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UVa Miller Center Report Proposes 8 Steps to Advance US-EU Free Trade Pact *Report Result of Unique Transatlantic Partnership Which Examined Issue From Both Sides*

The University of Virginia's Miller Center has released a report recommending eight actionable steps that will help leaders advance the Transatlantic Trade and Investment Partnership (TTIP), a proposed free trade pact between the United States and European Union. TTIP, the report argues, would increase the flow of goods and services, stimulate investment, create new jobs, and raise both profits and per capita income.

The report is the result of a unique transatlantic partnership which brought together political leaders, scholars, experts, and trade professionals in two conferences to examine TTIP from both the U.S. and EU perspectives. The first part of the 6th annual Mortimer Caplin Conference on the World Economy took place in Washington, D.C. and examined TTIP from the U.S. point of view. Four former U.S. trade representatives were among the participants. A second gathering was held at the University of Edinburgh's Europa Institute and focused on TTIP from the EU perspective.

The report, "The Transatlantic Trade and Investment Partnership: A Multilateral Perspective," can be found at http://web1.millercenter.org/conferences/caplin/2013_caplinReport.pdf. An executive summary is available at http://web1.millercenter.org/conferences/caplin/2013_caplinReport-executiveSummary.pdf.

"Given the state of the economy and with trade issues near the top of Congress's agenda, this report is very timely and much needed," said Gov. Gerald L. Baliles, director and CEO of the Miller Center. "The potential economic benefits of a transatlantic trade agreement are enormous - benefits desperately needed on both sides. The combined economies of the U.S. and the EU have been mired in a cycle of contraction and stagnant economic growth since the 2008 global crisis, and robust growth is not projected to re-emerge any time soon."

The report's eight recommendations include:

1. **Eliminate tariffs—even low ones—wherever possible.** In a \$1 trillion market, eliminating even low tariffs yields significant gains.
2. **Offer mutual recognition opportunities when differing—and entrenched—standards exist.** By focusing on shared desirable outcomes rather than differing processes, TTIP can increase the flow of trade without increasing risk.
3. **Expand the scope of the agreement to include services and procurement, not only goods.** An EU-U.S. trade agreement that omitted services would ignore the reality of modern commerce and the preeminence of both the EU and the U.S. in the global services trade.
4. **Include foreign investor protections in the agreement.** With the EU and U.S. as both the leading sources and recipients of global foreign direct investment, it is imperative that TTIP include an acceptable process of Investor-State Dispute Settlement.
5. **Focus on incremental change to align enforcement practices.** The agreement should aim to identify prospects for coherent enforcement practices in the short term and establish a process of regulatory consultation and scientific collaboration that would be a path for eventual regulatory convergence in the long term.
6. **Maintain alignment with other trade agreements and organizations.** In order to combat perceptions that TTIP is a “rich nation’s club” that represents “the West vs. the Rest,” it should be congruent with the other “mega-regional” trade negotiations, such as the Trans-Pacific Partnership.
7. **Embrace greater transparency up front to encourage public confidence.** Proponents cannot wait until negotiations are complete to pursue public confidence efforts, especially since the limited media attention on TTIP tends to highlight the risks and concerns expressed by its critics.
8. **Enlist the private sector to advocate for TTIP.** In addition to trade and elected officials, the private sector in the U.S. and EU must become involved in promoting TTIP, including small- and medium-sized businesses.

More information on the Mortimer Caplin Conference on the World Economy is available at <http://millercenter.org/conferences/2013/caplin>.

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