

European Union - United States Mission

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

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Opening Remarks by US and EU Chief Negotiators from the Miami Round of Transatlantic Trade and Investment Partnership (T-TIP) Negotiations

Miami, Florida - October 23, 2015

U.S. Chief Negotiator Dan Mullaney: Thank you very much, Trevor. And to everyone on the call this morning many thanks for your participation. I'd also like to thank my EU colleague, Ignacio Garcia Bercero and his team, for joining us here in Miami this week.

I'm delighted to have the opportunity to say a few words about what we've accomplished this week, then after Ignacio presents his views, to take your questions. As Trevor said today we're concluding our 11th round of negotiations with the European Union for the Transatlantic Trade and Investment Partnership.

I'm very encouraged by the work we did over the past several days. We made good progress towards our goal of building a model trade agreement that unlocks opportunities, eliminate unnecessary redundancies in red tape, sets high standards, and finally shows the world that our partnership is as strong as ever. It was very fitting that we conducted this round in Miami, Florida, which is one of the major gateways for U.S. trade in the world.

One-fifth of America's exporting companies, some 61,000 firms, are located in Florida. The vast majority of them, 95%, are small and medium-sized businesses. The 28 countries of the European Union together are already our largest trading partner, but we're aiming at T-TIP to agree on new and ambitious commitments that will make this relationship even more valuable for our workers, for our consumers, for our agricultural producers and industrial firms, among others.

So we and our EU partners are working towards an agreement built to help our citizens derive the fullest possible economic benefit for their creativity, their entrepreneurial talent, hard work, and skills. T-TIP will eliminate not only the conventional barriers to trade, such as tariffs, but will also make significant progress in reducing the impact on transatlantic trade of unnecessary regulatory differences and other non-tariff barriers.

We are committed to achieving these goals and are fully confident we can while maintaining the high standards of health, consumer safety, and environmental protection that our citizens expect. For this round, the United States and the European Union put forward and began discussing comprehensive new tariff offers, our second tariff offers of the negotiation.

U.S. and the EU tariff levels are already low by global standards, but each side retains tariffs and some in the double digits that discourage trade or make consumer products or manufacturing imports more expensive than they need to be. Eliminating tariffs would be of course especially beneficial for small and medium-sized businesses.

In our new offers, we each identified a larger number of products for which we are prepared to fully eliminate the tariffs, moving us closer to the shared goal of substantially increasing the contribution of goods traded to our mutual prosperity. Our tariff negotiators had productive discussions on the tariff offers this week and that work will continue in the period between this round and the next. We continue to push hard for the goal of complete tariff elimination on products traded across the Atlantic, with tariffs on the overwhelming majority of goods being eliminated immediately upon entering the force of the agreement.

Building on one of the most important developments in our July round in Brussels this past summer, our team spent several days this week discussing each other's revised services and investment market access offers. Services account for the large majority of economic output in both of our economies. So our effort to identify new ways to secure and expand access to each others could be one of the most valuable pieces of an ambitious T-TIP outcome.

Our teams this week also continued their intensive discussions in the cluster of T-TIP regulatory negotiating groups where we are seeking to make a regulatory approach is more compatible in ways that will promote trade. This will make it easier to comply with regulations on both sides of the Atlantic and will create benefits for businesses, efficiencies for regulators, while ensuring high standards of regulatory protection for consumers.

The United States put forth proposals before this round both on regulatory coherence and in another critical regulatory negotiating area, technical barriers to trade. During this round the United States was also pleased to put forward proposals in the area of customs and trade facilitations and rules of origin which are critical to making sure that goods can reach customers across the Atlantic quickly and easily, and that the bulk of the benefits of T-TIP goes to those who create value in our respective economies.

We also tabled proposals for the institutional framework of the agreement which will be essential to ensuring this agreement continues to work for our economies long after it enters into force. These proposals build on and supplement proposals we made ahead of the last round in areas of competition policy and rules of origin.

Before the preceding round, the United States also laid down proposals in government procurement, agricultural market access, technical barriers to trade, and small and medium-size businesses. All told, the United States has introduced proposals in most cases proposed agreement text in nearly every T-TIP negotiating area.

This week's round of course is the first since the United States concluded the negotiation of the Trans-Pacific Partnership. The conclusion of the TPP

negotiation shows just how dedicated the Obama Administration is to the goal of promoting shared prosperity by negotiating the reduction of trade and investment to barriers around the world. We look forward to concluding a similarly high quality agreement with the European Union.

We believe it is important to try to finish these negotiations during President Obama's presidency. To do that we'll need to use our time with maximum efficiency. To this end, US Trade Representative Ambassador Froman, and the EU Trade Commissioner Malmstrom met on September 22nd in Washington to review the status of the negotiations and they agreed on the need to accelerate work in all areas in order to achieve the goal of completing T-TIP in 2016.

We know that the next four months are going to be important to our hope of completing T-TIP during the Obama Administration. We and the EU also agreed that intersessional work will now become even more frequent across negotiating areas than it has been so that we can put ourselves in the best position to complete the negotiations in 2016. Our teams have plans to meet in a number of negotiating areas before the next round which we expect to take place soon after the start of the year.

Ambassador Froman and Commissioner Malmstrom have also been meeting regularly between rounds to assess progress and to give us direction and we anticipate that this intensive, high-level engagement will continue.

In closing, I would like to reiterate what's at stake in these negotiations. We have in T-TIP an opportunity to build on the foundation of our seven decade partnership to make the transatlantic economic relationship an even stronger driver of the US and EU prosperity than it already is. We already trade extensively and invest heavily in each other's economies, but we can make that trade and investment easier and more efficient.

We also have the opportunity in this negotiation to send a clear message about trade as well as our shared values to the rest of the world. We can demonstrate that trade can flourish alongside strong labor and environmental protections and that creating opportunity requires no sacrifice of regulatory standards. The United States remains firmly convinced of the economic and strategic importance of T-TIP and is committed to doing its part to bring these negotiations to a successful conclusion in 2016.

Thank you very much for your attention. I look forward to your questions.

EU Chief Negotiator Ignacio Garcia Bercero: Thank you very much, Trevor, Dan, and the first thing which I would like to say so very much on behalf of all my team to thank USTR for hosting us in the great city of Miami. This has been a round of very hard work. Both sides rolled up their sleeves and engaged in intensive negotiations. After this week, we are one step closer towards agreeing a balanced, high standard, and comprehensive trade agreement that will benefit consumers, small and large businesses, and create new opportunities for workers on both sides of the Atlantic.

Of course, it's still a lot of work ahead of us, but an agreement can be reached if both sides are ready to fully engage in all areas of the negotiations, as indeed we have been doing this week. Concretely speaking, during this round we have made substantial progress on market access for European and U.S. companies. We have exchanged second tariff offers.

Both sides are now on a comparable level in terms of tariff line coverage. This is an important step as our aim is to eliminate the vast majority of tariffs from day one of entering into force of this agreement. This will have an immediate impact for companies trading across the Atlantic and also for consumers who will benefit from lower prices and more choice.

We have discussed thoroughly market access and public procurement and this will help us to prepare the ground for an exchange of initial offers in February next year. In the area of services, negotiators have continued to exchange their views on the revised offers that were presented in July. We have also exchanged proposals for product specific rules of origin for industrial products. These are key for determining which goods can benefit from the preferences agreement.

In developing these rules, our objective is also to achieve more simplicity for our importers and its partners. In the regulatory rules area, negotiators have been instructed by Commissioner Malmstrom and Ambassador Froman in September to give an additional boost to the talks. We have a chance to create a strong partnership on regulatory cooperation, to simplify the life of companies, in particular the small ones, and learn from each other in order to use scarce public resources as efficiently as possible and improve the protection for our citizens.

This partnership should be based for us on two key principles. First, cooperation is only possible if the level of protection for citizens stays the same, or indeed improves. It is not only true in T-TIP but also in all our trade agreements; it has been confirmed in the new trade strategy, announced by Commissioner Malmstrom last week.

Second, any form of regulatory cooperation will not change the way we regulate on public policies such as food safety or data privacy. It would not affect the least of these processes or the independence of our regulators. What we want to do is to create bridges for our regulators to work together in order to achieve better results.

The regulatory discussions on sectors were particularly constructive and intensive on how to achieve greater regulatory compatibility in nine sectors, such as textiles, ITC, cars, pharmaceuticals or machine engineering. We got closer to a determination of our key objective in this sector, which is our next target. We expect to define with greater clarity our objectives, the main key deliverers, and how to achieve the mover the next months.

Also, T-TIP is an opportunity to develop a shared vision of how global trade rules should be organized to catch up with today's reality. Trade is not only about creating economic opportunities, it is also about responsibility. That's why we have tabled our proposal on sustainable development, including labor and

environment and why we have also been discussing rules for trade facilitation, competition, raw materials, and others.

To share an ambitious approach to global activity issues, we have postulated rules for the 21st century. I was also very pleased to meet with the takeholders and listen to their proposals. We heard again from the small and medium companies that they count on T-TIP to simplify procedures and improve the information available to them so they can fully benefit from the opportunities that T-TIP would create.

I also fully share the views of many stakeholders, including trade union representatives who argued about the special nature of public services. The European Union treats public services in a special way and we protect it in all our trade agreements. T-TIP will not be different. This commitment to the protection of public services is clearly reflected in the joint statement issued by Commissioner Malmstrom and Ambassador Froman in March of this year.

To sum up, there's a strong political will on both sides of the Atlantic to reach a good agreement as confirmed within the latest discussions between Commissioner Malmstrom and Ambassador Froman in Washington in September. This round was about translating this political will into concrete steps forward. This round achieved exactly that, progress and intensification of talks in many areas. I hope to keep up this pace to get a good deal for consumers, workers, and companies in the European Union. Thanks a lot.

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