Transantic Trade and Investment Partnership (TTIP) Fact Sheet

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The Transatlantic Trade and Investment Partnership (TTIP) is a bilateral trade agreement currently under negotiation between the United States and the European Union. Negotiations for the trade agreement have made progress since beginning in 2013. However, the two sides are still far apart on a few major issue areas, ensuring that negotiations will not be concluded in the immediate future. Here's what you need to know about TTIP and how it affects small business:

- According to a 2004 NFIB Research Foundation study on international trade, approximately 20% of small manufacturing exporters sell to the British Isles or Continental Europe.
- Trade Promotion Authority (TPA), enacted in June, requires that the text of a concluded trade agreement be released to the public 60 days prior to being signed by the President and leaders of other countries in the agreement.
- After the trade agreement has been signed following the 60 day waiting period, the President publishes legislation for implementing the agreement and, after another mandatory 30 day waiting period for the public and Congress to read that legislation, introduces the bill to Congress for approval.
- Once introduced, the bill has 45 days to reach the floor of both the House and Senate. No amendments may be introduced and filibusters are not allowed. A majority vote is required to ratify the agreement.

TTIP is a complex agreement that involves a variety of topics relevant to business. Although a full text will not be available until negotiations are completed, the Office of the US Trade Representative (USTR) provides a list of negotiating objectives . Below is a summary of the expected parts of the agreement that are most relevant to small-business owners:

- While most United States and European Union tariff rates are the lowest in the world, TTIP negotiators aim to reduce tariffs on sensitive industries such as agriculture and automobiles, allowing greater market access for US exports.
- The agreement is also expected to reduce non-tariff barriers to trade by making the regulatory environments more similar. This includes reducing the duration and cost of customs transactions, and by allowing testing and inspections that are fully recognized in each country, particularly on agricultural products and manufactured goods. This is not only relevant for the small exporters but also for small businesses that are in the exporting supply chain.

- TTIP also aims to improve market access for the service sector by increasing transparency and reducing discrimination with regard to authorizations to supply services, and increasing regulatory cooperation.
- A negotiating objective of TTIP is to create a fairer environment for businesses that compete with state-owned enterprises, including those facing import competition, by establishing rules for fair practices and increasing transparency of government support for SOEs. If successful, the standard set by TTIP could be used to establish global standards for SOEs.
- TTIP is expected to reinforce commitments to enforcing environmental law, though it is unclear whether new regulations will result from the agreement.
- TTIP is also expected to ease access for cross-border data flows, allowing businesses to provide digital goods and services to the EU, and make online sales easier for small exporters.
- For more information on issues in TTIP affecting small business, USTR has provided an informational document promoting the agreement.