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Dear Member of Parliament,

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

The UK and the US already have a close trade and investment relationship but too many UK companies still struggle to export their goods and services to the USA. This can be for a number of reasons including:

- high tariffs which make their goods less competitive,
- rules on public procurement which prevent them competing for business,
- unnecessary differences in regulations and requirements that deliver the same safe outcomes but add to their costs and hence prices, or
- excessive checks and delays at the border.

The Transatlantic Trade and Investment Partnership will look to remove as many unnecessary barriers as possible in much the same way as the EU Single Market has facilitated trade in goods and services in Europe. Plausible economic studies suggest that a successful agreement between the EU and the US could bring economic benefits of up to £10 billion annually to the UK – that's the equivalent of almost £400 per household. For individuals, this means more jobs and reduced prices and more choice for goods and services. This deal will potentially benefit firms of all kinds, particularly small firms which do not have the financial, legal and other resources to cope with regulatory differences and other barriers to trade and which should therefore benefit disproportionately as it becomes far easier for them to export.

Some campaign groups express concerns that the deal could water down regulatory standards and environmental and labour protections, or force the privatisation of public services. This is simply not the case. Although TTIP is ground-breaking in its focus on aligning regulations, mainly through mutual recognition, this is with a view to maintaining high standards, and therefore helping US and EU companies compete with global competitors. Both the EU and US have committed to maintaining standards at the highest levels, and the EU will retain the right to set regulatory standards that are higher than internationally agreed minima, for example in food. Neither negotiating side is looking to lower standards through the TTIP process. We have not authorised the EU to agree to anything in TTIP that would do that.

There is a particular concern about the potential impact on the NHS. This is misplaced. There is no requirement in TTIP for the Government, or future governments, to open NHS healthcare

services to further competition and private sector provision. The Government, and the European Commission, have been clear that the right to decide on the provision of public services will - quite rightly - continue to remain with national governments regardless of the progress of TTIP. And there will be no change to the fundamental principle that access to NHS services is based on need, not ability to pay.

There have also been misunderstandings about what investment protection provisions in treaties offer investors and the powers of tribunals who arbitrate under these provisions. To be clear, investment protection and ISDS provisions will not prevent the UK from taking regulatory action to protect the public or the environment, nor will they force the government to change laws, open markets or privatise public services, including the NHS. These provisions – and the UK already has over 90 bilateral investment treaties in place - provide protection to investors from overseas from unfair treatment or discrimination on nationality grounds, as already occurs within the EU. We would oppose unfair or discriminatory action by a state against UK investors abroad. We are simply offering similar guarantees to foreign investors here. It is already the case that companies can sue the government over what they consider to be unfair or unlawful treatment, under UK constitutional and contract law, and that is unaffected by TTIP. Nonetheless we are committed to looking carefully at the substance of ISDS provisions to ensure the right of the state to legislate in the public interest is fully preserved.

Some are calling for increased transparency in the negotiating process. There have been many calls for the text of the negotiations to be published. No trade or investment agreement has ever been negotiated by publishing in advance every piece of negotiating text or bottom lines and to do so would make meaningful negotiations impossible. It would be like playing poker while showing your hand. However, I believe that it's important to have a proper debate about what we want TTIP to provide. The Commission has taken the unprecedented step of publishing position papers, holding public consultations on key areas, including ISDS, and issuing a state of play at the end of each negotiating round to keep EU citizens updated on negotiations so far. I and fellow Ministers meet regularly with a wide range of stakeholders to ensure we have the opportunity to update them on developments and hear their views, which we in turn use to inform the negotiations.

Both the EU and its Member States (as well as the US) are expected to be parties to TTIP. When the EU reaches an agreement with the US in principle, the proposed text of the agreement will therefore be sent to the 28 EU national governments which must unanimously agree to the final deal. If it does not deliver the objectives we in the EU have demanded, or if it challenges the values, standards and principles we have developed, then the European Parliament or any single European country could withhold their consent, and the agreement would fall. The UK Parliament, including the House of Lords, which recently published the results of its detailed inquiry into TTIP will have a full opportunity to scrutinise the deal before it is finalised.

Should constituents express interest in this subject, you may wish to point them in the direction of the substantial material published.

The Commission publishes a considerable amount of information including latest updates and position papers at: <http://ec.europa.eu/trade/policy/in-focus/ttip/> In particular:

Position papers on: regulatory issues, technical barriers to trade barriers to trade in food and agriculture, public procurement, raw materials and energy and trade and sustainable development. <http://trade.ec.europa.eu/doclib/press/index.cfm?id=943>

Negotiating positions on chemicals, cosmetics, motor vehicles, pharmaceutical products and textiles and clothing: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1076>

Consultation on Investment protection and investor-state dispute settlement (ISDS): http://trade.ec.europa.eu/doclib/docs/2014/march/tradoc_152280.pdf

TTIP and public services: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1115>

EU Economic Analysis Explained: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=968>

UK Government material on TTIP is available at:

<https://www.gov.uk/government/collections/transatlantic-trade-and-investment-partnership-ttip>

with a link to 'mythbusting' leaflet:

<https://www.gov.uk/government/publications/transatlantic-trade-and-investment-partnership-ttip-separating-myth-from-fact>

I am committed to supporting our businesses to export and grow our trading opportunities, and the jobs that will follow them. The Transatlantic Trade and Investment Partnership deal is an opportunity and we need to ensure that we promote the benefits such a deal might bring. If you have any concern about misunderstandings you have heard and would like to put right, please contact me or my officials.



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Secretary of State for Business, Innovation and Skills