

Update on the 10th round of TTIP negotiations

The 10th round of TTIP negotiations, which took place July 13-17 in Brussels, yielded no significant breakthroughs. While EU lead negotiator Ignacio Garcia Bercero reiterated his goal of concluding the agreement before the end of President Obama's term, the odds of achieving this goal grow longer by the day. The administration is now focused on concluding the TPP. However, if TPP negotiations stall, reaching a TTIP agreement could become a more urgent priority. Another possibility is that the administration will fail to conclude either TPP or TTIP, in which case negotiations would either drag on indefinitely or be wrapped up in the first term of the next administration. History supports the notion that first-term presidents are the ones most able to secure Congressional approval for major trade agreements.

The European Parliament sets guidelines

The 10th round was negotiated against the backdrop of new guidelines established by the European Parliament (EP). On July 8 the EP passed a resolution stating its recommendations for the continuation of TTIP negotiations in a 436-241 vote (32 members abstained). The resolution had been withdrawn in June due to opposition in the ranks of the moderate leftist Social Democrats. The EP's guiding principles include the following:

- 1) Replace investor-state dispute settlement (ISDS) provisions with a transparent justice system to be governed by more democratic principles and subject to public scrutiny via public hearings and an appellate mechanism. Judges would be publicly appointed independent professionals whose responsibilities would include ensuring that private interests do not undermine public policy objectives.
- 2) Remove restrictions the US currently has in place on foreign ownership of airlines and other transport services.
- 3) Open access to the US public procurement market at all levels of government.
- 4) Further open the US telecommunications market.
- 5) Strengthen protection of the EU geographical indications system.
- 6) Exclude public services from TTIP.
- 7) Exclude areas with widely diverging standards such as the approval of new chemicals, GMOs, bovine hormones, cloning and endocrine disruptors.

Some progress was achieved on services during the 10th round, as the US and EU exchanged revised services proposals. The US proposal is believed prepared to open access to government purchases at the sub-federal level, but to keep its aviation market closed.

Regarding ISDS, the European Commission (EC) is drafting a new proposal that integrates the results of its consultations with the public and members states.

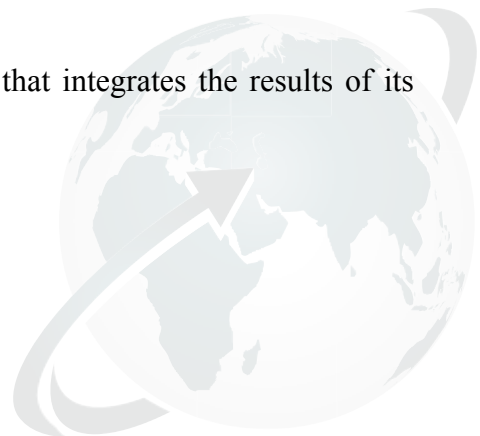
The EC also plans to table a proposal on sustainable development in September.

Washington Headquarters:

1200 G Street NW, Suite 800
Washington, DC 20005
T: +1 202.342.8723
Email: iasg@erols.com
Website: www.iasworldtrade.com

Pittsburgh Office:

118 Chestnut Ridge Dr
Pittsburgh, PA, 15205
Tel: +1 202.642.5186



Lack of progress in most areas

- 1) Public procurement and tariffs were not discussed.
- 2) No progress was achieved on defining outcomes for negotiations on pharmaceuticals and cosmetics.
- 3) No agreement was reached on whether TTIP should include a standalone chapter on energy, as proposed by the EU.
- 4) It is unclear whether the negotiating groups on intellectual property and geographical indications met during the 10th round.

Opposition preparing for next round

Under the EU European Citizens' initiative, citizens can petition the EC to review policy and hold a parliamentary hearing if at least one million citizens in at least seven member states sign the petition. STOP TTIP, the Self-Organised European Citizens' initiative against TTIP and CETA, has collected over 2.3 million signatures and plans to present them to the EC on October 8. A coalition of European TTIP opponents is planning a major protest at that time. STOP TTIP anticipates the EC will reject its petition, as it did last year, claiming its negotiating mandate fell outside of the initiative's scope.

The time and location of the next round of negotiations has yet to be announced.

Prepared by Carolyn Amon, Vice President for Trade and Energy

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