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THE EU'S TTIP NEGOTIATING TEXTS: WHAT YOU NEED TO KNOW

BY KARA SUTTON

On January 7, the European Commission released [23 fact sheets and eight EU negotiating texts](#) to reinforce EU Trade Commissioner Cecilia Malmström's commitment to more transparent Transatlantic Trade and Investment Partnership (TTIP) negotiations.

Takeaways

- The EU anticipates a final agreement could include **24 chapters divided among three pillars: market access, regulatory cooperation and rules.**
- Chapters on **market access** could focus on trade in goods and services, public procurement, and rules of origin.
 - The EU expects TTIP to eliminate nearly all customs duties on **goods.**
 - The EU seeks to ensure public services, cultural sectors and data-protection standards will be **exempt** from TTIP.
 - The EU aspires to reach a final agreement on **public procurement** that includes access for EU firms to all levels of government. TTIP will not change public authorities' environmental, social or labor protections.
 - The EU will continue to push for the inclusion of **financial-services regulatory cooperation.**
 - Simplifying existing **rules of origin** and ensuring new rules do not impede future innovation are EU priorities.
- Chapters on **regulatory cooperation** could focus on: regulatory cooperation, technical barriers to trade (TBTs), food safety and animal and plant health (SPS), chemicals, cosmetics,

engineering, medical devices, information and communication technology (ICT), pharmaceuticals, textiles and vehicles.

- The EU aims to create a **regulatory-cooperation body** that will allow regulators on both sides of the Atlantic to collaborate on existing and future regulations.
- EU regulatory bodies will maintain their ability to set and ensure standards for health, food safety, animal and plant life, and product safety remain intact. They will also retain oversight of environmental protections.
- The EU recommends that the US adopt a single, reciprocal **food-safety, animal and plant health-sanitary, and phytosanitary (SPS)** approval process for exports.
- EU negotiators will ensure that TTIP does not require member states to allow **genetically modified products** into their markets.
- The EU encourages US regulatory bodies to implement the UN Globally Harmonized System (UN GHS) for labelling and identifying **chemicals**.
- For **cosmetics**, the EU proposes that the US recognize European assessments of products and product ingredients rather than having EU companies undergo a duplicative American authorization process.
- The EU wants both parties to use **engineering standards** set by the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).
- The EU wants TTIP to establish enhanced cooperation in the **medical-devices** sector by using the international Unique Device Identification (UDI) system and ensuring databases under this system are compatible; creating a simultaneous and speedy approval process for US and EU regulators; and recognizing Quality Management Systems (QMS) audits on both sides of the Atlantic.
- The EU sees potential for regulatory cooperation in the **ICT** sector regarding standards for electronic labels, ease of use, exchanging data among products and product certification.
- The EU wants TTIP to implement recognition of Good Manufacturing Practice (GMP) inspections in the **pharmaceuticals** sector. TTIP should also streamline approval for generic drugs and products such as vaccines that are similar to products already licensed. The EU hopes for trans-Atlantic cooperation via the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH).

- The EU seeks cooperation on clothing and **textile** labeling, product safety, consumer protection and testing.
- The EU aims for trans-Atlantic coordination in the **vehicles** sector by joint recognition of equivalent existing standards and establishment of harmonized regulations where possible.
- Chapters on **rules** could focus on trade and sustainable development, energy and raw materials, customs and trade facilitation, small- and medium-sized enterprises (SMEs), investment protection, competition policy, intellectual property (IP) and geographic indications (GIs), and government-to-government dispute settlement.
 - The EU wants TTIP to support EU climate targets by promoting trade and investment in green goods and services.
 - The EU hopes to include a chapter on **energy and raw materials** that facilitates open access to sustainable supplies through a process that is transparent and competition-friendly. EU member states would reserve their right to exploit (or not) their natural resources or to create policy on fracking.
 - The EU's primary objective in terms of **customs and trade facilitation** is to streamline the customs process for companies trading EU and US goods.
 - The EU proposes to create a free online helpdesk to assist **SMEs** with fewer than 400 employees with exporting procedures to the US. The areas in which assistance would be offered include duties, taxes, regulations and potential market opportunities. The EU would also like to establish a series of exchanges between SMEs on both sides of the Atlantic to identify best practices in trade to facilitate new market opportunities.
 - The EU is open to including an appellate mechanism in TTIP for decisions concerning **investment protection**. The EU aims to create a set of transparent and permanent rules to govern US-EU trade that protects investors without sacrificing governments' rights to protect society or the environment.
 - EU priorities in **competition policy** include curbing collusion, abusive market power and advantages of state-owned enterprises.
 - The EU insists on protection for **GIs** in the US and the enforcement of rules against their misuse.
 - The EU seeks to take a step beyond the WTO dispute-settlement mechanism and establish a transparent **government-to-government dispute settlement** forum for resolving EU-US differences on TTIP.

On the Margins

- The US Trade Representative released a [fact sheet](#) this month outlining the Obama administration's steps toward greater transparency in TTIP and Trans-Pacific Partnership (TPP) negotiations.

Next Steps

- The 8th round of TTIP negotiations will take place February 2–6 in Brussels, Belgium.

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