



**EU US NEGOTIATIONS FOR A TRANSATLANTIC TRADE AND INVESTMENT
PARTNERSHIP AGREEMENT - TTIP
POSITION PAPER OF THE S&D GROUP**

In June 2013, the Council adopted the mandate for the European Commission to start negotiations with the United States on a Transatlantic Trade and Investment Partnership Agreement (TTIP). According to the Lisbon Treaty, the European Parliament's consent will be required in order for TTIP to enter into force.

Due to the high trade volume between the EU and the USA, this agreement would establish the world's largest free trade zone. At the same time, the agreement intends to cover not only traditional market access provisions, but also provisions on investment protection, services, public procurement, non-tariff barriers and trade related rules. Due to the magnitude of the agreement, TTIP has received unprecedented attention.

Negotiations began in July 2013. The premature positioning of some political groups either in favor or against TTIP can hardly be considered a serious political approach that would do justice to the importance of this agreement. It should be the final negotiated text which will have to be thoroughly analyzed and evaluated. The fact that we take our right of veto very seriously was demonstrated by the clear rejection by the European Parliament of the ACTA agreement

As Socialists and Democrats we recognize the opportunities of the agreement. Especially as regards improved access to the US markets for services and public procurement, recognition of technical standards, protection of EU geographical indications and the abolition of US trade restrictions (as for instance the 'Buy American Act' and the 'Jones Act'), the EU and its industries and services have clear offensive interests under TTIP. Furthermore, TTIP can provide an opportunity to reinforce workers' rights in the USA, based on high ILO and EU standards. This opportunity is also clearly emphasized by the US Trade Union Federation AFL-CIO. At the same time however, the S&D makes a number of crucial demands to this agreement. The fulfillment of these demands will have to be the basis when analyzing the final text and when deciding about whether or not our Group can give its consent to the agreement. Our demands focus on the following critical elements:

1. No lowering of EU standards

The EU's *Acquis Communautaire* must not be compromised. The opening of markets and any increase in competition must not be detrimental to consumer safety or terms and conditions of employment. In relation to food and consumer protection, the European Commission must insist for the EU precautionary principle to be maintained. With regard to food safety in particular, it needs to be ruled out that meat from animals that have undergone hormone treatment, or certain biotech products, are imported into the EU. In the same way, sanitary and phytosanitary measures and standards that currently apply to genetically-modified organisms within the EU must not be eroded as a result of TTIP. Cloned, hormone-treated, or genetically modified meat, or meat from the USA that has been cleaned using chlorine lye, must not be allowed to find its way into the EU. Furthermore, audiovisual services and the cultural diversity in the EU must be protected.

2. Data protection

Data protection should not be dealt with in TTIP and EU Data protection legislation should be adopted and in force before TTIP enters into force. Data flows across the Atlantic should be subject to it. At the same time, the NSA scandal has had a long-term negative impact upon the level of trust that exists between the two trading partners. The S&D therefore demands the swift conclusion of a framework agreement between the EU and the USA regarding basic principles of data protection. In particular, EU citizens must be afforded the same protection from data espionage as what is provided to US citizens.

3. Regulation of financial markets

TTIP must include binding and common measures with regard to the regulation of financial markets, including the regulations of financial services and financial market products. It should not be forgotten that it was not least the unregulated transatlantic financial flow that exported the financial crisis from the USA to the EU.

4. No circumvention of democratic legislative processes

Any joint consultative body created in the framework of TTIP should not infringe on the legislative powers and the prerogatives of the European parliament. This would not only risk creating a highly intransparent procedure, but it would also circumvent parliaments and the US Congress as the responsible legislative bodies.

5. Labour Rights

TTIP provides an opportunity to reinforce workers' rights in the USA. The fundamental standards of the ILO regarding the freedom of association, the recognition of trade unions and the creation of works councils should be used as a guideline in that regard and should be embedded within the treaty itself. Therefore we insist on the full and effective implementation by the US of the ILO core labour standards, on the federal as well as on the sub-federal level, which could be better achieved by the ratification by the US of core ILO conventions.

6. Investor to State Dispute Settlement

It has become clear that the US negotiators and the European Commission wish to agree upon what is known as an investor-state dispute resolution mechanism (ISDS). This mechanism could enable investors to circumvent conventional domestic judicial procedures and to initiate legal proceedings before international arbitration courts against the EU or the US as well as individual Member States directly, in order to claim compensation for an alleged loss of investment value. In the past, ISDS has enabled private investors to initiate legal proceedings against legislation enacted by sovereign states also in crucial fields such as health, the environment or consumer protection.

ISDS is not a new instrument; it is commonly used in bilateral investment treaties, including between EU Member states. However we oppose the inclusion of ISDS in this agreement, as both parties are based on solid rule of law principles and have reliable and well developed legal and judicial systems.

7. Transparency of negotiations

The secrecy of the negotiations is not only questionable in democratic terms; it also prevents a public debate based on facts rather than rumors. While after the Lisbon Treaty, transparency of trade negotiations has improved significantly, we are demanding that every single negotiation document be made accessible to the European parliament and to the Council, including those of the USA. In general, fundamental documents, including the negotiating mandate, should be made available to the public.

The TTIP negotiations have so far been rather disappointing as the US side does not seem to move on the crucial EU demands. In order for negotiations to advance, the US side needs to show more flexibility.