

The European Parliament,

Having regard to

- Having regard to the European Parliament resolution of 10 December 2013 containing the European Parliament's recommendation to the Council, the Commission and the European External Action Service on the negotiations for an EU-Canada Strategic Partnership Agreement (2013/2133(INI));
- having regard to the European Parliament resolution of 8 June 2011 on EU-Canada trade relations;
- having regard to the European Social Charter;
- having regard to the Commission's communication to the European Parliament, the Council, the European Economic and Social committee and the Committee of the Regions entitled 'A Roadmap for moving to a competitive low carbon economy in 2050' COM(2011) 112;
- having regard to the UNCTAD World Investment Report 2014 "Investing in the SDGs: An Action Plan";
- having regard to the report "A Critical Assessment of the Proposed Comprehensive Economic and Trade Agreement Between the European Union and Canada — A joint position of the European Federation of Public Service Unions and the Canadian Union of Public Employees, the National Union of Public and General Employees and the Public Service Alliance of Canada", January 2010;
- having regard to the Friends of the Earth Europe report "How trade talks threaten to undermine EU climate policies and bring tar sands to Europe", by Fabian Flues et al., July 2014;
- having regard to the CCPA report "Making Sense of the CETA — An analysis of the final text of the Canada–European Union Comprehensive Economic and Trade Agreement", by Scott Sinclair, Stuart Trew and Hadrian Mertins-Kirkwood (eds), September 2014";
- having regard to the EPSU working paper "CETA and TTIP — Potential impacts on health and social services", by Thomas Fritz, April 2015;
- having regard to the "statement from the European Association of Judges (EAJ) on the Proposal from the European Commission on a new Investment Court System", February 2015;
- having regard to the "Stellungnahme zur Errichtung eines Investitionsgerichts für TTIP – Vorschlag der Europäischen Kommission vom 16.09.2015 und 12.11.2015", Deutscher Richterbund, February 2016

Met opmaak: Duits (Duitsland)

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- having regard to the CEO et al. report “The zombie ISDS — Rebranded as ICS, rights for corporations to sue states refuse to die”, by Pia Eberhardt, March 2016;
- having regard to “ISDS in the Revised CETA: Positive Steps, But Is It the “Gold Standard”?”, by professor Gus Van Harten, York University, May 2016;
- having regard to the position paper “TTIP and Dispute Settlement: Potential Consequences for the Autonomous EU Legal Order, by Inge Govaere, May 2016;
- having regard to the PSI report “Investment Court System (ICS): the wolf in sheep’s clothing — the EU’s great corporate privilege rebrand”, by Pia Eberhardt, May 2016;
- having regard to the BEUC position paper “CETA fails the Consumer Crash Test — BEUC position on the EU-Canada Comprehensive Economic and Trade Agreement”, May 2016;
- having regard to the PowerShift/Campact report “Investment Protection in the EU-Canada Comprehensive Economic and Trade Agreement (CETA): a critical analysis”, by Peter Fuchs, May 2016;
- having regard to the Deutscher Gewerkschaftsbund and Österreichischer Arbeiterkammer report “CETA — Regulatory cooperation jeopardises our democracy and standards”, Stefan Körzell et al., June 2016;
- having regard to the Deutscher Gewerkschaftsbund and Österreichischer Arbeiterkammer report “CETA — Labour standards not on the agenda”, Stefan Körzell et al., June 2016;
- having regard to the Deutscher Gewerkschaftsbund and Österreichischer Arbeiterkammer report “CETA — Public services under pressure”, Stefan Körzell et al., June 2016;
- having regard to the Deutscher Gewerkschaftsbund and Österreichischer Arbeiterkammer report “CETA — No privileged rights to sue states for corporations”, Stefan Körzell et al., June 2016;
- having regard to the Österreichische Forschungsstiftung für Internationale Entwicklung (ÖFSE) and Arbeiterkammer Wien report “Assess CETA: assessing the claimed claimed benefits of the EU-Canada trade agreement (CETA)”, Werner Raza et al., June 2016;
- having regard to the report “Food Safety, Agriculture and Regulatory Cooperation in the Canada-EU Comprehensive Economic and Trade Agreement (CETA)” by Via Campesina, Transnational Institute et al., August 2016;
- having regard to the Tufts working paper “CETA Without Blinders: How Cutting ‘Trade Costs and More’ Will Cause Unemployment, Inequality and Welfare Losses”, by Pierre Kohler and Servaas Storm, September 2016;
- having regard to the PowerShift, CCPA et al. report “Making Sense of CETA – 2nd edition”, September 2016;

- having regard to the “Legal Statement on investment protection and investor-state dispute settlement mechanisms in TTIP and CETA”, Stop TTIP coalition, signed by 100+ law professors, October 2016;
- having regard to the EPHA position paper “How CETA could Undermine Public Health”, European Public Health Alliance, October 2016
- having regard to the Transport & Environment / Client Earth paper “Comprehensive Economic and Trade Agreement (CETA) and the environment — A gold standard for the planet or for big business?”, by Cecile Toubeau and Laurens Ankersmit, November 2016;

Whereas

General

- A. whereas the conclusion of an EU – Canada FTA appears to be incompatible with the advancement of a self-determined European Union promoting its goals in terms of environmental protection, application of the precautionary principle, social cohesion, decent work, defence of civil liberties in particular with regard to data protection, access to health services, cultural policies and cultural diversity, food security and safeguarding of family agriculture; whereas the reduction of certain unnecessary regulatory provisions and differences should be embedded in multilateral processes instead of a bilateral FTA;
- B. whereas the Commission has given assurances that respect for European food safety, human, plant and animal health, animal welfare, and environmental and consumer protection standards will be a fundamental and uncompromisable tenet of the negotiations for European agriculture and will confirm and strengthen the EU standards within an open, fair, modern and global trade policy system;
- C. whereas the harmonisation of EU and US rules must not under any circumstances jeopardise consumer health or lower the quality standards that must be met by US products placed on the European market;
- D. whereas the standards in the area of agri-food are widely divergent between the EU and Canada, and a lowering of standards is not compatible with and acceptable to the European acquis;
- E. whereas the easing of regulatory burdens should always be carefully weighed against the interests of consumers’ right to information about the products they buy and citizen’s right to a legally secure society;

Transparency / democratic control

- F. whereas both Article 1 and Article 10 (3) of the Treaty on European Union stipulate that "decisions shall be taken as openly and as closely as possible to the citizen";
- G. whereas the secret character of negotiations as they have been conducted during the CETA negotiations has led to deficiencies in terms of democratic control of the negotiation process; whereas full access to key negotiation documents to parliamentarians on different governance levels

on both side of the Atlantic, as well as to journalists, researchers and citizens and their organisations in civil society should have manifest a democratic principle;

- H. whereas the influence of lobbyists for corporate interest is much bigger than that of lobbyists from civil society, and contact between the Commission is up to ten times as frequent;

SMEs

- I. whereas 87 per cent of the more than 20 Million SMEs in the EU rely on domestic demand and are not involved in international trade and that for them progress in further developing local, regional and the European common market is of much higher priority;
- J. whereas the welfare generation of CETA is mostly the result of trade diversion, not of increased trade;
- K. whereas CETA does not have an SME chapter;

Liberalisation

- L. whereas we are faced with an under-regulated globalisation, a trade agreement focussing on even more deregulation by targeting mainly existing and future non-tariff barriers would be detrimental to workers' and consumers' right, while large corporations and investment funds would further harness this sort of liberalisation; whereas a cooperation agreement is needed that focuses on the protection or workers, consumers and the environment; whereas a trade agreement could only be complementary to such a major effort to strengthen regulation to the highest standards at a global level in order to prevent social and environmental dumping;

Regulatory cooperation

- M. whereas an institutionalised regulatory cooperation as currently proposed by the Commission prejudices legislative prerogatives of the European Parliament as well as of national parliaments and therefore have a chilling effect on the application of the values of the Union as laid out in Article 2 TEU;

Jobs and economic impact

- N. Whereas exports through trade and growth through investments could cause loss of jobs and economic decline;
- O. Whereas it is difficult to assess the real impact of CETA on both the EU and Canada economies and to predict while studies show contradictory results; Whereas CETA will not resolve longstanding structural economic problems and their underlying causes in the EU;

Dictum

Global standards and foreign policy

1. Considering the fact that the 'global standards' the Commission promises to set through agreements like TTIP and CETA are a myth since these agreements only contain bilateral mutual recognition;
2. to bear in mind that the Lisbon Treaty defines EU trade policy as an integral part of the Union's overall external action and that that policy therefore must address development, environmental and social objectives as well as contribute to meeting the other objectives set out in the Treaty on the European Union; therefore rejects CETA since it intends to increase profits for multinationals instead of strengthening society;
3. to be aware that CETA and other mega trade deals are likely to reshape global trade rules and set new standards, while in doing so being discriminatory, by excluding some 130 countries from the negotiations and risking side-lining important issues for developing countries such as food security, agricultural subsidies and climate change mitigation; to step up efforts to advance in democratic multilateral fora, for instance in line with the COP21 approach;

Health care / access to medicine

4. notes that CETA will negatively affect access to medicines, especially for Canadians who already have to face with the second highest medicines prices in the world; CETA has the potential to undermine the quality standard and the affordability of Services of General Interest (SGEI) (social services, healthcare, education, water);
5. Notes that CETA is not based on an assessment of its potential impacts on the price of medicines and it does not recognise that IPRs are acting as an insurmountable barrier to equitable access to medicine.

Sustainable Development Goals

6. Notes that CETA will only counteract our goal to achieve the Sustainable Development Goals since the agreement has a negative impact on climate change and undermines environmental, social and labour rights;

Women

7. Notes that CETA and agreements like CETA aim to further liberalise our economies and that women are often disproportionately hit by further liberalization because they more often work in the public sector;

Education

8. to reject any further opening-up for educational services with mixed funding, inter alia in the field of pre-school education, schools and higher education, as well as adult education and further education, as the multilateral GATS agreement already contains more than enough provisions on liberalisation;

Privacy

9. considering the fact that CETA is undermining the protection of personal data of EU citizens through the commitments that are taken concerning cross-border data flows;

Jobs and economic impact

10. To ensure that the sustainable development chapter aims at the full and effective ratification, implementation and enforcement of the eight fundamental International Labour Organisation conventions and their content, the ILO's Decent Work Agenda and the core international environmental agreements; provisions must be aimed at further improving levels of protection of labour and environmental standards;
11. To ensure that labour and environmental standards are not limited to the trade and sustainable development chapter but are equally included in other areas of the agreement;
12. To ensure that the implementation of and compliance with labour provisions is subjected to an effective monitoring process, involving social partners and civil society representatives;
13. The parties shall not encourage trade or foreign direct investment by lowering domestic labour legislation, Nothing in the agreement should prevent the parties from applying their national laws provided that, in doing so, they do not nullify or impair the benefits accruing from the agreement;
14. The enhanced investment competition between EU-based and Canadian banks and other financial service suppliers makes the financial systems in both Canada and the EU more interconnected and vulnerable to external shocks and contagion;
15. the increased competition envisioned in CETA ensures that the financial industry, in order to capture markets, will display more risk-taking behaviour, sell more high-risk financial products, and reduce services to less affluent clients;

Opmerking [OU1]: Checking the current state of affairs regarding the ILO Core Conventions. Have they all been ratified?

SMEs

16. To ensure that CETA includes a specific chapter on SME's based on the joint commitment of both negotiating parties and aims at creating new opportunities in Canada for European SMEs, while keeping in mind that fewer than 1% of European SMEs export to Canada;

Opmerking [OU2]: This contradicts with 'whereas I'. Fix.

Mixity

17. Notes that the Advocate General in the Opinion 15/2 case has declared the EU/Singapore FTA as a mixed agreement. Notes that this is also applicable to CETA and therefore also this agreement requires ratification by all national parliaments according to their domestic procedures;

Opmerking [OU3]: Is this a point we need to make, or should we leave it out?

ISDS

18. Recalls that during the public consultation on Investment protection systems 97% of the respondents were negative confirming one of the major problems with such adjudication where only the claimant investor and respondent national government of the country are allowed standing;

19. Reaffirms that Canada and the EU have full functioning and accessible judicial remedies which make any form of arbitration unnecessary and highly disputable;
20. Notes that the proposed Investment Court System is failing the democratic test and grants corporations the right to bypass national courts and makes it possible for foreign investors to have special access to an extraordinary powerful process of international adjudication with potentially billions of euros in public money, to enforce their rights, without corresponding responsibilities in the same process;
21. Notes that arbitrators under the proposed Investment Court System arbitrators will not be bound by precedents;
22. Notes that arbitrators will be incentives to paid on a per hour basis creating an incentive to protract litigations, at significant cost to taxpayers;
23. Notes furthermore that 80% of American companies have a significant stake in a Canadian company. By signing this agreement the EU gives those companies the possibility to start lawsuits against the governments of its member states at the taxpayers' expense;
24. Regrets the use of the vague term of 'fair and equitable treatment' in CETA due to many investment arbitration cases on this issue;
25. Rejects the threats that CETA causes to public policy measures in the public health sector by rejecting the rights of foreign investors to challenge these measures under the foreign investment provisions. Regrets that commercial interests of the multinational companies backed by an arbitration system will prevail, while neglecting the human side and patients' rights; (identical to 30 below)
26. Notes that CETA would allow transnational investor companies to sue EU member states for laws they pass which affect investor profits, including those designed to protect public health, the environment or workers' rights. Notes furthermore, the UN Human Rights expert has declared CETA incompatible with the rule of law, democracy, and human rights; Furthermore he states that trade agreements should only be ratified after human rights, health and environmental impact assessments have been conducted, which has not been the case with regard to CETA;
27. Notes that ICS would allow for 'treaty shopping', allowing investors to pick and choose the agreement under which they want to file an ISDS claim.
28. Notes that the European Court of Justice has not been asked for a legal opinion on the validity of an ICS system in the form a multilateral investment court, is in compliance with EU treaties;

Right to regulate

29. Recalls that the right to regulate of both parties is being subjected to the provisions of CETA thus diminishing the regulatory space for the national authorities;

Joint committee

30. Notes that the CETA Joint Committee will have far-reaching competences in future legislative process without being subject to democratic control and that regrettably the ratchet clauses and standstill clause provisions in CETA still prevail above an approach of a 'positive list' thus locking in all possible future liberalisations in the public sector;

IPR

31. Requests to ensure that CETA includes an ambitious, balanced and modern chapter on and precisely defined areas of intellectual property rights, including recognition and enhanced protection of geographical indications and reflects a fair and efficient level of protection, without impeding the EU's need to reform its copyright system and while ensuring a fair balance of IPRs and the public interest, in particular the need to preserve access to affordable medicines by continuing to support the TRIPS flexibilities;

Food safety

32. Reaffirms that liberalising the agricultural markets, CETA will threaten to weaken food safety standards by locking in changes in these regulations and encouraging further deregulation through the CETA Joint Committee. Accordingly notes, that CETA lacks any specific language about 'animal welfare', leading to a trend to sacrifice significant ethical principles and social values in international trade deals and the agreement in its current form possesses a threat to local agriculture on both sides of the Atlantic;

33. Calls on the Commission to

- a. firmly commit to the strict preservation of current and future standards on food safety and human health, plant health and crop and environmental protection, consumer protection and animal health and welfare, as defined under EU legislation; ensure that the enhancement of these standards is in no way hampered in the future, that EU fundamental values such as the precautionary principle and sustainable farming are not undermined, and that EU citizens can continue to have confidence in the traceability and labelling of products on the EU market ; and outline specific measures to uphold the precautionary principle in negotiations;
- b. make every effort to ensure that agricultural imports are allowed into the EU only if they have been produced in a manner consistent with European consumer protection, animal welfare and environmental protection standards and minimum social standards;
- c. secure appropriate legal protection on the US market for EU geographical indications and quality EU agricultural products, and measures to deal with improper use and misleading information and practices, and secure protection regarding the labelling, traceability and genuine origin of agricultural products as an essential element of a balanced agreement;

Climate change

34. Notes that the external costs of climate-related damage caused by longer transport distances, greater trade volumes, industrial agriculture or the destruction of local economies, are not taken into account or play a subordinate role in trade negotiations. Notes furthermore that climate mitigation measures such as phasing out fossil fuels as clean energy source and reducing GHE emissions from agriculture, will be challenged as illegal trade barriers;

(Public) services

35. Reads with regret that CETA's provisions for market access of the cross border trade in services chapter largely eliminate economic needs tests or quantitative restrictions on the number or service providers in a given sector. Takes note of the fact that the precautionary principle and its future application is not sufficiently anchored in CETA;
36. Rejects the fact that public water operators are not clearly excluded from the CETA leading to situation where governmental policies in this area to protect the access to clean and safe drinking water could face a claim under the investment chapter under the name of 'barriers to trade', making this example being valid for all policies in the public sector. Noting furthermore that CETA does not anywhere in the agreement provide a description of a definition of public services;
37. Rejects the threats that CETA causes to public policy measures in the public health sector by rejecting the rights of foreign investors to challenge these measures under the foreign investment provisions. Regrets that commercial interests of the multinational companies backed by an arbitration system will prevail, while neglecting the human side and patients' rights; (identical to 20 above)

Interpretative declarations

38. Notes that the parties to CETA have issued 38 declarations, statements and other documents as such, for clarifying and interpretative purposes. Notes furthermore that the majority of these statements have an unilateral character which makes them have little legal value and not be binding regarding the interpretation of the text, and makes them insufficient to alter or amend the major provisions of CETA to comply with the public concern as well as conditions set out by the Walloon Government;

Living agreement

39. to reject the approach of a so-called "living agreement" and to insist that all important questions of detail relating to the agreement be decided in the negotiations, as nothing shall be agreed until everything is agreed; to reject the proposal that regulatory issues should be subsequently referred to specially established groups of experts, bypassing the democratic legislative process;
40. Is of the opinion that the EC should focus on agreements and treaties that defend human rights and sustainable development instead of the current trade policy that is only beneficial for transnational corporations; therefor asks the EC to get actively involved in the United Nations open-ended

working group which should lead to a binding treaty on multinational corporations and human rights;

From ITRE

41. Calls on the Commission to retain the objective of renewable energy sources and energy efficiency in increasing energy security; emphasises that this specific chapter must integrate clear guarantees that the EU's environmental standards and climate action goals must not be undermined and that the EU must retain the freedom to act independently in setting future standards and goals;
42. Points to the **current differentials** between Canada and the EU not only in energy prices and access to raw materials, but also in per capita CO₂ emissions, which result in an unequal playing field in terms of competitiveness and environmental protection; calls on the Commission, therefore, to include a bilateral safeguard clause to provide energy intensive and carbon-leakage sectors in the EU, including the chemicals, raw materials and steel industries, with appropriate measures for maintaining current customs tariff rates over an adequate fixed transition period after the entry into force of CETA with a mandatory review clause; believes that both Canadian and EU companies should be encouraged to increase their resource and energy efficiency; calls on the Commission to take due account of the need to promote the manufacturing industry as a driving force for the reindustrialisation of Europe;

Opmerking [OU4]: is this exactly right for CETA as well as for TTIP?

Financial services

43. Notes that CETA would encourage the financial industry to take greater risks—by engaging in speculative investment—in order to survive in a more competitive international market. CETA will also limit the regulatory options available to governments to address financial instability by, among other measures, giving the financial industry an institutionalised voice in the regulatory process.