

U.S.-EU Joint Report on T-TIP Progress to Date

The EU and the United States have made considerable progress in negotiating a Transatlantic Trade and Investment Partnership (T-TIP) agreement since the negotiations were launched in July 2013. During that period, the economic and strategic rationale for an agreement between the world's two largest advanced industrial economies has only grown stronger. T-TIP would increase the export and investment flows that fuel our economies and support high-quality jobs on both sides of the Atlantic. It would also enable the EU and the United States, drawing on our common values and interests, to develop and promote together common high standards in the global economy, leveling the playing field for our producers, exporters, and workers. Finally, as EU and U.S. leaders have repeatedly emphasized, T-TIP offers an opportunity to strengthen further the broader transatlantic partnership, based on our shared embrace of democracy, human rights, and the rule of law, which has been an indispensable pillar of global security and prosperity since the end of the Second World War.

Our negotiators have made significant strides since 2013, identifying landing zones for certain issues, finding common ground on important issues, and clarifying the remaining differences. For example, we have:

- * Exchanged offers to eliminate duties on 97% of our tariff lines, a large majority of which would be phased out immediately upon entry into force of the agreement or phased out quickly.
- * Identified steps to reduce unnecessarily burdensome requirements and delays at our borders.
- * Agreed that T-TIP must include strong obligations to protect the environment and fundamental labor rights and should encourage cooperation to support strong labor and environmental standards in our trade partners.
- * Negotiated a dedicated chapter in T-TIP focused on small and medium-sized enterprises, which, among other things, would help SMEs better navigate the transatlantic marketplace through the provision of enhanced on-line information and new mechanisms for U.S.-EU cooperation.
- * Agreed on the importance of transparency and due process in trade remedy procedures and competition policy.

Across all areas of the T-TIP negotiations, we have been guided by certain shared core principles, chief among them that there must be no diminution of the high levels of consumer, worker, health, safety, and environmental protection in the EU or the United States. In the key regulatory areas of the T-TIP negotiations, our ambition has been to reduce differences that make transatlantic commerce more burdensome, while preserving or enhancing our strong protections. Regulators from both sides were full members of our negotiating teams and took the lead in identifying opportunities where greater compatibility and cooperation could lead to cost savings for businesses and consumers, but also maintain or strengthen existing protections—for example, by allowing them to deploy resources more efficiently and where they are most needed, including on enforcement activities. By promoting transparency, stakeholder input, and accountability in regulatory development, T-TIP can reinforce understanding and support for our regulatory actions and preserve the ability of governments to regulate in the public interest, as well as help prevent and reduce unnecessary barriers to trade and costs associated with regulatory differences. Cooperation under T-TIP must be implemented consistent with U.S. and EU domestic procedures. To this end, we have:

- * Found common ground on a number of important good regulatory practices.
- * Made good progress in developing approaches for facilitating forward-looking regulatory cooperation in areas of common interest.
- * Identified possible mechanisms for reducing unnecessary burdens in transatlantic trade arising from redundant or duplicative product testing and certification requirements.

* Explored in detail ways to enable stakeholders to participate more fully in the development of product standards across the Atlantic, and how to take into account those standards.

In addition to these cross-cutting efforts to help reduce unnecessary regulatory differences in all sectors, we have made good progress in enhancing compatibility in several economically significant product sectors. We identified common objectives in several of these. In the pharmaceutical sector, for example, we made substantial progress toward updating our mutual recognition agreement on good manufacturing practices (GMP) inspections, which would reduce duplicative requirements on manufacturers of pharmaceutical products and allow regulators to allocate resources more efficiently and where they are most needed, benefitting public health. Our regulators had detailed discussions on specific approaches to achieve more compatible automotive safety regulations and enhance both bilateral co-operation and in the framework of the UNECE 1998 Agreement, and explored concrete cooperation activities to achieve greater compatibility in the medical device sector. We explored increased cooperation on textile fiber names and labelling, safety requirements, and conformity assessment procedures in the textiles sector. We also discussed possible approaches to help reduce unnecessary regulatory differences in other sectors including cosmetics, pesticides, chemicals, information and communications technology, and engineering.

In these areas and in many others, T-TIP would produce important benefits for small and medium-sized enterprises (SMEs), which are the main engines of job creation and innovation on both sides of the Atlantic. Regulatory divergences and duplicative red tape are especially burdensome for SMEs. SMEs can find it particularly difficult to absorb the cost of building a product to different EU and U.S. standards or undergoing multiple inspections of a manufacturing facility. The costs can be an insurmountable barrier for SMEs wishing to engage in international trade. Only a small fraction of the nearly 50 million SMEs in the United States and the EU trade across the Atlantic, so there is much untapped potential here.

We also discussed the potential positive impact of T-TIP on developing countries, through increased global demand and greater transatlantic regulatory compatibility, which will help them manufacture products that meet U.S. and EU standards and requirements.

We still have significant work to do to resolve our differences in several important areas of the negotiations, inter alia, how to treat the most sensitive tariff lines on both sides; how to expand and lock in market access in key services sectors; how to reconcile differences on sanitary and phytosanitary measures; how to encourage the recognition of qualifications to facilitate licensing of experienced professionals; how to improve access to each other's government procurement markets; how to address standards and conformity assessment procedures in ways that yield greater openness, transparency, and convergence, reduce redundant and burdensome conformity assessment procedures, and enhance cooperation; how best to achieve our shared objective of providing strong investment protection while preserving the right of governments to regulate, including with respect to dispute resolution mechanisms; how to reflect our shared commitment to including strong and effective disciplines on labor and environmental protection; how to structure commitments on data flows that will reinforce the essential electronic commerce and digital infrastructure of our economic relationship while respecting legitimate concerns about protecting privacy; how best to promote transparent, open, and secure energy markets; how to reconcile differences in our approaches to trademarks, generic names, and geographical indications. On these and other challenging issues, our work over the past three years brought greater clarity to our differences and enabled us to explore avenues for reconciling them.

T-TIP has the potential to turn the already immensely successful U.S. and EU economic relationship into an even stronger driver of mutual prosperity for decades to come. The progress we have achieved so far gives us confidence that, with continued engagement by both sides, and with the political will to prioritize long-term gains for our economies and our broader relationship, the United States and the EU could achieve what we set out to do in 2013: conclude an ambitious, balanced, comprehensive, and high-standard agreement that strengthens the transatlantic partnership and builds upon our economic relationship in ways that raise living standards and increase competitiveness on both sides of the Atlantic.

Background on the Negotiating Process

Between July 2013 and October 2016, 15 Negotiating Rounds were held. Details of EU negotiating positions are available [here](#)

<https://ustr.gov/trade-agreements/free-trade-agreements/transatlantic-tr...> .

The EU and United States have both undertaken extensive outreach to civil society before and during the T-TIP negotiations. Negotiating rounds included a half-day outreach event bringing together all interested stakeholders, each of which was given time present their views to EU and U.S. lead negotiators. At these events, the EU and U.S. chief negotiators also briefed stakeholders detail on the status of the negotiations and exchanged views with them. With regard to EU procedures and mechanisms for consultations with civil society, details are available [here](https://ustr.gov/about-us/advisory-committees). With regard to U.S. procedures and mechanisms for consultations with society, details are available [here](https://ustr.gov/about-us/advisory-committees) .

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