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Mr. Douglas Bell
Chair, Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street NW
Washington, D.C. 20508

Via Electronic Submission

RE: USTR-2013-07430—Transatlantic Trade and Investment Partnership

Dear Mr. Bell:

The Retail Industry Leaders Association (RILA) appreciates the opportunity to provide comments to the Trade Policy Staff Committee of the United States Trade Representative on the proposed Transatlantic Trade and Investment Partnership (TTIP) agreement with the European Union (EU). RILA supports maintaining open economic policies that ensure the United States remains competitive, and recognizes the benefits TTIP would bring retailers through trade and investment liberalization, regulatory cohesion, reductions in tariff and non-tariff barriers, and the creation of reliable and predictable sourcing opportunities. As such, RILA strongly supports the negotiation of a comprehensive and ambitious TTIP.

By way of background, RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

The United States and European Union together create the world's largest economic relationship, accounting for nearly half of global GDP, one third of global goods and services trade, and 13 million jobs on both sides of the Atlantic. As broad and successful as this relationship currently is, there are still substantial benefits to be gained from eliminating trade and investment barriers between the United States and the European Union.

Retailers Employ Several Million U.S. Workers Who Deserve A Modern TTIP

In today's uncertain economic climate, it is especially important that U.S. trade negotiators advocate policies that maximize American innovation and job growth. American retailers employ more than 12 million U.S. workers in all 50 states and in every Congressional district.

Global supply chains are the life blood of retailers, and open trade – for both imports and exports – sustains these millions of retail jobs.

Retailers provide a diverse range of excellent career opportunities, from professional merchandisers, lawyers, accountants, designers, real estate executives, information technology professionals, and transportation and logistics providers with college and post-graduate degrees, to cashiers, store clerks, truck drivers, loss prevention specialists, and distribution center workers. Retail is known for innovation and cutting edge business practices in areas such as supply chain management, marketing, commercial real estate, product quality and safety, and other professional disciplines.

RILA member companies buy domestically and import products into the United States, and they also market and sell products throughout European Union countries. If done correctly, the TTIP agreement would offer a long-term platform for economic integration and commercial opportunities for our members that will create and support high-quality jobs here in the U.S.

Content and Structure of a Successful TTIP

As the U.S. and EU look to begin negotiations, RILA seeks these elements in a successful TPP agreement:

Trade in Goods

Trade in goods between the U.S. and EU represents the largest exchange of goods in the world. The TTIP agreement should provide duty-free access for all products, with immediate elimination for as many products as possible. The TTIP should truly represent universal product coverage, with no specific products or sectors excluded from benefits.

In addition, the TTIP rules of origin for all products should be flexible and commercially relevant to facilitate global value chains and efficiencies in global sourcing. The rules of origin should be predictable, transparent, and easily administered.

Trade in Services

In addition to strong trade in goods, the U.S. and EU also enjoy a robust services trade, and together account for 70% of global services trade. RILA supports the liberalization of services trade in all sectors and all modes of delivery. Of particular importance to RILA members is liberalization for retail and distribution services. In many markets, the retail industry faces barriers such as restrictions on investments in certain areas or in respect to certain goods; foreign ownership caps; limits on store ownership, location, and size; and burdensome authorization and licensing procedures. In order to address these issues, the TTIP should establish full market access for retail and distribution services; it should include retail and distribution rights in both single and multi-brand formats, with no limits on size, location, or assortment of merchandise.

RILA recently submitted comments relating to the plurilateral negotiations for a Trade in Services Agreement, and believe that the TTIP should achieve a level of services liberalization at least equal to the ISA.

Information & Communications Technology

The TTIP should include immediate duty elimination on all information and communication technology (ICT) products. Though many ICT products currently enjoy duty free treatment under the WTO Information Technology Agreement (ITA), the scope of products covered by the ITA has not expanded since its inception in 1996. As a result, modern consumer electronic products such as flat panel displays, DVD players, audio speakers, GPS systems, and video game consoles are excluded from the ITA.

As part of the TTIP talks, RILA believes that USTR should pressure European counterparts to be more ambitious in the ongoing ITA expansion talks by supporting the inclusion of more audio-visual products. For example, as technologies have advanced and converged since the ITA was originally negotiated, flat panel displays have become an important feature in a variety of ICT applications and there is no legitimate reason for flat panel displays to be excluded from an expanded ITA. Duty free treatment of these products would help retailers by saving hundreds of millions of dollars in duty costs. These savings are expected to increase global demand for ICT products, stimulate innovation, spur productivity, and create thousands of jobs in the United States and abroad.

Supply Chain, Customs, and Trade Facilitation

RILA seeks provisions to facilitate the movement of goods between the United States and European Union, eliminate choke points in supply chains, and harmonize customs procedures. Customs provisions should balance the goals of enforcement and trade facilitation, apply equally to all sectors, and be based on predictability and risk segmentation.

In particular, the TTIP should include a “one government at the border” approach to border management for both parties, creating common processes for goods clearance whereby all government agencies with border authority in the United States and all EU member countries coordinate inspection activities. The U.S. and EU should each work to establish a single window for the electronic submission of customs and other government agency information requirements.

RILA member companies are committed to supply chain security procedures, and most have participated in the Customs-Trade Partnership Against Terrorism (C-TPAT) since its inception. RILA members have worked with U.S. Customs & Border Protection and have embraced the benefits of a preferred supply chain security system to promote trade security. As a risk-based approach to customs enforcement and security procedures is important to both the United States and European Union, the TTIP should include commitments to mutually recognize each other’s processes and trusted trader programs, as well as to harmonize requirements such as informal

entry levels. Moreover, TTIP should incorporate demonstrable benefits that include front of the line privileges, a reduction of the likelihood of inspections, and expedited handling of shipments.

Intellectual Property Rights

Because RILA's members are globally competitive, protection of retail brand names has become a growing concern. RILA seeks disciplines that would make it easier for retailers to protect their brand names in other countries. The TTIP should include the highest standard for the protection of brands and trademarks.

Regulatory Harmonization

RILA supports efforts to facilitate the movement of goods and services between the U.S. and EU member countries by ensuring that both parties maintain transparent, effective, enforceable, and mutually coherent regulatory systems that are risk- and science-based, adhere to international best practices, and assure high levels of collaboration between governments and their stakeholders. The TTIP should address differences on technical barriers to trade (TBT), including the definition of an international standard.

For example, the TTIP negotiations should work to harmonize safety regulations such as testing and labeling requirements, and illegal logging requirements under the Lacey Act should be harmonized with those mandated by EU timber legislation. Harmonized regulatory outcomes should be effective, least trade restrictive, designed to favor markets and adhere to sound principles of science, risk assessment and cost-benefit analysis. More broadly, a growth-producing TTIP should enhance competitiveness and commercial opportunities, and not impose rules or seek to harmonize standards that would undermine the United States' dynamic labor market or policies that promote innovation.

Conclusion

RILA supports the negotiation of a Transatlantic Trade and Investment Partnership with the European Union. A broad and ambitious TTIP has the potential to produce meaningful new commercial opportunities and reduce costs and barriers to spur economic growth and job creation on both sides of the Atlantic. We look forward to continuing to work with you as the negotiations begin on this important initiative. If you should have any questions about these comments, please contact me at stephanie.lester@rila.org or by phone at (703) 600-2046.

Sincerely,



Stephanie Lester
Vice President, International Trade