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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Partial summary of the meeting of the European Parliament **Committee on International Trade (INTA)** held in Brussels on 3 and 4 September – Items 5 to 8 and 10 to 16 and item 18 on the agenda
Chair: Mr Lange (S&D, DE)

During a one-day meeting, INTA discussed the Italian Presidency priorities with Vice-Minister CALEND A and held exchanges of views with the newly appointed US Ambassador, focusing on the TTIP, and with the Commission on the state of play in trade negotiations with Canada and Ukraine and on environmental goods. The ISDS, the parallel ratification process and the definition of environmental goods were respectively the main points of discussion. INTA also voted its draft opinion and budgetary amendments to the 2015 EU general budget, and discussed the Protocol to the FTA between the EU and its Member States, of the one part, and the Republic of Korea, of the other part, to take account of Croatia's accession to the EU.

5. Presentation by Carlo Calenda, Vice-Minister for Trade of Italy, on the priorities of the Italian Presidency in the area of International Trade Policy

In his opening remarks, Mr CALEND A outlined the Presidency's priorities in international trade including current legislative files.

He also referred to the existing bilateral and multilateral trade agreement talks and to the ongoing second phase in the globalization process in which he said that the EU should be an active participant in order to contribute to its agenda on growth, employment and competitiveness. He particularly focused on TTIP and the need for transparency.

On behalf of political groups, Mr. CAPSARY (EPP, DE) expressed serious concern at the stalemate in the Council on several ongoing legislative files and considered the current ratification process of bilateral agreements too long. Mr MARTIN (S&D, UK) welcomed the Presidency's stance on transparency in TTIP. He queried the Presidency on the standstill regarding the Bali package negotiations, called on the Council to halt talks on the Comprehensive Economic Trade Agreement (CETA) with Canada until the Commission had concluded its consultation on ISDS and urged certain Member States to ratify the UN arms' Treaty. Mr ZHRADIL (ECR, CZ) advocated facilitating SMEs' access to international markets and enhancing the protection of intellectual property rights, and Ms SCHAAKE (ALDE, NL) called for more coherence and for greater unity to improve the protection of EU interests abroad. She also asked the Presidency about the future of trade relations with Iran and pressed the Council to reach an agreement on export controls. Mr JADOT (Greens/EFA, FR) focused his intervention on TTIP noting that civil society and trade unions ought to be more involved in negotiations. Mr SCHOLZ (GUE, DE) expressed concern about the impact of sanctions on Russia, on the EU economy and enquired about the latest developments in negotiations with Ukraine and on the Council's position on trade on green goods. Ms BEGHIN(EFDD, IT) asked how the competitiveness of SMEs could be improved.

In reply, Vice Minister CALENDIA said that TTIP would mostly benefit SMEs and that welfare systems would not be affected. He expected the Commission's public consultation on ISDS to be available quickly to clarify the chapter on investor protection. He felt that a satisfactory conclusion on TTIP by the end of 2015 appeared unlikely and suggested moving instead towards an interim agreement on the most important and least controversial chapters in the negotiations.

He acknowledged that much remained to be done regarding Japan, and that negotiations with Singapore were almost concluded, with the treatment and protection of inland investment for industrial purposes remaining the sole outstanding issue. He said that the outcome of negotiations in Thailand was linked to the political situation and admitted that the EU had not come out well in some negotiations in China such as on photovoltaic panels due to internal divisions which had weakened its position.

He pointed out that negotiations with Vietnam were progressing but that there were still some open issues such as access to public procurement, textiles and clothing. He explained that the sole remaining issue with the Gulf Cooperation Council countries was export duties and that the Italian Presidency would pay particular attention to the southern shore of the Mediterranean. He supported the FTAs with Moldova, Georgia, and the Ukraine and underlined the link between trade and foreign policy. He concluded nevertheless that foreign policy interests took precedence over trade interests. Moreover he believed that it was essential to avoid escalation and commercial retaliation. He admitted that progress on the multilateral Doha development agenda looked more difficult due to the behaviour of certain countries such as India and claimed that it was necessary first to put flesh on what had been agreed in the Bali package, including trade facilitation, before moving to other parts of the Doha agenda.

He reiterated the commitment of the Italian Presidency to conclude existing legislative files. However he said that there was no majority yet emerging in the Council on Trade Defence Instruments (TDI) and International Procurement Instruments (IPI) but that both files would be put to the vote in the Council in November. On TDI he added that the sensitive element was the waiver of the lesser duty rule and felt that a compromise between the EP and the Council could be reached if the waiver was restricted to a limited number of cases of obvious market distortion. Moreover he felt that it would be wise for the Commission to avoid adopting guidelines before the Council and the EP had concluded negotiations on the legislation. He considered that the trade facilitation agreement was essential for SMEs and proposed putting in place training procedures on awareness about trade obstacles at EU level. Finally he said that raw material access should be a priority for the EU trade policy to ensure the competitiveness of the EU industry.

6. General budget of the European Union for the financial year 2015 - all sections

INTA/8/00605 2014/2040(BUD)

Rapporteur for the opinion: Mr Reimar BÖGE (EPP)

- Consideration of budgetary amendments

Mr BÖGE (EPP, DE) told INTA that there were still differences on business centres and the pilot project on conflict minerals.

The pilot project on conflict minerals was backed by Mr MARTIN (S&D, UK), Mr SCHOLZ (GUE/NGL, DE) and Ms KELLER (GREENS/EFA, DE), and questioned by the rapporteur. Mr WINKLER (EPP, RO) sought reassurances from the Commission before taking a decision. Mr MARTIN announced that his group would not support the compromise on business centres because the criticism of business centres was unjustified.

The Commission representative thanked INTA for the amendments proposing additional support and human resources for the Commission with a view to the roll-out of a broad communication strategy on trade policy and in particular on the Transatlantic Trade and Investment Partnership. He explained that many Commission departments were involved in the pilot project on conflict minerals in the Democratic Republic of Congo and recognised that different programmes and initiatives were already in place in addition to the ongoing programming process for new EU cooperation activities. He said that these projects would deliver a more structured and coordinated reply to the issue of transparency and trade on conflict minerals in the area of the Great Lakes and that so far there were no new initiatives for business projects for 2014 and 2015.

7. Protocol to the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, to take account of the accession of Croatia to the European Union

INTA/8/00366 2014/0019(NLE)

Rapporteur for the opinion: Mr Jan Zahradil (ECR)

- Exchange of views

Mr ZAHRADIL (ECR, CZ) simply recommended the committee consenting to the protocol.

8. Exchange of views with US Ambassador to the EU, Anthony Luzzatto Gardner

In his opening remarks, Ambassador LUZZATO GARDNER delivered the speech in the Annex which focused mostly on the Transatlantic Trade and Investment Partnership (TTIP) negotiations and the need for a comprehensive agreement.

In the debate that followed, MEPs focused their interventions on data protection rules and the possibility of extending US privacy rules to EU citizens (Ms REDING -EPP, LU- and Mr KELLY -EPP, IE-), on TTIP and related issues such as the envisaged timetable and the impact of the US mid-term elections on negotiations (Ms SAÏFI -EPP, FR-); on transparency (Mr JADOT -Greens/EFA, FR- and Mr SCHOLZ -GUE/NGL, DE-), and access to negotiating documents (Ms Le PEN -NI, FR-); on public opinion awareness and support (Mr MARTIN -S&D, UK- and Ms MCCLARKIN -ECR, UK-); on SME access to public procurement (Mr REHN -ALDE, FI-); on the insertion of chapters on digital agenda and Geographical Indications (GIs); on the controversy over the Investor State Dispute Settlement (ISDS) clause (The Earl of DARTMOUTH -EFDD, UK-); and on the latest events in Ukraine, relations with Russia and the need to restore and strengthen the transatlantic relationship (Ms SCHAAKE -ALDE, NL-).

Ambassador GARDNER referred to an imminent umbrella agreement on the exchange of data between law enforcement authorities which depended on the approval of an internal report on the recommendations relating to national security exemptions by the White House. He agreed it should only be used as a limited exemption and supported the EU's 'mosaic' approach. He also expressed confidence in reaching a positive result on the renewal of the US Trade Promotion Authority (TPA). He viewed TTIP as one of the most significant 'debt free' levers for growth available and considered TTIP negotiations to be amply transparent owing to the unprecedented number of consultations and advisory groups. He added that the US could not deliver more transparency than that provided to Members of Congress and which warranted access to US negotiating texts.

He admitted differences over ISDS and urged sceptics to consult the US bilateral investment treaty model which he felt responded to existing concerns. He explained that the US model had provisions to deter 'frivolous' claims, to give detailed guidance on the interpretation of the obligations that were often litigated, to limit the time period within which investors could bring ISDS claims, and to involve non-parties. Moreover, he disagreed with claims that ISDS 'chilled' sovereign governments' rights to legislate and that it was an instrument for big business.

He noted that the degree of openness in public procurement was roughly the same on both sides of the Atlantic, and he pressed the EU to issue a specific list of commercial concerns on public procurement to which the US could react. He restated the US's commitment towards the full elimination of tariffs on goods, and said that the inclusion of a chapter on energy remained open.

He pointed out that the protection of food names had not been an obstacle for the EU's surplus of US 6 billion in agricultural trade with the US and considered that the EU demands on GIs were excessive at times, adding that choices on food should be made by citizens and not by politicians. Finally, he remained hopeful about the conclusion of negotiations by the end of 2015.

He considered the Mistral deal with Russia unfortunate given the present circumstances.

Nevertheless, he conceded that if it were cancelled the penalties to be paid would be considerable.

10. Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part, with the exception of the provisions relating to the treatment of third country nationals legally employed as workers in the territory of the other party

INTA/8/00166 2013/0151(NLE)

11. Association Agreement between the EU and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Georgia, of the other part

INTA/8/00388 2014/0086(NLE)

12. Association Agreement between the EU and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part

INTA/8/00391 2014/0083(NLE)

13. State of play of EU-Russia trade relations

Items 10, 11, 12 and 13 were discussed jointly.

Mr LANGE (S&D, DE) referred to the time pressure for the association agreement with Ukraine and to the arrangement between the Ukrainian and the European Parliament (EP) Presidents for a parallel ratification procedure to be voted in September. He noted that the current circumstances justified bypassing the standard procedure, but that this was a one-off procedure as trade agreements needed to be examined thoroughly in all circumstances.

The Deputy Director-General from DG TRADE, Mr BERCERO, supported the parallel ratification process and mentioned the analogous trilateral consultation process between the EU, Ukraine and the Russian Federation designed to smooth the implementation process of the EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA) and to reassure the Russian authorities against any ill-founded assumptions of negative repercussions on their economy.

On Moldova, he announced the intention to introduce additional flexibility in the agreement as a sign of solidarity and a response to Russian economic and trade restrictions.

The subsequent debate focused mostly on Ukraine and the ongoing accelerated ratification procedure which revealed some divisions in INTA. The EPP, S&D and ALDE (Mr PABRIKS - EPP, LV- Mr SCHUSTER -S&D, DE- and Mr REHN -ALDE, FI-) understood the political sensitivity and supported the accelerated ratification procedure. The ECR, (Mr CAMPBELL BANNERMAN -ECR, UK-) expressed some reservations and feared that the association agreement with Ukraine was becoming rather political and defence-oriented. On the other hand, Mr SCHOLZ (GUE/NGL, DE) and the Earl of DARTMOUTH (EFDD, UK) rejected the procedure and warned about setting a precedent. Mr SCHOLZ questioned its democratic legitimacy, while the Earl of DARTMOUTH viewed the association agreement as highly controversial owing to the current situation in Ukraine and would instead prefer to call a halt in negotiations for further consideration. Mr ZŁOTOWSKI (ECR, PL) denounced the contradictions in EU foreign and trade policy as it supported Ukraine but continued to sell weapons to Russia.

Some speakers also voiced their fears about the negative impact that the DCFTA and the association agreements could have on the EU and enquired about the aims of the Ukraine Task Force.

Mr BERCERO said that Ukraine, which already had preferential treatment, would gradually open its market to the EU and align itself on EU regulations after ratification of the agreements. He underscored the flexible nature of the commitments which allowed Ukraine to decide on the pace of alignment and explained that the Ukrainian Task Force had been created to assist the country in this process. He also informed INTA that so far almost EUR 850 million had been disbursed in loans and grants, and that EUR 1 billion could be released in the immediate future to support the Ukrainian economy and the implementation of the agreements. Finally, he noted that the vote in the EP on the accelerated ratification procedure would constitute both a political choice and a signal as to Ukraine's aspirations.

INTA decided by 26 votes in favour and seven against to support the fast-track procedure and to send a letter stating its position to the EP President and to the chair of the Foreign Affairs (AFET) Committee

***** Voting time *****

14. General budget of the European Union for the financial year 2015 - all sections

INTA/8/00605

Rapporteur for the opinion: Reimer Böge (EPP)

- Adoption of draft opinion
- Adoption of budgetary amendments

The draft opinion was approved, with 31 votes in favour, two against and four abstentions. The budgetary amendments were approved, with 29 votes in favour, eight against and two abstentions.

***** End of vote *****

15. Presentation by the Commission on the state of play of the Environmental Goods Agreement

Ms HENCSEY, Head of the Trade and Sustainable Development, Generalised System of Preferences Unit in the Commission, said that the initiative launched by 41 countries in Geneva on 8 July was aimed at eliminating barriers to trade in green goods and technologies. She viewed the initiative as part of the EU's long-term commitment towards trade liberalisation in environmental goods and services which she believed would generate real benefits for trade, the environment, climate change, stimulate innovation and respond to changes in technology.

She explained that World Trade Organisation (WTO) members needed cheaper and better access to environmental goods and technologies in processes to tackle air pollution control, for solid and hazardous waste management, in drinkable water treatment and resource efficient technology products. She said that the EU was also aiming to achieve a future-oriented agreement which would tackle non-tariff barriers and environmental services. She then listed several benefits arising from the agreement which included: boosting global trade in green goods and services, (EUR 2 trillion market by 2020), supporting green industry in the EU and the creation of jobs, meeting EU climate and energy targets, providing cheap access to technologies, enhancing energy supply in the EU, reducing the EU's dependency on fossil fuels and stimulating discussions in the WTO.

She informed INTA that the second round of negotiations would take place in September to discuss the negotiating approach, and that a sustainability impact assessment would be launched soon.

Speakers expressed some support for the initiative but in general had low expectations given the current situation in the WTO and the difficulty of defining environmental goods. Mr JADOT (Greens/EFA, FR) felt that it was difficult to judge the credibility of the initiative and the sincerity of the approach, while Mr CAPSARY (EPP, DE) defended a flexible approach. Mr SCHOLZ (GUE, DE) asked if it would not be better to have a multilateral instead of a plurilateral agreement.

In response, Ms HENCSEY said that the Commission was aware of the technical challenges in the negotiations involving the definition of environmental goods and that no member could propose a product without giving a credible environmental 'rationale'. Moreover, she was convinced that the current plurilateral process would strengthen the multilateral system.

16. Exchange of views with the Commission on CETA negotiations

DG TRADE Director-General and previous EU chief negotiator for CETA, Mr PETRICCIONE, announced that the end of negotiations should be officially declared on 26 September during the EU-Canada summit in Ottawa, and that the text would then go through legal revision and translation before political adoption. He underlined the similarities between the Canadian and the EU economies and said that the exchange of concessions had enhanced their complementarity. He explained that CETA would eliminate tariffs on almost 99 per cent of goods, (100 per cent on industrialised goods), but that both sides had retained protection on a handful of key, very sensitive products and particularly in the agricultural sector. He said that a mutually satisfactory deal had been obtained on intellectual property and chiefly on better copyright protection, better enforcement, better protection of pharmaceutical patents, and on geographical indications (GIs). He pointed out that the agreement on services and investment went beyond the North American Free Trade Agreement (NAFTA) and the Doha Development Agenda (DDA) in terms of access to trade in services and investment opportunities; and that both sides had similar sensitivities such as with public utilities, cultural protection, and audiovisuals. He acknowledged that investor protection was one of the most controversial parts of the agreement, but he felt that there had been a good outcome. He underlined the good result on procurement with the carving of a reciprocal act close to that offered between Member States, noting that the EU would have better access to the Canadian procurement market than the US.

He explained that there was a wide set of provisions on the treatment of non-tariff measures, on domestic regulation, on regulatory cooperation, and on rules that would enhance transparency in the drafting of domestic regulations. Finally, he pointed out that relations on sanitary and phytosanitary measures had been consolidated, that a first package of recognition of standards in the car sector had been agreed, and that the agreement included a substantial chapter on sustainable development.

Many speakers praised CETA and the results achieved in the public procurement and foodstuff areas. However differences of opinion emerged over the inclusion of an investor protection clause which was supported by Mr CAPSARY (EPP, DE) who claimed that the EP had passed a resolution supporting the inclusion of an Investor State Dispute Settlement (ISDS) chapter. Mr MARTIN (S&D, UK) disagreed and said that after that the EP had also passed a resolution stating that ISDS was not required in an agreement between two mature legal systems, whereas Ms MINEUR (GUE/NGL, NL) questioned the relevance of ISDS in CETA, and Mr JADOT (Greens/EFA, FR) stressed that serious concerns about ISDS remained unanswered. Ms LE PEN (NI, FR) rejected ISDS outright, and Ms SCHAAKE (ALDE, NL) noted that CETA could be used as a blueprint for the Transatlantic Trade and Investment Partnership (TTIP) especially on ISDS. Mr SCHUSTER (S&D, DE) claimed that it would be ill-advised to proceed with an agreement on CETA before the public consultation on ISDS was concluded, and therefore he proposed either removing the ISDS clause or postponing the initialling of CETA.

MEPS also enquired about other aspects regarding the negotiations including negative lists (Ms ARENA -S&D, BE-), the mixed nature (or otherwise) of the agreement (Ms MINEUR), revision clauses (Mr KELLY -EPP, IE-), access to medicine, environmental standards, and public services.

Mr PETRICCIONE explained that the agreement did not change the EU's ability to set standards. He said that trade in beef had not been liberalised and that the EU had given Canada a tariff rate quota (TRQ) at zero duty for a quantity corresponding to 0.6 per cent of the EU market. He also noted that the status quo in GMOs remained unchanged. He rejected any relationship between CETA and TTIP on ISDS and held that the agreement on ISDS was balanced. He explained that the rules on arbitration had been improved, especially those on indirect expropriation which were similar to those used throughout the EU and justified ISDS by the need to have a system of arbitration to defend the interests of EU investors in Canada.

He said that the rules in CETA on intellectual property, access to medicine, and patent term restoration enabled Canada to exempt production of generics for export.

He disagreed with those claiming that the rules on sustainable development were lower than in NAFTA and reminded INTA that the EU position on sanctions in the labour chapter was that sanctions were inappropriate for sustainable development and consequently that cooperation was the solution. He believed that the agreement on liquor boards was satisfactory despite stopping short of abolishing provincial monopolies in Canada, and explained that both systems of trade regulation had to be made compatible in areas where they were not identical. He admitted that negotiations on the rules of origin had been difficult and underlined the constructive role of Canadian provinces during the negotiations, with the expectation that they would be directly or indirectly involved in the decision-making process. He agreed with criticisms regarding transparency and explained that the reservations, were not available yet because they were still under revision, adding that the Commission had 'stuck' to the General Agreement on Tariffs and Trade language on public utility reservations and that the agreement contained several revision clauses. He said that the decision to renegotiate parts of the agreement would be political but did not think that Canada would agree to that. He did not think either that CETA was a mixed agreement, but he was convinced that the Council might think otherwise. He said that there was no liberalisation of drinking water under CETA and that shale companies could not use ISDS under CETA. He explained that the agreement did not deal with the Kyoto agreement or with green goods and he pointed out that the audiovisuals sector had been excluded from liberalisation commitments because there was no unanimity in the Council about this issue; that liberalisation for trade in chicken, turkey and eggs had been excluded from the agreement, and that there were TRQs in the EU for beef corn and sweet corn; and in Canada for dairy products; cheese essentially. He added that the size of the quota gave Canada substantial market access but was very limited in terms of size of the European market (50 000 tons of beef and 75 000 tons of pork at zero duty). The EU received 18 500 tons of TRQ for cheese which represented around 128 per cent of current EU access to the Canadian market under the EU portion of the EU quota in the WTO which he considered to be limited in access but extremely valuable for EU exporters. He also said that he did not expect the agreement to come into force before 2016.

Mr LANGE stressed that there would not be a provisional implementation of the agreement until the EP gave its consent.

18. Date of next meeting

The next meeting would be held in Brussels on 24 September 2014.

Speech by Mr LUZZATO GARDNER, US Ambassador to the EU

Good morning. Thank you, Mr. Chairman, for your kind invitation to appear before this committee. This is my first appearance before a Committee of the European Parliament. When I arrived in Brussels in March, you were already in election mode. I'm pleased that the Parliament is now in full operation and that we can begin a dialogue.

I appreciate the critical role that this institution plays: the steady expansion of its legislative powers with every new EU Treaty, including the Lisbon Treaty, has been an important contribution to reinforcing the democratic legitimacy of the EU institutions. In my hearings before the US Senate, I specifically referenced my desire for strong relations with the European Parliament; in my first major policy speech shortly after I arrived I listed this desire as one of my four key priorities for the next three years. I know, of course that the Parliament, and specifically this committee, will play a key role in determining whether the TTIP negotiations succeed.

I've had the opportunity to meet several members of this committee, including Commissioners Reding and Rehn. As Commissioner Reding knows, concluding the negotiations on both Safe Harbour and the Data Privacy and Protection Agreement is a top priority for me. I take the data privacy issue very seriously indeed and I am committed to restoring trust in transatlantic data flows. And I can tell you that I and the USEU Mission played an important role in Attorney General Eric Holder's recent statement that the Obama administration will seek Congressional legislation extending to EU citizens the same rights that US citizens have under the Privacy Act.

Alexander and Marietje, it is good to see you again as well. I'm pleased to see Jozsef Szajer again after many years; we first met at Oxford in 1986 and then again at Columbia Law School in 1990. I'll never forget a presentation you gave in 1990 in which you described your dream of free elections in Hungary and your ambition to represent Sopron in Parliament. I noticed that Jaroslav Walesa is a member of this committee: I had the great privilege of meeting and interviewing Lech Walesa in Gdansk when I was studying at the Jagiellonian University in Krakow and he was under house arrest. His courage in challenging authoritarian rule is an example to us all.

I have been involved in and have cared about EU issues for 23 years – first as a lawyer, then as a government official in the White House, and more recently as banker and investor living and working in Europe. Ever since my studies of EU policy and law at Oxford and Columbia Law School and my time as a stagiaire at the European Commission, I have been a believer in the European project: I believe that it has been good for Europe and good for the United States.

Just as I believe in the United States, I believe in Europe's ability to compete and win in international trade. Europe needs to believe in itself.

Figlio di una madre veneziana, sono cresciuto orgoglioso del mio patrimonio italiano. Ho vissuto a Roma varie volte e sono sempre tornato spesso in Italia per motivi personali e professionali. J'ai aussi des liens avec la France, ayant commencé ma carrière juridique dans un cabinet franco-américain, d'abord à Bruxelles et puis à Paris. Au Conseil de Sécurité National à la Maison Blanche, j'étais responsable pas seulement pour les rapports avec les institutions de l'Union Européenne, mais aussi avec la France. Tengo algunos lazos también con España: mi padre fue embajador de EEUU en España y, gracias a su estancia allí, conocí y me casé con una española.

Ich habe auch die Gelegenheit gehabt, viel Zeit in Deutschland zu verbringen.

Im Sommer 1987 arbeitete ich bei Radio Freies Europa in München und im Herbst 1991 war ich in der juristischen Abteilung der Treuhandanstalt in Berlin tätig.

As the U.S. Ambassador to the European Union, my job is naturally to represent the US and to fight for its interests. But I am also a proud European. I have lived half my life, and I have spent nearly all my career, in Europe. After my internship in the European Commission, I faced a critical decision about whether to start my career in the US or in Europe. Unusually for a US trained lawyer, I decided to start it in Brussels: because of the single market program and the opening up of the EC to the former Soviet bloc, it seemed like a historic time and I wanted to be part of it.

I feel the same sense of historic opportunity today: due to Russia's illegal annexation of Crimea and Russia's continuing aggression in Eastern Ukraine which has manufactured a tragic humanitarian crisis, the importance of further European integration and of closer transatlantic cooperation is now more evident than ever. And the urgency of greater European defence spending, a unified European energy policy, and also a Transatlantic Trade and Investment Partnership Agreement is now even more compelling. The transatlantic partnership has deepened at times of crisis, and this time is no different. The only relevant question for us is: will we seize the opportunities? At a time when Russia is supplying troops and equipment to the separatists in Ukraine, and shares responsibility for the killing of European citizens in the skies above Ukraine, it would be appropriate to put peripheral issues into some perspective.

We will have the opportunity to interact a great deal over the next few years. I look forward to a regular, open and honest dialogue. My door is always open to the members of this committee and this Parliament.

We will no doubt disagree on some matters, but I hope these disagreements will be about the real, substantive issues – not the peripheral ones that are getting so much attention in the media. I hope our disagreements will be based on an accurate interpretation of our respective policies and interests.

We have a common responsibility to our electorates to lead and to inform. This is particularly true regarding the single most important economic issue that we will have in front of us: T-TIP. No other issue comes close in terms of its potential to promote growth and jobs and to shape the rules on international trade. Understanding the technical issues at stake is difficult and time-consuming, but it is necessary.

There are many compelling geopolitical and economic reasons to conclude an ambitious agreement. I say “ambitious” because we continue to believe, like our Commission colleagues, that only a comprehensive agreement would yield the significant results our leaders want and, at the same time, provide the necessary balance. I know that our friend Vice Minister Carlo Calenda believes that an interim agreement should be considered, but we continue to believe that only a comprehensive agreement will work.

We have a window of opportunity during the next few years to set a standard for future regional and global trade deals that reflect our shared support for rules-based trade, high standards and regulatory transparency and accountability. If we fail, other countries who do not share our values and whose weight in the international trading system is growing fast will set the agenda themselves.

T-TIP’s potential to promote growth and jobs, especially among small and medium-sized enterprises that are the backbone of our economies, fails to attract much attention in Europe, despite Europe’s continuing sluggish economic performance. Both sides of the Atlantic need faster growth and more and better jobs, but let’s face it: Europe needs them even more.

How is Europe going to provide its youth a future, its retirees a decent pension and pay for the social protections it wants without growth? While T-TIP by itself is not a solution to the challenge of creating growth and jobs, it is the biggest debt-free stimulus available. Every serious academic study on both sides of the Atlantic concludes that the impact will be significantly positive.

The United States remains fully committed to these negotiations and to an ambitious outcome. The mid-term elections are not affecting our engagement.

Yes, Trade Promotion Authority is a critical tool for achieving necessary Congressional support for an eventual agreement, but the absence of TPA is not an impediment to proceeding with negotiations now. We feel confident that we will succeed in getting TPA.

Despite the compelling benefits T-TIP would bring, it has triggered a wave of criticism, often about peripheral issues and in a manner that amounts to scaremongering. To those who are sceptical about this agreement and who refuse to believe the assurances provided by both sides, I would simply say this: we are still in a relatively early stage of the negotiations; do not prejudge the results; wait until we have advanced texts.

One of the myths is that these negotiations are being conducted in secret. As Vital Moreira, the former head of this committee, and Commissioner De Gucht have said: there has never been a less secretive trade negotiation. Just as we are spending a significant amount of time with our Congress and our advisory groups, so is the Commission spending a lot of time with you and its own advisory groups. And as the Commissioner pointed out to this committee a short time ago, it is rather difficult to convince us that we should provide you with more access to negotiating texts than we provide our own members of Congress. We grant them and their designated staff members the opportunity to read our proposals and consolidated texts.

There is an enormous amount of publicly available information, as well as information released in hundreds of briefings, speeches and consultations that each side is conducting with its legislatures, businesses (including small and medium-sized ones) and a very broad range of civil society through many advisory committees. While we are in favour of transparency, we also believe that it has to be balanced against other objectives. Anyone who has negotiated complicated deals – and I have been involved in hundreds – knows that total transparency with third parties makes honest dialogue and compromise almost impossible.

Another persistent myth is that T-TIP is about promoting a deregulatory agenda. This is despite numerous assurances by the President of the United States, the President of the European Commission, and many political leaders and senior negotiators on both sides of the Atlantic that nothing we will do in T-TIP will in any way limit the ability of our governments to regulate in the public interest or reduce the level of health, safety and environmental protections. No, T-TIP will not force European countries to privatize public services, such as public health care, education or utilities; these services are excluded from the GATS and our own free trade agreements.

A related myth is that US standards are lower than those in Europe. That ignores the fact many US standards are in fact often more restrictive than those in Europe.

And it ignores that fact that millions of European visitors to the US are happy to eat our food and drive our cars. Our people, our government and our Congress respect the health and safety of the American consumers and value the right to regulate appropriately as much as you do. We don't want to force European consumers to eat food they reject; rather, we want Europe to follow the advice of its own food safety authority and to give European consumers a choice, rather than to persistently ignore science-based decision making for political ends.

As a former lawyer, I have a particular interest in the debate concerning investor-state dispute settlement, an issue that is frequently misunderstood. You in this committee know that EU member states have signed about 1,400 bilateral investment treaties, nearly all of which contain ISDS provisions. Despite frequent claims to the contrary, we are not seeking to grant businesses the right to claim compensation for an alleged loss of investment value. We believe it is vital to have an appropriate balance between the protection of investment and the right of governments to regulate; we consulted extensively with our stakeholders to achieve such a balance in our own model BIT. We welcomed the Commission's consultation and look forward to their next steps.

My final point is that both sides should focus on pragmatic, practical positions if we are to reach agreement that promotes the interests of people in both Europe and the United States. We can get a good deal for both sides – but only if we stay focused, respect the facts and keep an open mind.

Let me add a last point related to an issue on your agenda for discussion this afternoon: the Environmental Goods Agreement (the "EGA") in the WTO. This Agreement aims to eliminate tariffs on a broad set of environmental technologies and present a unique opportunity for WTO members to address a wide range of urgent environmental challenges through trade liberalization. The United States and European Union have demonstrated significant leadership in the WTO on environmental goods for years, and we look forward to continuing to work closely in the context of the EGA negotiations to ensure an environmentally credible and commercially meaningful outcome.

Thank you for your attention
