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Subject:	Directives for the negotiations with the United States of America for an agreement on the elimination of tariffs for industrial goods

DIRECTIVES FOR THE NEGOTIATIONS WITH THE UNITED STATES OF AMERICA FOR AN AGREEMENT ON THE ELIMINATION OF TARIFFS FOR INDUSTRIAL GOODS

Nature and Scope of the Agreement

1. The Agreement should contain provisions on the elimination of tariffs for industrial goods[1], between the Parties, thus providing for the reciprocal elimination of tariffs.

2. The Agreement should be fully consistent with World Trade Organization (WTO) rules and obligations.

[1] Industrial goods encompass all goods other than those included in Annex I of the WTO Agreement on Agriculture.

Objectives

3. The objective of the Agreement is to increase trade between the European Union and the United States with a view to generating new economic opportunities that create jobs and growth as a result of increased market access due to the reciprocal tariff elimination for industrial goods. The potential economic, environmental and social impacts of the provisions of this Agreement should be examined by means of a Sustainability Impact Assessment (SIA) as soon as possible, taking into account the commitments of the EU in international agreements, including the Paris Agreement on climate change. The Commission should ensure that the SIA is conducted in regular dialogue with all relevant stakeholders, notably from civil society. The findings of the SIA should be taken into account in the negotiating process.

Content of the Agreement

Duties and other requirements regarding imports and exports

4. The goal of the Agreement should be to eliminate all duties for industrial goods on a reciprocal basis, with the objective of achieving a substantial elimination of tariffs upon entry into force and a phasing out of such tariffs in an appropriate time frame. In line with the Joint Statement of 25 July 2018 and the SIA, account should be taken of the particular sensitivities for certain goods, including energy-intensive products, and of the environmental impact arising from the differences in the EU and US regulatory frameworks. All customs duties, taxes, fees, or charges on exports and quantitative restrictions or authorisation requirements on exports to the other Party which are not justified by exceptions under the Agreement should be abolished upon the application of the Agreement. The Agreement should be without prejudice to either Party's right to take appropriate safeguard, anti-dumping or countervailing measures in accordance with the WTO Agreement.

5 The results of the SIA, including the environmental impact arising from differences in the EU and US regulatory frameworks, shall be taken into account after consultation of the special committee set out in accordance with Article 218(4) TFEU, for all relevant tariff lines, as soon as possible during the negotiations.

Rules of origin

6. Negotiations should aim at facilitating trade between the Parties and should take into account the standard preferential rules of origin of the European Union and the interests of the European Union economic operators. The Commission shall regularly consult with the Trade Policy Committee on the state of play of the discussions on rules of origin.

Institutional framework

7. The Agreement should set up an institutional structure to monitor the implementation of the Agreement.

Dispute settlement

8. The Agreement should include an effective and binding dispute settlement mechanism to ensure that the Parties observe mutually agreed rules.

Final provisions

9. The Agreement should include a provision allowing the European Union to suspend unilaterally the application of substantially equivalent concessions or obligations, if the United States adopts against the European Union any measures, under Section 232 of the Trade Expansion Act, Section 301 of the 1974 Trade Act or under any other similar United States law.

10. The Agreement should be equally authentic in all official European Union languages and shall include a language clause to that effect.

Transparency

11. The Commission, in cooperation with Member States, shall, throughout the negotiations, ensure appropriate communication, based on the principle of transparency, towards all relevant EU stakeholders, including civil society and economic operators.

Conduct of the negotiations

12. Following consultation of the Trade Policy Committee, the Commission shall suspend the negotiations with the United States, if the United States does not respect the commitment made on 25 July 2018 to abstain during the course of the negotiations from adopting new measures, against the European Union under Section 232 of the Trade Expansion Act of 1962. The Commission may also suspend negotiations if the United States adopts trade restrictions against European Union exports on the basis of Section 301 of the 1974 Trade Act or under any other similar United States law.

13. Prior to the conclusion of negotiations, the Commission will confirm that the United States has removed any measures on exports of steel and aluminium originating in the European Union pursuant to Section 232 of the US Trade Expansion Act of 1962.