



**Public Conference on EU-US Trade Agreement: Myths and Truths
March 18, 2014**

**Comments by Tim Bennett, Director-General/CEO
Trans-Atlantic Business Council (TABC)
Before the
Group of the Progressive Alliance of Socialists and Democrats in the European Parliament**

Thank you for inviting me to participate on one of the panels for today's important hearing on T-TIP Myths and Truths. I have been asked to address the question "Who is in the driver's seat—big business or the people?" I would like to share the following points before we continue onto Questions and Answers.

Us vs. Them/Big Business or the People

This is quite simply a false choice. Two sovereign governments, the EU and the US, are negotiating to hopefully create a bilateral trade and investment agreement containing rights and obligations for both parties. The two governments are the drivers: both in the political decision to pursue such an agreement and in the actual negotiation of its content. It will then be the legislative branches of government which will help determine whether the proposed agreement is approved.

All businesses—big, medium, small, and micro—have the right to share their recommendations; analyses of industrial, agricultural, and service sectors; explanations of perceived trade barriers and why they should be reduced or eliminated; and possible implications on global competitiveness if action is or is not taken. Civil society stakeholders—such as labor, consumer, and environmental groups—have also come to be recognized in the EU and US over the past thirty years as legitimate stakeholders in international trade negotiations. Public comment periods, stakeholder events, and participation in formal advisory committees to the two governments is open to all of these groups as well as the industrial, agricultural and service sectors.

All of us hope that our comments and recommendations are persuasive and taken into account. However, it is the governments that analyze, distill, and weigh all of this input and make the decision as to how they will structure their negotiating demands. It is the EU Commission, in consultation with the European Parliament and the Council, which determines what provisions are needed in a final agreement in order to best serve the economic and political needs of the EU. Similarly for the US, it is the Executive Branch in consultation with the US Congress which determines which provisions are needed in a trade agreement to best serve the national economic interest. Again, the governments are the drivers in this effort to create better growth and job opportunities.

Favored Access for Business

Related to the Big Business vs. the People issue, is the frequent allegation that big business is somehow involved in secret, conspiratorial meetings with EU and US trade negotiators in an effort to lobby for a lowering of standards for health, worker welfare, consumer safety, and the environment. This too is false. Industry groups, agricultural producers, and service providers do indeed often meet with government officials prior to initiation of trade negotiations in an effort to increase understanding among the negotiators of the various factors that impact growth and competition in their industries. Such meetings also occur after negotiations are initiated to keep abreast of negotiating progress and, oftentimes, at the request of government negotiators who are seeking to better understand how an industry operates, or how particular regulations actually impact them in the marketplace. Such meetings are not new, have been a valuable source of information for decades for trade negotiators, and are not a practice confined to just EU and US negotiators. What is new has been the increased interest of civil society groups in trade agreements and the effort by the EU and US governments to reach out to them for input and vice versa. The allegation that the consultative process is unfair because more meetings are held with industry than with civil society groups is also bogus. There are well over 48 million businesses in the EU and US combined represented by a large number of vertical and horizontal trade associations, government affairs representatives, and other company officials. Groups representing consumers, labor, and the environment are much fewer in number and usually have a more unified agenda within each of these groups.

Benefits of the Agreement

Another manner in which T-TIP opponents attempt to discredit this bilateral effort is to dismiss the estimates of the economic gains to be realized. There is no question that an exact calculation of the end-game benefits is impossible to calculate at this time as the actual content of the final agreement is unknown as is the competitive responses of global competitors. However, the impact assessments that most of us have seen and/or read were based in good faith on projected parameters of a possible agreement and were often needed in advance to help the EU and US make a final determination about whether or not to pursue such an agreement between two economic giants with a long track record of squabbling over issues such as regulatory differences, agricultural and aviation subsidies, and government procurement access. The fact that these studies uniformly have concluded that the impact on jobs and GDP growth in the EU and the US will be positive should not be ignored, nor should the impressive record of the growth in international trade far outpacing global GDP growth for the past several decades.

Let's not forget that most jobs are created by business, with most job creation originating with small businesses. There is a symbiotic relationship between big companies and SMEs. While the bigger companies might be more active in international markets, it is millions of SMEs that are the suppliers to those larger companies and, thus, indirect but very large beneficiaries of increased exports by big companies. That's lots of people who benefit from that big business relationship.

Finally, both supporters and opponents of major trade agreements have had a tendency since the NAFTA negotiations to exaggerate the impact of the final agreements. I hope this Group of the Progressive Alliance does not get caught up in that disinformation game, but instead fundamentally appreciates that a possible comprehensive and ambitious trade agreement between the world's two largest economies is quite simply the only remaining macroeconomic policy left in the policy tool box during this time of extended slow or no growth to stimulate greater economic growth and job creation than would otherwise occur. And that is good for all the people: businesses, civil society groups, retired people, and legislators.