Opening Remarks by U.S. and EU Chief Negotiators from the New York Round of Transatlantic Trade and Investment Partnership Negotiation

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*As Delivered*

U.S. Chief Negotiator Daniel Mullaney: Thank you for joining. We are delighted to be back in New York City for this round of T-TIP negotiations. It was one year ago this month that we held our 9th round of negotiations here.

The air and seaports of the New York City area play a predominant role in U.S. trade with Europe – handling some $400 million dollars’ worth of goods every single day. It’s very fitting therefore that we returned here for this critical round of negotiations.

This round also coincided with the Hannover Messe in Germany, the world’s largest industrial fair, which President Obama opened jointly with Chancellor Merkel and where he specifically addressed T-TIP.

The President said in Hannover and I quote: “The time to complete T-TIP is now and I’m here to say that the United States is prepared to make every effort to reach an ambitious, comprehensive and high-standard agreement this year.”

That is the spirit and determination with which my team and I approached this round of negotiations.

We had a very productive round this week, though we still have significant work left to do.

Let me say again what I have before: the United States has no interest in a “T-TIP Light.” That would not fulfill the economic promise of the ambitious agreement we are seeking, and it would not pass muster with our stakeholders or our Congress.

We believe there remains sufficient time to complete an ambitious, comprehensive and high-standard T-TIP agreement this year, if we continue our intensive engagement and we mobilize the necessary political will, effort and determination on both sides.

Our teams have been engaging on all levels – in some cases, almost daily – since the last round in Brussels in February. Ambassador Michael Froman, the U.S. Trade Representative, and EU Trade Commissioner Cecilia Malmström have been in constant contact and have met four times within the last six weeks, including this week in Hannover.

Now that we have proposed agreement text in almost all negotiating areas, our efforts are focused on resolving areas of disagreement.

This week we discussed our respective proposals on labor and the environment, which reaffirmed that we share the same commitment to promoting strong labor and environmental protections and cooperation in T-TIP – not only with each other.
In several areas – including the chapter on Small and Medium-Sized Enterprise, or SMEs, customs and trade facilitation competition – we are at a very advanced stage of negotiation. In some instances, there are only a few issues left to resolve.

We made solid progress in developing agreement provisions on good regulatory practices, which would strengthen transatlantic rule-making on both sides of the Atlantic by ensuring opportunities for public input – without diminishing in any way parliamentary control and national decision-making authority.

Similarly, we had fruitful discussions in developing the framework for regulatory cooperation, which would facilitate greater compatibility in future regulations, while at the same time maintaining the strong labor, environmental and consumer protections that our citizens have come to expect.

In addition to these cross-cutting regulatory elements, which would apply to all sectors, we continued to make progress in developing provisions for specific product sectors, including autos, pharmaceuticals, medical devices, and cosmetics.

At the last round in February, we identified common objectives for each of these sectors, and during this round, we began exchange and discuss draft texts that translate these objectives into agreement language. We are aiming to have text on the table for most, if not all, of the sectors by the time of the next round.

With respect to pharmaceuticals, for example, a common objective is to achieve mutual recognition of our respective inspection regimes, so that pharmaceutical facilities in the United States and the EU are not subject to unnecessary duplicative inspections. Eliminating unnecessary duplication will not only reduce costs for pharmaceutical manufacturers: it will also enable regulators on both sides to devote more attention to inspecting facilities in regions where safety concerns be more acute, also resulting in benefits for the consumer.

During the round, we also continued to make progress on tariff elimination, a key U.S. goal. We had agreed earlier to eliminate tariffs on 97% of tariff lines, and at this round, we worked to increase the number of those tariff lines that would zeroed out upon entry into force of the agreement. In the months ahead, we will discuss the elimination of the remaining tariffs, and we will seek to accelerate the pace of reduction for tariff lines we have already agreed to phase out.

We also had a very constructive discussion this week on a U.S. framework text for the mutual recognition of professional services. This framework would allow professionals to have their years of training and experience recognized when obtaining permission to practice across the Atlantic. Cooperation on this issue is possible because the U.S. and EU maintain similarly high standards for qualification of professionals.

Many of our highly skilled professionals practice in small and medium-sized firms. By making it easier for these professionals to practice throughout the transatlantic area, T-TIP will benefit both these SMEs and their new clients.

So, while we have accomplished much, there is much more to do, particularly in key areas like technical regulations, standards and services.

To leave more time for questions, let me end here with a reminder of what’s at stake in these negotiations.

T-TIP will not only eliminate tariffs, simplify procedures, cut red tape and bridge differences in our regulatory systems to the economic benefit of consumers, workers and businesses alike: it will also have a valuable strategic benefit as well.

At a time when other countries are trying to shape global trade to their advantage, T-TIP gives the United States and the
law, transparency and high standards for protecting the environment, workers and consumers.

Thank you very much, and I look forward to hearing your questions.

Ignacio?

**EU Chief Negotiator Ignacio García Bercero:** Thank you very much, Dan, and let me start by thanking you and all the members of your team for your hospitality and organizing this very important round of negotiations in New York City.

This round is a part of a very intense period of the negotiations. We have a clear objective: to make as much progress as possible to achieve a balanced, ambitious and high-standard trade agreement with the United States.

T-TIP light, as has been said very clearly by Dan, is not workable either for the U.S. or for the European Union.

As you all know, earlier this week, President Obama’s visit to Europe gave us a strong political boost.

We have been working this week on two complementary tracks, at political and technical track, to translate this commitment into practical results.

On the political level Commissioner Malmström and Ambassador Froman met in Hanover at the beginning of the week. They agreed to continue these constructive talks in many meetings that will still take place before the summer break.

The objective of this round was to consolidate as many texts as we can – in other words, to agree on joint text in as many areas as possible. The round was a bridging round, between the huge amount of technical work that we have already done and the task we now face in creating joint texts and finding compromises where necessary, in particular in the regulatory and rules pillars of these negotiations. Let me highlight a few of the things that we achieved this week.

We have made significant progress in the chapters on both regulatory cooperation and good regulatory practices. We have managed to consolidate the two texts, and this is an important step forward in the negotiations.

We made substantial progress on the SME chapter – the first ever chapter of this kind in an EU trade agreement. The aim is to enable smaller firms to make the most of T-TIP.

We also made good progress on the provisions of customs and trade facilitation. An ambitious chapter would simplify customs procedures and reduces fees and charges to the benefit of SMEs in particular.

We are also continuing to make progress on tariffs. During the round we had good talks on improving the existing offers, for instance shortening the transition periods for some of the products. Here consumers and companies would feel an immediate impact, as the prices of imported and exported products could fall. Indeed, European Union firms pay over EUR 3.5 billion a year in customs tariffs when exporting to the United States. We did not discuss the remaining 3% of tariff lines which are the most sensitive.

We continue, of course, to work on all areas in TTIP. In some other chapters we are in the process of consolidating textual proposals. These include, for example, the chapters on sustainable development, which includes labor and the environment and the chapter on investment. In this round again, regulatory cooperation was very much at the center of our discussions: a lot of technical work has been done, but quite substantial work is also still ahead of us. Before the negotiations started, n
these sectors, in this case for pharmaceuticals. And in line with our policy on transparency policy, this proposal will be published very soon on our website.

We also made some progress in discussions on services. The European Union objective is to pursue a high degree of ambition and to obtain substantial new market access for European Union firms. We also had a good discussion on mutual recognition agreements for professional services and made significant progress in the consolidation of the text.

Finally, we had extensive discussions on public procurement. Here, we started to consolidate our respective texts for proposals. But for us, it is clear that we need to reach a similar level of progress in market access procurement as we have already done in tariffs and services in order to move the negotiations towards the end game.

Finally, let me state, from the European Union point of view, we are ready to work hard to try to conclude these negotiations in 2016, but of course, only if the substance of the deal is right. We are currently planning for another round before the summer break, most likely in July. The objective for this round would then be to continue to work on consolidation in all areas so that we only have a very limited number of open issues, the so called ‘square brackets’, that will ultimately need to be resolved at political level. We need to achieve an agreement that will be the most ambitious, balanced and comprehensive agreement ever concluded by either the European Union or the United States.

Thank you very much, and I look forward to your questions.