



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from:	General Secretariat of the Council
to :	Delegations
Subject:	Meeting of the European Parliament's Committee on International Trade (INTA) on 14 October 2013 - Summary record

The meeting was chaired by Mr. Moreira, S&D, PT. The agenda was adopted. The minutes of meeting of 5 September 2013 and 16-17 September 2013 were adopted.

3. Chair's announcements

The Chair indicated that as a consequence of the US shutdown, no date was scheduled for the next negotiating meeting and talks on the TTIP were provisionally on hold.

4. Calendar of committee meetings for the year 2014

The calendar of committee meetings for the year 2014 was adopted.

5. Macro-financial assistance to the Kyrgyz Republic

The Committee considered the Council's first reading position and a draft recommendation for a second reading regarding macro-financial assistance (MFA) to the Kyrgyz Republic. The Rapporteur and Chair M. Moreira indicated that the draft recommendation proposed to approve the Council position at first reading without amendments because the text is a result of the informal trilogue negotiations.

INTA adopted the outcome of these negotiations on 11 July 2013. The Council adopted its first reading position on 23 September 2013.

6. Trade and economic relations with the United States

In introducing the public hearing on the EU-US Transatlantic Trade and Investment Partnership (TTIP) negotiations, the Chair Mr Moreira referred to an EP initiative report adopted in 2006 advocating the alignment of EU and US rules and standards. He said that the focus of the hearing would be put on the regulatory part (so called "second pillar") of the TTIP talks, the most innovative but possibly also most complicated part of these negotiations.

In the presentations which followed,

Mr Ignacio Garcia Bercero, Director, DG Trade, European Commission (EU Chief Negotiator for the TTIP) made the introductory presentation. He referred to the key challenges and most important components of the negotiation, as well as to the economic benefits to be reaped from the TTIP. He further referred to a policy speech by Commissioner De Gucht on 10 October, which include three important aspects related to the negotiation:

1. the absence of any intention to lower the level of protection provided by the safety, health, consumer and environmental standards; the level of protection afforded by the EU was not for negotiation.
2. the right of both parties to regulate should be maintained. What will be looked at is ways to ensure compatibility of regulations on both sides of the Atlantic. The subject of negotiations shall be Technical Barriers to Trade (TBTs), SPS, regulatory coherence, and specific commitments in a number of sectors. It was critical that no sector be excluded. He referred to the key concepts of what the EU was aiming at: prevent discrepancies in future regulations in both the EU and US, based on the principle of early consultation before legislating; developing horizontal rules as guidance and aiming at regulatory compatibility. He said that there was no one size fits all and that it was important to determine the scope of the exercise without compromising the EU's level of protection. He referred to the car, pharmaceutical, chemicals and financial services sectors as offering possibilities for improvements towards increased compatibility. On food safety, he referred to the possibility of looking at equivalences.

3. the need for a good institutional setup. He referred to the proposal for having a Regulatory Cooperation Council bringing together regulators of both sides in charge of bringing forward regulatory cooperation. He said that the issue of its composition and of its interaction with stakeholders (producers, consumers and trade) had to be examined.

He added that the European Parliament and Congress would have an important role to play. He finally stated that because of the complexity of the regulatory agenda, the Commission considered it important to have a process which was as transparent as possible. He also referred to the wider consultations on the issue. With this in mind, the Commission has decided to make its documents outlining its initial position public and announced the publication of further ones. He also stressed the need to find ways of keeping communication channels open with stakeholders.

Prof. Jacques Pelkmans, Professor at the College of Europe in Bruges, Senior Fellow at Centre for European Policy Studies (CEPS) welcomed the start of the negotiations on the TTIP, but warned against the risks related to regulation in some areas, and considered that the talks were more about regulatory diplomacy with a view to improve market access on both sides.

Prof. John D. Graham, Dean of the School of Public and Environmental Affairs, Indiana University said that this agenda was very important as legal challenges in the WTO should be considered as the last resort on trade issues, and that the goals, process and scope of the negotiation had to be further defined. On goals, he advocated first harmonization, considered that mutual recognition was also acceptable, and that the concept of convergence of regulatory frameworks should be further deepened. On process, he considered that the key issue was to have centralized political authorities accountable for progress on both sides of the Atlantic as an important incentive to secure concrete results. On the role of European Parliament and Congress, he suggested they should develop scorecards on progress towards convergence or cooperation. He referred to the new impact assessment unit of the European Parliament as a potentially very useful tool for this process. He concluded by stating that these models of success could be modelled and publicized.

On behalf of the stakeholder organisations,

Prof. Reinhard Quick, Chairman of the Working Group on FTAs of BusinessEurope, said that the issue of regulatory cooperation was an old one, that the regulatory gap had increased rather than reduced in recent years and that most of the welfare gains came from regulatory cooperation. He said that the TTIP needed to address the issue of the scope of regulatory cooperation, that duplicative requirements should be avoided and that the process to achieve was convergence, mutual recognition and harmonization, based on the regulatory principles of transparency, effectiveness, impact assessment, simplification and administrative or judicial review processes. He added that a mandatory consultation process was needed.

Ms Monique Goyens, Director General of the European Consumers' Organisation (BEUC) and EU Co-Chair of Trans Atlantic Consumer Dialogue (TACD), while being favourable to a process that should benefit consumers, expressed concerns about the lack of clarity around the negotiating process and the fact that some key regulatory principles were put at risk. She supported increased transparency. She flagged the issues of food safety and standards and of privacy as raising most of concerns. On privacy, she stressed that although data protection rules were not on the agenda, data flows would be part of it and that there was actually no way to distinguish the two issues. On mutual recognition, she argued that this meant that in practice products not in line with EU standards and regulations would freely enter the EU market. She stated a preference for an equivalence of effects. She stated that the investor-state dispute settlement would be an obstacle for more stringent legislation, an issue which should be looked at more closely.

Ms Judith Kirton-Darling, Confederal Secretary of the European Trade Union Confederation (ETUC) expressed strong support on the latter point made by the previous speaker. She expressed concern on the issues of social and environmental protection, arguing that any agreement should not lower relevant EU standards. She specifically referred to the example of asbestos legislation on both sides of the Atlantic. She expressed concerns about the democratic character of the process as designed and on the transparency issue. She asked for a transparent access to information and for a formal association of social stakeholders. She criticized the standardization process as a way to bypass democratic processes. She concluded by advocating a transparent negotiating process which should be subject to democratic scrutiny.

During the question and answer session, MEPs largely echoed the two previous interventions in expressing concerns on following issues:

M. Lange, S&D, DE expressed concerns at the expected tariff reductions and their impact on the EU budget, at the consequences of mutual recognition and at the gap in social standards between the EU and US. Mr. Jadot, Greens/EFA, FR clarified, in answer to M. Pelkmans that the precautionary principle was not a gadget or an ideology, but a regulatory principle enshrined in the EU treaty. He expressed concerns about transparency and the democratic control of a EU-US Regulatory Council. He further referred to potential new judicial risks and quoted the example of a US company suing Canada on the ban of shale gas. Ms. De Sarnez, ALDE, FR also stressed the issues of transparency and democratic control and the need for a proper involvement of national parliaments and public opinions to get broad acceptance of a EU-US agreement.

M. Sturdy, ECR, UK expressed full support for the proposed agreement which should facilitate free trade, for mutual recognition and considered the GMOs issue a problem. M. Murphy, GUE/NGL, IE stated that regulation was not a technical question as it was presented by the Commission and others, but the putting into practice of political choices, as was the case for the EU legislation on financial services, GMOs, hormones, shale gas etc. He expressed concern that the proposed agreement could end up being a Trojan horse for further undermining the democratic process and part of the "technocratization" of politics. He stated that the Regulatory Cooperation Council could potentially be very undemocratic. He wondered about the implementation of Article 218 TFEU under that agreement.

In answer, the BEUC and ETUC broadly agreed with the interventions by MEPs. Mr. Graham said that there were various types of precautionary principles, which existed in the US and Japan and which were usually provisionally invoked on the basis of the state of scientific progress on a given issue. M. Perkmans advocated a functional view on the precautionary principle.

The Commission representative stated that in any negotiation, some documents were restricted, something which was in the very nature of negotiations. At the same time, he stated the Commission's readiness to provide as much information to the public as possible. He argued that regulation was not necessarily about better protection, but was important to reduce the costs to both businesses and regulators. He rejected the idea that having a dialogue before legislating to avoid law suits was undemocratic. He acknowledged that the interaction between the Regulatory Council, stakeholders and legislators should be given a closer look. He pointed out the potential in economic benefits and jobs creation, agreed that paradoxically, the US was a less integrated market than the EU one and the issue of the investor-state dispute settlement (ISDS) should be the subject of a discussion on its own. He stated that the right to regulate should not be compromised, but that there could be a discussion on the balance to be found between the rights of investors and the right to regulate.

The Chair Mr. Moreira concluded the debate.

7. Macro-financial assistance to the Kyrgyz Republic

The draft recommendation for second reading (Rapporteur Moreira (S&D, PT) was adopted by 19 votes in favour and 3 abstentions.

8. Macro-financial assistance to the Hashemite Kingdom of Jordan

The draft report (Rapporteur Moreira (S&D, PT) and draft resolution were adopted as amended by 22 votes in favour and one against.

9. Amendment of the Agreement on Government Procurement

The draft recommendation (consent) (Rapporteur Scholz (GUE/NGL, DE) was adopted by 21 votes in favour, and 2 abstentions.

10. EU-China Agreement (Articles XXIV and XXVIII of GATT 1994) relating to the modification of concessions in the schedules of Bulgaria and Romania in the course of their accession to the EU

The draft recommendation (consent) (Rapporteur Scholz (GUE/NGL, DE) was adopted by 22 votes in favour.

11. Agreement between the European Union and the Russian Federation on drug precursors

The draft recommendation (consent) (Rapporteur M. Proust (PPE, FR) was adopted by 20 votes in favour, 2 abstentions.

12. EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union

The draft opinion as amended (Rapporteur for the opinion: M. Jadot (Verts/ALE, FR) was adopted by unanimity.

13. Laws of the Member States relating to trade marks (Recast)

The draft opinion (Rapporteur for the opinion: M. Cutaş (S&D, PT) was adopted by 21 votes in favour, 2 against.

14. Community trade mark

The draft opinion as amended (Rapporteur for the opinion: M. Cutaş (S&D, PT) was adopted by 22 votes in favour, 2 against.

15. State of Play on the Doha Development Agenda

The motion for a resolution as amended was adopted by 18 votes in favour, 4 against.

16. Import of Laogai-made goods into the European Union

The question for oral answer was adopted by 23 votes in favour and the motion for a resolution further to a question for oral answer as amended by 22 votes in favour.

17. Modernisation of the EU-Mexico Free Trade Agreement

The question for oral answer was adopted by 21 votes in favour.

18. Implications for Customs Union partners, in particular Turkey, of the EU FTA negotiations

The question for oral answer was adopted by 19 votes in favour.

19. Establishment of Annex III of Regulation (EU) No 978/2012 of the European Parliament and of the Council applying a scheme of generalised tariff preferences

The Chair explained that ten new States were to be added to the list of beneficiary countries of GSP+ by means of a single delegated act. He indicated that some MEPs had expressed concerns on the wording regarding Pakistan; that a draft joint motion for a resolution had been tabled as a result, and that coordinators had asked for an extension of the deadline for the EP's position.

MEPs Lange, S&D, DE, Keller, Greens/EFA, DE, Correa, EPP, ES and Rinaldi, ALDE, IT as well as Mr. Kazak on behalf of the DROI committee expressed support for the draft joint motion for a resolution arguing that each country had to be examined on its own merits and that a single delegated act was not the appropriate vehicle for a European Parliament decision in this case.

M. Sturdy, ECR, UK, M. Fjellner, EPP, SV and M. Caspary, EPP, DE were strongly against the initiative by their colleagues, arguing that the issue of having a single act for several countries submitted by the Commission had never been questioned before.

The Commission representative Mrs Gallina developed a thorough argumentation in support of the Commission's delegated act covering the ten countries in question and referred to the innovations included in the GSP + scheme, which provides for a new approach towards beneficiary countries. She warned against a potentially very bad signal to be delivered by a plenary vote which could coincide with the Bali Conference.

In answer to M. Moreira, she rejected the idea that the Commission would have "smuggled" Pakistan in the package, arguing that, based on the technical examination provided for by the scheme, all ten countries were living up to the criteria of Article 9 of the agreement.

- deadline for amendments: 17 October
- commission vote: November 2013

20. State of play of ongoing trilogue negotiations

This item was postponed.

21. Any other business

22. Next meeting(s)

- 5 November 2013, 15.00 – 18.30 (Brussels)

23. Coordinators' meeting

In camera
