U.S., EU Plan Fresh Trade Talks Amid Spying Uproar

Negotiations Will Mark First Substantive Discussions on Range of Issues

By William Mauldin

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WASHINGTON—The U.S. and the European Union on Monday announced two rounds of trade negotiations over the next two months, setting up a test on whether the nascent talks can overcome the political fallout from U.S. spying revelations and other sensitive topics.

Officials said they are pressing ahead with discussions, put in motion over the summer and known as the Transatlantic Trade and Investment Partnership, after a brief delay caused by U.S.'s partial government shutdown.

"I am glad to see our talks are going ahead full speed," said EU Ambassador to the U.S. João Vale de Almeida.

A successful pact could boost sluggish economic growth on both sides of the Atlantic. The U.S. and EU are looking for ways to cut remaining tariffs, smooth the way for more investing and agree on common regulatory regimes to lower the cost of doing business.

Some officials also see work on the trade agreement, dubbed the "economic NATO," as a counterbalance to China's rising economic clout and Russia's post-Soviet ambitions.

Trade negotiators must overcome a number of difficult hurdles to reach an agreement, which could take a couple of years to complete.

The spying allegations could complicate already sensitive discussions on online data privacy, where differing U.S. and European approaches have created a divide. U.S. and EU officials must also overcome differences on food safety and financial-services industry regulation.

One decision facing negotiators is the extent to which they attempt to address digital commerce, such as Internet-based sales, and associated privacy issues, including how companies use consumer data.

Large companies, many based in the U.S., want clarified rules of the road for everything from Hollywood movies to online financial services.
A spokeswoman for EU Trade Commissioner Karel De Gucht said Monday that e-commerce would likely be discussed in the coming talks. But she said it is still too early to know the extent to which the issue will be handled in any trade agreement.

A U.S. trade official on Monday expressed confidence that Washington will find ways to respect privacy on both sides of the Atlantic via a common digital trade agenda with the EU. The overall architecture and approach of the trade agreement are still under discussion, the official said.

Face-to-face talks will take place in Brussels on Nov. 11-15 with a focus on trade in the services, investment and energy sectors and on regulatory issues. Another round of direct talks will take place in Washington in December, along with video discussions.

Former officials and trade experts have expressed concern that revelations of National Security Agency surveillance programs, including a program to monitor German Chancellor Angela Merkel’s cellphone, could hamper efforts to strike a wide-ranging U.S.-EU trade deal.

EU Justice Commissioner Viviane Reding said in Washington last week that data privacy is a “fundamental right” in the EU that is “not negotiable.” Members of the European Parliament, where anger about U.S. spying has reached a high pitch, discussed privacy last week with half a dozen U.S. government agencies.

The EU is currently working on a major update of laws governing how companies use personal data, and Ms. Reding said that if the U.S. were to pass an overarching privacy law it would help restore international trust.

Some trade advocates say it is hard to completely separate concerns about covert government data collection from corporate data privacy and e-commerce.

“To me, they're two sides of the same coin—to think you can talk about one and not the other is odd,” said Bill Reinsch, president of the National Foreign Trade Council, which represents businesses and backs free trade.

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