TTIP STAKEHOLDER PRESENTATIONS EVENT

12 March 2014

Summary

On Wednesday 12 March, DG TRADE organised a series of stakeholder presentations on aspects of TTIP. This event was inspired by similar ones in Washington during rounds 1 and 3. The aim was to give stakeholders the opportunity to explain what they wanted to see (or not see) in TTIP, in an event designed for negotiators to listen, rather than tell. As in the US, the event was open to the press on a background basis to help inform the public debate.

The event attracted very high interest, with more than 450 stakeholders registering for places and 90 organisations giving presentations. Over nearly four hours in four parallel sessions, EU and US negotiators heard from groups ranging from the European Consumers' Organisation (BEUC) to EU and US car manufacturers; from CropLife America to the World Society for the Protection of Animals; from the financial services industry to Friends of the Earth Europe; and from eBay to the European Social Insurance Platform¹.

Feedback was broadly positive, with many stakeholders expressing their appreciation for the chance to engage directly with negotiators.

¹ The full programme is publically available here: http://trade.ec.europa.eu/doclib/docs/2014/march/tradoc_152264.pdf
**Session One – manufacturing and regulatory issues**

This session covered a wide range of questions and issues, such as horizontal regulatory coherence, technical barriers to trade (TBT) and specific industry sectors. It brought together 21 presentations from very different backgrounds, i.e. business associations, consumer associations, sector-specific industry groups, NGOs and academics. The session was attended by more than 100 participants.

It started with presentations on more general issues related to transatlantic regulatory coherence. Potential benefits for the economy and consumers were particularly underlined, as well as potential risks. The European Consumer Organisation (BEUC) highlighted a number of principles that would need to be respected, such as the participation of consumers in the transatlantic regulatory cooperation process. The American Chamber of Commerce in the EU underlined the potential economic benefits of increased regulatory coherence. In that context, the European Risk Forum suggested a number of practical elements and approaches, such joint approaches in risk assessments. All highlighted the importance of the full involvement of relevant regulatory agencies in this process. The International Federation of Inspection agencies pointed to possible opportunities for cost-reduction, in particular for smaller firms. On the other hand, the Coalition for Sensible Safeguards when presenting their view on the current US regulatory process, warned of delays and hurdles for new regulatory measures.

The session then turned to sector-specific issues and saw a wide range of questions and areas covered. EFPIA, the US Generic Pharmaceutical Association and the European Generics Association expressed support for the regulatory part in TTIP and practical steps towards more convergence, such as in areas as inspections and testing requirements. Speaking also on behalf of the US cosmetics industry, Cosmetics Europe pointed to a number of possible measures that would facilitate regulatory convergence between the EU and the US (test methods, approved ingredients, risk assessment, labelling requirements and animal testing alternatives). The issue of animal experimentation was also taken up by Humane Society International, which argued for increased transatlantic cooperation in that area. On chemicals, CEFIC presented a number of priority issues that could be tackled by TTIP (common scientific base, prioritisation for assessment, classification and labelling). The Centre for International Environmental Law, however said that this cooperation should be taken forward at multilateral rather than at bilateral level.

In the area of textiles, both the European Branded Clothing Alliance and Euratex strongly argued for reciprocal elimination of tariffs, as well as regulatory cooperation in areas such as labelling and product safety. In the area of alcoholic beverages, the European Alcohol Policy Alliance warned that TTIP may make it more difficult to impose restrictions on advertising and labelling on alcoholic products. For the ICT sector, Digital Europe underlined the importance of data flows for modern economies and recommended greater convergence in approaches relevant areas. Regarding the machinery sector, Orgalime and VDMA highlighted a number of existing barriers and presented proposals to overcome them. Conformity assessment (more coherence by self-declaration), mutual recognition and international standards were important questions to be looked at. This was echoed by the agricultural machinery sector, CEMA, which argued for more cooperation on regulatory standards. For the metals sector, Eurométaux, underlined the crucial importance of access to raw materials, but also regulatory cooperation issues in that industry. Finally, the automotive industry, represented by ACEA, the American Automotive Policy Council and the Alliance of Automobile Manufacturers Association, presented the rationale for greater regulatory coherence and explained ongoing work regarding specific suggestions, such as the development of a joint methodology.
Session Two – agriculture issues

The TTIP Stakeholders' Presentation Meeting allowed stakeholders representing the agricultural sector from both sides of the Atlantic the opportunity to air their thoughts and hopes for TTIP to EU and US negotiators in Brussels. Over 23 organisations representing farmers, the agri-food sector, animal welfare and consumer groups were present.

Improving the administrative process behind acquiring license fees were discussed by several stakeholders. Import licensing procedures into the EU, according to the US Dairy Council, are currently "burdensome and complex" whilst COPA COGECA noted that for European apples and to access the US market, they must pass a pre-approval procedure which is "very difficult to comply with" involving 5 tests, the first of which takes place in the orchard.

The prospect of lower tariff barriers was broadly welcomed, especially by groups representing the EU wine and spirits industries, but several stakeholders called for the EU to negotiate the protection of specific industry segments. The EU sugar industry came out in force to inform negotiators of what they see as major structural differences in the US sugar value chain due to high US ethanol subsidies and existing trade agreements with Mexico. FruCom, a body representing European traders in dried fruit and edible nuts, argued for the maintenance of tariffs to protect small and traditional European industries such as marzipan and nougat from large US producers.

Labelling was an important issue for many groups. Geographical Indications were called for by many European industry groups, but the US Dairy Export Council and the International Brotherhood of Teamsters suggested they should not be negotiated within TTIP. The use of generic names for "commoditised" cheeses should not be restricted. The European Federation for Origin Wines called for mutual protection of European and American regional wines such as Champagne, Burgundy and Napa Valley. SpiritsEurope noted that Tennessee whisky and Bourbon are already protected in Europe.

Representatives of the European dairy industry brought negotiators’ attention to the need to achieve equivalence of standards in dairy products. The requirements to achieve "Grade A" standard for milk imports to the US are complex and vary from state to state. As a result, to date only 2 European companies have achieved it, despite stringent European standards for milk. Euclait noted that the current legislation on Grade A milk is open-ended and could expand to cover other products in the future. In the area of crops, the European Crop Protection Association and CropLife America called for a harmonisation in risk assessment standards for pesticides and to harmonise legislation on Maximum Residue. However, clear labelling of residue levels was asked for by consumer groups and European crop farmers.

In arriving at equivalent standards, several NGOs and associations of farmers called for equivalence at the most stringent standards of environmental protection, product quality and animal welfare. The promotion and protection of the EU's current high standards on the use of cloning, beef hormones and genetically modified organisms attracted particular attention. The National Family Farm Coalition, a US lobby group supporting small farmers, called for TTIP to enshrine higher EU standards on the use of chemicals in consumer products and the European Consumers Association also asked negotiators to protect the EU's precautionary principle when assessing food safety. Compassion in World Farming and World Society for the Protection of Animals were concerned about the potential detrimental effects on animal welfare given that US legislation is more market-oriented in this field and recommended aiming for SPS+.
Session Three – services, investment and public procurement

This session focused on market access and regulatory coherence for services, as well as market access and the scope of the investment and public procurement negotiations. It included 25 presentations from business groups and trade unions, NGOs and research organisations. The session was attended by more than 100 participants.

Beginning with public services, the European Centre of Employers and Enterprises (CEEP) indicated that particular attention is needed in the pillars of market access and regulation. There are constraints on market access in the US, with EU companies facing trade barriers in the public services sector. Public services enjoy a good position in the Lisbon Treaty, and concerns have been raised about the influence TTIP could have on this. It is important to preserve the quality of public services amid fears of the ongoing privatisation of the public sector.

On financial services, this discussion was divided by the question of whether this sector should be included in TTIP or not. Advocates of financial markets were in favour of inclusion: at present different rules apply on each side, and one coherent system is needed, but only after consultation with the sector. NGOs and consumer associations expressed the opposite view due to fears of a compromised regulatory framework and poor standards. They prefer strict and separate regulatory regimes at EU and US levels.

Particular services sectors explained what they felt they had to gain from TTIP. For Insurance Europe, it would be important to see more market access and improved regulatory coherence. For the Direct Selling Association (SELDIA), TTIP's benefits for small business such as cosmetics and food companies could be high, again via more market access and a strengthened regulatory framework. The legal services sector, represented by the Law Society of England & Wales, would like to see guaranteed market access and the harmonization of different state regulations. Restrictions on the free movement of workers and on establishment should be lifted. Finally, the digital services sector explained that data flows and intellectual property protection are essential to services of the future: TTIP should deliver free data flows across borders, and a regulatory framework in which innovation and creativity can be safeguarded.

The discussion on public procurement focused especially on the difficulties in US market. There is big potential for EU companies, but their participation is restricted by rule such as Buy American. The European Rail Organisation (UNIFE) called for a true level playing field in public procurement. To do so, TTIP should include commitments at both federal and state level. However, the US Citizens Trade Campaign opposed this view, suggesting that local procurement decisions should be taken at local level.

The segment on ISDS revealed the strong concerns of civil society organisations, including Friends of the Earth Europe and Public Citizen. Fears were expressed about the unfair positions of domestic companies, the influence of companies over the legislative agenda, the use of ISDS as a threat, the high level of costs involved in procedures, potential conflicts of interest among arbitrators and the general lack of transparency in the process. However, business groups expressed equally strong views in favour of including ISDS in TTIP, to safeguard the interests of investors who are vital for economic growth and job creation.
Session Four – rules, including sustainable development, small business, energy and IP

This session covered several issues falling under the rules pillar of the TTIP negotiations, which includes sustainable development (labour and environmental standards), customs and trade facilitation, SME interests, energy and raw materials, and intellectual property. 21 stakeholders gave presentations to an audience of more than 100 participants. Advocates from chambers of commerce (AmCham EU and Eurochambres), NGOs such as OCEANA and the Centre for Digital Democracy, and national and international trade union organisations, expressed their views alongside sector associations such as Central Europe Energy Partners (CEEP) and the American Fuel and Petrochemical Manufacturers.

Some crucial cross-cutting issues emerged, such as the need for simplification and harmonization of import/export procedures, which could unleash all the potential benefits for small companies across both countries, and especially European SMEs which "represent 99% of European business", according to Felix Neugart, Managing Director of the German Chambers. The search for new markets should not however spawn a "race to the bottom" and a reduction of European social, environmental and privacy protection. While many presenters acknowledged the economic benefits that TTIP would generate, Renaat Hanssens, of the Belgian Confederation of Christian Trade Unions, stressed the necessity to take this opportunity to put reversing income inequalities at the heart of the negotiations.

A cross-cutting and sensitive issue is the Investor to State Dispute Settlement mechanism (ISDS), with some presenters fearing it would give multinational companies the power to engage in disputes with sovereign states against environmental or social regulations. Low prices for energy in the US may also be a challenge for potential EU competitors. This is especially true for central European countries, said Jakub Przyborowicz from Central Europe Energy Partners (CEEP), whose "young economic development and high dependence on Russian gas" makes it difficult to compete with companies benefiting from cheap American energy supplies.

After each presentation, stakeholders could engage in question and answers with EU and US negotiators. This was fruitful for both parties, for stakeholders in hearing direct responses to their positions, and for negotiators in hearing concrete proposals on how to better meet stakeholders' needs.