

**Question for written answer E-014226/2013
to the Commission**

Rule 117

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Subject: Role of arbitration in the free trade agreements between the European Union and the United States

The aim of the negotiations on the free trade agreement between the European Union and the United States is to boost the growth and competitiveness of these two world powers.

However, the inclusion in the agreement of arbitration in the event of trade disputes, in place of traditional judicial procedures, is problematic from a legal certainty point of view.

In private international law, arbitration is often perceived as a mechanism for bypassing national courts. It can appear in a contract in the form of a clause, and empowers one or more arbitrators to settle a dispute without having recourse to the usual judicial procedures.

In this respect, however, recent studies warn against the dangers of arbitration. For example, when Germany decided to stop using nuclear power after the Fukushima disaster, the Swedish firm Vattenfall cited a bilateral investment treaty in order to claim EUR 700 million in compensation for the closure of its nuclear reactors.

Furthermore, there is a growing risk of conflicts of interest, since lawyers who work for large companies also cooperate closely with States.

Can the Commission therefore clarify the role that arbitration would be required to play in the free trade agreements between the European Union and the United States?