

Sharon Treat

9-19-13 CTPC meeting update – Report on IGPAC and recent developments from trade press, stakeholders

US-EU (TTIP) negotiations:

- Next round of negotiations (the 2nd) will be in Brussels week of Oct. 7th. As US did in July, EU will have opportunity for stakeholder presentations. Negotiating rounds will be approximately every 6-8 weeks alternating between D.C. and Brussels, with an accelerated schedule.
- IGPAC chair Kay Wilkie (NY) has asked that US negotiators consult with states on “regulatory coherence”. USTR has no specific plans to do so outside of IGPAC. We have asked for detailed briefing to discuss concerns with “harmonizing downward” and potential challenges to state regulations by foreign companies through the investor-state arbitration process.

Enforcement issues:

- Indonesia has requested retaliation in the case involving Indonesia’s successful challenge of the US ban on flavored tobacco products aimed at children, including clove flavored cigarettes. This will go to arbitration (WTO case).
- Ukraine and Honduras are reviving a dispute at the World Trade Organisation (WTO) challenging Australian laws that impose uniform drab green packaging and large graphic health warnings for cigarettes (Sept. 13 news report).
- Mexico and Canada continue to object to US COOL (country of origin) labeling standards for meat, another challenge to US regulation that succeeded. The US revised its regulations on this but the revised regs did not do anything to change the position of Mexico and Canada.

Trade Promotion Authority (TPA) / Fast Track:

- President Obama has officially requested Congress pass TPA. USTR says that there are a lot of new members of Congress of both parties who have questions and that there has been a lot of “misinformation” about TPA. The Administration is working on a bipartisan TPA bill and “has a real sense of urgency.” TPA is part of the President’s economic agenda.
- Congress has a “full schedule” in September and October so unclear how fast this will move.
- In the past, TPA has been linked to reauthorization of Trade Adjustment Assistance (retraining and other assistance to workers when plants are shut down due to trade agreements – Maine has received funds for numerous facilities). Republican House members are objecting to reauthorization and any linkage to TPA.

Trade in Services Agreement:

- This involves all services – USTR plans to offer text (table) on banking and other financial services in November. Other issues include Internet services, professional licensing. USTR expects negotiations to intensify in 2014.

Trans-Pacific Partnership:

- **Schedule of negotiations:** 19th round in Brunei is completed. No formal negotiating rounds planned but multiple negotiations are, in fact, taking place behind closed doors in September and October, without any stakeholder briefings or presentations, including on tobacco, pharmaceuticals, intellectual property, financial services, in various locations, including D.C. and Mexico. USTR wants to finish negotiations before the APEC (Asia-Pacific Economic Cooperation (APEC) is a forum for 21 Pacific Rim countries that seeks to promote free trade and economic cooperation throughout the Asia-Pacific region and includes all of the TPP countries) meeting in Bali in early October or the WTO ministerial conference, also in Bali, in early December. TPP negotiations are described as being in the “end game”.
- **Tobacco:** Instead of getting rid of loopholes in USTR’s May 2012 tobacco proposal (the “safe harbor” language that CTPC objected to as too weak), USTR tabled even weaker language. At the same time, Malaysia has table a complete carve-out. Both proposals are under consideration.
- **Pharmaceutical “transparency” (pricing) proposals:** No new proposals have been offered by the US. This week, PhRMA has been pushing to re-start these discussions and seeking members of Congress to push the Administration to act on this issue. The other countries in the TPP negotiations were very negative about earlier proposals so this appears to have been on a back burner so far.