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TTIP NEGOTIATIONS: STOCK-TAKING SUMMARY

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Moving to the Next Level

US Trade Representative Michael Froman and EU Trade Commissioner Karel De Gucht met February 17–18 to discuss the progress of TTIP negotiations, a so-called stock-taking exercise. Both agreed on specific issues on which negotiators can move forward in upcoming talks. Points of contention, however, continue to outnumber areas of agreement. The two officials nevertheless pressed negotiators to intensify their efforts as upcoming rounds will be increasingly challenging.

Takeaways

- **Five negotiating rounds** are scheduled for 2014.
- **Tariff** offers were exchanged on February 10 prior to Froman and De Gucht's meetings. This is the first concrete action to come out of negotiations.
- Conversations on market access for **services** are progressing positively as negotiators prepare to exchange offers.
- The continued participation of US and EU **regulators** is necessary to tackle technical challenges and maintain current levels of standards.
- Froman and De Gucht repeated their aim to use TTIP to set **global standards**. Any final pact will include trade-facilitation agreements that go beyond those in the recent WTO Bali package, and will propose labor and environment standards that go beyond those in existing free-trade agreements (FTAs).

Potential Sticking Points

- Progress on wide-ranging market access for **agricultural products** appears lackluster. Commissioner De Gucht said that an EU ban on hormone-fed beef would not change.

- Following Commissioner De Gucht's comments on hormone-fed beef, US Agriculture Secretary Tom Vilsack asserted that there can be no trade agreement unless the EU accepts discussions on American agricultural priorities such as beef and geographic indicators.
- EU Commissioner De Gucht placed in late January a three-month hold on the **investment** chapter to hold greater public consultation on the investor-state dispute settlement (ISDS). Increasing public opposition to ISDS in the EU was behind this step.
- EU concern about the likelihood of **access to state-level public procurement** is growing. USTR has expressed a willingness to work with states, but EU officials are apprehensive because such cooperation has yet to occur.
- A final decision on including **financial-services regulatory cooperation** in an agreement was not made during the stock-taking exercise. While the EU continues to advocate for cooperation as part of an agreement, De Gucht stated that dealing with this issue in another forum parallel to TTIP negotiations may be acceptable.
- Public concern about the potential impact of **regulatory cooperation** on existing US and EU standards remains. Commissioner De Gucht reaffirmed a European commitment to maintaining current EU standards.

On the Margins

- US Trade Representative Michael Froman announced the formation of a **Public Interest Trade Advisory Committee (PITAC)** to address public health, development and consumer safety. PITAC members will consult with negotiators on TTIP, the Trans-Pacific Partnership (TPP) and future trade talks.
- Congressional Democrats and Tea Party members are resisting **the Bipartisan Congressional Trade Priorities Act of 2014**, which would grant President Obama trade-promotion or "fast track" authority.
 - Senate Majority Leader Harry Reid (D-NV) and House Minority Leader Nancy Pelosi (D-CA) have expressed opposition to the current bipartisan Trade Promotion Authority Act. Vice President Joe Biden also said in a meeting with Democrats that the bill is unlikely to come before Congress soon.

Next Steps

- The US International Trade Commission will submit to the US Trade Representative a report on EU trade barriers affecting US small- and medium-sized enterprises on **February 28, 2014**.
- The fourth round of TTIP negotiations will take place in Brussels on **March 10 – 14, 2014**.
- DG Trade will host a [stakeholder event](#) on **March 12, 2014**.
- President Obama will visit Brussels on **March 26, 2014** for a US-EU summit.