Trading away Public Services in TTIP and CETA?

SG(E)I in Europe – Made in USA?

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Areas Of Local Interest

TTIP/CETA/TISA will serve as a model for future EU trade agreements with other third parties.

- **issues of public services**
- **Public procurement**
- **state aid and**
- **investment protection.**

TTIP provisions impacting on these issues will affect local governments on both sides of the Atlantic.
Potential Benefits

Austrian cities also see that TTIP/CETA/TISA have potential benefits although the extent and magnitude of such gains are contested.

- increased foreign trade and economic growth
- enhanced competitiveness in a changing world market place
- strengthened innovation potential
- creation of new jobs
- new opportunities for small and large companies
- global standards in industry and services
- strengthened transatlantic values
Maintaining European Standards

It is important that TTIP/CETA/TISA do not lead to a weakening of the standards that are already established in the EU.

- We place a **high value on the quality of our public services** and
- it is essential that the TTIP ensures that we can protect our social standards, public health, consumer safety and environment standards.
Provision Of Quality Public Services

- The **freedom of local governments to provide, organise and finance local public services in Austria** must not be restricted through the TTIP.

- We see a **risk of loss of freedom** to make regulatory changes deemed necessary in case they affect international commitments.

- Final agreement must be in line with the Treaty on the Functioning of the European Union and in particular **Protocol No 26 on Services of General Interest**.

- We strongly recommend a ‘**positive list**’ approach, as applied in the GATS negotiations. This allows each EU country to specify the kinds of services it will open up to foreign suppliers which means that only public services that are specifically listed in the attachments are covered by the agreement.
Public Procurement and State Aid

- The possibility to **include** environmental, social and fair trade **criteria** in public tenders should be maintained.

- There are specific concerns with regard to state aid for culture or reduced VAT rates. Although audio-visual services have been excluded from the negotiating mandate, it remains unclear how other public cultural services will be affected.
„No“ to Investor-State-Dispute-Settlement (ISDS)

• there is **no need to include ISDS clauses** in TTIP „and Co“
• because **national courts in Europe and the US guarantee a sufficiently high standard of legal protection**
• In our view it would be unthinkable for national, regional and local decision-making to be influenced by consideration of the risks of potential future dispute settlements with investors.
• **On this issue we generally think that member states courts should prevail over specific ISDS tribunals**
other issues

- We welcome the decision by the European Commission to improve transparency and give free the negotiation mandate. A lively public dialogue would ensure the institutions approving the final deal (European Parliament, the Council and members states parliaments) will have access to a range of useful input.

- For this reason we would find regular update information extremely valuable (for example through CEMR) and suggest that public consultations are extended to other areas of the TTIP, not only ISDS.
conclusions

- "mixed agreement" - We expect that the TTIP will be a comprehensive and ambitious agreement and as such it has to be ratified by the EU member states' parliaments after it has been approved by the European Parliament and the Council.

- The procedure to amend the sectoral annexes should not be different. Our national parliament(s) should be involved in the ratification process.

- We would therefore not be in favour of a simplified mechanism (fast-track ratification to amend the sectoral annexes of the TTIP).
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