



European  
Commission

## **Transatlantic Trade & Investment Partnership Advisory Group**

***Meeting report, 24 July 2014***

## 1. Adoption of the agenda

## 2. Update and forward look

The Chair briefed the group on progress made during the sixth round. Regarding market access, initial offers have now been exchanged for services, which are likely to remain the focus for the autumn. Work continues on preparation of public procurement requests at all levels of government. On the regulatory side, intensive work is taking place on sectors, such as cars, chemicals and pharmaceuticals. In the rules area, a distinct focus at the moment is the SME chapter, in which the EU looks forward to detailed provisions on access to information, among other topics. There were also detailed discussions on sustainable development (labour and environment), although not yet any textual proposals. Textual proposals are being prepared on regulatory coherence and on sanitary and phytosanitary standards (SPS).

The following points were raised in discussion:

- One member asked for more details on how exactly the two sides aimed to improve regulatory compatibility in the automotive sector. The Chair explained that the regulators were working closely together to develop a methodology that would allow assessment of the real impact of particular technical regulations on safety on either side, and to compare this. Of course this depends on the quality and compatibility of the data involved. Examples of data have been exchanged, and the next step is to identify a test case. The member advised that such a methodology would not work for other aspects of automotive regulations, e.g. emissions. Another noted that close cooperation of the regulators in this area was the best way forward. The Chair clarified that the methodology under discussion was only for certain aspects of car safety, not for other related issues such as environmental impacts and not for sectors other than cars.
- One member asked for an update on the pharmaceuticals discussions. The Chair explained that these continued to focus on how to achieve mutual recognition of Good Manufacturing Practices (GMP).
- Members asked for clarity on the different types of papers involved in trade negotiations. The Chair responded that there are several kinds, ranging from position papers to legal texts. In general, the route is to move from a position paper, setting out the EU's aims in a particular area, via an outline of a chapter, setting out the EU's proposed structure and ideas for language, to textual proposals and a consolidated text, which includes both sides' positions in legal language. Every paper that the Commission sends to the US has been discussed with Member States and shared with the European Parliament. The Chair also

clarified that the US does not allow its papers to be made available to Member States or the European Parliament, as current practice in the US is not to share negotiating partners' documents with Congress or its own advisors. Consolidated texts are however shared with Member States and the European Parliament. The Commission continues to reflect on options for greater transparency on the EU side that do not affect the EU's negotiating position.

- One member asked for an update on customs and trade facilitation (CTF), and on rules of origin. The Chair explained that discussions on CTF had reached the stage of a consolidated text, and negotiators are looking at ways to reduce red tape further, for example in customs regulatory requirements. On rules of origin, product-specific rules had not yet been discussed: stakeholders need to be consulted and this would happen before December. Other members advised that rules of origin need to be as simple as possible, otherwise traders will not use them and will continue to pay tariffs. Setting a clear standard for simple rules of origin in TTIP would make an important contribution to multilateral trade policy as well. The Chair agreed.
- Some members asked about progress on competition and state-owned enterprises. The Chair briefly explained the textual proposals presented by the EU and US. Members agreed to come back to the topic of state-owned enterprises at a future meeting.

### 3. Energy and raw materials

Mr Jan-Gerrit Westerhof, policy officer for energy and raw materials, set out the EU's position on the energy and raw materials chapter of TTIP, referring to the [initial position paper](#) of July 2013. This explains the EU's interests in five areas: transparency (e.g. in licensing procedures); market access and non-discrimination (only once the decision to extract resources has been taken); competitiveness; trade in sustainable energy; and finally security of supply. He also updated the group on progress since the paper was presented last year, explaining that the negotiating teams have held technical discussions but have not yet reached the text-based stage.

The following points were raised in discussion:

- Several members asked for more detail on the potential scope of this chapter, for example whether it would cover biofuels, renewables or energy efficiency. The Chair explained that diversifying sources of energy is an important EU objective, and with this in mind, the chapter should address trade in renewable sources of energy as well as in fossil fuels. Mr Westerhof added that for example, the chapter could cover testing requirements, local

content requirements and access to grids for energy generated from renewable sources. However, the Chair confirmed that at present, biofuels are not being specifically discussed, although tariffs would be dealt with under the market access pillar.

- One member asked how the negotiations would take EU climate change objectives into account and in particular whether an assessment had been made of TTIP's implications for "un-burnable carbon", the fossil fuels that should remain underground in order to stay below 2 degree temperature rise. In relation to the discussion on measures affecting energy prices, the member asked whether the EU's Emissions Trading Scheme (ETS) was part of the discussions. Mr Westerhof explained that as a result of the shale gas boom in the US, there is an abundance of US coal on the world market and much of this is being exported to the EU. If the US export restrictions on gas were lifted, it would be easier for EU countries to import this instead of coal. Mr Westerhof confirmed that no assessment had been made of TTIP's implications for un-burnable carbon, and that the ETS is not included in the negotiations.
- Regarding export restrictions in the US, one member advised that the EU needs to think long-term and that other countries also apply restrictions. Mr Westerhof explained that the US only bans the export of crude oil: gas can be exported but is subject to a license system. The EU wishes to address this in TTIP to ensure that there is long-term certainty for EU importers.
- One member advised the importance of undertaking detailed analysis to be able to tackle the problem of state subsidies for fossil fuels. The Chair noted that there will be a separate chapter on competition, which according to the EU should also address subsidies.
- One member asked whether the Energy Charter would be included. Mr Westerhof responded that the US is not a party to the Energy Charter, but that a significant EU objective in TTIP is to develop enhanced rules on trade in raw materials and energy that could go beyond the Charter.

#### **4. Regulatory coherence and the Regulatory Cooperation Council**

It was agreed to postpone a more detailed discussion on this topic until the autumn. The Chair updated the group on progress in the regulatory coherence part of the negotiations, explaining that the US and EU continue to discuss their respective priorities for this chapter.

## 5. Any other business

- **Member advice on texts:** Members agreed that when they had comments to share on texts they have reviewed in the reading room, they will as a general rule share these with the whole group. One member also stressed the importance of providing detailed feedback about how written comments from members are taken into account in the negotiations. The Chair emphasised that written input on texts is very welcome and some has already been taken into account by negotiators; however, there may not be time for detailed text discussion during group meetings.
- **Access to documents:** Two members requested to hear DG TRADE's view of the recent judgement of the European Court of Justice in the *Sophie in't Veld v. Council of the EU* case on access to documents. Ms Indre Vaicekauskaite, access to documents coordinator in DG Trade, explained that the judgement requires detailed explanations in the responses to access to documents requests, providing justifications for every element refused by explaining why these elements would risk specifically and actually undermining the interest protected by Regulation 1049/2001. She noted that this is already in line with the approach taken by DG TRADE. When it comes to access to third party information such as US negotiating documents, it is clear that if the third party refuses the release of such information, it is not possible to make it public without damaging international relations. The group discussed the relative confidentiality of different types of negotiating information. The Chair acknowledged the importance of greater transparency, and noted that DG TRADE is looking into new ideas in preparation for the new Commission. Further views from the group would be welcome.
- **Wines and spirits:** One member asked for details about how regulatory issues in the wines and spirits sector would be managed in TTIP, in particular how a possible Wines & Spirits Committee would interact with the Technical Barriers to Trade (TBT) Committee. Wines and spirits are a key EU export but also a key public health risk. The Chair suggested a specific meeting with experts at DG AGRI.
- **Update on ISDS consultation:** Several members requested an update on the ISDS consultation, following the publication of DG TRADE's [initial statistical overview](#). The Chair noted the group's interest in assisting with the analysis of the consultation responses and the drafting of the final report, but made it clear that this will be a subject for the next Commission and also requires consultation with Member States and the European Parliament. Ms Anca Radu, policy officer for investment, explained that the total numbers in the statistical overview include a number of duplicate responses (where the same individual has submitted more than one identical response), as well as a large number of

standard responses. All responses by different individuals and organisations will be counted; at the same time, duplicates will not be double-counted. Analysis will be qualitative and quantitative, with responses being categorised by respondent type (e.g. citizens, organisations) and read, coded and cross-checked, before a report can be drafted. The sheer number of responses means that this will take until at least November.

- **Future topics:** Three meeting dates have been set for the autumn. It was agreed that the next meeting would cover SPS and regulatory coherence, with competition and public services as topics for the following meetings.

## Attendees

### Members of the TTIP Advisory Group

BASSO Daniele (Labour and trade union, alternate for Tom Jenkins)  
DE POUS Pieter (Environment)  
DINGS Jos (Environment)  
GOYENS Monique (Consumers)  
HODAC Ivan (Manufacturing)  
KUPFER Tilmann (Services, alternate for Pascal Kerneis)  
LØGSTRUP Susanne (Health)  
NELISSEN Guido (Labour and trade union)  
NEUGART Felix (Small business)  
QUICK Reinhard (Chemicals)  
SANTOS Luisa (Business)  
WOODFORD Emma (Health)

### Commission officials

GARCIA-BERCERO Ignacio (TRADE)	Chair, TTIP Chief Negotiator
DAWKINS Miranda (TRADE)	Official
GUELLNER Lutz (TRADE)	Official
MARKOVICOVA Vanda (TRADE)	Official
NIETO-HERNANDEZ Esther (TRADE)	Official
OVERDUIN Marie (TRADE)	Trainee
RADU Anca (TRADE)	Official
RAVILLARD Patrick (ENVI)	Official
VAICESKAUSKAITE Indre (TRADE)	Official
WESTERHOF Jan-Gerrit (TRADE)	Official