

Ms. Cecilia Malmström
Member of the European Commission
Commissioner for Trade
European Commission
Rue de la Loi, 200
B - 1049 - Brussels

Brussels, 16 March 2016

Subject: **Call for an ambitious TTIP**

Dear Commissioner Malmström,

I would like to reiterate the European services sectors support for an ambitious Transatlantic Trade and Investment Partnership with the United States.

The services sector represents the largest part of the economy of both parties, and the largest part of exports in added-value. According to the last figures, services represent more than 60% of all EU exports in terms of value added¹. The bilateral trade in services with the US is reaching 375.7 Billions € in 2014 (with an EU benefit of 11 Billions €) which makes more than 1 billion € per day. 38.3% of total exports of the EU to US (in BoP) are services, and this figure is even higher for the total imports (46.9%).

With such figures, one could nearly consider that the services markets between the two parts are wide open. That is not correct. There are many barriers remaining in the two parties and we hope that the TTIP will further improve access to allow reaching the full potential of a transatlantic services market.

There are too many unjustified barriers in the EU that need to be tackled. The United States continue to practice total ban in shipping. There are equity caps like 25% in aviation transport and 20% in telecoms, and significant behind the border barriers like in telecoms and satellites. There is a very long list of citizenship requirements e.g. in banking, insurance and accounting. Residency requirements exist for legal, accounting, engineering, and insurance services. Local presence requirements exist for instance for legal, accounting, insurance as well as a legal form requirement in insurance, etc. The EU systematically tries to remove those kind of obstacles with all our other trading partners with which we have negotiated or are currently negotiating. TTIP should not be any exception, in particular if TTIP is bound to become a new benchmark.

In a very large number of services sectors, US companies established in one of the EU member states have access to the whole EU market thanks to the EU single market and single licence mechanism. The same is unfortunately not valid in the United States, where access to one state does not imply access to all 50 states. The negotiations should focus at least on those States where European services have the highest potential to grow business like in the East coast (District of Columbia, Florida, Massachusetts, New Jersey, New York, Virginia), in Illinois and Michigan, and on the West coast (California and Washington).

¹ WTO – Global Value Chain – “Trade in value-added and global value chains: statistical profiles” – January 2016

TTIP should go beyond of what our companies already have or will have through the current practice in the US and the EU, or through existing agreements (GPA, TPP) or on-going talks (TISA), including for public procurement and regulatory cooperation.

We support your efforts to conclude the negotiations in the course of this year if that is possible. But we also urge that the services pillar in TTIP plays a significant part of the deal. Ambition should prevail on timing for such an important agreement.

We wish you and your services good luck and success in your up-coming meetings with your American counterparts.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'T. Harris', with a long, sweeping horizontal line above it.

Sir Thomas Harris
ESF Chairman