and Ignacio Garcia Bercero said during the week that negotiating teams remain "invigorated".

Takeaways

- Discussions about **regulatory cooperation** continue to dominate a large portion of the talks.
 - Negotiators launched into discussions about the text relating to regulation across multiple sectors (including technical barriers to trade, sanitary and phytosanitary measures, and regulatory coherence).
 - Regulation in specific sectors (including cars, chemicals, pharmaceuticals) remains a topic for discussion as negotiators try to identify areas that offer mutual benefits and the potential for eliminating unnecessary testing duplications.
- Negotiators emphasized that the modern **digital economy** is an important aspect of an agreement.
- The discussion about **rules and international standards** focused on energy and raw materials, customs and trade facilitation, intellectual property rights (IPR) and small- and medium-sized enterprises (SMEs).
- Negotiators continue to engage with **SMEs** on both sides of Atlantic to better understand the possibilities for increasing market access and cutting unnecessary "red tape".

- Negotiators are also sifting through each other's initial offers concerning market access in **services**. Negotiators said public services will be excluded from TTIP.

Potential Sticking Points

- Discussions about investor protections, particularly an **investor-state dispute settlement (ISDS)**, remain on hold as the EU still undergoes its public consultation process. Negotiators recognize that the issues arising from an ISDS demonstrate a need for them to remain cognizant of social interests in the negotiations.
- A major point of contention continues to be **financial-services regulatory cooperation**. While the US and EU agree on including financial-services in an agreement, the EU would like TTIP to include financial-sector regulatory cooperation as well. The US has not budged on its stance that this is unnecessary. In response, the EU omitted financial services in its initial services offer, and the issue was left out of this round's negotiations.
- Disagreements about **geographic indications (GIs)** continue to plague the talks. The EU is seeking GI protections for various product names, particularly in agricultural products that the US views as generic and widely used. Washington believes such products are not qualified for GI protection.
- Negotiators discussed including a chapter on **energy and raw materials**. The EU favors adding this chapter in light of the crisis in Ukraine and sanctions against Russia. The US, however, is uncertain about the necessity of such a chapter since the EU will automatically gain access to American liquefied natural gas (LNG) once an agreement is in place.
- Finding a balance in the **regulatory-coherence** chapter that creates increased market access while maintaining regulators' right to regulate is an issue many groups outside the negotiations continue to raise with negotiators.
- The EU hopes that TTIP will create opportunities for EU businesses to break into US sub-federal **procurement** markets. This level of market access will require engagement with US states as Washington lacks the authority to grant it.

On the Margins

- The Comprehensive Economic and Trade Agreement ([CETA](#)) between the EU and Canada was signed on September 26. The agreement is now undergoing "legal scrubbing" and will then be translated into the 24 official EU languages. Once this is done, and it could take as long as two years, the European Council and the European Parliament will vote on approving the agreement.
- The designated EU Trade Commissioner, Cecilia Malmström, testified before the European Parliament on September 29. More than half of her hearing was dedicated to TTIP.

Next Steps

- The European Parliament approved the new commission. These new commissioners will take office as early as November 1.
- The US midterm elections take place on November 4.
- The next round of TTIP negotiations is tentatively scheduled for December 2014.

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