EU's Fear of 'Chlorine Chicken' Complicates US Trade Talks

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BRUSSELS (AP) — Visions of chlorine-drenched chickens and the prospect of genetically modified "Frankenfood" invading dinner tables across the European Union are proving serious impediments to the signing of a sweeping free trade agreement between the United States and the 28-country bloc.

Optimism that negotiations, which marked their first-year anniversary this, would lead to a deal to create a trading bloc of 800 million people representing around half the world's economic output have faltered amid growing public opposition. Suspicions toward the U.S. following a spying scandal and electoral considerations on both sides of the Atlantic have also not helped to foster progress.

A year ago, U.S. President Barack Obama and his European peers sought an agreement to create the trading bloc by the end of 2014.

"There was much hype a year ago," economist Andre Sapir of Brussels-based think-tank Bruegel said. "That was totally unrealistic .... It will take a long time, if it can be achieved at all."

Analysts say a deal is unlikely within Obama's second term, which ends in early 2017.

And his successor will most likely face similar obstacles in Congress where lawmakers, fearing potential job losses, have proved reluctant to embrace another free trade agreement since the North American Free Trade Agreement 20 years ago. A pact between the U.S., Japan and 10 other Pacific nations has also proved elusive.

Congress has shown little inclination to grant Obama fast track authority over trade deals — the process empowers presidents to negotiate trade deals and present them to Congress with no amendments allowed. Many Democrats seeking re-election in November are fearful of drawing opposition amid concerns over jobs.

The political problems don't just lie in the U.S. Recent elections to the European Parliament saw many euroskeptics opposing more integration win almost one in three seats.

"Governments will be less willing to sacrifice fragile political capital in favor of an unpopular trade agreement from which they are unlikely to make immediate political gains," said Eurasia Group's Roldan.

A senior EU official conceded that the timeline is slipping with the European

Commission — the bloc's executive branch — now hoping to conclude a deal during Obama's current term.

"That would mean no later than 2016," said the official, who spoke on condition of anonymity because of the negotiations' confidentiality.

An agreement to lower tariffs and eliminate other trade barriers would, it is hoped, strengthen a relationship worth 800 billion euros ($1.1 trillion). It could also help the pair shape global trade rules on issues like safety standards to pharmaceutical regulation against the growing power of China and other emerging economies.

"That is why third countries like China, India and Brazil are so fearful of the negotiations," Bruegel's Sapir said.

However, concerns may be overdone. The two sides can't even agree on chicken meat — the EU bans U.S. poultry imports because chickens there are rinsed with chlorine to kill germs after slaughter.

"If our chickens are going to be excluded from their market because of this false prejudice, that's a big issue," said Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics in Washington, D.C.

Just as thorny is Europe's refusal to allow the import of hormone-treated beef and genetically modified crops. Fears of "Frankenfood" remain a key concern of consumer groups.

"The trade deal risks undermining crucial European social, health and environmental protection, including keyfood safety and pollution measures, which industry claims are barriers to trade," according to the campaigning group Friends of the Earth.

EU officials reject those claims against the Trans-Atlantic Trade and Investment Partnership as "scaremongering,"

"There is nothing dangerous in TTIP," Trade Commissioner Karel De Gucht told European lawmakers this week. "We should remove protectionism, but keep protection," he said, insisting the EU won't accept lower safety standards just for the sake of concluding a deal.

In an ironic twist, opposition has grown in Germany, the country that stands to benefit most from the deal. "Chlorine chicken" has become a regular companion to discussions over the pact.

"Germans fear they will be invaded by all these genetically modified crops and steaks," said Antonio Roldan of think-tank Eurasia Group.

There's also increasing suspicion toward America after spying revelations that reportedly included wire-tapping Chancellor Angela Merkel's phone by the National Security Agency. A recent poll for German public broadcaster ARD found 55 percent

thought TTIP would be negative for Europeans.

For negotiators, there are even bigger roadblocks to overcome such as streamlining regulation and investment rules.

Amid the criticism, the Commission in January suspended talks on investment rules for a public consultation. Officials say they received more than 100,000 responses, which will take months to go through.

The rules would allow investors or firms to bring arbitration claims against a country for violations of the pact's investment guidelines.

Activists, lawmakers, unions and some officials fear the rules will curtail the right of governments to set policies by exposing them to corporate lawsuits.

"TTIP must reject all provisions that allow corporations, banks, hedge funds and other private investors to circumvent normal legislative, regulatory and judicial processes," the umbrella groups for U.S. and European unions, AFL-CIO and ETUC, recently said in a joint statement.

However, the Commission maintains the current legal situation leaves EU nations even more vulnerable to corporate claims.

The U.S. won't accept a deal without the investment rules. The Europeans, in turn, urge Washington to include financial regulation. The U.S. doesn't want that for fear of watering down its own arduously negotiated rules, such as the Dodd-Frank Act, but EU nations are keenly aware of their banks' exposure to U.S. regulations — as shown recently with the $9 billion fine on French bank BNP Paribas for sanctions violations.

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