



REPORT

**OF THE 14th ROUND OF NEGOTIATIONS
FOR THE TRANSATLANTIC TRADE AND
INVESTMENT PARTNERSHIP**

July 2016

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**REPORT OF THE 14th ROUND OF NEGOTIATIONS
FOR THE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP
(Brussels, 11-15 July 2016)**

INTRODUCTION

The 14th negotiating Round took place in Brussels from 11-15 July 2016. For logistical reasons, the talks on services and investment stretched into the following week. This Round saw a record number of textual exchanges, which means there are proposals for almost all chapters on the table now, totalling about 30. As in previous rounds, close to 400 stakeholders participated in the public events. This time, the rules and market access sessions received most of the attention, which marked a change from previous rounds' focus on regulatory cooperation. Engagement from negotiators was generally appreciated by stakeholders.

The next Round of negotiations will most likely take place in the autumn.

DETAILS BY NEGOTIATING AREA

1. MARKET ACCESS

1.1 Trade in Goods: Tariffs and Market Access

Industrial Tariffs

No new offers were exchanged, but the EU and the US now have a clearer view of how to address their respective interests for most products. The vast majority of customs duties will be removed upon entry into force, and the remaining minority over a period of time that has yet to be decided. However, the most sensitive issues on each side have yet to be discussed.

Agricultural goods

The session on agriculture consisted of three parts: the consolidated chapter on agriculture, tariffs and non-tariff issues.

As regards the consolidated text on agriculture, the two sides discussed and explained their respective positions on outstanding issues, in particular concerning wine and export competition. On wine and spirits, both sides presented further the rationale of their textual proposals. A number of technical issues and legal aspects of the proposals were discussed in detail. In addition, the EU presented a series of proposals for non-tariff issues.

Regarding tariffs, discussions continued on the basis of the second offers, with each side flagging specific export interests and requests to reduce proposed staging periods. Products identified as most sensitive were not reviewed. Both sides acknowledged that the ambition level on tariffs will eventually depend on what is achieved for the agreement as a whole.

Trade in Goods Chapter

The negotiators continued to consolidate the respective proposals into common legal text. Progress was made in particular on technical aspects regarding customs classification of goods, but also on legal text ensuring duty free treatment for goods imported temporarily, commercial samples and re-importation of goods after repair. The negotiators also agreed on robust language regarding the prohibition of export taxes. Some progress was also made on what would be permissible or not regarding quantitative restrictions on imports and export of goods. The legal text is now in an overall advanced state with only a few legal provisions still to be agreed upon.

1.2. Public Procurement

Public procurement continues to be a key EU offensive interest and priority in TTIP.

The EU seeks to pursue the common objective developed in the U.S.-EU High Level Working Group on Jobs and Growth (HLWG) during the 14th negotiation Round, which is to create “*substantially improved access to government procurement opportunities at all levels of government on the basis of national treatment*”.

Procurement was discussed over two full days. The discussions focused on the text provisions of the Public Procurement chapter. The starting point for textual discussions is the text of the WTO Agreement on Government Procurement (GPA) to which both the EU and the US are signatories. The text defines procedures which public entities apply when they procure. The discussions allowed clarifying positions and identifying areas for common ground. The EU underlined proposals which support transparency and non-discrimination. The EU also underlined proposals which properly reflect environmental and social considerations as well as labour rights in procurement procedures. As for transparency, the EU highlighted once again the importance of a single point of access to information on procurement opportunities in particular to facilitate the participation of European SMEs in the US procurement procedures, also with regard to procurement contracts at sub-federal level (States and cities).

This discussion was based on a comprehensive presentation of the EU's single electronic point of access for procurement opportunities, the Tenders Electronic Daily (TED). The EU explained that the TED features an automatic tool for translations of tender notices into English and all other Member State languages since January 2016. In this context, there was also a discussion concerning encouragement of electronic procurement processes, including the European Single Procurement Document (ESPD), as well as on registration requirements for bidders. In addition, discussions also explored ways to increase transparency regarding the criteria used for choosing suppliers under framework contracts.

1.3. Trade in Services

The session on **cross-border trade in services** was divided between market access discussions and text-based negotiations. As regards market access, the EU and the US exchanged factual information on the scope of their respective offers in response to priorities signalled by the other Party. The discussion on the text helped us to further consolidate the cross-border chapter, and focused primarily on definitions. Furthermore,

we discussed domestic regulation and mutual recognition agreements. With respect to the latter point, the EU explained that consultation with Member States is still ongoing. Despite this, there were useful technical discussions related to the scope and application of the EU and the US proposal. The situations in specific professions including auditors, architects, lawyers and engineers was also reviewed.

The EU and the US also had two days of discussions on **E-commerce and Telecommunications**. The discussions covered all provisions put forward by the EU and the US for the E-commerce chapter and many of the provisions of both sides on telecommunications. With regard to E-commerce, the discussions focussed in particular on spam, e-trust services (including e-signatures) and on the conclusion of contracts by electronic means. On telecommunications, the discussion addressed in particular licensing requirements, the role of the regulatory authority and interconnection. Both sides agreed on a detailed list of follow-up action items in order to achieve further progress at the next Round.

In parallel to the Round, the European Commission and the US Treasury came to an understanding about the enhancement of their regulatory cooperation in the sector of **financial services**¹. Although the EU objective remains to agree with the US on a transparent, accountable and rule-based framework for regulatory cooperation in financial services linked to TTIP, this positive development enabled the EU to table its offer on financial services² and to start technical discussions on market access. As this was the first opportunity to discuss our respective offers in this area we will need to continue them in the future. Further progress was also achieved in the consolidation of the text of the financial services chapter.

1.4. Rules of Origin

Teams continued discussions on origin procedures on the basis of their respective legal systems. The objective is to develop the bridging concept, including the requirements and procedures to claim preferential status, verification procedures and the requirements to deny preferences.

As regards the general provisions, the two sides focused on the provisions on cumulation and methods to calculate regional value content.

In addition, discussions also touched upon provisions on anti-fraud. The EU presented the main elements which a legal text on antifraud should cover, as well as the rationale to introduce such provisions in the Agreement.

Textiles Rules of Origin

Last, discussions focussed on the respective texts on Product Specific Rules. Both sides identified product by product the differences in the rules/ approaches and discussed the economic rationale behind.

¹ http://ec.europa.eu/finance/general-policy/global/index_en.htm#us

² http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154794.pdf

2. 2. REGULATORY COMPONENT

2.1. Regulatory Coherence

Negotiators continued discussions on the consolidated text, focusing on areas where there are commonalities and exploring possible means of bridging differences. Both sides agreed on the need to continue to engage inter-sessionally.

In addition, there was a first exchange of views on the EU proposal for a future framework for transatlantic regulatory cooperation³. The EU side explained the role of the various actors that would need to be involved, i.e.; the Joint Committee, the Transatlantic Regulators' Forum and the various specialised entities (with focus on the Working Group for sectors and the Committee on Technical Barriers to Trade). The EU side conveyed that it envisaged setting-up a light but effective coordination mechanism involving regulators. It stressed its understanding that such a mechanism would fully respect the domestic procedures and the autonomy of the respective regulators.

2.2. Technical Barriers to Trade (TBT)

The two teams continued to discuss draft provisions on the resolution of trade concerns, on cooperation and on institutional provisions, i.e. the TBT Committee to be created under TTIP. Some progress was made in establishing procedures to address TBT-related trade irritants between the parties.

The two sides also discussed issues related to the conformity assessment of products, in particular how to improve the recognition by one Party of certification carried out in the territory of the other Party on the basis of the requirements of the importing Party. Both sides continued to exchange information on how this system could work, notably the role of respective governmental authorities in the designation and monitoring of the conformity assessment bodies located in their territory. Discussions also touched upon the role of the accreditation bodies in evaluating the technical competence of the conformity assessment bodies. In addition, both sides exchanged views on the EU demands for the improvement of the US third party conformity assessment scheme applicable to engineering products, notably regarding double testing, the use of accreditation for the designation of conformity assessment bodies and the possibility to have a common mark to identify compliant products.

On standards, teams discussed openness and how transparency can be improved when their respective regulators are referencing standards in technical regulations, notably by making sure that the public is informed well in advance about their intention to use, request or develop a standard for a particular regulatory area.

The two sides also continued discussions on cooperation between EU and US standard development organisations. The discussions took place on the understanding that these bodies are independent and that any future dialogue would be carried out in accordance with terms worked out between such organisations.

³ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154802.pdf

Both sides also identified areas for future discussion, notably increased transparency on draft TBT measures, modalities for developing technical regulations, and marking and labelling issues.

2.3. Sanitary and Phytosanitary Issues (SPS)

During this Round negotiators discussed almost all of the proposed articles in the SPS Chapter: Audits, Application of SPS Measures, Approval Procedures, Plant Health, Import Checks, Definitions, Animal Welfare, Anti-Microbial Resistance, SPS Committee and Technical Working Groups, Redundant Control Measures, Transparency, Rights & Obligations, Equivalence, and Science & Risk. The discussions enabled an improved understanding on both sides as to the main priorities and issues for each side. Detailed discussions on Audits and Import Checks lead to agreement on some further text.

Further discussions are needed, including on the EU Article on Application of SPS Measures, recognizing the EU as a single entity for SPS purposes, and the US certification article. The discussions on Animal Welfare focussed on the link to animal health, as recognized by the OIE, and aimed at identifying the SPS related animal welfare aspects. In addition, the two sides further discussed cross-cutting elements for approval procedures with a view to ensuring that these are sufficiently predictable for exporters. There was also a short discussion on Anti-Microbial Resistance, with the EU explaining its reasoning for the inclusion of this topic in TTIP.

2.4 Sectors

Pharmaceuticals

The two sides held detailed discussions on the EU and US texts. The two proposals will be put side by side ahead of the next Round in order to facilitate their consolidation. The issues discussed included scope and definitions, the role of international organisations/bodies, good regulatory practices linked with the marketing authorization of medicinal products, regulatory cooperation provisions, the exchange of confidential information between regulators, as well as the recognition of good manufacturing practices inspections.

In addition, regulators from both sides provided an update on the work carried out so far by the task force in charge of assessing the equivalence of EU and US Good Manufacturing Practice (GMP) inspection systems.

On generics, negotiators took stock of the latest developments on international regulatory collaboration on generics in the framework of the International Council for Harmonisation (ICH) and the International Generic Drug Regulatory Programme (IGDRP), in particular, noting the recent endorsement at the June 2016 ICH Assembly to develop guidelines for the harmonisation of “Biopharmaceuticals Classification System (BCS)-biowaivers” at ICH level. A first expert discussion between the European Medicines Agency and US Food and Drug Administration on the evaluation of complex generics took place in June 2016.

Last as regards the common standards for Unique Identifiers, the two sides held a technical meeting in June 2016 to exchange information on their respective legal frameworks and possible alignment of requirements for unique identifiers.

Cosmetics

The EU presented its proposal for an Annex on cosmetics⁴. While discussions remained preliminary, both sides agreed to put the respective proposals side by side ahead of next Round.

The EU noted that the scope of the TTIP provisions on cosmetics should be as comprehensive as possible in order to cover all products falling under the legal definition of cosmetics in the EU.

On safety assessment of ingredients, the EU indicated that its proposal is non-binding, encouraging Parties to cooperate but without an obligation to achieve any particular joint outcome or joint regulatory action.

On labelling, the EU explained its proposal aimed at aligning labelling requirements for cosmetics with the International Nomenclature of Cosmetics Ingredients Committee.

As regards standards, the EU indicated that the existing national standards applicable to cosmetics should be aligned with the standards adopted by ISO.

On alternative methods to animal testing, the EU conveyed the strategic interest to develop and recognise, for regulatory purposes, alternative methods to animal testing.

Textiles

The EU presented its proposal for an Annex on textile and clothing products⁵. It contains provisions on labelling (cooperation on labelling of new fibre names and on care labelling instructions) and on cooperation on standards of relevance for textile and clothing products.

On fibre names cooperation, the EU reiterated the interest for effective cooperation with the US Federal Trade Commission on the process leading to the designation of common new fibre names (labelling).

As regards care labelling, the EU asked for an update on the 2012 Federal Trade Commission (FTC) proposal on care labelling. That proposal would allow apparel marketed in the United States to be labelled with either ASTM care symbols or, as an alternative, ISO care symbols.

⁴ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154796.pdf

⁵ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154798.pdf

On standards, the two sides discussed the potential cooperation of relevant EU and US standardisation organisations and the most appropriate level for such cooperation.

Last, the EU responded to questions concerning its ongoing preparatory work on a proposed restriction of carcinogenic substances in clothing products under Article 68(2) of REACH.

Cars

The two sides continued the technical discussion on the potential equivalence, equivalence plus and/or harmonisation deliverables. Detailed information was exchanged on each of the issues tabled. Issues where further analysis is needed were identified.

Following the approval of the relevant Resolution in the June Working Party 29 session, the two sides discussed the work on transparency and consultation to improve the functioning of the UN 1998 Agreement. Work will continue on the evaluation of the implementation of existing Global Technical Regulations and the identification of priorities for Global Technical Regulations. The EU introduced its draft sectoral Annex⁶. The Annex will provide the framework for the equivalence findings and the harmonisation. It also outlines the role of the 1998 Agreement for bilateral regulatory cooperation and the envisaged cooperation in research.

Medical Devices

The EU presented its proposal for an Annex on medical devices⁷. Discussions remained preliminary but both sides agreed to put text side by side ahead of next Round with a view to their future consolidation.

On the single audit, the EU noted that the EU level of commitment in this area must be thoroughly discussed with Member States. The EU is likely to take a decision on the participation in the single audit pilot project by the end of November. The EU asked about the US intention as regards the use of single audit certificates in the process of marketing approval of medical devices in the US.

As regards Unique Device Identification (UDI), the EU reiterated its commitment to ensure alignment of the EU identification of devices and the interoperability of the EU UDI database with the US identification system. Both sides agreed to organise a teleconference to exchange information on the implementation of UDI systems in both jurisdictions.

Regulated Product Submission - RPS

⁶ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154799.pdf

⁷ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154797.pdf

With regard to Regulated Product Submission (RPS), the EU reiterated its commitment to promote the implementation of the guidance and technical specifications adopted by International Medical Devices Regulators Forum (IMDRF).

Last, the EU proposed that the EU-US cooperation includes also other matters of relevance for medical devices such as the exchange of information on non-compliant medical devices and the cooperation on standards.

ICT

The US presented its textual proposal for regulatory issues in the field of ICT.

On e-health, the two teams discussed the latest developments on the implementation and revision of the Transatlantic eHealth/health IT Cooperation Roadmap. The EU provided an initial reaction to the US textual proposals and indicated it would provide further details ahead of the next round.

On e-accessibility, the US provided an update on the status of their rulemaking procedure. The EU provided an initial reaction to the textual proposal. The EU stressed that the regulatory cooperation should aim at increasing both the level of harmonisation or compatibility of regulations and at increasing the levels of accessibility, for which TTIP presents a unique opportunity.

On encryption, the EU provided an initial response to the US proposal noting that the issue needs to be thoroughly discussed with Member States prior to the next Round.

The EU welcomed the US textual proposal on cooperation on market surveillance activities which intends to improve cooperation between enforcement authorities for products subject to radio and electromagnetic compatibility requirements. This proposal will also be further analysed in order to provide a reply during the next Round.

On e-labelling for electronic products with an integrated screen, the EU explained that it is analysing an initiative on e-compliance that would not only cover e-labelling but also other aspects of electronic compliance with administrative requirements.

The two teams also discussed the possibility of cooperating on Software Defined Radio and Specific Absorption Rates and updated each other on the latest developments. On Software Define Radio, the EU is in the process of creating an expert advisory group while the US continues to work in its rulemaking procedure.

Engineering

The EU presented its textual proposal for an Annex on engineering⁸. The proposal aims at increasing regulatory cooperation activities between the EU and the US in areas of common interest. It was developed with the overall objective of improving the levels of protection of worker's and consumer's health, public health, and the protection of the environment. The EU proposed different areas of regulatory cooperation, notably

⁸ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154804.pdf

mechanical and electrical safety, energy efficiency, marking and labelling requirements for engineering products, food contact materials used in engineering products, exhaust emissions for non-road mobile machinery, electromagnetic compatibility and interoperability of equipment. In the view of the EU, this cooperation should be complemented by cooperation among the relevant standards development organisations in the EU and the US, and by cooperation in international standards development organisations. The US and the EU engaged in preliminary discussions, notably regarding the relationship between this Annex and the discussions on the Technical Barriers to Trade Chapter.

Chemicals

The major part of the Round was dedicated to discussions on the EU text proposal⁹. The EU explained its proposal, referring to the earlier submitted 'Outline'¹⁰ as a starting point, and highlighted in particular that the question of whether this would become an Annex to the Regulatory Cooperation Chapter or a stand-alone Chapter would be clarified at a later stage. The US raised a number of preliminary questions, mainly for clarification and announced further comments ahead of the next Round.

As during the previous Rounds, the progress on the pilot projects on priority chemicals and classification and labelling of substances was reviewed. Exchange of information in follow-up to earlier contacts on priority substances had continued since the last Round.

The technical analysis concerning differences in the classification rules for mixtures in Safety Data Sheets (SDS) had been completed in view of consultation with Member States and stakeholders to gather feedback on whether the identified differences lead to problems in practice. The EU expressed the view that this should involve stakeholders who prepare SDS in practice.

Pesticides

The two sides continued exchanging information on potential areas for cooperation. This covered information about review schedules in the US and the EU. The EU referred to its recent submission to the WTO, describing its Maximum Residue Level review process. They noted the good cooperation in the framework of Codex on crop groupings (fruits and vegetables). The meeting also offered an opportunity to discuss specific questions, including concerning EU exports of olive oil and fruit juices, and US exports of tree nuts and certain berries.

⁹ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154795.pdf

¹⁰ http://trade.ec.europa.eu/doclib/docs/2014/november/tradoc_152912.pdf

3. RULES

3.1. Trade and Sustainable Development

Discussions on Trade and Sustainable Development (TSD) took place over the full week, addressing labour, environment and cross-cutting issues. The group continued to deepen the analysis of the EU and the US text proposals, and to identify options on how to integrate them.

On labour, the EU and the US confirmed the priority they both attach to including in the agreement commitments to the International Labour Organisation (ILO) core labour standards, and discussed the most appropriate way to address this issue. Detailed exchanges took place on the innovative "thematic articles" presented by the EU, which identify key principles and actions with regard to each core labour standard. With reference to the EU proposal on labour inspections, the EU and the US discussed the relevance of this issue in relation to the implementation of domestic laws on the core labour standards, as well as on other labour rights.

The Parties also reviewed some recent examples of cooperation between the EU and the US on trade and labour matters in third countries (e.g. in Burma/Myanmar), in order to identify how to further facilitate such joint work through TTIP. In this regard, the EU stressed the importance of cooperating with the ILO and of involving a broad range of stakeholders to support long-lasting reforms in partner countries.

On environment, the group had detailed exchanges on different aspects of the EU and U.S. texts. These covered the sustainable management of fisheries, the fight against illegal, unreported and unregulated fishing, biodiversity, trade in wildlife and forestry products, and multilateral environmental agreements. In the context of discussions on the EU's proposal on environmentally sound management of waste and chemicals, the EU made a presentation on its circular economy package. The EU also presented its text proposal on low emission and climate-resilient development¹¹. The talks allowed the EU and the US to deepen the understanding on areas of convergence as well as on differences between their respective proposals.

On cross-cutting issues, discussions focused on the provisions related to the setting of levels of labour and environmental protection in domestic laws and to their implementation.

The EU also gave an overview of the text proposal for the institutional chapter it tabled at this round. This allowed highlighting aspects of specific relevance for the work of the Trade and Sustainable Development group, such as the proposal to establish a Specialised Committee and civil society platforms tasked with advising the Parties on all aspects of TTIP.

The EU and the US compared their experience on the involvement of civil society in the implementation of Trade and Sustainable Development/Labour and Environment

¹¹ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154800.pdf

chapters of their existing FTAs, as well as their approaches to dispute settlement in these areas. The EU confirmed that it will develop provisions on institutional and procedural aspects ensuring they are well suited to guarantee the implementation and enforcement of the substantive provisions. In this regard, the EU recalled that it pursues a high level of ambition for this chapter, and that comprehensive and innovative obligations on substance are a key priority.

3.2. Trade in Energy and Raw Materials

The EU and the US had three days of discussions including on a textual proposal prepared by the EU¹², without prejudice to the question of a chapter.

The EU introduced discussions by reiterating the importance it attaches to the lifting of the US licensing of restriction on exports of natural gas under the Natural Gas Act. The EU views this as an export restriction.

The second part of the discussion was focussed on the proposed EU horizontal provisions in the Trade in Goods chapter, dealing with export monopolies, transit and export pricing, which from the EU point of view are of significant importance in terms of template setting for future free trade agreements with third countries.

The two sides had a technical discussion on the EU proposal for rules dealing with third party access to energy pipelines and grids, also involving experts from the US Federal Energy Regulatory Commission (FERC) and experts from DG ENER. Notions like third party access and wholesale market pricing were compared and the jurisdiction of FERC in the US over, for example, interstate and cross-border infrastructures was discussed.

The third part of the discussions concentrated on proposals that deal with cooperation between the US and the EU, including a review of areas where transatlantic cooperation can foster sustainable development and the transition to low carbon economies. This extended to measures to facilitate renewable energy and energy efficiency.

3.3. Small and Medium-Sized Enterprises

Agreement was reached on most of the future chapter, notably the preamble, the provisions on cooperation, the provisions on information-sharing, and the institutional set up. The provisions which remain bracketed within these topics are related to other on-going areas of discussion in TTIP.

In addition, the two sides started working on a new article that refers to other areas within TTIP which are particularly important for SMEs.

3.4. Customs and Trade Facilitation

In the area of Customs and Trade Facilitation, the EU is seeking rules that facilitate and accelerate export and import operations between the EU and the US while ensuring that goods exchanged are subject to the necessary customs checks and controls.

¹² http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154801.pdf

Further progress was made in several areas of the consolidated text. Discussions touched upon advance rulings (i.e. binding decisions issued by customs to provide traders with information such as the classification or the rules of origin applied to the goods intended for importation or exportation, procedures applied for the rapid release of imported goods, as well as the reference to be made in the chapter to international instruments and best practices. The two sides also discussed the single window systems for the electronic submission of information related to importation, exportation or transit.

The Customs and Trade Facilitation and the Trade in Goods groups held a joint meeting to continue discussions on issues such as procedures for temporary admission of goods and the customs treatment of goods returned after repair.

3.5. Intellectual Property Rights, including Geographical Indications

Good progress was made on the consolidation of the respective proposals. Teams discussed the respective proposals on International Agreements, General Provisions, Cooperation and Plant Varieties. Further discussions are needed to cover the remaining text on IPR Border Enforcement.

The two sides also touched on trade secrets, SMEs and designs. On these issues, there is a considerable level of interest on both sides towards provisions that reflect the high level of approximation of the two systems and their common characteristics providing an effective level of protection to rights holders.

The EU also recalled that the protection of Geographical Indications (GIs) is a key priority in TTIP.

3.6. Investment Protection

On **investment liberalisation and protection**, discussions covered several substantive rules (e.g. market access, national treatment, right to regulate, treatment of investors and investments), as well as reservations put forward by each side. The in-depth textual exchanges allowed to compare approaches and to identify similarities and differences in terms of objectives and/or drafting. Further progress in consolidating text could be made on text where the EU and US proposals present more similarities.

In-depth textual discussions on most parts of the respective text proposals for **investment dispute resolution** allowed further clarifying the respective objectives and legal techniques employed by both sides. The US and the EU also explored possible consolidated text elements for those provisions of the EU and US texts proposals that present similar objectives and drafting approaches.

3.7. State to State Dispute Settlement

This chapter aims at establishing an effective mechanism for resolving any disputes between the Parties on the interpretation and application of the Agreement. With both sides' text proposals being to a certain extent based on the WTO Dispute settlement Understanding there is a large extent of convergence in this area.

The Round allowed a first more detailed discussion of the EU's proposal on mediation. The EU replied to US questions. Another focal point of the discussion were various

provisions which aim at ensuring that panels have the necessary experience or expertise or can acquire such expertise to solve matters that are under dispute. The discussions were constructive with both sides showing flexibility to accommodate each side's concerns. Some progress was made on panel composition, lists of arbitrators, amicus curiae submissions, termination and suspension of panel proceedings, interim and final panel reports. More technical work needs to be done notably regarding the reasonable period of time, compliance and post-retaliation. No convergence could be found regarding the EU's policy not to allow non-violation complaints, the publication of dissenting opinions of arbitrators and some questions linked to retaliation. Both sides agreed on further inter-sessional work.

3. 8 Legal and Institutional Issues

The US and EU negotiators had a fruitful first exchange of views on the EU proposal for institutional, general and final provisions¹³.

Discussions were held on an article-by-article basis and focused on the role and powers of the various entities such as the Joint Committee, the specialised Committees, the role of contact points, the Transatlantic Legislators Dialogue, the domestic advisory groups and the civil society forum. The provisions related to amendments procedures and decision-making, rules on entry into force and provisional application, termination and suspension of TTIP were also discussed. Other important topics were the proposed provisions on the need to fulfil commitments at all levels of government, a clause excluding direct effect of TTIP in the domestic legal orders of the Parties, the proposed 'Open Platform' clause, standard provisions on the future enlargements of the EU, the territorial scope of application and the authenticity of languages. The relationship between TTIP and other agreements, which in the EU proposal is covered with a placeholder, was touched upon briefly.

The role and powers of the Joint Committee and of the specialised Committees were discussed in detail. EU-US practices somewhat differ in the sense that the EU provides for rules on all committees and bodies to be set up under the institutional, general and final provisions of agreements with third countries (e.g. CETA).

The EU's ideas as regards a future framework for transatlantic regulatory cooperation were discussed as part of the session on regulatory cooperation (see Section on regulatory Cooperation).

Discussions took place in a good atmosphere. The EU committed to develop further provisions on exceptions and definitions by the next negotiation Round.

¹³ http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154802.pdf