

Dear Minister Ploumen,

As chair of the EU Trade Council during the Dutch Presidency of the European Union, the European Trade Union Confederation would like to raise some pending issues regarding CETA. Please also find attached a joint declaration between the ETUC and the Canadian Labour Congress over the Agreement.

At the Foreign Affairs council meeting on 13 May we urge you to call for CETA to be altered to address the significant concerns held by trade unions in the EU and Canada that the deal does not contain adequate protections for public services, labour standards and democratic decision making.

We are concerned, firstly, that CETA contains an inadequate carve out for public services which means they will not be protected from privatisation. The negative list approach taken in the agreement means any service not explicitly listed will be exposed to liberalisation commitments of the deal. This danger is increased by the Investment Court System in CETA which, whilst modified from the old ISDS system, still provides foreign investors with special courts through which they can sue governments for regulations and policies that they regard as bad for business. This is partly due to the broad definition of what constitutes 'indirect expropriation'. We believe this will result not only an increased cost for governments implementing regulatory change, but also a 'chilling effect' on policy. The existence of such a court system means that governments are less likely to introduce public policies with legitimate welfare objectives, such as increasing minimum wages, as they risk triggering costly litigation via ICS. The ETUC believes CETA must take a positive list approach to service listing, broadly exempt public services from the deal, and eliminate special courts for foreign investors and the 'ratchet' and 'standstill' mechanisms.

The enforcement mechanism CETA provides foreign investors to pursue their interests stands in sharp contrast to the lack of enforcement provisions the deal provides workers to claim their rights. We welcome the fact the deal compels Canada to ratify and fully implement at least all of the core labour standards - we hope would be done by the time the agreement would come into force. However, if this agreement truly aims at becoming a gold standard for workers' rights, violations of its labour provisions must be subject to its dispute settlement process and punishable ultimately with sanctions whilst the deal as a whole must promote good jobs at decent pay.

Concern being expressed by an increasing number of Member States, regional authorities, trade unions and civil society groups about the impact of CETA on public welfare, standards and rights must be addressed in order for the deal to have democratic legitimacy and to show the deal is in the public interest, rather than being negotiated for private profit. A comprehensive assessment of the impact of CETA in each Member States should be carried out before the agreement if ratified. Furthermore, in our view the Council should be required to vote on the agreement by unanimity, as stipulated in Article 207 (4.b) given that CETA risks undermining Member States responsibilities for the organisation of social, education and health services.

I look forward to hearing how you plan to work with other Member States and the European Commission to address these concerns in your future deliberations on CETA.

Sincerely Yours
Liina Carr
ETUC Confederal Secretary