



Plenary sitting

B8-0163/2019

8.3.2019

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 123(2) of the Rules of Procedure

on the recommendations for opening of trade negotiations between the EU and
the US
(2019/2537(RSP))

Bernd Lange

on behalf of the Committee on International Trade

European Parliament resolution on the recommendations for opening of trade negotiations between the EU and the US (2019/2537(RSP))

The European Parliament,

- having regard to its resolution of 8 July 2015 containing the European Parliament’s recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP)¹,
- having regard to its resolution of 30 May 2018 on the Annual report on the implementation of the Common Commercial Policy²,
- having regard to its resolution of 3 July 2018 on climate diplomacy³,
- having regard to its resolution of 12 September 2018 on the state of EU-US relations⁴,
- having regard to the Joint US-EU Statement of 25 July 2018 following President Juncker’s visit to the White House⁵,
- having regard to the ‘Summary of Specific Negotiating Objectives for the Initiation of US-EU Negotiations’ published in January 2019 by the Office of the United States Trade Representative,
- having regard to the Commission’s Recommendation of 18 January 2019 for a Council Decision authorising the opening of negotiations of an agreement with the United States of America on the elimination of tariffs for industrial goods (COM(2019)0016) and the Annex thereto setting out the directives for such negotiations⁶,
- having regard to the Commission’s Recommendation of 18 January 2019 for a Council Decision authorising the opening of negotiations of an agreement with the United States of America on conformity assessment (COM(2019)0015) and the Annex thereto setting out the directives for such negotiations⁷,
- having regard to the Commission report of 30 January 2019 on the implementation of the 25 July 2018 statement,
- having regard to the Commission communication of 14 October 2015 - entitled ‘Trade for All – Towards a more responsible trade and investment policy’ (COM(2015)0497)⁸,

¹OJ C 265, 11.8.2017, p. 35.

²Texts adopted: P8_TA(2018)0230.

³Texts adopted: P8_TA(2018)0280.

⁴Texts adopted: P8_TA(2018)0342.

⁵http://europa.eu/rapid/press-release_STATEMENT-18-4687_en.htm

⁶http://trade.ec.europa.eu/doclib/docs/2019/january/tradoc_157630.pdf

⁷http://trade.ec.europa.eu/doclib/docs/2019/january/tradoc_157629.pdf

⁸<https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-497-EN-F1-1.PDF>

- having regard to the motion for a resolution of the Committee on International Trade,
 - having regard to Rule 123(2) of its Rules of Procedure,
- A. whereas a strong economic, security and political partnership between the EU and the US is of strategic importance and is crucial to building a democratic, secure and prosperous global economy;
 - B. whereas actions and policies initiated by the current US administration challenge not only the EU-US trade relationship, which constitutes the largest economic relationship in the world, but by challenging the basic principles of international relations, the rule of law and mutual respect, also undermine the rules and values-based multilateral global trading system; whereas new momentum is needed in the partnership to reduce the current tensions and ensure more stability and predictability in EU-US trade relations; whereas given the challenges faced by both sides, the EU and the US have a common interest in collaborating and coordinating on trade policy matters to shape the future multilateral trading system and global standards;
 - C. whereas the EU remains fully committed to multilateralism and a rules-based international order, enshrined in the WTO, which is beneficial to people, societies and businesses in both the US and the EU;
 - D. whereas during the 90-day statutory period for consultations, no scoping discussions were conducted with the EU;
 - E. whereas owing to the limited scope of the agreement, the formal impact assessment process, including sustainability impact assessments, that usually accompanies the start of trade negotiations, and to which the Commission committed itself in line with the Trade for All strategy and the principles of the Better Regulation agenda, has been waived; whereas the impact assessment carried out during the negotiations of TTIP should be consulted and taken into account;
 - F. whereas the EU challenges the imposition of US anti-dumping and countervailing duties on Spanish olives, and has requested consultations with the US at the WTO given that such measures are unjustified, unwarranted and contrary to WTO rules;
 - G. whereas on 31 May 2018, the US imposed illegal tariffs on imports of steel and aluminium from, among others, the EU on the basis of Section 232 of the Trade Expansion Act; whereas these tariffs are still in place and the Commission has responded to them with WTO-compliant rebalancing measures;
 - H. whereas the Trump administration has initiated a similar investigation into imports of motor vehicles and automotive parts, which could lead to increased tariffs on imports of such goods from the EU; whereas the US Department of Commerce report with a recommendation on whether or not the US should adopt import restrictions on cars for national security reasons is due for release;
 - I. whereas these US unilateral measures are illegal, create market uncertainty, undermine the competitiveness of both US and EU companies, undermine global trade rules and risk escalating trade tensions; whereas the EU and the US should be working together to

reform and further strengthen the WTO system against unfair trading practices; whereas the initiatives undertaken by President Juncker and Commissioner Malmström are welcome in this regard;

- J. whereas the EU and the US draft negotiating objectives differ in their scope and in relation to the sectors covered; whereas the joint statement does not cover the car sector; whereas the Commission has signalled its intention to include the car sector in the envisaged negotiations, and announced in its recommendation for a Council decision that the EU is ready to take into account potential US sensitivities in relation to certain automotive products;
 - K. whereas the TTIP negotiations have clearly shown that at this stage the political and economic conditions for a comprehensive trade agreement between the EU and the US have not been met as a result of the complexity of the undertaking and the differing trade approaches and rules of the two parties; whereas, however, previous experiences have indicated that limited agreements could be concluded positively;
 - L. whereas the exclusion of the car sector from the negotiations is in the political interest of the US alone;
 - M. whereas the EU regrets the re-imposition of US sanctions due to its withdrawal from the Joint Comprehensive Plan of Action (JCPOA), as well as threats coming from the White House in response to EU efforts to uphold its commitments under the JCPOA;
1. Takes note of the Joint US-EU Statement of 25 July 2018; recalls that the goal of this statement is to avoid an escalation of trade tensions; regrets the fact that prior to the visit the European Parliament was not informed about the content and objectives of the Statement;
 2. Reiterates that the EU should not negotiate with the US under threat; notes, however, that the recommendations to open negotiations for a WTO-compliant agreement are essential to uphold and fully implement the commitments agreed between the EU and the US in the Statement;
 3. Regrets that to today's date there has been no commitment from the US to lift the tariffs on steel and aluminium, and that the investigation into US imports of motor vehicles and automotive parts is still ongoing; regrets the imposition of tariffs on Spanish olives;
 4. Calls on the Commission to ensure that any cooperation on regulatory matters remains voluntary and respects the autonomy of the regulatory authorities with a view to identifying unnecessary barriers and administrative burdens; recalls that regulatory cooperation must aim to benefit governance of the global economy by increasing convergence and stepping up cooperation on international standards;
 5. Takes note of the fact that the Commission has signalled its readiness to adopt rebalancing measures immediately should the US impose tariffs or quotas on cars exported from the EU; reiterates its support for such measures;
 6. Reiterates that neither the EU nor the US negotiating directives envisage a resumption of the TTIP negotiations; takes the view that a limited agreement with the US on the

elimination of tariffs for industrial goods, including cars, and which takes European industrial sensitivities related to the difference in energy and regulatory costs into account, as well as a conformity assessment agreement with no changes to EU standards and rules, could pave the way to launching a new process to work towards mutually beneficial trade relations and thereby ease current trade tensions; emphasises that any agreement must be compatible with WTO rules and obligations, including GATT Article XXIV; notes that the Commission's recommendations to open negotiations should not be construed as an indication that it would be willing to derogate from existing trade and investment policies as outlined in the Trade for All strategy;

7. Notes that the US Specific Negotiating Objectives for the Initiation of US-EU negotiations seek to secure comprehensive market access for US agricultural goods to the EU by reducing or eliminating tariffs, as well as reducing barriers associated with differences in regulations and standards; underlines that agriculture is not covered by the Joint Statement; notes that the Commission's draft negotiating mandate strictly focuses on the removal of tariffs on industrial goods, including the car sector, while excluding agricultural products; notes that the Commission paved the way for an increase in the EU market share for soybeans from 9 % to 75 % between August 2017 and January 2019;
8. Stresses that industrial goods account for 94 % of EU exports to the US, and that the reciprocal elimination of tariffs has the potential to increase trade flows between the EU and the US; notes that the US applies some very high tariffs on manufactured goods such as leather products, clothing and textiles, footwear and ceramics, and that their elimination would open up opportunities for EU exporters and boost the competitiveness of EU industries;
9. Believes that cooperation on standards and conformity assessment is for the mutual benefit of EU and US businesses, especially small and medium-sized enterprises (SMEs), which will benefit from the elimination of duplication in relation to testing, inspection and certification requirements; highlights that this is without prejudice to the EU's standards;
10. Notes that one of the objectives of the above-mentioned Joint Statement is the ambition to work in close cooperation with like-minded partners to reform the WTO; regrets the blocking of nominations of new WTO Appellate Body Members by the US, which harms the functioning of the WTO dispute settlement system;
11. Deeply regrets the withdrawal of the US from the Paris Agreement; recalls that the European Parliament stressed in its resolution on climate diplomacy that the EU should make the ratification and implementation of the Paris Agreement a condition for future trade agreements; highlights nevertheless that the recommendations refer to a limited agreement and not a comprehensive free trade agreement; considers, therefore, that any such agreements should represent an exception dictated by specific circumstances, and in any case not create a precedent for the European Union in future negotiations; notes, in this context, that the resolution on climate diplomacy stresses the importance of closely cooperating with the US, and calls on the Commission to engage with the US on climate and sustainability policies;
12. Believes that the conclusion of a trade and conformity assessment agreement with the

US under the above-mentioned conditions does not reflect the general principles of EU trade agreements; believes, however, that, given the exceptional circumstances, the opening of negotiations of an agreement with a limited scope and articulated red lines with the US has the potential to produce an outcome that could be in the interests of European citizens, societies and businesses, in particular SMEs, could generate economic growth, as well as establish a more positive climate between the partners that could help them to tackle global challenges together, including the reform of the WTO, by contributing to overcoming the current trade deadlock, but can only be successful and would only be in conformity with a values-based EU trade policy if the following minimum conditions are met:

- (1) The lifting of tariffs on aluminium and steel pursuant to Section 232 of the US Trade Expansion Act of 1962 before the conclusion of the agreement;
 - (2) A comprehensive consultation process with civil society and a sustainability impact assessment of the proposed agreement, and the taking into account of the impact assessments and studies already carried out in this field;
13. Calls, therefore, on the Council to take these considerations into account when adopting the negotiating directives and to ensure:
- a clear commitment in the EU mandate to include cars and car parts in the negotiations,
 - greater clarity concerning how rules of origin are going to be dealt with in the negotiations,
 - that agriculture is excluded from the scope of the negotiations,
 - the inclusion of a suspension clause in the negotiating mandate to be triggered at any time should the US impose additional tariffs or other trade-restrictive measures on EU products, either on the basis of Section 232 of the 1962 Trade Expansion Act or Section 301 of the 1974 Trade Act or any other similar US law during negotiations or before such negotiations start;
14. Calls on the Commission to inform Parliament and to associate it fully at all stages of the negotiations, also taking into account the European elections; calls on the Council not to authorise the application of the agreement before Parliament has given its consent; expects both the Commission and Council to continue to ensure the highest level of transparency throughout the negotiations; calls, therefore, on the Council to publish the negotiating directives if it approves them; reminds the Commission of the obligation to present the sustainability impact assessment for the potential agreement, in line with the Better Regulation agenda;
15. Calls on the Council not to endorse the negotiating directives before Parliament has adopted its position;
16. Instructs its President to forward this resolution to the Council, the Commission, the European External Action Service, the governments and parliaments of the Member States and the US Administration and Congress.