



## TRANS-ATLANTIC BUSINESS COUNCIL

### **TABC Priorities in the Transatlantic Trade and Investment Partnership**

The Transatlantic Trade and Investment Partnership (TTIP) is a once-in-a-lifetime opportunity to stimulate and further integrate the transatlantic economy in response to significant geopolitical and economic challenges. Successful conclusion of the negotiations will catalyze increased exports between the two key markets, contributing to job creation on both sides of the Atlantic. In addition, at a time of strengthening Asian competition and limited progress in the WTO toward new disciplines, the broad impact of a transatlantic regional agreement could in effect set the new international trade rules. This paper outlines TABC's key priorities for a comprehensive and ambitious TTIP agreement.

#### **Market Access for Goods:**

Elimination of tariffs and export quantitative restrictions, including on raw materials and agricultural products.

#### **Regulatory Convergence:**

Break down duplicative and unnecessary regulatory barriers across industrial sectors, while respecting US and EU sovereignty and without sacrificing health, safety or environmental standards. Begin with areas where mutually beneficial change can be made quickly in order to build an appropriate amount of momentum going forward. Encourage convergence of existing technical regulations and standards and consider the potential for mutual recognition frameworks. Implement a joint regulatory interoperability process that promotes and facilitates the development and adoption of common future new regulations.

#### **Automobiles:**

Support the joint ACEA/AAPC/Alliance position aiming to achieve regulatory convergence of existing US and EU auto safety standards, which means that these standards could be recognised as equivalent. In addition, TTIP should help ensure that EU and US regulatory authorities closely cooperate to avoid future divergence on new regulations. Improved regulatory convergence and standards compatibility would help to increase trade, lower costs, create jobs, and improve the international competitiveness of the industry.

#### **Chemicals:**

Support the joint recommendations by ACC (American Chemistry Council) and CEFIC (European Chemical Industry Council) which call for enhanced regulatory cooperation at horizontal and sectoral level. Some of the key areas for improved cooperation are greater transparency of regulator-to-regulator dialogues, enhanced scientific consultation and use of data, establishment of a coordination committee to work toward harmonized chemicals assessment and prioritization and to consider emerging scientific issues.

#### **Financial Services:**

Support transatlantic alignment of financial services regulation to ensure that the EU-US financial market operates as open and efficiently as possible. Regulatory fragmentation of the transatlantic

financial services markets would frustrate efforts of international bodies such as the G20 and the FSB. The major objective is to ensure the inclusion in TTIP of conventional market access rules as well as mechanisms to achieve compatible and cost-effective regulatory frameworks that facilitate access to capital and boost economic growth.

### **Energy Efficiency**

Enhance cooperation between EU and US relevant bodies to achieve mutual recognition of standards and certification for equipment and services that contribute to energy efficiency, as well as joint elaboration of standards for new technologies. The US and EU have a common goal of decreasing energy dependency on imports whilst tackling the challenges posed by climate change. Improving regulatory convergence and standards compatibility would not only increase the volume of transatlantic trade and the global competitiveness of an innovative industry, but also substantially support efforts towards energy efficiency by facilitating the reduction of energy use in buildings, industrial processes, domestic appliances, etc.

### **Life Sciences:**

Support an environment that allows the US and the EU to succeed in the global race for R&D, to spur both academic and private research, and to support innovation, job growth and the development of innovative products to improve health. Incorporate a pharmaceuticals annex in the TTIP with the objective to improve regulatory convergence, including for medical devices, transparent and equitable market access, effective protection and enforcement of intellectual property rights, as well as to address the elimination of tariffs and rules of origin issues.

### **Medical Devices:**

EU and US authorities should work toward single audits of medical device quality systems; increased convergence and the adoption of international standards (MDSAP); a single electronic platform to submit application materials required by multiple regulators (RPS); and similar unique device identification systems (UDI). These measures would allow for medical devices to go to market more swiftly and enhance patient access to innovative, lifesaving technologies by promoting convergence in regulatory requirements.

### **Competition:**

Apply competition law in an open, transparent manner that provides procedural fairness to all parties. Governments must assure that state-owned enterprises (SOEs) compete in the marketplace on a level playing field, do not displace private company efforts, and do not enjoy unfair advantages over their private-sector competitors.

### **Cross-Border Data Flows:**

Support the development of horizontal and binding commitments on all of the following principles related to the free flow of data:

1. We support the cross border free flow of data, which is essential across all industries to enhance economic growth, job creation and social prosperity.

2. With the objective of enhancing trust of users and certainty of companies, and thus trade in goods and services, it is essential that businesses comply with all applicable laws and regulations related to data protection and data security.
3. Restrictions on data flows and associated infrastructure create risks for global business that must be recognized by governments, and their effects should be minimized by policymakers in trade agreements, legislation and regulatory proceedings. Restrictions on data flows must be consistent with the provisions set forth in GATS Article 14.

### **Customs/Trade Facilitation:**

Support commitments on both sides to a single window within the territory of each TTIP party to enable trade to e-transmit data required for the shipment, processing of import-related information to enable pre-clearance of goods before their arrival at a port of entry, a unitary import clearance process, harmonized clearance procedures across EU member states, procedures that expedite release of goods, and a US-EU mutual recognition agreement that streamlines criteria and procedures for trusted trader programs.

### **Energy:**

Advocate for a policy of free trade on the part of the US and EU with respect to the exports of oil and gas: we would like to see the agreement address the removal of export restrictions on all energy sources, including crude oil, natural gas, finished oil products and feed stocks. We do not see the need for a dedicated chapter on energy in the TTIP; market access principles can be sufficiently covered in chapters intended to apply horizontally across all sectors. The agreement should promote, to the extent possible, compatibility between the EU and the US in the areas of energy and environment-related standards and regulations. Furthermore, TABC supports the parallel efforts taking place in the framework of the EU-US Energy Council in the interest of strengthening transatlantic cooperation on energy matters.

### **Innovation:**

Address impediments to the freest possible exchange of ideas, capital, goods, services, and people, and create common frameworks between the US and EU for programs to encourage both basic research and development and also the commercialization of new technologies. Consider horizontal as well as sector and technology-specific aspects for improved cooperation to enhance R&D and innovation.

### **Intellectual Property:**

Facilitate a shared commitment to robust protection of all forms of IP and encourage robust third country protection. Improve the quality and effectiveness of the patent system, harmonize and improve protections for trade secrets, and maintain a strong system of protection for intangible assets as incentive to innovation and creativity.

### **Investment:**

Negotiate a liberal investment agreement that includes broad provisions for reducing, or wherever possible, eliminating exceptions to national treatment principle. Strong provision for investment protection are equally important. Investor-State-Dispute Settlement (ISDS) is an integral part of any modern investment treaty and should be included in TTIP. It provides an efficient and neutral forum for the resolution of disputes arising out of foreign investment. ISDS and the substantive protections in an

investment treaty also greatly increase legal certainty and minimize risk when an investor is assessing whether to invest in a particular foreign market.

**Procurement:**

A robust chapter that contains an agreement that neither party will adopt new measures restricting market access in procurement beyond measures already in place, increased coverage of central government procurement and sub-central entities, and guaranteed transparency.

**Services:**

Ensure trade and investment in services – and their four modes of delivery – are sufficiently reflected across the negotiations. Services negotiations should be made on a negative list approach. Commitments on market access should cover all relevant services sectors; any limitations to core obligations should be crafted as narrowly as possible. There should be clear obligations that permit digital transmission of data through the least trade restrictive means available. Greater regulatory coherence in the delivery of services trade that appreciates the costs and inefficiencies associated with inconsistent and redundant regulatory practices is a key area for the negotiations. Allow for comprehensive market access to public procurement for services, with low thresholds and substantive coverage of all public institutions and entities.

**Skilled Workforce:**

Facilitate the short term mobility of skilled labor between the EU and US and establish a fast track approach for expeditious processing of visa/work permit applications. The mobility and temporary movement of employees is particularly critical in the services industry.