

Trans-Atlantic Trade and Investment Partnership

Update January 2016



The full LGA briefing on TTIP, from February 2015, is available at [link 1](#) below.

The LGA continues its work with similar associations across the EU on TTIP and successfully secured in July 2015 the support of the European Parliament in calling for education, health, social and other **public services** to be clearly excluded ([link 7](#), point 2a.vii).

This comes on top of a statement issued by the negotiators in March 2015 responding to public sector concerns ([link 6](#)). The statement confirms that public authorities will continue to be able to choose whether to externalise services, and that externalised services will be able to be brought back 'in house'. It also confirms public authorities retain the right to regulate in the public interest. Finally, the EU has also confirmed that they will only sign up to common EU-US standards which have been 'levelled-up' to the higher of the two standards.

Nevertheless, the EU and US are not aiming to adopt a blanket exclusion for public services as a whole. They continue with a much more detailed approach exempting certain services either EU wide or only in specific Member States. This is partly to account for national differences in which services are publicly or privately funded. It is proposed that, for the UK, exclusions will include publicly-funded education, health and social services ([link 4](#)).¹

As regards dispute resolution, the Commission committed in late 2015 to a new 'Investment Court System' composed of a tribunal of first instance and an appeal tribunal ([link 5](#)). This is presented as a fairer and more transparent tribunal system than that originally envisaged as it better balances the rights of businesses to trade freely with public authorities' rights to regulate.

To reflect this a new 'right to regulate' clause has been proposed for inclusion in the TTIP text, recognising the role of public authorities ([link 5](#)).

The Commission has also shown **greater transparency** in recent months as it now publishes the EU's textual proposals, summaries of the negotiations and plain language fact sheets ([link 2](#)).²

So recent developments can be seen as heading in the right direction for councils: locking in the trade benefits the deal promises, whilst giving greater consideration to public sector issues, proposals for a more balanced tribunal system, and measures improving the transparency of the negotiations.

¹ The position of privately operated services in these sectors is more complicated.

² The final text of the deal agreed with the US will only be publicly available once all elements are agreed by the end of 2016.

Update

Next steps

The LGA continues to engage with decision makers in London and Brussels and examines the EU's textual proposals closely to ensure they reflect the statements made by the European Commission in relation to public services. The aim is for the deal as a whole to be agreed ahead of the US presidential elections in November 2016.

The deal will then have to receive the consent of the European Parliament and will also have to be discussed and endorsed by all 28 national parliaments in the EU, including the UK's. These parliaments will not be able to amend the deal, only accept or reject it.

The LGA is aware that a small number of councils have adopted motions in relation to TTIP. Councils' views are always welcome to the contacts below.

Government is of course is a strong supporter of the deal as it believes that the UK stands to benefit greatly – an estimated £10bn in economic growth annually (link 9, p6). This is partly because of a common language and robust existing trade links with the US.

The parties involved also emphasise that freer trade is needed between the two continents to ensure economic growth continues in the face of new competitive pressures from rapidly developing economies around the globe.

The LGA will continue to protect the position of local public services and the regulatory role of councils in ensuring the public interest. We will keep councils informed of progress.

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Links

1. LGA briefing on TTIP, February 2015
http://www.local.gov.uk/eu-policy-and-lobbying/-/journal_content/56/10180/6951436/ARTICLE
2. European Commission TTIP pages, including EU proposals:
<http://ec.europa.eu/trade/policy/in-focus/ttip/>
3. European Commission factsheets on TTIP and public services
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1115>
http://trade.ec.europa.eu/doclib/docs/2015/july/tradoc_153614.pdf
4. EU proposal for TTIP Reservation No. 20 – Health & Social Services, pg88
http://trade.ec.europa.eu/doclib/docs/2015/july/tradoc_153670.pdf
5. The new Investment Court System
<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1364>
6. TTIP negotiators statement on public services, March 2015

http://ec.europa.eu/news/2015/03/20150320_2_en.htm

7. European Parliament resolution on TTIP, 8 July 2015
<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0252+0+DOC+XML+V0//EN>
8. CEMR (the pan-European LGA's) reaction to European Parliament TTIP vote, July 2015
<http://www.ccre.org/en/actualites/view/3085>
9. The economic impact of TTIP on the UK, Centre for Economic Policy Research, London, March 2013
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198115/bis-13-869-economic-impact-on-uk-of-transatlantic-trade-and-investment-partnership-between-eu-and-us.pdf