Draft INTA report adds to the fresh impetus on the TTIP debate

AmCham EU’s response to draft INTA report on the TTIP negotiations

Executive summary
The INTA draft report adds to the fresh impetus on the TTIP debate initiated by EU Trade Commissioner Cecilia Malmström. The time is ripe for negotiations to gain positive momentum; however timely pursuit of the agreement must not come at the expense of substantive elements critical to its success. The INTA report makes a number of important recommendations in this regard that can lead to a robust agreement. AmCham EU also believes there are provisions in the report that necessitate further review.

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AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled €2 trillion in 2014 and directly supports more than 4.3 million jobs in Europe.

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Introduction
The American Chamber of Commerce to the European Union (AmCham EU) welcomes the draft European Parliament INTA Committee report on negotiations for a Transatlantic Trade and Investment Partnership (TTIP) agreement, adopted by rapporteur Bernd Lange on 5 February 2015.

The INTA draft report adds to the fresh impetus on the TTIP debate initiated by EU Trade Commissioner Cecilia Malmström. The time is ripe for negotiations to gain positive momentum; however timely pursuit of the agreement must not come at the expense of substantive elements critical to its success. The INTA report makes a number of important recommendations in this regard that can lead to a robust agreement. AmCham EU also believes there are provisions in the report that necessitate further review. AmCham EU would like to make the following recommendations:

Regarding Scope
AmCham EU supports the European Parliament’s call for a comprehensive and ambitious TTIP agreement that would benefit business, employment and society. It is critical that the EU does not fall into the trap of seeking to dilute TTIP. It is our firm conviction that the EU must confront head-on the sensitive issues essential to producing a TTIP agreement that spurs innovation and growth and brings the greatest value to EU citizens. Instead, it should include appropriate provisions that address the concerns of different stakeholders while constructing an ambitious agreement that meets the demands of the 21st century.

Regarding Market Access
We underscore the report’s call for the elimination of all trade tariffs between the EU and the United States. Although tariffs are already low between the two markets, they remain high for specific sectors and act as an unnecessary cost to companies seeking to compete with counterparts in emerging economies.

To assure that TTIP is a modern 21st century agreement, TTIP should include language enabling cross-border data flows and oppose forced data localisation requirements. The liberalisation of data flows is essential for digital trade but is also underpinning various other sectors that rely increasingly on such data flows to grow and develop. Current cross-border data flows happen in compliance of EU and US data protection rules. AmCham EU does not share the concern that EU data protection will be compromised through the inclusion of commitments on data flows in TTIP. It is clear to AmCham EU that the immediate elimination of restrictions to transatlantic data flows should happen with respect to current and future EU and US data protection rules, which fall outside of the scope of TTIP.

AmCham EU further underlines the importance of the call to address the discrepancies in public procurement through TTIP that currently restrict EU companies from US federal and state public contracts. AmCham EU also agrees that the EU and the United States should use TTIP to enhance cooperation in financial regulation and establish world-leading standards in financial services.

Regarding Non-Tariff-barriers (NTBs)
The European Commission has been very clear that TTIP will not threaten EU regulatory standards but rather make cooperation between EU and US regulators easier – European regulators will always retain the full right to regulate in their interest. AmCham EU wholeheartedly supports the call for a regulatory cooperation chapter that promotes a competitive economic environment and maintains the EU’s strict standards on areas including health and the environment.
Regarding Rules
AmCham EU calls on the European Parliament to support the inclusion of a strong, balanced Investor-State Dispute Settlement (ISDS) mechanism in TTIP. At a time of ongoing economic uncertainty in Europe, a strong ISDS provision would enable European and American companies to invest in each other’s markets with confidence, guaranteeing that their investments are treated fairly and on an equal footing to national companies. AmCham EU recognises legitimate concerns raised by stakeholders on the working of ISDS in practice. AmCham EU therefore welcomes the EU’s commitment to reform of ISDS – to ensure that an ISDS provision in TTIP meets the needs of business and society and ultimately sets a gold standard for similar instruments in Europe and globally.

In this context, AmCham EU reiterates the report’s call for a specific chapter on SMEs. SMEs in the EU represent 99% of all businesses. However, they currently face significant regulatory obstacles in the transatlantic market that can be addressed through TTIP.

Regarding Transparency, Civil Society Involvement and Public Outreach
The European Parliament’s call for greater transparency and stakeholder engagement in the negotiation process is especially welcome. The European Commission has already made great progress in responding to stakeholder concerns on transparency, including through the publication of negotiating documents and through its public outreach and engagement consultations, notably on the ISDS mechanism. We note with satisfaction the European Ombudsman’s recent statement affirming that the European Commission has made positive and concrete efforts to increase transparency in the negotiations. These efforts will help contribute to a broad and fact-based debate that recognises the concerns of different stakeholders and leads to a more balanced agreement.

Conclusion
Only a comprehensive approach to TTIP negotiations based on transparency, active stakeholder engagement and a commitment to high standards can produce an agreement that delivers significant long-term benefits to EU citizens. Rather than risk weakening the agreement by avoiding sensitive issues, the EU must address the concerns of different stakeholders while ultimately constructing a far-reaching TTIP agreement that encourages trade, investment and growth.

AmCham EU welcomes the ongoing debate on TTIP and looks forward to engaging with the European Parliament and the discussion on this matter in the coming months.