



Statement by civil society organisations on regulatory cooperation in TTIP.

The undersigned organisations hereby express our deep concern and firm opposition to the avenue taken by the TTIP negotiations over “regulation” of vital areas such as chemicals, food standards, and financial regulation.

Negotiators have claimed on a number of occasions that protection levels are not under threat, and that standards will not be lowered. However, this has been consistently disproved by documents leaked from the negotiations.

Also, the two sides have respectively sent political messages which leave no doubt that crucial standards are under attack. They include the demands made by the US Secretary of Agriculture to do away with the so-called precautionary principle^[i], which - if met - could open the door to GMOs and food treated with pesticides and hormones currently not accepted under EU rules entering the EU and a demand from the US negotiators that US businesses have a greater say in the EU decision-making process. This is also illustrated by EU proposals on energy^[ii] that would threaten the official objectives of EU climate policy. Interestingly, the US rejects the EU proposal on regulatory cooperation in financial services for fear of lower standards coming from the EU.

Of particular concern at the moment is a “horizontal” proposal that was tabled by the European Commission in December 2013, and leaked to the public shortly after^[iii]. It gives rise to legitimate questions about the negative impact of TTIP on the regulation-making process at the expense of citizens’ health, environment and welfare on both sides of the Atlantic, including:

- Business lobby groups have explicitly demanded to be able to “essentially co-write legislation”^[iv]. Following the proposals of two powerful corporate lobby groups, the leaked EU document gives ample opportunities to lobby groups to exert undue influence on existing and future legislation.
- The suggested “dialogues” and early warning mechanisms give the other negotiating party a good chance to exert pressure and block new, sensible proposals if they are seen to be “obstacles to trade”. This is particularly acute in the EU as the Commission is the only body that can table legislative proposals. A sign of discontent from the US or from US companies - with or without threats to make use of dispute settlement mechanisms - can become decisive factors and lead to a ‘regulatory chill’.
- Also the suggested “dialogues” risk contradicting the work done by a number of multilateral and international institutions aimed at building consistent regulation, in particular in the field of financial services.
- The proposed institutional set-up could make the dialogues between the European Commission, US regulatory agencies and business lobby groups the main scene where regulation is planned, sidelining elected politicians and threatening the duty of policymakers to put the public interest first.

Also, the implications of the proposals for “regulatory cooperation” on specific areas, for instance the EU proposals on chemicals^[v], and financial regulation^[vi], have become clearer over the past months: they will lead to a lowering of protection levels and inhibit further progress in the future.

In a letter from May this year, a large number of organisations expressed their concern, and asked eight specific questions to the negotiators in an attempt to get further clarifications. Three months later, only partial replies were received from Commissioner Karel de Gucht^[vii] and from Assistant US Trade Representative Jewel James^[viii]. None of these bring the requested clarifications or help appeasing the concerns thereby raised, rather strengthening the assessment that the regulatory cooperation envisioned in TTIP so far represents a serious threat to public policy in crucial areas. For instance, the European Commission’s claim that “each side will act within their legal and institutional frameworks, and that will not be affected by the TTIP” seems in total contradiction with the purpose and the design of the Commission’s own proposal for regulatory cooperation.



Finally both the European Commission and the USTR claim that the negotiations are carried out in an open manner, and that each negotiating party is open to dialogue with civil society organisations. However, as the debate on regulation has developed, it has become clear that only access to the actual texts tabled at the negotiations can provide the insight needed for an open, democratic debate. Neither statements nor letters have so far provided the necessary information.

For these reasons, we urge the negotiators to make two decisions during the next round of negotiations:

1. Open a new chapter of the process, by making documents accessible to the public. Without access to the actual negotiating texts and proposals, there can be no transparency, and hence no genuine democratic process^[ix].
2. Take the proposals on “regulatory cooperation” off the table. Leaks over the past few months revealed that proposals for regulatory cooperation carry the threat of regulatory attacks and lowering of standards in the short term as well as in the long term.

Signed by

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Pivotal Moment

Plataforma não ao Tratado Transatlântico (Portugal)



PowerShift (Germany)

Red Ciudadana Partido X (Spain)

Rosa Luxemburg Stiftung Brussels

StopTTIP UK (UK)

Transnational Institute

Transport & Environment

Vrijschrift (The Netherlands)

War on Want (UK)

WEED (Germany)

World Development Movement (UK)

X.Net (Spain)

[i] <http://www.euractiv.com/sections/trade-industry/us-wants-science-settle-gmo-debate-trade-deal-eu-302876> [1]

[ii] <http://www.scribd.com/doc/233022558/EU-Energy-Non-paper> [2]

[iii] <http://corporateeurope.org/sites/default/files/ttip-regulatory-coherence-2-12-2013.pdf> [3]

[iv] <http://corporateeurope.org/sites/default/files/businesseurope-uschamber-paper.pdf> [4]

[v] http://trade.ec.europa.eu/doclib/docs/2014/may/tradoc_152468.pdf [5]

[vi]

http://corporateeurope.org/sites/default/files/attachments/regulatory_coop_fs_-_ec_prop_march_2014-2_0.pdf [6]

[vii] de Gucht's response:

<https://dl.dropboxusercontent.com/u/22794711/Response%20from%20de%20Gucht%20to%20letter%20on%20regulatory%20cooperation.pdf> [7]

[viii] Link to James' response (USTR):

<https://dl.dropboxusercontent.com/u/22794711/Response%20from%20USTR.pdf> [8]

[ix] <http://www.ombudsman.europa.eu/en/press/release.faces/en/54636/html.bookmark> [9]

[International trade](#) [10]

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Links:

[1] <http://www.euractiv.com/sections/trade-industry/us-wants-science-settle-gmo-debate-trade-deal->



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[6] http://corporateeurope.org/sites/default/files/attachments/regulatory_coop_fs_-_ec_prop_march_2014-2_0.pdf

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[9] <http://www.ombudsman.europa.eu/en/press/release.faces/en/54636/html.bookmark>

[10] <http://corporateeurope.org/international-trade>