

## Brexit Causes Massive Headache For TTIP Talks: Former USTR

By Alex Lawson

*Law360, New York (August 26, 2016, 6:26 PM ET)* -- The uncertainty swirling around the United Kingdom's decision to vacate the European Union has put the Transatlantic Trade and Investment Partnership negotiations in a bind as the White House contemplates the best course of action for the massive agreement, former U.S. Trade Representative Mickey Kantor told Law360.

Although the Obama administration has continued to hold TTIP negotiating sessions with the EU even after the U.K.'s landmark vote triggering the so-called Brexit, the potential removal of one of the 28-nation bloc's most powerful economies will require a significant readjustment to the U.S. negotiating approach, Kantor stressed.

"TTIP remains viable, even without Great Britain," he said. "But it's more complicated because not only are you now negotiating with the EU ... but you've got to remember you will also begin to negotiate with Great Britain as to what its trade negotiations with the United States are going to look like subsequent to Brexit."

The U.S. is able to conduct business as usual with regard to the TTIP because the U.K. has not formally invoked the statutory mechanism that will put the Brexit process in motion. When it does, London will enter into its own set of talks with the EU to hammer out a number of details about their trade and customs relationship going forward.

Those talks between the U.K. and EU will be complex, but they will face a hard two-year window to complete them. In the meantime, the U.S. is likely to keep pursuing the TTIP, but it will have to keep an eye toward a future with Britain as a sovereign entity.

"[The U.K.] will reach certain agreements with the EU on trade and other issues, which will affect the TTIP negotiations because the EU will in effect have to alter their approach to certain subjects that may not be affected right now," Kantor said.

Kantor, who served as USTR under President Bill Clinton and is now a partner at Mayer Brown LLP, also addressed the many calls for the U.S. to pursue a standalone trade agreement with the newly independent U.K.

Specifically, he said that if the U.S. decides to go that route, it would be best if its negotiations with the U.K. proceeded alongside the TTIP talks as the two economies will be inexorably linked even if the U.K. completes its exodus.

“I would think you have to do them in parallel and do them at the same time so that they are consistent with one another,” he said. “That will definitely keep the USTR and the USTR staff very busy in the first year and a half to two years of the next administration.”

His citation of the work ahead for the next president is apt. Despite a strong push from the Obama administration, wrapping up the TTIP before end of the year was already a long shot even before the Brexit vote. With this new set of hurdles, it is even more certain that the TTIP will have to be completed on someone else’s watch.

Also, given the firestorm of controversy around the Trans-Pacific Partnership, some have speculated that the TTIP could rise in prominence during the next presidential term, especially if Hillary Clinton takes the White House. But Kantor did not agree with that sentiment, speculating the Clinton administration will begin fully engaging on the TPP from the moment she is sworn in.

“I think that the next Clinton administration will take a look at the situation, at TPP, and try to change it or alter it in a way that President Clinton believes addresses the problems she has with it and try to move TTIP forward as well,” he said. “You will have to walk and chew gum at the same time.”

When the next president takes the oath of office, however, the U.K. may still not have formally begun the Brexit process, meaning that the new bench of U.S. trade officials will have to keep in close consultations with officials in Brussels and London to see how things are progressing in order to ensure that the trade regime does not go off the rails.

“It would be helpful if the USTR and the State Department began immediate talks with Britain and the EU as to where they are going, what they are going to do on certain issues, how they can begin talks about TTIP in parallel with it and try to wipe away some of the complications if they can. There will be early talks on that is my guess,” Kantor said. “You can’t ignore that.”

--Editing by Christine Chun and Rebecca Flanagan.