

## STATEMENT BY THE EU CHIEF NEGOTIATOR IGNACIO GARCÍA BERCERO FOLLOWING THE CONCLUSION OF THE 12TH TTIP NEGOTIATION ROUND

Good afternoon ladies and gentlemen. I would like to start my comments today by giving you an overall sense of where we are in the TTIP negotiations, before going on to summarise our discussions this week.

So firstly, where we are in the talks. We're working towards the objective of negotiating an ambitious, high standard TTIP agreement that responds to both EU and US interests. We are ready to seek to conclude our negotiations in 2016, provided that the substance is right. So we must ensure we pick up the pace and give the necessary impulse to get this agreement right.

We are conscious this implies a lot of work over the coming months. And we are intensifying our work significantly. This round will go beyond the usual five days of discussions, because we need to get much deeper into all areas covered by the negotiation, and we can't tackle all the issues in just one week. So we will also discuss some areas, such as rules of origin and public procurement, in the next couple of weeks. And we will hold two additional rounds between now and the summer break.

By then we'd like to ensure that we've made substantial progress in all three pillars of the agreement – market access, regulatory cooperation, and rules - and start having a sense of the future shape of this deal.

But what does progress mean?

Well, it means having on the table meaningful offers on all market access areas: on services, on tariffs and on public procurement. On procurement, we will exchange first offers next week, followed by three full days of discussions between our negotiating teams, on both the offers and the text of the chapter. In this area, the EU aims to achieve an outcome of the negotiations that corresponds to the ambition of the HLWG report, which provided for "enhanced business opportunities through substantially improved access to government procurement opportunities at all levels of government on the basis of national treatment".

Progress also means that by the summer we should have tabled proposals in all the regulatory and rules areas and have substantially advanced in the

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consolidation of those texts. This would mean that only the more difficult issues in each chapter would remain bracketed.

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Allow me now to turn to our discussions this week. Here I would like to highlight the particular thrust we have given to our discussions on two of the three pillars of TTIP: regulatory cooperation and rules. Both are critical components of the agreement.

Let me start with regulatory cooperation. Three important principles are at the core of our work in this area.

Firstly, we share an understanding that everything we do should respect the level of protection enshrined in our respective legislation. Cooperation is only possible if the level of protection for citizens improves, or at least stays the same.

Secondly, it is EU and US regulators who should lead regulatory cooperation and identify whether there is a common interest in cooperating.

And thirdly, everything we do will be fully transparent and will respect the independence of our regulators and of our respective domestic regulatory processes. It will not change the way we regulate on public policies such as food safety or environmental protection.

Regulatory cooperation is complex and highly technical – and so it is often misunderstood. But it is important, because of the potential gains for citizens and businesses. Regulators in the EU and in the US are often confronted by the same challenges. So one of our goals in TTIP is to see if we can identify areas where our regulators have common interests, where they could benefit from closer cooperation to fulfil their respective mandates in a way that reduces obstacles to trade.

During the course of the week we have had very good discussions on this component of TTIP. Both we and the US have tabled new textual proposals on regulatory cooperation, aimed at refining further our ideas about how to create within TTIP a system which facilitates current and future regulatory cooperation in both manufacturing and services.

Our revised proposal, which we will make public shortly after this round, spells out clearly that we want to cut unnecessary costs without cutting corners. It also reflects the political commitment given by Commissioner Malmström that regulatory cooperation within TTIP will increase, or at least maintain, the existing high standards that protect people's health and safety, or the environment.

As you know, the regulatory cooperation pillar also covers standards and conformity assessment, sanitary and phytosanitary measures (or SPS), and nine specific sectors, so let me now turn to those.

On standards and conformity assessment, we have also had good discussions and have sought to identify how to cooperate better, even if our systems are very different, or how to reduce unnecessary duplication or excessive costs of conformity assessment. On SPS, our discussions have also been useful and forward-looking. We are discussing in details how we can achieve our respective regulatory objectives in a way that facilitates trade, while always ensuring we do not compromise the protection set out in our legislation. For example, we have discussed ways to rely more on work done by regulators on the other side of the Atlantic, and to have more timely procedures for approvals.

There has also been significant work this week on regulatory cooperation in a number of sectors: automotive, chemicals, cosmetics, engineering, information and communication technology, medical devices, pesticides, pharmaceuticals, and textiles. Discussions are also ongoing in the services sector, for instance to facilitate the mutual recognition of professional qualifications.

Our objective here is to achieve a common understanding between regulators about what can be achieved concretely in each sector within TTIP. This work is driven by the regulators themselves. They have spent many hours discussing in detail what they believe can be achieved which is consistent with their regulatory mandates, which is good from a regulatory point of view, and which could also facilitate trade.

For instance, the car sector regulators have had detailed discussions, regulation by regulation, to see which technical requirements may provide comparable levels of safety on both sides. They have also discussed ideas about regulating new technologies. On some of these issues they could consider working on the basis of equivalence, while on others they could pursue the idea of harmonisation - but again, always being clear they can only do so if the level of protection for our citizens is maintained or strengthened.

Our sectoral discussions this week have meant that from the next Round we will progressively begin to negotiate on the basis of texts.

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Let me turn now to the other critical component of the agreement which we discussed this week, namely the rules of trade. We believe TTIP offers the EU and the US the chance to work together to help define trade rules fit for the 21st century.

This week we have had good discussions on competition, customs and trade facilitation, state to state dispute settlement, and SMEs, to name but a few areas. I would like to underline in particular the step forward that we have taken on two important parts of this negotiation, namely investment protection and sustainable development.

Firstly, investment protection. As of this round we are working on the basis of textual proposals from both sides. Investment protection is highly complex and this has been the first time that we have been able to discuss with our US counterparts our proposal for a new Investment Court System. This round marks the beginning of the discussions in this area so we have spent significant time understanding each other's proposals better, and starting to identify areas of convergence.

Secondly, sustainable development. Here we have had discussions on the basis of textual proposals from both sides, as the US has tabled its proposals on labour and environment. Sustainable development is one of the areas in TTIP

where we aim to define together a very high standard for rules on this topic in an international agreement.

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So let me finish by underlining that we aim to continue throughout the coming months the hard work that has been done by our teams this week. This will involve further exchanges at all levels - in two additional rounds of negotiations before the summer break, in further contacts between the negotiating teams between rounds, and in regular meetings between EU Trade Commissioner Cecilia Malmström and US Trade Representative Michael Froman.

This should enable us to make solid, steady progress in the coming months towards the ambitious, balanced agreement that the EU seeks.