



**EUROPEAN COMMISSION**

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## **Time for a new Transatlantic Partnership**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

Transatlantic Policy Network  
**Washington DC, 16 July 2013**

Ladies and gentlemen,

Some people must have looked at the launch of the TTIP [Transatlantic Trade and Investment Partnership] negotiations last week like an aircraft taking off against a strong headwind.

I can't deny that **negotiations will be tough**. There are discussions about which topics should stay off the table. There will be other sticking points in the coming months.

But let's not lose sight of the broader picture. What we launched last week is the **biggest trade and investment negotiations**. Ever. Negotiations no one would have thought possible only 2 years ago.

The TTIP has the potential to **create growth and jobs**. Without spending taxpayers' money. Studies show that it could increase the GDP of the European Union by up to one per cent each year. And the US would equally benefit.

With the TTIP, we have a unique **opportunity to develop global rules and standards**. And to shape the global business environment for years to come.

Above all, the negotiation could lead to a **new, closer transatlantic partnership**.

It is now up to us to turn this ambition into reality. And I believe this can happen – on two conditions.

**I – First, we need to be ambitious enough to build a real transatlantic marketplace.**

We clearly must do away with any remaining tariffs. But remember that our **tariffs are already very low**: 4% on average.

I agree with Michael Froman that we **should think outside the box** if we are to create a transatlantic marketplace.

**We need to focus on the so-called "behind the border" issues**. Such as differences in technical regulations, standards and certification.

**And we need to emphasise market access**, including for services and investment.

A real transatlantic market place would give access to **public procurement**. Each partner cannot restrict its public procurement to national companies as is too often the case today.

If we are to build the **transatlantic marketplace, we need to put in place a transatlantic financial market**.

We have already demonstrated that we can work together to set out rules that strengthen financial stability. And we have shown joint leadership within the G20.

Each of us has adopted solid rules. For instance on capital requirements and on regulating OTC derivatives.

And only last week, I made proposals to complete the Banking Union by creating a Single Resolution Mechanism. A kind of FDIC [Federal Deposit Insurance Corporation] for the eurozone.

So we can finally break the link between sovereigns and the banks. So we can avoid taxpayers having to foot the bill when banks face serious problems.

On all these issues and many others, we now need to make our two sets of rules work together.

**European and US accounting rules** need to converge. We need to make progress on insurance.

Draft US rules on **Foreign Banking Organisations** should be revised. They do not recognise non-US prudential rules. And they discriminate against non-US banks.

And we need to prove that we trust each other by **ensuring equivalence or “substituted compliance”**.

**We reached a landmark agreement on** cross-border derivatives last week with the CFTC [Commodity Futures Trading Commission]. It establishes that our rules are essentially identical in important areas. Firms from the US and the EU will be able to choose which rules to apply to a trade: EMIR [European Market Infrastructure Regulation] or Dodd-Frank.

We must go beyond a single agreement for a specific area.

We must build the bases for a solid, consistent and cooperative financial regulatory framework, based on mutual trust.

We in Europe are open as to what exactly should be done in the TTIP, and what should be done elsewhere.

But let’s be clear: **the TTIP provides a golden opportunity to deepen our regulatory cooperation.**

**It is why we are proposing to include financial regulation in TTIP.** Because this partnership is more than a traditional free trade agreement. Because we need a framework to ensure the seamless interoperability of rules agreed at the G20.

And I sincerely hope the US authorities engage in a constructive way.

I arrived Sunday night in Washington. Since then, I’ve heard suggestions that Europe’s real reason for wanting financial regulation in TTIP is to delay and/or weaken implementation of G20 commitments.

Let me be very clear: **nothing could be further from the truth.** The EU has tough rules on financial services, sometimes tougher than the US. I will not accept anything which weakens those rules.

Ladies and gentlemen,

Common standards on trade, intellectual property rights, public procurement and financial regulation will make it possible to create a true transatlantic market place.

But there is something else that is vital if we are to build a closer EU-US partnership.

**II – We need to build ever closer political transatlantic ties.**

In today’s world, the America's military interests are more and more located in Asia.

Many of your strategic interests are still in the Middle East.

But most of your closest friends are – and will continue to be - in Europe!

Let’s not forget that **America and Europe share key values.** Freedom. Democracy. The rule of law.

**The US and Europe need each other.** To promote our shared values. To defend our joint interests. And to face the challenges of a fast-changing world.

But **we will only succeed if we trust each other.**

**America must give the EU explanations** on the surveillance schemes in place. And guarantees on data protection. As Chancellor Merkel called for yesterday, Europeans are giving themselves proper safeguards.

**And on our side, Europe must do what it takes to be considered a reliable partner.** In particular, it must have the capacity to meet its responsibilities in security and defence.

It is why I will make proposals next week, with my colleague Antonio Tajani, to create a common market in Europe for the defence industry.

You might think that we are drifting a bit off the point - the TTIP. But in fact it's all related.

**The TTIP is a starting point.** It is an opportunity to prove that we are able to trust each other. To make mutual concessions for economic growth and jobs. And to define global standards. So our partnership can be "free and fair" as President Obama called for.

If we can pass this "test phase", we can build an even closer political alliance in the future. And we can exert joint leadership in tomorrow's world.

Thank you.