

Explanatory note

Publication of the revised EU proposal on Regulatory Cooperation in Transatlantic Trade and Investment Partnership (TTIP)

6 May 2015

Towards an EU-US trade deal

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The European Commission has published an update and revision of its initial proposal for a Chapter on Regulatory Cooperation as submitted in the 9th round of TTIP negotiations. The initial EU proposal was published on 10 February¹. The revised text adds new provisions related to **regulatory exchanges at the non-central level** - i.e. not by the US federal government or the European Union but by US States and EU Member States. It also makes some related **clarifications**. Explanations provided in the introductory paper published on 10 February 2015 remain fully valid².

The changes in the revised proposal include:

Article 2 - Definition of regulatory acts and regulators at non-central level:

<u>Article 2</u>: New subparagraph (c) defines regulatory acts at non-central level and new sub-paragraph (d) defines regulators and competent authorities at non-central level, for the purposes of the application of this chapter. In essence, this is about laws and regulations which fulfil the conditions of Article 3, and which are adopted by the central government of EU Member States and the central authorities of a US State. Entities below that level, such as regional or local authorities in EU Member States, provinces, Bundesländer or Länder are not covered; neither are counties and cities on the US side.

Article 11 – Cooperation on regulatory acts at non-central level:

<u>Paragraph 1:</u> Declaration that regulatory cooperation is encouraged in areas of common interest. This article will apply only to those areas.

<u>Paragraph 2</u>: Provides for voluntary information exchange. To identify potential interests and allow future cooperation, regulators can ask for and will obtain available information on specific future or existing laws and regulations of a US State or an EU Member State. The information will either be provided directly by the regulators in charge or through the focal point at US federal level or at EU Commission level.

<u>Paragraph 3</u>: Possible dialogue. Commitment by both sides to make best endeavours to accommodate requests from the other side for dialogue on a specific measure at non-central level.

<u>Paragraph 4</u>: Regulators concerned will always lead the exchanges for the non-central regulatory measures within their competence. Regulators at central level will be facilitators.

<u>Paragraph 5</u>: More detailed provisions may be agreed in sectors and other specific parts of TTIP; they may go beyond this article. If so, those provisions prevail over this article (see also Article 4 on the overall relationship with specific or sectoral provisions). Foot note 18 mentions possible exemples.

¹ Can be found at: http://trade.ec.europa.eu/doclib/docs/2015/february/tradoc 153120.pdf

² Can be found at: http://trade.ec.europa.eu/doclib/press/index.cfm?id=1230#regulatory-cooperation