



EUROPEAN UNION
DELEGATION TO THE UNITED STATES OF AMERICA

The Head of Delegation

Washington. 21 November 2011

E-NOTE DELUSW

Subject: EU Trade Counsellors Meeting with Angela Ellard, (Republican Chief Trade Counsel, Ways and Means Committee) on 14th November 2011

Summary:

Angela Ellard highlighted key upcoming issues for the US Trade Agenda.

Details:

Angela Ellard started by recalling the success of passing the FTAs with Panama, Columbia and South Korea with a strong bi-partisan vote. She noted that 97% of all Republican Members had voted in favour. One third of Democrats had voted for the South Korea Free trade agreement. She had hoped for more support given the President's involvement in renegotiating the automobile provisions in the agreement. In passing she recalled that the EU FTA with Korea was one of the main reasons why the US FTAs were passed. She added that that the 2008 agreement with Peru had already resulted in a doubling of US exports. The same is likely to happen as a result of these agreements. She noted however that the three FTAs no longer reflected current thinking on how trade issues should be addressed in bilateral negotiations.

She highlighted the main vectors of the US Trade Agenda as being:

- (1) The Trans-Pacific Partnership (TPP): asked about the articulation between TPP and APEC in the future, Ellard noted that even if APEC – representing half of world trade - was non-binding, it could act as an 'incubator'. She used the 1995 ITA agreement as an example, since the idea had emerged in APEC. APEC is also giving impetus on trade facilitation. Concluding TPP in the first half of 2012 would be difficult but there was political momentum. Asked when Congress would start examining TPP more in detail, she suggested they would need to turn to that very soon, but that they would wait for more elements to be on the table first.
- (2) Trade Facilitation through the Customs Reauthorisation Bill.
- (3) Relation with China. While the legislation related to currency was problematic and opposed by Republicans, recent China hearings reflect a bipartisan frustration with a much broader range of issues (e.g. intellectual property, subsidies and government guidance to state-owned companies, export restraints, raw materials).

- (4) Russia's Accession to WTO: they are currently looking at the new items agreed recently in the Working Party report. Although Congress doesn't vote on the WTO accession directly, it will have to act to lift the Jackson-Vanik amendment and grant permanent normal trade relations.

Asked about the timing for Jackson-Vanick consideration in Congress, she mentioned there was a need to create confidence, recalling there had been a lot of engagement before votes were cast in the case of China in 2000. **The two weeks Congress was still in session before the WTO Ministerial would not offer sufficient time.**

- (5) WTO and Doha Round Negotiations – it is clear that what we have been doing hasn't worked. We now have to look at ways to do things differently and from a different platform (for instance by addressing the consensus rule).

Asked about compliance on zeroing, she stated that **“compliance doesn't look back and shouldn't be retrospective”**.

Asked about what Congress would see as a priority for US Trade policy in the short term, she said that Congress would want to press in all directions: WTO, bilaterals, TPP, regulatory work, etc. It was important to put things “in the pipeline” even if they were at different levels of maturity. Creating leverage towards emerging economies, notably through the TPP, was key.

Asked about trade Relations between the EU and US, she noted that there had been a continuous momentum in transatlantic trade relations. The financial crisis had only strengthened ties. Asked about US views on Chinese investment, she noted the two sides of the argument: on the one hand Chinese investment could contribute to growth and job; on the other side there were fears China would steal technology and intellectual property and compete unfairly hurting American jobs.