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Dear David,

Thank you for your letter of 22 October about the free trade agreement currently being negotiated between the EU and US, also known as the Transatlantic Trade and Investment Partnership (TTIP).

Let me reassure you that the NHS will not be privatised through this agreement, nor will it open NHS services to further competition.

The Government is working with its EU partners to open markets around the world as increased trade and investment are two of the main drivers for growth, which is the best way to ensure British workers can enjoy better living standards. Businesses which export are more productive, resilient and pay higher wages.

A trade and investment agreement between the EU and US is a once-in-a-generation opportunity to create the largest free trade area in the world. It would bring huge economic benefits on both sides of the Atlantic, increasing trade and investment, creating jobs, reducing prices and increasing choice for consumers. Independent analysis shows that an ambitious agreement could give an annual boost to the UK economy of as much as £10 billion each year. This translates to additional disposable income of about £400 per year for an average UK household. That is why we are pushing for a broad agreement that eliminates the vast majority of tariffs on trade between the two markets and reduces other unnecessary barriers to trade such as duplicate regulatory tests and customs delays.

#### NHS / Public Services

The NHS is under no threat whatsoever from this deal or any other trade and investment agreement. Over several decades the UK and EU have signed numerous trade agreements. These treaties have helped both UK and EU businesses grow and create high quality jobs. They have also ensured that it remains for the UK to decide how our public services are run. The agreement with the US will be no different. Decisions on how to deliver public services for

the best outcomes for UK citizens are and will be made by UK governments, not our trade partners. The Prime Minister has confirmed this.

In January, the European Commissioner for Trade, Cecilia Malmström, wrote to the then Minister of State for Trade and Investment, Lord Livingston of Parkhead, about the NHS, reiterating that the EU negotiating position for the trade deal with the US is to ensure that EU countries will be free to decide how they run their public health systems and that the NHS is not at risk from this agreement.

Commissioner Malmström summarised the EU's approach to public health services in trade agreements, such as the trade deal with the US, as follows:

- "Member States do not have to open public health services to competition from private providers, nor do they have to outsource services to private providers
- Member States are free to change their policies and bring back outsourced services back into the public sector whenever they choose to do so, in a manner respecting property rights (which in any event are protected under UK law)
- it makes no difference whether a Member State already allows some services to be outsourced to private providers, or not"

Commissioner Malmström's letter is published on the Gov.UK website at the web address given at the end of this letter (in the 'Public concerns' section).

Commissioner Malmström and US Trade Representative, Ambassador Froman, also agreed a joint statement which set out that:

"US and EU trade agreements do not prevent governments, at any level, from providing or supporting services in areas such as water, education, health and social services. Furthermore, no EU or US trade agreement requires governments to privatise any service, or prevents governments from expanding the range of services they supply to the public. Moreover, these agreements do not prevent governments from providing public services previously supplied by private service suppliers; contracting a public service to private providers does not mean that it becomes irreversibly part of the commercial sector."

This statement can be found on the European Commission's website at:

[http://europa.eu/rapid/press-release STATEMENT-15-4646 en.htm](http://europa.eu/rapid/press-release_STATEMENT-15-4646_en.htm)

It follows that the EU-US trade deal will not affect the UK's ability to determine how publicly funded health services are provided. It will remain up to the UK Government and devolved administrations to decide how to run publicly funded health services, whether private companies should be involved in providing them under contract, and if so to what extent.

On 31 July 2015 the EU published its second offer to the US on trade in services. The exemptions and reservations for publicly funded health care services in the draft text ensure that the Government's ability to regulate the NHS is protected. As demonstrated by the public statements cited above, both the European Commission and the US Government are well aware that this is non-negotiable.

### Parliamentary Oversight

Parliament oversees the negotiations for this trade agreement via regular updates from Ministers. It has been debated in the House of Commons on four occasions and once in the House of Lords. It has also been considered by three Parliamentary committees (House of Lords EU Committee / House of Commons Business, Innovation and Skills Committee / House

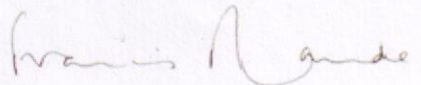
of Commons Environmental Audit Committee) which have published their findings. The Government's response to each committee's report can be found on the Gov.UK website below (in the 'How Parliament is involved' section).

We expect the agreement will be a mixed agreement, covering areas of both EU and Member State competence. In that case, it will be subject to agreement by each EU Member State (including the UK), the EU Council (representing governments of the EU countries) and the European Parliament. As part of this process the agreement will be subject to a process of Parliamentary scrutiny-before it is ratified by the UK. The text will also be published online at the same time.

#### More information

Further information about the negotiations for the EU-US free trade agreement is available on the Gov.UK website at: [www.gov.uk/bis/ttip](http://www.gov.uk/bis/ttip) and the European Commission's website at: <http://ec.europa.eu/trade/policy/in-focus/ttip/>

I hope this response reassures you that we are getting the balance right on this trade deal and that the ongoing negotiations will deliver a trade and investment agreement which benefits the UK economy, workers and consumers.



**FRANCIS MAUDE**