

Article notes: July 18, 2013
Citizen Trade Policy Commission

Deregulatory Disappointment: Transatlantic Free Trade Negotiations (Friends of the Earth; 7/8/13)

- Because tariffs are already low in both Europe and the US, TAFTA negotiations are likely to focus on lowering regulatory barriers to trade; these barriers are likely to be public safety and environmental standards;
- Friends of the Earth (FOE) position on TAFTA:
 - End of secrecy in negotiations;
 - TAFTA should only apply to environmental measures that are clearly identified in treaty text; and
 - TAFTA should not prohibit sovereign governments from making and enforcing environmental regulations.
- FOE recommendations:
 - ISDRs are not necessary to include in TAFTA; both the US and EU nations have robust legal systems;
 - Include an environmental chapter modeled on US law;
 - Do not include the most liberalized (i.e. unregulated) version of a chapter on services;
 - Oppose the inclusion of a Sanitary and phytosanitary chapter which deregulates standards for food and GMO safety;
 - Oppose a technical barriers to trade approach which is a serious threat to toxic chemicals regulation;
 - Oppose the inclusion of a regulatory cohesion chapter which works against environmental and health regulations;
 - Intellectual property chapter should not include patent protection for plants, animals and other life forms;
 - Government procurement chapter should not require governments to buy goods and services solely on product cost and performance; and
 - Chapter on trade in goods should discourage green energy trade wars, fossil fuel exports and privatization of water.

After long build-up, US – EU free trade talks finally begin (Reuters; 7/8/13)

- TTIP negotiations finally started on July 8th;
- Allegations of NSA spying on EU nations have cast a pall over the start of the talks;
- The proposed TTIP could be the world's largest FTA covering 50% of global economic output, 30% of global trade and 20% of global foreign direct investment;
- The anticipated reduction of tariffs and regulatory barriers could boost EU-US economic growth by more than \$1 billion per year;
- Beginning round of talks in July is mostly for organizational purposes;
- TTIP talks could last until sometime in 2015; and

- US companies like Google and Facebook want an easing of EU privacy and protection rules.

Treaty Disputes Roiled by Bias Charges (Bloomberg; 7/10/13)

- A Swiss law professor simultaneously sat on the board of UBS AG (an international financial corporation) and sat on an ISDR judging whether an USB help company should be awarded damages of \$105 million from Argentina from an investment dispute;
- Argentina sought to have the judgment overturned because of potential bias and conflict of interest charges and failed;
- ISDR power is growing and is being used by corporations to challenge government actions that affect their interests;
- No one code exists for ISDRs which are generally authorized by various international trade treaties;
- 15 individuals have served on 55% of all known ISDRs; and
- Most ISRD cases concern nonwestern countries but 68% of ISRD panel members come from EU countries or the US.

Environmental Groups Urge USTR To Not Back Down From TPP Proposal (IUST; 7/11/13)

- In the face of strong opposition from other TPPA countries, eight environmental groups have urged USTR Michael Froman not to back down on the original environmental proposals made by the US during the TPPA negotiations;
- Little is known about the current status of the USTR environmental proposals in the TPPA negotiations; notably these proposals include support for “a normal TPP dispute settlement mechanism” and allowing countries to enforce their environmental laws and regulations;
- USTR is also supporting inclusion in the TPPA of “voluntary market mechanisms” which allow governments to use mechanisms to support voluntary action to protect the environment often through the use of business partnerships and market-based incentives; and
- New TPPA member Japan is likely to oppose any move for limits on fishing subsidies.

Consumer groups fret as first round of European trade talks nears end (Charlotte Observer; 7/11/13)

- New USTR Michael Froman urges TAFTA negotiators to be flexible and think outside of the box;
- However, many consumer groups in the EU and US fear TAFTA will result in the deregulation and subsequent lessening of environmental and safety standards ;
- Karen Hansen-Kuhn, from the Institute for Agriculture and Trade Policy, fears that a lowest common denominator approach to regulation will significantly lower environmental and safety regulatory efforts on both sides of the Atlantic;
- USTR approach is to try and minimize historically different approaches to safety regulation that exists between the US and EU nations; and

- Chemical safety is likely to be a huge issue with the EU approach of REACH which require proof of chemical safety before use in contrast to the reactive US model of TOSCA.

TTIP FAQ – Negotiation phase (various blogs; 7/12/13)

- Upcoming meetings and events include:
 - On 7/18/13 the House Ways and Means Committee will have a hearing on the US Trade Policy Agenda which might include more information on the President's request for Trade Promotion Authority (i.e. Fast Track Authority); and
 - Second TTIP (aka TAFTA) round of negotiations is scheduled for mid-October 2013 in Brussels.
- Past meetings and events include:
 - first round of TTIP negotiations occurred in Washington DC from July 8 through July 11th; talks focused on technical issues, exchange of information, structure of talks and identification of probable issues;
- The article includes valuable detailed information regarding likely topics for the TTIP, references and a history of the TTIP.