Call for evidence

UK-US trade negotiations inquiry

The House of Lords EU International Agreements Sub-Committee (IAC), chaired by Lord Goldsmith QC, is currently undertaking an inquiry into the UK-US trade negotiations towards a new full free trade agreement. For more background on the inquiry, see our inquiry page.

This is a public call for written evidence to be submitted to the Committee. The Committee's scrutiny of these negotiations will consider a wide range of issues, and we expect to continue to seek evidence throughout the course of the negotiations.

Our previous call for evidence included detailed issues relating to agri-food, healthcare and drug pricing, and digital trade, as well as the potential impacts of a trade deal on regions in the UK and how different areas, regions and nations across the country might either benefit from the deal or miss out. That <u>call for evidence</u> is available, and we continue to welcome submissions covering one, some or all of those questions.

Our <u>first letter to the Secretary of State for Trade</u> covering these issues was published on 31 July, and her response will be published in due course. The written and oral evidence on which that letter was based is available <u>here</u>, and submissions are welcome to cross-refer to existing evidence.

The questions below cover additional topics, including:

- Climate change and environmental commitments and regulation;
- Intellectual property provisions;
- Mutual recognition of regulations and standards setting across sectors; and
- The import of agri-food products.

We would be grateful for submissions on one, some or all of the questions set out below by Friday 25 September, in the first instance.

Concise submissions are preferred, and responses must not be any longer than six sides of A4. Bullet points are acceptable. Paragraphs should be numbered. Submissions should be made through the written submission form below and will be acknowledged automatically by email. Submissions do not need to address every question below. Equally, if there are any crucial issues not captured by the questions we pose, please highlight what they are and explain their salience.

Further revised calls for written evidence may be issued in due course, as negotiations progress, and all those who have previously made written submissions will be notified of this and invited to make an additional submission, if they wish.

The process for making submissions is set below, but if you have any questions or require any adjustments to enable you to respond, please contact the staff of the Committee at HLIntlAgreements@parliament.uk.

Areas of interest

General and cross-cutting issues

We welcome broad responses to these general questions, as well as specific responses to them regarding one or more of the themes set out below.

1. How effectively does the Department for International Trade (DIT)'s strategic approach, published on 2 March 2020, represent the interests of different groups and regions across the country, including the devolved nations, businesses, civil society, and individuals?

2. How reliable do you find the DIT's assessment of the potential impacts of the proposed agreement with the US, either as set out in the strategic approach or elsewhere? How do you evaluate the economic analysis behind the DIT's the impact assessment? The impact assessment suggests that the trade deal could increase GVA in Scotland, Wales, the North East, and the Midlands in particular. How do you evaluate this assertion?

3. How can the Government ensure that any outcome has a net positive result for the country, especially in the light of the impacts of COVID-19 locally, regionally, nationally and globally? What are the costs and benefits of a UK-US trade deal to the various regions of the UK? We would be especially interested in detailed economic analyses on this point.

4. To what extent do the ongoing negotiations with the EU on a future relationship conflict with negotiations with the US on a trade deal? What are the major trade-offs involved? And what effect could a UK-US trade deal have on the UK's future ability to negotiate deals with other countries, including China?

5. The United States Congress will scrutinise the US Government's negotiations with the UK and any final deal. What do you think will be the

key issues for Congress and legislators in the US? How will the influence of US legislators be felt in the course of these negotiations?

Climate change and environmental commitments and regulation

The Committee has already received evidence from several witnesses on these areas and would welcome additional views. The questions that follow are not intended to be prescriptive, and submissions relating to other relevant points are welcome.

6. What implications might an FTA with the US have for the UK's international commitments on environmental protection and climate change? How might the deal affect the UK's national objectives in these areas, such as the Government's commitment to reaching net-zero by 2050?

7. The UK objectives for negotiations with Japan include "ensur[ing] both parties meet their commitments on climate change", but this sort of objective is missing from the Department for International Trade's published documents about talks with the US. How should the UK Government prioritise climate change and environmental issues in talks with the US? What should be the key objectives?

8. The UK will host the UN climate conference, COP26, in 2021, having been delayed from November 2020. How should the UK's trade policy align with the UK's leadership on climate and environment in other fora, such as COP? In your view, is there already sufficient alignment between the Government's trade policy and its other goals, such as on achieving netzero, or are changes needed? Or should the two spheres operate entirely separately?

9. What is your assessment of how the Government is getting the message across to negotiating partners that it takes its multilateral and domestic commitments in this area seriously?

10. What steps could the UK take to help ensure that the UK-US deal, taken as a whole, secures positive environmental impacts? How should this best be assessed?

11. We have heard from some witnesses concerns about how investor protections, in particular investor-state dispute settlement mechanisms, could affect domestic environmental regulation. What assessment do you make of this particular risk? Are there any studies or especially salient examples that you would give?

Digital trade and intellectual property provisions

The Committee has already received evidence from several witnesses on these areas and would welcome additional views. The questions that follow are not intended to be prescriptive, and submissions relating to other relevant points are welcome.

We have heard concerns from witnesses about the risk that the UK's copyright and intellectual property rules might be changed in the light of any deal with the US.

12. How do the two countries' copyright and IP rules compare? What provisions on copyright and IP should the UK seek to agree with the US to support the UK's creative industries in particular? How high a priority should other areas be, such as securing an Artist's Resale Right provision?

13. Witnesses have also raised concerns about the US' "safe harbour" rules that protect platforms like Google and Facebook from liability for content posted by others. What is your view of those protections and their consequences for copyright rights holders? What provisions should the Government be seeking to support copyright holders enforcing their rights?

14. The Court of Justice of the European Union has recently issued its judgment in the Schrems II case, invalidating the EU's adequacy decision for the US' Privacy Shield, which had facilitated transatlantic data transfers. How might that judgment affect the possible provisions that the UK and US can agree? How might it affect the UK's parallel discussions with the EU?

15. Would you support establishing a UK-US intellectual property working group? Who should be represented on that group, and what should its key focuses be?

We have also received submissions about how intellectual property and exclusivity rights are applied to drug patents and 'biologic' medicines, such as some innovative cancer treatments. The US is seeking to secure extensions to the periods that protect such drugs and medicines.

16. What is your view of the effects of those longer periods, both in the US, where they currently apply, and for the UK if they were to be introduced following a trade deal?

17. Are there any studies or salient examples of how these patent/exclusivity periods support or undermine innovative research and the ultimate health outcomes for patients?

Regulation and standards setting

The Committee has already received evidence from several witnesses on these areas and would welcome additional views. The questions that follow are not intended to be prescriptive, and submissions relating to other relevant points are welcome. 18. Would the UK aligning more closely with the US' regulatory approach benefit either UK or the US business? How do you assess the respective benefits for US businesses of the UK's alignment either with an EU or a US approach to regulation? How might the UK use a UK-US deal to advocate for the adoption of international standards?

19. We have heard from witnesses that the UK should not agree to mutual recognition of standards, for example because US standards are less consensus-based than those that apply in the UK. What is your view of how the US, at all levels, sets standards for, and regulates the safety of, products?

20. Any agreement will bind the federal government in the US, but UK businesses may face a range of barriers at state-level, including variations in product standards. What steps could be taken in an FTA to help ease these barriers? What should the UK Government be pushing for in this area?

Import of food and agricultural products

21. What opportunities do you see for UK businesses that import, or rely on the import of, food or agriculture products across sectors? How do you assess the Government's evaluation of any opportunities, in their published strategic approach or elsewhere?

22. Trade deals are not solely about economic benefits. How might a trade deal on agri-food affect the UK in other ways? For example, could a deal that increased the number of agri-food imports from the US help in tackling food poverty, or increase efficiency or the adoption of innovations by producers based in the UK? What are the broader risks and opportunities in this area?

Other areas of negotiation: trade remedies, government procurement, SMEs and services

23. The UK has developed a new trade remedies framework based on the "key principles" of "transparency, efficiency, impartiality and proportionality". What impact might these negotiations and any deal with the US have on the UK's establishment of its own trade remedies regime? What are the possible risks or opportunities for the UK in negotiations with the US on these issues?

24. Both countries' stated objectives include provisions relating to government procurement and areas that they intend to exclude from negotiations, including sub-federal programs and defence programs (US objectives), and key public services, such as the NHS (UK objectives). What are likely to be the key points of both agreement and contention in

negotiations about government procurement? What are the possible risks or opportunities for the UK?

25. Small and medium-sized enterprises could particularly benefit from opening US public procurement to UK business, but it is not clear that an SME chapter in a UK-US deal can secure those opportunities. What practical assistance should a deal give to UK SMEs? Are there any other steps that could be taken in a UK-US deal to help ensure that UK SMEs are treated in a non-discriminatory fashion?

26. The UK is seeking "ambitious commitments" from the US regarding trade in services. What general or sector-specific rules, including on financial and aviation services, should the UK be seeking to support the UK's services exporters?

27. The US has recently walked away from one strand of OECD-led talks about taxing digital services. What do you think the UK's approach should be to its recently introduced Digital Services Tax? How useful or necessary is such a tax for the UK?

Guidance for submissions

Concise submissions are preferred, and responses must not be any longer than six sides of A4. Bullet points are acceptable. Paragraphs should be numbered. Submissions should be made through the written submission form below and will be acknowledged automatically by email.

Evidence that is accepted by the Committee may be published online at any stage; when it is so published it becomes subject to parliamentary copyright and is protected by parliamentary privilege. Submissions that have been previously published elsewhere will not be accepted as evidence.

Once you the evidence has been accepted and published, you will receive a further email, and at this point you may publicise or publish your evidence yourself. In doing so you must indicate that it was prepared for the Committee, and you should be aware that your publication or re-publication of your evidence may not be protected by parliamentary privilege.

Personal contact details will be removed from evidence before publication but will be retained by the Committee Office and used for specific purposes relating to the Committee's work, for instance to seek additional information.

Substantive communications to the Committee about the inquiry should be addressed through the clerk of the Committee, whether or not they are intended to constitute formal evidence to the Committee.