

# **Transcript: Chief Negotiators, Dan Mullaney and Ignacio Garcia Bercero Hold a Press Conference Following the Third Round of Transatlantic Trade and Investment Partnership (TTIP) Talks**

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*\*As Delivered\**

**MODERATOR:** Good morning, everyone. Thank you for being here. Sorry to be a few moments late. We'd like to start this press conference right now. This is the closing press briefing for the third round of the Transatlantic Trade and Investment Partnership negotiations. I'd like to introduce Ignacio Garcia Bercero and Dan Mullaney. They will both make opening statements, and then we'd like to open up to your questions.

We do ask that you limit your questions to one per outlet so everyone gets a chance to answer – ask a question. And we also ask that you limit your follow-up questions. I will open the floor to Dan Mullaney now.

**MR. MULLANEY:** Thank you very much. Thank you very much, Anne. And good morning, everybody, and thank you very much for joining us as we report on the third round of the Transatlantic Trade and Investment Partnership negotiations, or TTIP as we call it.

As I said, we're now approaching the end of our third and final round for 2013 in these negotiations, so it's a good time for us to review where we are. To recall, we began our negotiations this year in July with a week-long set of negotiations within a few weeks of the Administration's having completed its consultations with Congress, and within a few weeks of the commission having received its mandate from the Council. We had a week-long set of negotiations, we had 24 different negotiating groups discussing the wide range of areas that we would anticipate would be part of a comprehensive trade and investment agreement.

Each of the groups compared their approaches to each of the different areas, looked for areas of convergence, identified areas of divergence, and made plans for follow-on work into the second round. The second round happened in Brussels and in video conferences during the week of November 11<sup>th</sup>. And at that stage, the negotiating groups continued discussing their ideas and began to talk about specific negotiating proposals.

So during the third round this week, the negotiating groups have been meeting on, again, virtually all of the areas that we would anticipate would be covered in the TTIP. And just to recall, these areas include market access for industrial and agricultural products, and of course, the rules of origin for those products; we had the regulatory and standards group which focused on technical regulations; the sanitary and phytosanitary regulations primarily in the area of food safety, regulatory coherence, and particular sectors.

We also discussed investment and services including in the areas of telecommunications, electronic commerce, cross-border services and financial services, and we covered

government procurement, intellectual property, labor, environment, state-owned enterprises – one of the issues of global concern – small- and medium-size enterprises, localization barriers to trade, competition, raw materials and energy, and legal and institutional issues such as dispute settlement.

So in each of these areas, the negotiating groups were fleshing out the earlier proposals and discussing new text and other proposals. In several of the groups, the teams were also continuing their discussions on what we call the architecture of the agreement, that is, how issues we are addressing in each of these negotiating groups would be reflected in the text of an agreement, how they would work together, how these different areas would relate to each other. In the regulatory area in particular, we are continuing our discussions of the various ways to facilitate the development of regulations on both sides of the Atlantic that both achieve the regulatory objectives – for instance, our chosen levels of environmental protection, consumer protection, and health – but also minimize or eliminate the costs and barriers to trade and investment that are caused by unnecessary divergences in these regulations.

So we are continuing to undertake work, this regulatory work, across several intertwined areas, including horizontal or cross-cutting approaches to a wide range of regulatory and standards-based activities such as mechanisms or procedures that promote transparency, that promote participation, that promote accountability, as well as more specific discussions of the range of tools available to reduce unnecessary cost differences in particular sectors.

A major source of growth of jobs that this agreement introduces will be the elimination of tariff barriers to trade. Now that the Administration has received its advice from the International Trade Commission on the impact of tariff elimination, we are moving in this third round to discuss tariff elimination. We do anticipate, however, that this work will need to take place – to continue to take place in the fourth round after our exchange of tariff offers early next year. So during this round, we also pursued and we will continue pursuing other important areas of market access, including government procurement and services.

Finally, in this third round, as in the previous two rounds, we continue to be guided by the important input that we received from a wide range of stakeholders. As you know, the United States and European Union summarized their joint objectives in a joint report of the High-Level Working Group for Jobs and Growth in February. The Administration further described its objectives in a letter that it sent to the U.S. Congress in March. That letter is, by the way, available on our website. And then since then, we've held in innumerable meetings with a wide range of stakeholders to receive input on those objectives and to exchange views.

Most recently, this past Wednesday during the course of the round, the U.S. and the EU negotiators took time to share information and hear viewpoints from more than 350 different stakeholders, from environmental groups, consumer, other nongovernmental organizations, labor, business, and academia. This included a three-hour session that consisted of 50 – more than 50 policy presentations that covered a range of issues, including consumer and food safety, innovation, and agriculture. These sessions offered the stakeholders an opportunity to provide negotiators valuable feedback on the negotiating objectives for TTIP as we proceed with these talks.

Following that session, Ignacio and I then conducted a briefing of a large group of stakeholders for about an hour and a half, and briefed on the status of the talks and answered questions. I think I can speak for negotiators on both sides when I say that we found this exchange with stakeholders, through our ability to receive views and to exchange views with the stakeholders, to be extremely important as we determine the specifics of our way forward in these negotiations. Because we believe that this agreement has to be one that increases growth, increases jobs, increases our international competitiveness, and that has a solid stakeholder support.

As I said, this is our last round of 2013. In early 2014, we anticipate taking stock at a political level of what we've accomplished so far this year and planning on what we need to do to move this negotiation forward in the year 2014. The exact timing of this assessment will depend on further discussions in January based on the work this week, which, as I mentioned, is still ongoing until the end of the day today. So – and we're also working on a schedule for several negotiating rounds in 2014.

So thank you very much for your attention. I'll turn the floor over to Ignacio now, and then we'd be happy to answer any questions. Thank you.

**MR. BERCERO:** Thank you, Dan, and good morning to everyone. As Dan has said, we can be satisfied about this round of negotiations. We remain on track to deliver an ambitious trade and investment agreement that should boost our economies, deliver growth, and more importantly jobs, both for Europeans and for Americans. And I cannot emphasize how important this is at this point in time.

We have had the opportunity (inaudible) which each side would like to see covered in this comprehensive trade agreement. This has been possible because of a very strong mobilization of our teams, including a very active participation of regulators from both sides. As we move forward towards the next negotiating rounds, I would like to emphasize a few considerations.

On market access, I think it is critical that we maintain, both sides, a high level of ambition on all the three components of the market access agenda; that is to say on tariffs, on procurement, and on services and investment.

On regulatory issues, progress should be achieved across the board, both on the so-called horizontal issues and on the specific sectors.

On rules for the next round, we should be able to intensify our work and our discussions on a range of important issues such as competition policy, trade-related aspects of energy and raw materials, sustainable development including labor and environment, and of course, there are others – trade facilitation, et cetera. And I would like to highlight that it will be critical that the TTIP achieve real and include benefits for the small and medium enterprises, and that this is reflected throughout the agreement, but also in a specific chapter within SME related issues.

We anticipate a political (inaudible) early next year that will help in U.S. guidance on the way forward. It is very clear for us that this is not a routine trade negotiation. This agreement needs not just strong support from all stakeholders. It needs – and in fact, it cannot be done without the direct involvement from stakeholders. This is because of the

nature of what we have set out to do with an ambitious behind-the-border regulatory agenda. The regulatory component of this negotiation in particular requires us to develop a much more substantial process of a stakeholder consultation.

We have engaged again this week – and Dan has referred to this – with a very broad range of stakeholders. We dedicated the full day of Wednesday to absorbing input from the stakeholder presentations and engaging in a question-and-answer session by them. And I can relate to you that also apart from these meetings, I had the opportunity while I was in Washington to have meetings with a broad range of stakeholders representing different interests – business, environmental groups, consumer organizations, trade unions. And I found this engagement very productive and very interesting.

And I would like to also take this opportunity to mention that the 14<sup>th</sup> of January, the European Commission will be organizing a civil society dialogue which will be open to interested stakeholders. We would continue to innovate in the area of transparency (inaudible), and we are determined to get these right.

On regulatory issues more generally, I would like to reiterate – and I think I kind of speak for both sides – that we are committed for ensuring that these negotiations will not be about lowering or compromising the highest standards of consumer, environment, privacy, health, or other legitimate protections, and that each side will obviously maintain its regulatory autonomy. The TTIP is not and will not be about the deregulation agenda.

Last but not least, as European Union chief negotiators, I'm very pleased to announce that we will be organizing the next negotiating round which will take place in Brussels at a date that we hope to be able to communicate to you very soon. Thank you.

**MR. MULLANEY:** So we're happy to answer any of your questions.

**QUESTION:** I'm Brian Beary from Europolitics. Just a question on the transparency issue: I know that on the first and the third rounds here in Washington, the USTR had this stakeholders thing where the negotiators were hearing presentations from the stakeholders and there were press, negotiators and they were all mingling together. But in the second round in Brussels, the commission chose not to do that. And I'm wondering why the commission is not allowing that model, and if there's a plan for a change in the fourth round. And will the commission be doing something similar with the stakeholders?

**MR. BERCERO:** Well, as I said, we are always ready to innovate and to improve the practice. It is true in the second round, which, as you know, was organized in somewhat special circumstances, but the focus is to have as much time for interactive discussion with the two chief negotiators. And by the way, I'm very pleased that in this round the U.S. has also organized a sufficient time for interactive discussion, because we believe that that is very important. We are still reflecting about the new modalities for the discussion with the stakeholders, and we will see about what is the best way to organize that in the next negotiating round.

I can assure you in any case that there's a continuous process of dialogue with the stakeholders, that we are receiving input from them on all the aspects of the negotiations. And for us, it's important not just that we listen, that we hear what they have to say, but that we also have the opportunity to engage in a discussion. So we will further reflect about the

best way to organize this not only during the negotiating round, but also throughout the negotiating process.

**MR. MULLANEY:** I should point out that Ignacio and I did have an exchange with approximately 400 stakeholders over the course of two and a half hours or a little after, and I think we pretty much exhausted the number of questions that there were in the room. So it was a high level of interaction with a large number of stakeholders.

**QUESTION:** Hi. Ben Hancock from Inside U.S. Trade. I wanted to touch a little bit on the sectors. First, for Ignacio, you mentioned the last round and which sectors you all discussed. Which sectors are part of not horizontal, but in the sectoral annex are you focusing on now, is the EU focusing on now?

And Dan, if I could ask you: What sectors is the U.S. prepared to begin negotiating on in the context of a sectoral annex, either now at the end of this round or in the next coming round?

**MR. BERCERO:** Well, I mean, I think that throughout this negotiating round, but also in the previous round, we have been discussing the number of sectors where both the United States and the European Union have indicated an interest in exploring the possibility of having specific sectoral commitments. We have had discussions on sectors like automobiles, like pharmaceuticals, medical devices, cosmetics, textiles, chemicals, ICT. I hope I'm not forgetting any of the sectors, but if I'm forgetting any, I'm sure that Dan would be – will be able to correct me.

And I wish to emphasize that these are sectors that both sides have indicated an interest in moving forward, interest of exploring specific sectoral commitments. And they are all sectors in which to a large extent, there have been joint submissions by both European and United States stakeholders. So I would really think that this is an issue of common interest both for United States and the European Union.

**MR. MULLANEY:** Yeah, thanks, Ben. When we went out for Federal Register comments, we got about 300 different – 370 different comments from a lot of different industries and other interested parties suggesting what we should do. And as Ignacio said, we started to identify some sectors that are – we think are useful to have discussions on to look for ways that we can reduce costs associated with unnecessary regulatory divergences. We're not finished identifying the issues associated with sectors. We're still working through those and their interrelationship with some of the horizontal issues.

You mentioned sectoral annexes, and it's worthwhile emphasizing that some of the discussions that we'll be having will be, as I mentioned, over the architecture of the agreement and how we actually reflect the work that we do in the sectoral component of – physically in an ultimate agreement, it's still to be determined, annex or other. But where we're continuing to work forward, there's not a – there's certainly not at this point a closed list of sectors or sectoral issues.

**MR. BERCERO:** Let me emphasize that also from a point of view, in no way we are talking about a closed list. We are still looking to the possibility of looking into some other sectors where there might also be opportunities to do sectoral work. So I think as the negotiations progress, we may well decide to look into other areas.

**QUESTION:** Len Bracken, Bloomberg BNA. Aside from the sectors, is the overall architecture decided? In other words, would it be accurate to report that you have decided on the scope of the agreement aside from the sectors? And to what extent does that still reflect the High-Level Working Group report?

**MR. MULLANEY:** I would say that the overall scope and the overall set of objectives remains the same. As I mentioned this week, we did have virtually all of the negotiating groups meeting on their range of issues. So I think the scope of what we hope to achieve is reflected in the High-Level Working Group report and in our letter to Congress. I think we're still – remains valid. Yeah.

**MR. BERCERO:** Let me confirm that obviously, everything which is in the High-Level Working Group report is very much a part of our discussions. Of course, as the discussions progress is when we need to take some decisions about the architecture, where certain issues should be a chapter. That main issue which is still – remained open, and I think that is something that as we progress in the negotiation, we will be progressively determining these issues.

**QUESTION:** Hi. Kristi Ellis with Women's Wear Daily. On textiles, I have a two-part question. What were sort of the nature of the discussions? At what stage are you in terms of perhaps a rule of origin? Have you exchanged offers, or is this still early in the process?

And then secondly, at the stakeholder meeting, a trade group, the American Apparel and Footwear Association, raised an ongoing issue. The EU imposed a 28 percent tariff on U.S. denim exports, and that stems from the Byrd Amendment WTO case. Are there efforts to address this issue? And how close to – are you to resolving it? Thank you.

**MR. BERCERO:** Well, first, the discussions that have taken place on textiles have been mostly focusing to – on regulatory issues in the textiles sector. We haven't yet got to the stage in which we have exchanged offers. That's one of the things that we will be aiming to do – happen next year on all sectors, of course, not only on textiles. On rules of origin, the discussion so far is much more on the horizontal aspects of rules of origin. We haven't really started to discuss the specific rules of origin which apply in different sectors.

As to the specific measure that you referred to, we have not discussed that issue in this context. This is not the forum to discuss specific trade concerns. We have been focusing on what we aim to do in the TTIP. So no, it's not an issue that we have discussed in this context. Thank you.

**MR. MULLANEY:** Yeah. I think it is fair to say that on textiles, market access, rules of origin, we did have conversations this week. I think those conversations are – will be then continuing into 2014 as we move forward to the exchange of offers.

**QUESTION:** Krista Hughes from Reuters. Just a follow-up question to your comments earlier about the specific sectors that you're focusing on: Which are the sectors at the moment which are furthest from being included on that short list of sectors where you're seeking regulatory compatibility?

And then what is the current thinking on including energy, specifically U.S. gas exports, in the scope of this negotiation?

**MR. BERCERO:** Well, I think it's important that you bear in mind that on the issue of those sectors, a significant range of issues have been raised where it has been suggested that by fully maintaining the level of protection in the European Union and in the United States, it is possible to achieve significant regulatory cost savings. And of course, this depends very much on each sector. In some cases, there's a question about the possibility of mutual recognition of technical regulations. That's an issue that's being discussed in the (inaudible) sector.

In other areas, it is a question of mutual recognition of inspections of manufacturing facilities. This is being discussed in the pharmaceutical, medical devices, and cosmetic sector. In other sectors, it's a question of better coordinating to reach assessments, for instance, in the chemical sector. So there are different type of tools which depend very much on the specificities of each sector. But you need to have the regulators looking into these issues thoroughly, looking into all the opportunities, and moving forward on the issues as we progress in this negotiation to next year.

So I think that at this point in time, what we are doing is, on each of these sectors, analyzing the issues, reviewing the evidence, and engaging in intensive process of discussion amongst regulators together with us, the trade negotiators, to see how we can achieve these goals without in any way compromising the levels of protection.

On energy and raw materials, we certainly have an interest and we hope that there will be a clear guarantee of security of access to U.S. resources. This is something of great importance. But of course, we are looking into the issue of raw materials not only from this point of view, but also from the broader systemic perspective, because we believe that both the European Union and the United States have a common interest in promoting open, transparent regimes for trade and investment involve materials and energy. We are still discussing what is the best way in which the TTIP can continue to advance that objective.

**MR. MULLANEY:** And on the question of sectors, it's true that each of the different sectors that we're looking at present their own issues, their own challenges. And in a way, they reflect the broad range of tools that we have at our disposal to reduce costs. In certain areas, it may well be if the two sides have the same level of protection but different regulatory ways of achieving that, that there may well be opportunities for equivalence or mutual recognition. In other areas, the focus may be more on whether you can have a recognition of conformity assessment results and arrive at a point where a product can be tested just once and not twice before it comes into the markets.

In other areas it might be a question of sharing information and analyses of products. So each sector – sort of the nature of the sector – each sector can present its own issues that are above and beyond the horizontal issues I identified. So it's difficult to say which sector is further along, which sector is further behind. They're all – I think they're all moving forward, and all the parties are engaged and trying to find solutions to reduce costs due to divergences.

On the gas export issue, in the United States we have a regime where exports of natural gas are deemed in the public interest. If we're – trading partner with whom we have a free trade agreement that provides for national treatment in national gas area. Other partners, there's a presumption that exports are in the national interest. So I think the – this negotiation can offer opportunities for increased trade, but of course ultimately whether trade actually takes place is going to depend on the customers and the pricing and the private sector actors.

**QUESTION:** I'm Pat Reber from the German Press Agency. At the stakeholders meeting on Wednesday, there were issues raised by some of the data, digital democracy groups about whether or not data privacy was going to be part of the TTIP. Many of the groups opposed any inclusion of data privacy in the final agreement because they felt there were processes on both sides of the Atlantic now to address the issue of data privacy in the wake of the NSA surveillance scandal. Thank you.

**MR. BERCERO:** Well, I think that you know our point of view on this because we have made it clear in many occasions. Data privacy is not part of the TTIP negotiations. There are other forum where issues and concerns related to data privacy are being discussed between the United States and the European Union. But the TTIP is not the right forum for overseeing those issues.

This doesn't mean, of course, that we are not ready to talk in the TTIP on issues like electronic commerce, on issues like data flows. It's a very important component of the modern economy. But for us, any such discussion is based on a very clear premise that whenever it comes to personal data of European citizens, that data can only be transferred abroad in compliance with European Union directives on that matter. And this a fundamental issue. You know that for us, it's an issue of fundamental rights and which, I think, our position is very clear and very well known.

**MR. MULLANEY:** Yeah, and I mean, companies on both sides of the Atlantic have built up one of the most robust data transfer networks in the world, and it's the network that really forms the backbone of our mutual international competitiveness and helps support the \$4 trillion in foreign direct investment that we have in each other's economies and the \$3 billion a day in trade in goods and services that occur every day. So TTIP should offer opportunities to facilitate and support those flows. We're confident, as we work through this process, that we can accomplish that result and do that in a manner that remains respectful of the privacy regimes that exist on both sides of the Atlantic.

**QUESTION:** This is Cole Stangler from In These Times magazine. You mentioned a lot – you were talking about the stakeholder meetings on Wednesday, and I spoke to some of the stakeholders there – mostly from environmentalists, labor groups, consumer advocacy groups – who mentioned that really the stakeholder meetings are really no substitute for full transparency, which in their eyes is releasing the draft text after each round. So why not just do that after each round? Why not release the full text to the public so that stakeholders know, so that the press knows, so that the public can know what's being negotiated?

**MR. BERCERO:** You want to take it first?

**MR. MULLANEY:** Yeah. I mean, we've been working a lot through these stakeholder engagement sessions and meetings to – and through our written letter to the Congress and joint reports to maximize the level of transparency, to describe precisely what we're doing to engage one-on-one in many instances, or one – with a group of stakeholders in other instances to try to make as clear as possible what it is we're doing to get their viewpoints. In our view, the – so the value of transparency is paramount in our mind.

We do need, however, to give the negotiators space to have frank conversations, to negotiate in – in the case of our negotiators, in the U.S. national interest. And so what we've – I think are achieving is a balance between giving those negotiators the space that they need to be



frank, have frank conversations and negotiate, but also communicate as full as we are able the objectives and what we are doing and to receive input from the stakeholders. Yeah.

**MR. BERCERO:** Let me just add that this is an issue where it is very important to strike the balance right. As Dan has indicated, it is critical in a trade negotiation where each party comes forward with its own textual proposals that you have the space to see how you can accommodate the views of the other party and progressively come into a common text. This is a complex process; it's an interactive process that takes place throughout the negotiation until such time as you can say there is a text which represents a common European and American view.

If you were going to be releasing those texts throughout a process, inevitably the possibility for both sides to work together to compromises would become much more difficult. And I don't think that anyone would want that to happen. At the same time, it's very important for each of us to communicate as clearly as possible to our citizens, say what is the position that each one is taking in the negotiation, and that's the reason why the European Union will have made an effort to make as many position papers public, where we indicate in each of the different negotiating areas which are the objectives that we are pursuing in the negotiation and our doors are always open to discuss with any interested stakeholder any issues which are a matter of concern. And you certainly can see it on certain issue (inaudible) to a lot of discussion even though we have made a particular effort to engage in a discussion to explain the positions and to better understand the views of stakeholders.

So I think this is a balance which needs to be maintained. We will continue to reflect as far as the negotiation's progress is about how to ensure that this element of maintaining these policies respected in a manner which ensures efficiency of the negotiating process, but also the maximum of public accountability. And of course, once a text has become stable and consolidated, everyone will be able to see the result and there will be time before the final consideration is taken by our legislators to ratify a text, to know what is the content of each of the chapters of this agreement.

**MR. MULLANEY:** I'll just say we are making a huge effort to implement deep transparency in this negotiation, but of course, we can always improve. We can always do better. So we appreciate the views that we hear from stakeholders about what we can do to improve this process.

**QUESTION:** Hi, I'm – sorry. I'm Jeremy Togman (ph) with AFP Newswire. There's a growing concern that disputes of a mechanism could give the companies the power to directly challenge regulation in Europe. Do you think that those fears are legitimate?

**MR. BERCERO:** All views are always legitimate, and I think that all views needs to be respected and need to be discussed. I'll refer to just previously that on certain issues where concerns have been expressed by different groups in the European Union, but also in the United States. We are certainly making a big effort to discuss those concerns and to see what is the best way to move forward.

Now, on the substance of what you are saying, I think it's important to be clear investor state dispute settlement is not something new which is being invented in these negotiations. There are at this point in time 1,400 bilateral investment treaties which have been concluded by the member states of the European Union, all of which include an investor state dispute

settlement mechanism. And nine of our member states already have those treaties with United States. Now, that is the current reality. What we are discussing in the context of this negotiation is whether it is possible to include a regime precisely to ensure that non-discriminatory regulatory measures cannot be successfully challenged under an investor state dispute settlement system. You need to strike the right balance between the protection of the investor and the need to ensure that there is no threat to the non-discriminatory regulatory measures that both United States and the European Union value.

And by the way, I should note that although the consent is many times expressed because of some cases which have been launched, despite the fact that we have (inaudible) treaties between member states of the European Union and the United States for more than 20 years, there has not been a single case in which the regulatory measure of one of those member states, or indeed of the European Union, has been successfully challenged. There was only one case that was lost, but it didn't really relate to something which could be described as a legitimate regulatory measure.

In any case, for us we take these concerns seriously. That's why we are explaining that what we have been trying to do at the European level, for instance in our negotiations with Canada, is to ensure that the investment protection standards of those agreements are defined in as precise manner as possible, because the greater that there is precision, the less that there is a risk of our arbitrary interpretations by any arbitrators. So we are looking to more precise definition of investment protection standards, and we are also looking into how to reinforce – to enforce the procedure guarantees of the process, for instance, to transparency of the arbitration procedure, rules to avoid and deter frivolous claims, also a number of elements which ensure that the procedure respects all the due process guarantees which are fundamental and necessary.

Again, in our negotiations with Canada, we have made a number of important innovations in this area, which go, by the way, way beyond what is provided in the current investment treaties of our member states. And we very much hope and expect that in our discussions with United States, we will be able to look into these and perhaps even to do better.

**MR. MULLANEY:** Yeah, I don't have a lot to add other than to say we do understand the concern and, we do appreciate those concerns having been communicated to us so clearly. But for us, it is a key goal of our negotiation in this TTIP will be, of course, to protect the right of the governments to regulate in the public interest, a right that we would simply never negotiate away.

At the same time, we do want in this negotiation to pursue strong investor protections so that, from our perspective, American companies investing abroad have the same access to fair and equitable treatment as they receive in the United States. I mean, that system for us does include a variety of mechanisms, including state-to-state dispute mechanisms and investor-state dispute mechanisms to ensure fair and equal treatment. And this is an approach that we have taken in all of our FTAs, and it's an approach that we have evolved in the course of over a decade of studying our investment provisions, receiving input on those provisions, and striking the right balance to ensure that governments can continue to have the ability to regulate in the public interest.

**QUESTION:** Thank you. Hi, I'm Hillary (ph) with ARD German Television. I have a question on the timetable, more for the U.S. side in this case. What is our – or the hope for

pushing things through in 2014? We have midterm elections upon us and we need a TPA to be issued to the President. What are our hopes and concerns there?

**MR. MULLANEY:** Yeah, focusing on your last question, we – it's very important to us to be able to bring home international agreements that we have, trade promotion authority, or TPA. And we are working with Congress to get that done, that authority. It helps define our objectives with Congress. It lays out the processes and procedures that we need to follow to put one of these agreements in place, so it is very important. So we're very hopeful that we will be getting that authority in the near term.

In terms of the overall timetable, as I suggested in my initial comments, within a couple of weeks of being able to, we began the negotiation. Pretty much as quickly as one could, we had a second round, and we worked very closely intercessionally between the rounds to make progress, both between the first and second round and the between the second and third round. So we're committed to moving very quickly on this.

But the main important thing for us is to get it right. So we're working hard, we're working quickly, but we don't want to sacrifice the ultimate quality of the agreement, because at the end of the day, we have to be able to point to an agreement that actually does increase growth, jobs, and international competitiveness. So we don't have a timetable, except we have to – we're going to move quickly, and we want to get it right.

**MR. BERCERO:** I agree with Dan on what he has said on the timing.

**QUESTION:** Yeah, thanks. Jim Berger from Washington Trade Daily. If I can turn this around a little bit and ask you something negative, has there been any discussion between you two or even your bosses on what may not be possible in this agreement, so when you get to the final hurdle it's not as high as it looks now? Have you discussed it, or is there an agreement of what's a bridge too far?

**MR. BERCERO:** There continues discussions about the different elements of the agreement. I don't think that at this stage we are discussing what the final result will be.

**MR. MULLANEY:** Yeah. As I noted, we're proceeding in this round, as in previous rounds, with the wide range of topics that we would hope to be included in the comprehensive trade and investment agreement.

**QUESTION:** Hi. (Inaudible) from (inaudible). First up, just a quick comment before my question, which is: I was a little bit confused on Wednesday about why your briefing of stakeholders that followed their briefing of you was closed to the press, if you were trying to increase transparency.

But my real question is more about the timetable for deciding what you're going to decide. That is, when would you expect to decide on the sectors to reach an agreement on what sectors you're going to do deal with? And when would you – from that point, how much longer would you expect to go to reach it? Are you hoping to reach an agreement this year? Is it something that's going to be taking place next year? Can you give us just sort of the outside and what your timetable is for various elements of this agreement?

**MR. MULLANEY:** Yeah. On the latter question, I don't think – we don't have a timetable for making decisions on specific things. We're trying to move forward and make progress in all of the areas as much as we can. There will come a time, I suspect, we'll be figuring out how we're going to wrap up the issues, but that time is not yet.

On your first question, we had the three hour session with all of the stakeholders and the negotiators and lots of members of the press. So for the – for that three hour session where there was a direct negotiator-stakeholder interaction, the negotiators were there with members of the press and the stakeholders. Our feeling was that the briefing that we gave to the stakeholders on Wednesday afternoon was their opportunity to pose questions to us and have an exchange, and that the opportunity for the press, for us to have a briefing and have questions and answers, would come at the end of the round when we had completed the round during this hour.

**MR. BERCERO:** Can I just say a word on the sectors to clarify? The sectors which I mentioned in answer to a previous question are those sectors where both sides are exploring the possibility of having a specific regulatory commitment. We, of course, in these negotiations we are discussing very broadly (inaudible) disciplines which are relevant for all sectors. We are looking into many other issues, but (inaudible) sectors is sectors where we are looking concretely, where it's possible to achieve specific regulatory commitments that go beyond and complement, what is being done until it's on that level. It is not a closed list. It is just a list, and we have started to work cooperatively with the involvement of the regulators on both sides. And within each of the sectors, there's a list of issues that we are looking into. As we progress in the discussion, we will see how far it is possible to go under each of the issues, under each of those sectors. I think that's important to bear in mind.

**QUESTION:** Yeah, this is Adam Behsudi from Politico. I had a question for Mr. Bercero. The commission this week released a draft regulation on restricting products from cloned animals, and I'm just – can you tell us what – to what extent that issue will find its way into the trade agreement, into the trade negotiations? And can you elaborate more on some of the food safety issues that you discussed this week?

**MR. BERCERO:** Well, on the specific proposal that the commission has presented, no, that's not an issue which we are discussing in these negotiations. Of course, we are always ready to listen to questions, comments about our initiatives, but it's not an issue that as such we are discussing in these negotiations. I mean, on food safety, I think there were good discussions between the two teams. We are looking to what could be the elements of an ambitious SPS-plus chapter. We still are looking at these more at the conceptual level, each side explaining to the other what are the objectives that they would wish to achieve within this SPS-plus chapter. And there are also conversations about how to try to facilitate and to solve specific issues, all in full respect of each side's legislation\* and regulatory framework.

So I think there were good discussions on these topics, but as I said, the specific issue that you referred to is not an issue that has been discussed.

**MODERATOR:** Last question.

**MR. MULLANEY:** Yeah, I would say kind of – maybe I'll just elaborate a bit. We did undertake, in the high-level working group, to address these sanitary and phytosanitary or

SPS measures. It's mostly related to food safety. And what we said we would do would be to explore ways in which we could explore SPS-plus aspects for disciplines that go beyond and elaborate on the current WTO requirement that food safety measures be based on science, be based on risk assessment. So what we are discussing in this during these rounds is the various ways that we can focus on some of these requirements, focus on some consultative mechanisms that we can put in place to have our regulators work together to achieve, say, SPS-plus disciplines on these food safety measures.

The United States and Europe have two of the best food safety regimes in the world, and by cooperating together and agreeing on cooperative measures where we can both achieve our appropriate level of protection using appropriate science, using appropriate risk assessment, I think we can both gain on the food safety area.

**MODERATOR:** We have time for one more.

**QUESTION:** Panka (ph) from China's Xinhua News Agency. I just wanted to follow up with the investor-state dispute settlement issue. Why is this dispute settlement so important for the TTIP trade agreement? And (inaudible) – both the United States and the European Union negotiating with – negotiating bilateral investment treaty with China. I'm wondering, do you guys have plans or (inaudible) this investor-state dispute settlement – settlement in the BIT talks with China?

**MR. BERCERO:** Well, I mean, certainly I think that the negotiation that we would do with China on investment, one of the issues that would be certainly discussed there is also investor-state dispute settlement, as in it's a very early stage of that discussion. But we certainly will be discussing also this issue with our Chinese colleagues.

**MR. MULLANEY:** Yeah. I mean, and for us, as I said, I mean, we do – we – it's extremely important to maintain the right of governments to regulate in the public interest, but at the same time, it's a strong objective to make sure that we have in the international system strong investor protections that do include these variety of fora, including, as I mentioned, state-to-state dispute settlement as well as the investor-state dispute settlement.

**MODERATOR:** That's it. Thank you, everyone.

**MR. MULLANEY:** Thank you.

**MR. BERCERO:** Thank you.