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The Current Status of the TTIP

The Transatlantic Trade and Investment Partnership (TTIP) is a potential trade deal between most nations of the European Union (EU) and the United States of America. While there have been trade agreements between these countries in the past, the negotiations on this particular partnership started in early 2013, the day after President Obama’s State of the Union Address that year (“EU and US…”). Then-European Commission President Jose Barroso said this deal “between the world’s two most important economic powers will be a game-changer” (“EU and US…”). Broad goals of this deal include significantly reducing or eliminating many of the trade barriers between Europe and the United States. However, there is significant controversy about the implementation of these goals, the execution of the negotiations, and the importance of the European economy.

The economic benefits of a free-trade deal of this scale are staggering. The United Kingdom alone could see an additional 10 billion pounds ($15 billion) worth of growth per year from this deal (Clarke). In total, the trade deal would be worth 455 billion euros ($613 billion) per year (“EU ‘growth boost…’”). There is incredible incentive for politicians to sign on to this deal, and for citizens of these nations to be on board. This deal would also significantly improve the European Union’s economic standing worldwide. With continued worry about possible exits by Greece or the UK, and the difficulty which some EU members have in paying their debts, a trade deal like this could help keep the continent competitive with Asian economic powerhouses China and Japan.

However, there are reservations on behalf of several politicians. European farmers are wary of giving up protections against American agriculture, and existing subsidies by the US and EU to airplane manufacturers Boeing and Airbus, respectively, could remain unaffected by the deal. Although, the European Union has expressed interest in having certain safety and protection standards be the same in both economies, allowing a product produced in one to be sent to the other without a second inspection (European Commission).

There is also significant criticism of the deal from other sources as well. The most controversial portions of the proposed deal stem from its acceptance of Investor-State Dispute Settlement (ISDS). Essentially, the deal would allow multinational firms to seek arbitration if they felt a country within the TTIP had unfairly disadvantaged the firm. This could be on a wide range of issues, from new legislation to national court rulings. The ISDSes would be a three-panel court, whose decision would be final, and could not be appealed by either the firm or the state being sued (Schiessl).

These are some of the issues I hope to address in my policy memo. Currently, I oppose key provisions of the deal, especially those involving ISDSes, but support the principles of free trade and reduced economic barriers. My memo will provide are more thorough picture of the situation, and recommend what is in the best interest of the US.

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