



European
Commission

Transatlantic Trade & Investment Partnership Advisory Group

Meeting report, 30 June 2015

1. Presentation on TTIP Sustainability Impact Assessment by Ecorys

Koen Berden and Jurgen Vermeulen, consultants at Ecorys, gave a presentation to the Advisory Group about the TTIP Sustainability Impact Assessment (SIA). They explained that work will intensify now towards an Interim Report in the autumn and Final Report in spring 2016. The report will be based on economic, social, and environmental analyses, as well as sector and value chain analyses, and a comprehensive stakeholder consultation. The economic analysis will take into account elements such as the overall macroeconomic effects for the EU and for individual Member States, the overall sector impacts, the expected impact on third countries, notably Turkey, the expected impact on SMEs, and finally a preliminary analysis of a possible visa waiver on mobility. The quantitative environmental analysis will look at effects including air pollution, water quality, CO2 emissions, waste management and biodiversity. The quantitative social analysis will discuss impacts on employment and wages, as well as additional welfare and income analysis. A detailed EU-level sector analysis will describe the current situation of specific sectors and will aim at identifying market access issues and the potential impacts of TTIP on competitiveness. Additional qualitative social and environmental case studies will illuminate particular aspects not easily addressed in the quantitative portion of the analysis.

The following points were raised by members in discussion with Ecorys:

- the choice of model and data sources
- the scope of the study and to what extent impacts can be analysed at Member State and sector level
- to what extent analysis can be confidently made before a final deal is available
- whether regulatory cooperation, both horizontal and sectoral level e.g. chemicals, is included in the analysis, and how this will be done
- whether additional sectors e.g. pharmaceuticals could be covered by the detailed sectoral analysis
- proposed case studies on social and environmental topics, including labour standards and relocation, public health and energy issues
- the definition of environmental goods and services to be applied in the SIA and the link to multilateral negotiations on the Environmental Goods Agreement
- the visa waiver analysis
- the impact of TTIP on competitiveness
- the impact of TTIP on financial services, including regulation
- the timeline for the study.

Ecorys also invited the members of Advisory Group to participate in a workshop regarding the choice of social and environmental case studies on 9 July in Brussels.

2. Sustainable development chapter

Monika Hencsey, EU negotiating lead on sustainable development in TTIP, explained the Commission's approach and aims in an ambitious and comprehensive proposal to be tabled in the negotiations. This proposal is composed of 4 sections covering overarching principles, labour aspects, environmental aspects and horizontal issues. It takes into account commitments both sides have already taken multilaterally. The chapter promotes an integrated approach with detailed obligations on a range of specific environmental and labour issues. Institutional and enforcement mechanisms will be considered at a later stage.

The following points were raised in discussion:

- One member noted that separate and individual reference to public health issues, as opposed to health and safety at work, was not included in the draft chapter. Ms Hencsey replied that since the chapter focused on labour issues it necessarily deals with aspects of health issues in the workplace, and not in the broader context.
- One member noted the importance of the reference to ILO (International Labour Organisation) Convention 87 (freedom of association). Ms Hencsey agreed and noted the value of treating labour rights as an integral package in the agreement.
- Members' opinions differed with regards to language on Corporate Social Responsibility (CSR), for example on voluntary activities and reporting requirements. Ms Hencsey explained that since this would be an international agreement, it uses the well-known international meaning of CSR. Since CSR is not a legal requirement it is by its nature voluntary, but the TTIP agreement would be binding and the draft text specifically says that CSR covers voluntary actions that are in addition to companies' obligation to respect binding laws including on labour rights.
- One member suggested that stronger transatlantic consultation mechanisms would be needed, for example for works councils. Ms Hencsey took note.
- One member raised some concerns regarding language on scientific evidence, risk management and sustainable consumption, and asked for more detail on eco-labelling. Ms Hencsey explained that provisions on eco-labelling would be about voluntary schemes. The Chair also took the opportunity to highlight that e-labelling in the TTIP negotiations is restricted to the ICT sector and in particular to products with an integrated electronic display (e.g. smart watches), and not areas such as food and drink.

- One member suggested that the chapter should aim not only to avoid negative impacts on sustainable development but to make a positive contribution. The Chair agreed.
- One member asked what would be the impact of the chapter on the US sub-federal level. Ms Hencsey replied that the EU aimed to cover all areas of government in its proposal, and that in any case, legal obligations taken at multilateral such as the ILO or under Multilateral Environmental Agreements (MEAs) also apply to all levels.

Following the presentation by Ms Hencsey, one member presented ideas on the promotion of sustainable development within TTIP. Their proposals consist of three main elements: inclusion of commitments to maintain environmental and social standards in the preamble of the TTIP agreement; the inclusion of specific sub-commitments on sustainable development in every relevant chapter; and the addition of a 'clean hands clause', which would enable a Party to take any appropriate measure to ensure that it is not economically implicated in environmentally or socially harmful behaviour. The Chair took note and suggested that the group return to this topic after the summer break, in particular around a discussion of enforcement of sustainable development commitments.

3. Update and forward look

The Chair updated the group on the recent adoption of the Trade Promotion Authority (TPA) bill in the US. Together with the recent G7 statement on TTIP, in which the G7 leaders agreed to accelerate the TTIP negotiations towards an outline agreement in 2015, this gives further impetus to the negotiations across all areas in the coming months. The 10th negotiation round will take place in the week of July 13th in Brussels. Further political-level discussions and, depending on these, one or two more negotiating rounds, are scheduled for the autumn.

The following points were raised in discussion:

- Several members asked what an "outline agreement" would look like. The Chair explained that it would be important to make good progress on all areas of the negotiations.
- One member asked about the state of play on ISDS. The Chair indicated that a proposal should be ready for discussion with Member States after the summer break.
- One member noted the importance of defending European consumer and health interests with regards to labelling on processed foods and alcohol products, as well as concerns about measures potentially influencing pricing and reimbursement of medicines at Member State

level, and hoped for clearer information on this subject. The Chair explained that the Commission is not negotiating on pricing and reimbursement, and suggested contacts in the Commission.

- Several members raised questions about transparency and consolidated texts. The Chair explained the EU's position depended also on the US since consolidated texts are shared documents. The members concerned asked the Commission to consider whether its own accountability for consolidated texts should prevail in terms of transparency towards a European audience.

3. Any other business (AOB)

Mr Benjamin van Zeveren provided an update on the progress of the EU's CETA agreement with Canada. Negotiations were finalised in August 2014 and the legal text was made public shortly afterwards. Now legal scrubbing of this text is taking place, a joint exercise between EU and Canadian lawyers. The aim is to finish this phase during the summer, to be followed by translation into all EU languages. This is expected to take up to 6 months. The next step, probably in early 2016, would be a formal proposal for signature of the agreement made by the Commission to the Council. The legal character of the agreement (EU-only or mixity) cannot be confirmed until this point. The Council would then undertake its own legal and linguistic verification, as well as formal discussions with Member States, which may take 4-6 months. Approval of the Council is necessary before transmitting the agreement to the European Parliament for its assent.

Several members asked to what extent a decision on ISDS in TTIP will impact the CETA. The Chair explained that it would be necessary to confirm what the EU's policy in TTIP will be before considering any discussion with the Canadians.

Following an earlier question from a member, the Chair explained that "certification" is the process by which the US verifies that a trading partner is implementing its commitments before bringing an agreement into force. Though the EU does not have a formal process for this, it applies the same verification process.

The next meeting of the Advisory Group will take place in September 2015.

Attendees

Members of the TTIP Advisory Group

BASSO Daniele (Labour and trade union, alternate for Tom Jenkins)
BOWLES Edward (Services)
DE POUS Pieter (Environment)
HODAC Ivan (Manufacturing)
FEDERSPIEL Benedicte (Consumers)
GOYENS Monique (Consumers)
KERNEIS Pascal (Services)
LØGSTRUP Susanne (Health)
MASSAY-KOSUBEK Zoltán (Health, alternate for Nina Renshaw)
NELISSEN Guido (Labour and trade union)
QUICK Reinhard (Manufacturing)
SANTOS Luisa (Business)
TOUBEAU Cecile (Environment, alternate for Jos Dings)

Commission officials

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| GARCIA BERCERO Ignacio | Chair, TTIP Chief Negotiator |
| HOUBEN Hidde | Official |
| HENCSEY Monika | Official |
| GUELLNER Lutz | Official |
| PEREIRA João | Official |
| VAN ZEVEREN Benjamin | Official |
| VANDENBERGHE Jan | Official |
| DAWKINS Miranda | Official |
| ROZESŁANIEC Katarzyna | NEPT |