

Dear Leader of the Council,

We are writing to you about the **Transatlantic Trade and Investment Partnership (TTIP)** and the implications for local government.

The **Transatlantic Trade and Investment Partnership (TTIP)** is a comprehensive free trade and investment treaty currently being negotiated – in secret – between the European Union and the USA. As officials from both sides acknowledge, the main goal of TTIP is to remove regulatory ‘barriers’ which restrict the potential profits to be made by transnational corporations on both sides of the Atlantic. Yet these ‘barriers’ are in reality some of our most prized social standards and environmental regulations, such as labour rights, ‘buy local’ policies, including support for local small businesses, food safety rules (including restrictions on Genetically Modified Organisms - GMOs), regulations on the use of toxic chemicals, digital privacy laws and even new banking safeguards introduced to prevent a repeat of the 2008 financial crisis.

In addition to this deregulation agenda, **TTIP seeks to create new markets by opening up public services and government procurement contracts to competition from transnational corporations**, threatening to introduce a further wave of privatisations in key sectors, such as health and education. The sell-off of Royal Mail and the current opening up of the NHS to private contractors must be understood in the context of preparation for TTIP, which, once signed, would make these privatisations legally irreversible.

The most worryingly implication for local economies is that it threatens **local government procurement policies in support of important social and environmental goals**. For example, the US government has indicated its intention to target EU procurement schemes such as the local food programmes promoted by schools and other public bodies. Similarly, the EU has given notice of its intention to eliminate the popular Buy America provisions used to support local jobs and businesses in many US states. The effect this could have on struggling or recovering local economies, and the environment, is potentially devastating. The only winners in this scenario will be the transnational corporations that force out local suppliers and take over their contracts.

As for the job losses which typically result from free trade deals, the European Commission has confirmed that **TTIP is likely to bring “prolonged and substantial” dislocation to European workers**, as companies here will be encouraged to source goods and services from US states where labour standards are lower and trade union rights are often non-existent. At a time when unemployment rates in Europe are already high, with youth unemployment at over 50% in some EU member states, the European Commission recognizes that there are “legitimate concerns” that those workers who lose their jobs as a result of TTIP will not be able to find other employment. Business sees TTIP as **an opportunity to relocate production to where wages and workers’ rights are lowest**, creating a ‘race to the bottom’ to reduce labour costs and increase corporate profits. In addition, the European Commission is known to be supportive of the demands made by European business groups for wages and labour rights to be suppressed across the EU. It is notable that the 1994 NAFTA agreement between the US, Canada and Mexico caused the net loss of over one million US jobs, and a significant decline in the value of wages for millions more workers, during its first 12 years. At a time when European economies are only just beginning to emerge from a prolonged recession, it is not difficult to

imagine the damage further job losses would cause to local communities, with adjustments beyond the control of local, national or the EU government.

Most worrying of all, **TTIP seeks to grant foreign investors a new right to sue sovereign governments** in front of ad hoc arbitration tribunals for loss of profits resulting from public policy decisions. This 'investor-state dispute settlement' mechanism (ISDS) effectively elevates transnational capital to a status equivalent to the nation-state itself, and threatens to undermine the most basic principles of democracy in the EU and USA alike. All levels of government will be included in TTIP. Even if local authorities do not have financial responsibility in ISDS cases, it seems likely that if the national government is bearing the costs, it will be likely to impose restrictions on the functions of local government, and inherently on local democracy, in order to limit its liabilities.

To justify all this, claims are frequently made regarding the economic gains from TTIP. The most commonly cited figure comes from an impact assessment commissioned from the Centre for Economic Policy Research by the European Commission, which, in its most optimistic scenario predicted that the EU's economic output could rise by 0.5% by the year 2027 as a result of an EU-US deal. These gains, even in this most ambitious scenario, are very small, and in fact dismissed as "trivial" by the expert responsible for developing EU free trade assessments over a period of 10 years. However, even that claim for gains has been exposed as "misleading" by independent researchers who have drawn attention to the study's false premises, and **even the EU Commission itself has now admitted its own figures are unrealistic and has ceased to reference the CEPR study.**

Even though TTIP will affect all levels of government and all levels will be committed to it in the deal that the EU Trade Commission is negotiating, there does not appear to have been information going to local councils. In fact, **most MEPs and Members of Parliament of EU member states are denied access to negotiating texts.** Only a few are allowed to see texts in 'reading rooms' only.

In order to safeguard local economy, jobs and businesses, as well as the people you represent, we hope that you will **consider holding Council discussions on TTIP and proposing a motion of concern about TTIP**, as other UK councils already have. There is a growing civil society movement in opposition to TTIP and many local councils across Europe are joining in proclaiming themselves 'TTIP-free zones'. You might consider this, too.

We would be glad to provide references for what is written here, further written information including on Council motions, and we can also offer a speaker on TTIP.

Yours sincerely

Katherine Williams & Linda Kaucher on behalf of StopTTIP uk.