CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	3rd May 2016
Report of:	Chief Operating Officer
Subject/Title:	Notice of Motion - Potential Effects of Transatlantic Trade and Investment Partnership on Local Authorities
Portfolio Holder:	Cllr Peter Groves, Finance and Assets

1.0 Report Summary

1.1 The purpose of this report is to consider and respond to the following motion which had been proposed by Councillor J Jackson and seconded by Councillor A Harewood at the Council meeting on 25 February 2016 and referred to Cabinet for consideration:

"This Council notes:

1. *That the EU and USA launched negotiations in July 2013 on a Transatlantic Trade and Investment Partnership (TTIP).*

2. *That negotiations are underway to determine which goods and services TTIP will apply to and if new rules can be agreed to protect investors, harmonise standards, reduce tariffs and open new markets throughout the EU and USA.*

3. *That there has been no impact assessment about the potential impact on local authorities.*

4. *That there has been no scrutiny of the negotiating texts by local government and no consultation with local government representatives*

5. *That MPs are also unable to scrutinise the negotiating documents.*

This Council wishes to express a concern that:

1. *TTIP could have a detrimental impact on local services, employment, suppliers and decision-making.*

2. *A thorough impact assessment of TTIP on local authorities has not been undertaken and this needs to happen before the negotiations can be concluded.*

3. *The proposed Investor State Dispute Settlement (ISDS) mechanism has been used by corporations to overturn democratic decisions by all levels of governments at significant public cost. Local decision-making must be protected from ISDS.*

4. *Sourcing supplies and employment locally is important to strengthening local economies and meeting local needs and TTIP must not impact on local authorities' ability to act in the best interests of its communities.*

This Council resolves:

1. *To write to the Secretary of State for Communities and Local Government, our local MPs and the North-West region MEPs raising our serious concerns about the potential impact of TTIP (and especially the proposed ISDS mechanism) on local authorities.*

2. *To call for an impact assessment on the potential impact of TTIP on local authorities."*

2.0 Recommendations

2.1 That for the reasons set out in this report, Cabinet do not support the motion referred to in paragraph 1.1.

3.0 Reasons for Recommendations

3.1 Information provided by the European Commission indicates that the final agreement will provide adequate protection of public services and already proposes an alternative to Investor-state Dispute Settlements. It is also clear that appropriate bodies are already involved in the process to further represent the interests of the Council.

3.2 The Transatlantic Trade and Investment Partnership is an agreement being negotiated by the European Union and the United States that is intended to promote trade and boost economic growth.

With TTIP, we want to help people and businesses large and small, by:

- **opening up the US to EU firms**
- **helping cut red tape that firms face when exporting**
- **setting new rules to make it easier and fairer to export, import and invest overseas.**

Extract from European Commission website:
http://ec.europa.eu/trade/policy/in-focus/ttip/

3.2 Negotiations started in 2013 and, in accordance with the latest statement from Ignacio Garcia Bercero (EU Chief Negotiator), are expected to conclude in 2016.

3.3 The effect on public services is managed through the negotiating process. The EU provide 'solid guarantees' to protect the public services of EU governments:

> **4 guarantees protecting public services in every EU trade deal**
>
> So all EU trade deals provide four important guarantees for public services – on monopolies, on access to the market, on subsidies and on regulation.
>
> These ensure that EU governments remain entirely free to manage public services as they wish.
>
> Extract from European Commission website:
> http://ec.europa.eu/trade/policy/in-focus/ttip/

3.4 The European Commission has already recognised the lack of transparency of the traditional investor-to-state dispute settlement (ISDS). In response, the 12th Round in the negotiations has already proposed the replacement of the ISDS with an Investment Court System.

3.5 The negotiating process involves not only the European Parliament, but also business and trade unions and public interest groups. The Local Government Association is also engaged in the process and **Annex 1** is the latest briefing that provides information on their approach. The acceptance of the final text will be decided by governments and MEP's.

4.0 Wards Affected

4.1 N/A

5.0 Local Ward Members

5.1 N/A

6.0 Policy Implications

6.1 N/A

7.0 Implications for Rural Communities

7.1 N/A

8.0 Financial Implications

8.1 N/A

9.0 Legal Implications

9.1 N/A

10.0 Risk Management

10.1 N/A

11.0 Background and Options

11.1 This report addresses the issues raised by the motion referred to in paragraph 1.1.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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