

*On October 23, negotiators from the United States and the European Union (EU) meeting in Miami, Florida, concluded their 11th round of negotiations towards an agreement to further open trade across the Atlantic. These ongoing talks provide an opportunity for US and European businesses to engage with negotiators and shape the final deal.*

The Transatlantic Trade and Investment Partnership (TTIP) is an ambitious proposed free trade agreement under negotiation by the United States and the EU since 2013. The US-EU bilateral trade relationship accounts for one-third of global goods and services trade and almost half of all global economic output, making the TTIP, once concluded, the biggest free trade deal ever negotiated.

Despite the deal's substantial economic implications, TTIP negotiations have lagged far behind the recently-concluded Trans-Pacific Partnership (TPP). The successful conclusion of the TPP talks spurred some optimism in the lead up to the Miami round; in fact, the EU's Ambassador to the United States David O'Sullivan expressed hope that the Obama Administration will now be free to focus its "maximum attention" on finalizing the deal with Europe.

During this latest round of meetings, the US and EU reportedly made strides in several areas:

- The two sides exchanged their second formal tariff offers covering 97% of tariff lines. Reports indicate that the 3% left out of the US proposal covers autos, textiles, and some agricultural products. The EU's lead TTIP negotiator Ignacio Garcia Bercero has suggested that the remaining 3% of goods will be left for the negotiation's final stages.
- The US and EU also presented proposals on product-specific rules of origin and held extensive discussions on public procurement. Initial offers on procurement are slated for exchange in February.
- The EU reportedly tabled its proposal on sustainable development, encompassing both labor and the environment, while the United States presented its offers on customs and trade facilitation.

- Negotiators exchanged views on revised services offers originally presented in July and continued discussions on regulatory compatibility. The two sides also agreed to hold talks on financial services market access within the next several weeks.
- It was not clear if there was discussion on an EU Commission proposal to reshape investment protection rules under the agreement. The proposal reforms the concept of investor-state dispute settlement (ISDS) by creating an "Investment Court System" consisting of a body of 15 judges to hear disputes and a six-member appellate body to process appeals. The text is still to be discussed with the Council and the European Parliament before being formally presented in the US-EU trade talks and in other ongoing and future negotiations.

In remarks last week, Deputy US Trade Representative Michael Punke acknowledged that the TTIP talks have not been moving as "constructively and ambitiously" over the last 18 months as the two sides would have hoped. According to US Chief TTIP Negotiator L. Daniel Mullaney, US Trade Representative Michael Froman and EU Trade Commissioner Cecilia Malmström pledged to accelerate these negotiations to conclude an agreement before the end of 2016. Mullaney has emphasized that the next four months will be critical to this goal – though the US presidential and congressional election cycle could further complicate this timeline. The next, and 12th, round of negotiations will take place in Brussels in February, though informal talks will continue in the meantime.

While US stakeholders are currently focused on the final TPP deal, the TTIP agreement remains a sensitive issue in Europe and is by no means guaranteed to conclude before the end of 2016. According to a [poll released in July 2015](#), 56% of Europeans favor the deal, as do the majority of citizens in 25 of the 28 Member States. A notable exception is Europe's largest economy, Germany, where only 31% of the population supports the proposed agreement. In early October, an estimated 150,000 protestors marched in opposition to the deal, with many arguing that it is undemocratic and would undermine existing food safety, labor, and environmental standards. Opposition to these trade deals is not unprecedented; in fact, the EU has yet to approve of the Comprehensive Economic and Trade Agreement (CETA), a free trade pact with Canada that was finalized over a year ago. As a direct response, the European Commission recently proposed a new trade and investment strategy for the EU, "[Trade for All](#)," which requires the EU to be more transparent in terms of opening up negotiations to public scrutiny within the EU, including as part of the US-EU talks.

With offices in Washington, Brussels, and the main EU capitals, Squire Patton Boggs is uniquely situated to assist companies in maximizing their leverage in the TTIP negotiations. We have robust trade and international practices on both sides of the Atlantic and can assist companies in evaluating and tracking these talks to help determine their impact on companies and their products, as well as outline a path forward to address issues of concern as these negotiations take shape.

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