

**Art. 4.1 (b) (TRADE)**

**Subject:** RE: TTIP transport: meeting mit Verband Deutscher Verkehrsunternehmen e.V. (VDV) on 16 January 2015

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Report of the meeting with VDV held at DG Trade on 16 January 2015

Participants: DG Trade (Art. 4.1 (b), Art. 4.1 (b) Art. 4.1 (b) ) and DG Move ( Art. 4.1 (b) Art. 4.1 (b) Art. 4.1 (b), Art. 4.1 (b) )  
Verband Deutscher Verkehrsunternehmen e.V. (VDV): Art. 4.1 (b) , Art. 4.1 (b) , Art. 4.1 (b)

The meeting was requested by VDV to discuss some issues relating to the TTIP negotiations. COM briefly explained the state of play of the TTIP negotiations, how the services commitments work in general (drawing some examples from CETA) and how all this relates to existing EU (and member States) legislation.

VDV asked whether any change in transport legislation would be necessary as a result of the TTIP negotiations. COM explained that services trade negotiations largely result in binding the existing level of liberalisation and therefore do not result in any change in legislation: the main issue is therefore to make it certain that the existing market access limitations are correctly reflected in the so-called "reservations". The reservations which will be used in TTIP are the result of years of discussions with stakeholders and Member States, have been used in several other negotiations (most recently in CETA) and should therefore be appropriate to also provide the necessary protection in TTIP. However, any input in this respect from VDV is welcome.

VDV expressed its concerns about the adequate protection of public transport services provided by entities controlled by local public authorities ("internal operators"). COM underlined that, in particular for public services, a horizontal "public utility reservation" exists which also covers transport services subject to monopolies or exclusive rights. This reservation applies in general to all public services and has a very broad coverage. The provision of "in-house services" is not impacted by the Government procurement chapter. TTIP would indeed have no impact on the autonomy of EU procuring entities to decide whether they purchase a service from an external service provider or whether they provide the service in-house as long as they comply with the conditions set by EU Procurement Directives. This can be shown for example by the example of EU procurement commitments under CETA, which contain a clarification (in line with Procurement Directives) that the Chapter does not apply to contracts awarded by a procuring entity to an affiliated undertaking. The provision of commercial/open access public transport services is normally allowed subject to establishment in the EU and in accordance with the rules provided for in the European and Member States legislations, which are reflected in specific reservations.

VDV expressed the concern that our international obligations may limit the margin of manoeuvre of our legislators for the future. COM replied that this depends on the reservations which are in place (annex I or annex II type). The right to regulate is never put into discussions, but of course once certain kinds of obligations are taken at the international level the possibility to render internal legislation more restrictive/discriminatory in the future may be substantially reduced. This however has nothing to do with TTIP but is the normal consequence of undertaking international obligations, in trade as in any other matter. This also applies to obligations taken under the GATS which would continue to apply in any case, irrespective of TTIP.

It was agreed to continue the exchange of views at a later stage.