



FIRE BRIGADES UNION

**EU consultation on the draft
TTIP sustainable impact
assessment report**

7 June 2016

EU consultation on the draft TTIP sustainable impact assessment report – FBU submission

This is the Fire Brigades Union (FBU) submission to EU consultation on the *TTIP sustainable impact assessment: Draft Interim Technical Report*. The FBU is the authoritative, professional voice of firefighters across the UK. The union represents the vast majority of firefighters in England, Scotland, Wales and Northern Ireland, including wholetime (full-time) and retained (part-time, on-call) operational firefighters and control staff.

Firefighters do a vital job serving communities and protecting people at fires, floods, terrorist incidents, road traffic incidents, chemical spills, wildfires, storms and other extreme weather situations, as well as a range of other emergencies. Firefighters provide a professional all-hazards emergency service that is widely valued across the globe. Firefighters tackle risks and manage some of the worst civilian situations imaginable. We expect that our service is properly funded, our views listened to and our independence respected.

The FBU is fundamentally opposed to the privatisation of the fire and rescue service. Our members are principally concerned about TTIP's implications for the fire and rescue service. We believe it is the fundamental responsibility of national governments to ensure that core services like the fire and rescue service are free at the point of use. We believe that the fire and rescue service should be publicly owned and controlled. The vast majority of fire and rescue services across Europe and North America are municipal or local public services, with some central/federal input, and funding through general taxation.

There are many services that need to be provided or commissioned by government – either central or local. This is either because they are natural monopolies, security-related, quasi-judicial or because they are being provided for people who are not able to make the appropriate choices through the market. The FBU believes the fire and rescue service falls into this category.

It is widely recognised even in mainstream economics that fire protection exhibits many of the features of a “public good” and therefore should be provided by the state. For example William Baumol and Alan Blinder argue that “national defence, public health, police and fire protection, and research are among services governments provide because they offer beneficial externalities or are public goods”.¹ Public goods are those that, if they were provided privately, some people would not pay for them, even though they would be able to use them. To avoid this ‘free rider problem’, these goods and services are paid for out of general taxation.

Joseph Stiglitz, the Nobel-prize-winning economist has explained this clearly:

“Many goods are not pure public goods but have one or the other property (non-rivalrousness or non-excludability) to some degree. Fire protection is like a private good in that exclusion is relatively easy – individuals who refuse to contribute to the fire department could simply not be helped in the event of a fire.

“But fire protection is like a public good in that the marginal cost of covering an additional person is low. Most of the time, firefighters are not engaged in fighting fires but are waiting for calls. Protecting an additional individual has little extra cost.

“Only in that rare event when two fires break out simultaneously will there be a significant cost to extending fire protection to an additional person. But even here, matters are more complicated: if we want to protect the building next door which has paid for fire protection, it may be necessary to put out the fire in the building which has not paid for protection – exclusion may not really be feasible.”²

¹ Baumol and Blinder, *Economics: Principles and Policy*, 2004: 277

² Stiglitz, *Economics of the Public Sector*, 2000: 134

Private ownership and control of the fire and rescue service does not make any sense. Profits would be hard to make from those putting out fires in many communities. Social solidarity means that local people collectively contribute to defending themselves and others from the shared risk. In addition, equity and social justice require some parity of provision. The FBU also believes that market alternatives often fail to provide what is required for all citizens and at reasonable cost.

Internationally, we would argue that the experience of volunteer and private sector provision has been poor. Stiglitz has highlighted some of the risks of voluntary provision.

“In many communities [in the United States], fire departments are supported voluntarily. Some individuals in the community refuse to contribute to the fire department. Yet, in an area where buildings are close together, the fire department will usually put out a fire in the noncontributors’ building because of the threat it poses to adjacent contributors’ structures. But there have been instances of fires at isolated noncontributors’ buildings where fire departments refused to put out the fire. The fire departments were severely criticised.”³

The recent experience of private sector involvement in the UK fire and rescue service reinforces our scepticism about further moves. The worst case has been AssetCo, which owned fire engines and equipment in London and Lincolnshire. AssetCo became a by-word for mismanagement and greed, which ended in a trail of debt and insolvency for the company. In and out of court, replete with internal scandal, its share price suspended, AssetCo is a terrible advertisement for what can and does go wrong when private providers come into public services.

A further example is the FiReControl project, which aimed to close 46 fire control rooms in England and replace them with nine regional control centres. Around half a billion pounds of taxpayers’ money was wasted on this project, and much of that went on private sector providers. A National Audit Office report stated, “The implementation of FiReControl was heavily reliant on consultants and interim staff, who contributed around half the Department’s project team at a cost of £68.6 million, over three-quarters of the total spend on the national team supporting the project”.⁴ In addition, a private firm failed to deliver the technology necessary to allow the new control rooms to communicate effectively beyond a few kilometres. The project was rightly dubbed by the Public Accounts Committee as “one of the worst cases of project failure” they had seen in many years.⁵

The FBU is alarmed that the document, *Transatlantic Trade and Investment Partnership, Services and investment offer of the European Union*, published on 31 July 2015, contains no mention of the fire and rescue service.⁶ We can only conclude that EU and US negotiators intend to allow fire and rescue services to open for privatisation under TTIP. The FBU is principally opposed to this move: there is no place for profiteering in the fire and rescue service. The union wants any treaty to specifically exempt fire and rescue services from its provisions – either in the form of an explicit public utilities exemption or directly on a positive list.

The *TTIP sustainable impact assessment: Draft Interim Technical Report* highlights the danger of “regulatory chill” to public services. However the FBU is alarmed that the draft report only contains one reference to fire, and this is to fire alarm standards. It states: “The sub-sectors of lightening and fire alarms have been reported as having the highest barriers in terms of different standards in the US that are hard to be met by the EU producers”.⁷

³ Stiglitz, *Economics of the Public Sector*, 1986: 120-121

⁴ National Audit Office, *The failure of the FiReControl project*, 2011: 23-24

⁵ House of Commons Committee of Public Accounts, *The failure of the FiReControl project*, 2011: 3

⁶ *Transatlantic Trade and Investment Partnership, Services and investment offer of the European Union*, 31 July 2015
<http://trade.ec.europa.eu/doclib/html/153670.htm>

⁷ *TTIP sustainable impact assessment: Draft Interim Technical Report*, May 2016: 300
<http://www.trade-sia.com/ttip/draft-interim-technical-report-published-online/>

The FBU does not accept the draft report's conclusion that "no major impact on EU Member States' health care systems is to be expected" or that "civil society's concerns regarding the definition of public services in the context of TTIP are unnecessary".⁸ Health unions and other stakeholders have expressed their concerns and we share them. The draft report is cavalier about the health service, staffed by irreplaceable emergency service professionals that firefighters work alongside on a daily basis. The FBU believes that health and fire sectors would be adversely affected by TTIP as it is currently constituted.

The FBU believes this indicates the complete absence of consultation with representative stakeholder bodies from fire and rescue services in Europe and the United States. The trade unions are the largest and most representative bodies within fire and rescue services on both sides of the Atlantic. The failure to consult with these organisations shows that the risks of TTIP have not been fully assessed and that important voices have not been heard in this crucial area.

The FBU is also concerned about the alleged "gains" from TTIP arise from deregulation and privatisation. We believe this will diminish the strong occupational safety and health provision that firefighters have established over decades, often after the terrible loss of life of our members in the line of duty. Until fairly recently, 100 firefighters a year died in the United States while on duty. No comparable data for Europe has been produced, but fatalities and injuries remain a pressing concern everywhere among the workforce.

The FBU believes that no assessment has been made of the likely impact of TTIP on the jobs and wages of firefighters across Europe and North America. In the UK, our communities have experienced a 13% reduction in frontline firefighter jobs over the last five years, and we know from sister unions, especially in southern Europe that they too have experienced substantial reductions in firefighter numbers. In the UK firefighters have endured pay increases of 1% in recent years – a measure imposed again for a further four years. This has meant in most years a real reduction in firefighters' pay given the level of inflation. Firefighters will not agree to a trade agreement that imposes more job losses and wage cuts.

The FBU is further concerned about the impact of TTIP on labour and environmental standards. We want levelling up to the best across Europe and North America, not a race to the bottom. Firefighters engage regularly with the impacts of climate change, whether it is the recent flooding in Europe or with wildfire in North America. In the UK firefighters and other public sector workers have faced another onslaught of anti-union legislation in the form of the Trade Union Act. We know that ILO labour standards are ignored or diminished on both sides of the Atlantic, and TTIP cannot be a vehicle for further reductions in these standards. Trade unions in the EU and USA are right to call for TTIP to contain binding commitments to ratify and effectively enforce ILO labour standards.

The FBU has strong links with trade unions who organise firefighters across Europe, through the EPSU firefighters' network. We also have very strong links with the International Association of Fire Fighters (IAFF), the firefighters' union in the United States and Canada, which organises three-quarters of professional firefighters in those countries. The European firefighters' network has passed policy in opposition to TTIP and our concerns are shared by the IAFF, which has run its own campaign against privatisation in North America.

The FBU also wishes to highlight another important element of TTIP for the UK. The FBU's conference in May this year voted to recommend a 'remain' vote in the forthcoming UK referendum on EU membership. However it was clear from the discussion that delegates advocating a 'leave' position were able to cite the flaws and threats in the current TTIP text as grounds to exit the EU.

⁸ TTIP sustainable impact assessment: Draft Interim Technical Report, May 2016: 144

Further, even among those delegates advocating 'remain', there were very similar concerns about the detail of TTIP. Therefore those involved in negotiations need to understand the role TTIP has played so far in fuelling criticism of the EU as an institution.

The FBU therefore believes that the fire and rescue service should be exempted from TTIP, along the lines proposed for the NHS by health unions. The FBU also believes that the fire and rescue service should be exempt from the proposed Investment Court System, which could be used to lever open public fire and rescue services to private providers.