

Recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP)

2014/2228(INI) - 08/07/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 436 votes to 241, with 32 abstentions, a resolution containing the European Parliament's recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP).

Plenary noted that the EU and the US are key strategic partners and that the Transatlantic Trade and Investment Partnership (TTIP) is **the most significant recent EU-US project** and should reinvigorate the transatlantic partnership as a whole, beyond its trade aspects.

Parliament addressed, in the context of the ongoing negotiations on TTIP, the following recommendations to the Commission:

a) Scope and the broader context:

- **further transparency:** it should be ensured that transparent TTIP negotiations lead to an ambitious, comprehensive and balanced trade and investment agreement of a high standard that would promote sustainable growth with shared benefits across Member States, with mutual and reciprocal benefits between the partners, increase international competitiveness and open up new opportunities for EU companies, in particular SMEs, support the creation of high-quality jobs for European citizens;
- **basis:** the TTIP negotiations consist of negotiations on three main areas – ambitiously improving reciprocal market access (for goods, services, investment and public procurement at all levels of government), reducing NTBs and enhancing the compatibility of regulatory regimes, and developing common rules. It should be ambitious and binding on all levels of government on both sides of the Atlantic and should lead to lasting genuine market openness on a reciprocal basis and trade facilitation on the ground, and should pay particular attention to structural measures to achieve greater transatlantic cooperation while upholding regulatory standards and consumer protection and preventing social, fiscal and environmental dumping;
- **principles and values:** the TTIP should promote the principles and values, anchored in a rules-based framework, that the EU and the US share and cherish and to design a common approach and vision to global trade, investment and trade-related issues;
- **WTO involvement:** the TTIP should ensure that an agreement with the US serves as a stepping-stone for broader trade negotiations and is not pre-empting or counteracting the WTO process. Bilateral and plurilateral trade agreements should generally speaking be considered as a **second-best option** and must not prevent efforts made in order to reach significant improvements on the multilateral level;
- **synergies with other trade agreements:** the Agreement should ensure easier market access to common trans-Atlantic standards and avoid risks, such as trade diversion from developing countries due to tariff preference erosion;
- **Fundamental rights:** the Agreement should ensure that the agreement guarantees full respect for EU fundamental rights standards through the inclusion of a **legally binding and suspensive human rights clause** as a standard part of EU trade agreements with third countries.

b) Market access: the Agreement should:

- ensure that the market access offers in the different areas are reciprocal, equally ambitious and reflect both parties' expectations, underlines that the different proposals for those areas must be balanced;
- aim at the **elimination of all tariff duties** while respecting that there are a number of sensitive agricultural and industrial products on both sides for which exhaustive lists will have to be agreed upon during the negotiation process; to foresee for the most sensitive products appropriate transitional periods and quotas and in few cases their exclusion, taking into account the fact that in many cases those products have higher production costs in the EU owing to EU rules;
- have a safeguard clause which would be invoked where a rise in imports of a particular product threatened to cause serious harm to domestic production, with specific reference to food production and to the energy-intensive, carbon-leakage, chemicals, raw materials and steel sectors in the EU;
- increase market access for services according to a "hybrid list approach", using for market access "positive lists", whereby services that are to be opened up to foreign companies and using "negative list approach" for national treatment;
- address and remove the current US restrictions on maritime and air transport services owned by European businesses, which seriously hinders market access for EU companies as well as innovation in the US itself;
- **exclude current and future Services of General Interest as well as Services of General Economic Interest from the scope of application of TTIP**, (including but not limited to water, health, social services, social security systems and education);
- ensure mutual recognition of professional qualifications;
- ensure adequate protection for consumers of financial goods and services;
- establish enhanced cooperation between the EU, the Member States and the US, including mechanisms for more efficient international cooperation with the aim to set global higher standards against financial and tax criminality and corruption;
- ensure that the **EU's acquis on data privacy is not compromised through the liberalisation of data flows**, in particular in the area of e-commerce and financial services, and **fully exempts the existing and future EU legal framework for the protection of personal data** from the agreement without any condition that it must be consistent with other parts of the TTIP;
- keep in mind that the consent of the European Parliament to the final TTIP agreement could be endangered as long as the US blanket mass surveillance activities are not completely abandoned;
- call for open competition in and development of the digital economy;
- ensure via a legally binding general clause applicable to the entire agreement, that the parties, reserve their right to adopt or maintain any measure (in particularly those of a regulatory and/or financial nature) with respect to the protection or promotion of cultural and linguistic diversity;
- specify that nothing in the agreement shall affect the ability of the EU or EU Member States to subsidise and provide financial support to cultural industries and cultural, educational, audiovisual and press services;
- ensure with a general clause the right of EU Member States to adopt or maintain any measure with regard to the provision of all educational and cultural services which work on a non-profit basis;
- ensure an ambitious approach to the chapter on public procurement, while respecting the compliance of the chapter with the new EU public procurement and concession directives, whilst ensuring equal access for EU and US companies, especially SMEs, when tendering for public contracts;
- be aware regarding public procurement of the sensitive nature of the fields of defence and security;
- ensure that the negotiations on rules of origin aim at reconciling the EU and US approaches and at establishing effective rules of origin, thereby avoiding that rules of origin are undermined by other agreements.

c) Regulatory cooperation and coherence pillar and non-tariff barriers (NTBs): the Agreement should:

- ensure that the regulatory cooperation chapter promotes a transparent, effective, pro-competitive economic environment through the identification and prevention of potential future non-tariff barriers to trade, which disproportionately affect SME's, and the facilitation of trade and investment while developing and securing the highest levels of protection of health and safety in line with the precautionary principle laid down in Article 191 TFEU, consumer, labour environmental and animal welfare legislation and of cultural diversity that exists in the EU;
- recognise that, where the EU and the US have very different rules, there will **be no agreement**, such as on public healthcare services, GMOs, the use of hormones in the bovine sector, REACH and its implementation, and the cloning of animals for farming purposes, and therefore **not to negotiate on these issues**;
- encourage the US side to lift the ban on beef imports from the EU;
- address customs issues that go beyond the WTO Trade Facilitation Agreement (TFA) rules;
- define clearly, in the context of future regulatory cooperation, which measures concern TBT and duplicated or redundant administrative burdens and formalities and which are linked to fundamental standards and regulations, or procedures serving a public policy objective;
- fully respect the established regulatory systems on both sides of the Atlantic, as well as the European Parliament's role within the EU's decision-making process and its democratic scrutiny over EU regulatory processes when creating the framework for future cooperation while at the same time ensuring the utmost transparency and being vigilant about having a balanced involvement of stakeholders within the consultations included in the development of a regulatory proposal and not do delay the European legislative process.

d) Rules: the Agreement should ensure:

- that the sustainable development chapter is binding and enforceable and aims at the full and effective ratification, implementation and enforcement of the eight fundamental International Labour Organisation (ILO) conventions and their content;
- that labour and environmental standards are made enforceable;
- that the objective of dedicating a specific chapter to energy is retained, including industrial raw materials; the TTIP would abolish any existing restrictions or impediments of export for fuels, including LNG and crude oil, between the two trading partners;
- that TTIP supports the use and promotion of green goods and services and the creation of new jobs in the green economy;
- that TTIP includes a specific chapter on SME's in TTIP based on the joint commitment of both negotiating parties;
- that TTIP contains a comprehensive chapter on investment including provisions on both market access and investment protection, recognising that access to capital can stimulate jobs and growth;
- that TTIP includes an ambitious, balanced and modern chapter on and precisely defined areas of intellectual property rights, including **recognition and enhanced protection of geographical indications and to secure full recognition and strong legal protection of EU geographical indications**.

Private arbitration: plenary reaffirmed that foreign investors should be treated in a non-discriminatory fashion while benefiting from no greater rights than domestic investors, and to replace the investor-to-state dispute settlement (ISDS) system with a new system for resolving disputes between investors and states which is subject to democratic principles and scrutiny, where potential cases are treated in a transparent manner by **publicly appointed, independent professional judges in public hearings** and which includes an appellate mechanism, where consistency of judicial decisions is ensured the jurisdiction of courts of the EU and of the Member States is respected, and where **private interests cannot undermine public policy objectives**.

e) Civil society involvement and public outreach:

- to continue ongoing efforts to increase transparency in the negotiations and to translate these transparency efforts into meaningful practical results, including access to all negotiating documents for the Members of the European Parliament;
- to build on the close engagement with Parliament and to seek an even closer, structured dialogue;
- to ensure that TTIP and its future implementation is accompanied by a deepening of transatlantic parliamentary cooperation, leading in future to a broader and enhanced political framework.