



ÖGB – Johann-Böhm-Platz 1, 1020 Vienna
AK – Prinz Eugen-Straße 20-22, 1040 Vienna

Attn:
Members of the European Parliament

Vienna, 7 March 2019

Negotiations between the EU and the USA regarding agreements on tariff elimination and conformity assessment

BAK (Austrian Federal Chamber of Labour) Transparency Register Registration Number: 23869471911-54

ÖGB (Austrian Trade Union Federation) Transparency Register Registration Number: 43246044354-41

Dear Members of the European Parliament,

In the next few days you will vote on the adoption of a resolution by the European Parliament to enter into trade negotiations with the USA. The Austrian Trade Union Federation (ÖGB) and the Austrian Federal Chamber of Labour (BAK) call upon you to reject this resolution for the following reasons:

The old TTIP mandate for a trade and investment agreement remains in place

The aim of the aforementioned mandates is to eliminate tariffs and to ensure cooperation with regard to conformity assessment procedures for product standards. However, it is to be feared that the Commission shall continue to pursue the objective of implementing the 2013 TTIP negotiating mandate for a comprehensive trade and investment agreement with the USA in small steps. This mandate has not been withdrawn hitherto, and hence it continues to remain in place today. A withdrawal from said mandate is needed urgently, in particular, against the backdrop of the agreement between President Trump and European Commission President Juncker from July 2018. This agreement provides for, inter alia, trade facilitation in the services and chemical sectors as well as regulatory cooperation. Irrespective thereof, a withdrawal also seems advisable owing to negotiating objectives which stand in stark contrast to one another. The USA is aiming for a comprehensive agreement that includes agricultural products along with foodstuffs, services and the dismantling of technical barriers to trade due to differing regulations and standards in the USA and in the EU.

Current mandates do not contain clauses on ILO core labour standards

ÖGB and BAK maintain that the ratification and the implementation of ILO core labour standards is an indispensable precondition for the beginning of negotiations on trade agreements. Binding provisions on ILO minimum standards which are subject to the dispute settlement mechanism has to be included in both agreements to curb competition to lower social standards. In addition, the USA has ratified only two of the eight ILO core labour standards.

The ratification and the implementation of the Paris Agreement is not a prerequisite

ÖGB and BAK recall the European Parliament's position (July 2018), according to which bilateral trade negotiations shall only be entered into with countries that have already ratified and implemented the Agreement.

A lack of comprehensive impact assessments and studies on sustainability

The Commission has decided against conducting comprehensive studies on sustainability and impact assessments; they argue that the potential social, economic and ecological effects of the agreements are negligible. However, we are of the opinion that an analysis of potential effects on the labour market, employment and the environment is an essential prerequisite for the adoption of the mandates. Furthermore, the Commission has rightly criticised that the USA has not budged thus far with regard to the abolition of tariffs on aluminium and steel. ÖGB and BAK feel that it is better to adopt the two EU negotiating mandates only after ensuring that US tariffs in the steel and aluminium sectors have been abolished and that the imposition of new tariffs on automobiles and automobile parts can be excluded.

The scope of the agreement on conformity assessment procedures is unclear

According to the Commission's proposals, in future private US organizations could review whether the necessary standards for the introduction of US products onto the EU market have been fulfilled. ÖGB and BAK also criticise the fact that the extent of the cooperation and the scope of the agreement were not defined conclusively. This shortcoming is highly problematic in connection with the US trade objectives of improving access to the EU market for agricultural products and foodstuffs (in particular with regard to GMOs and labelling requirements). In view of vulnerable sectors and potential risks, such as those associated with chemicals or pesticides (glyphosate), ÖGB and BAK reject this mandate in this current form.

In principle, ÖGB and BAK are in favour of strengthening trade links

To that end, it is necessary to fundamentally change the future direction of trade agreements. Doing so would also be a good opportunity to define a framework for a fair globalization. This framework has to be designed in a way that benefits as many people as possible and ensures environmental protection. It is only through the adoption of social and environmental standards as well as the ability to impose sanctions in the event of violations, among others, that can make said framework possible. The provision of public services such as healthcare, water, energy and transportation must not be part of trade agreements. The same is true for food production: This is to ensure that European standards are not compromised and that the population has access to high-quality foodstuffs.

The negotiating directives currently do not fulfil these requirements and therefore do not provide a basis for a socially just and ecologically sustainable trade policy. For these reasons, ÖGB and BAK call upon you to reject the present resolution.

Kind regards,

Wolfgang Katzian
President

Renate Anderl
President