



2023/2772(RSP)

03.7.2023

DRAFT MOTION FOR A RESOLUTION

further to Question for Oral Answer B9-0000/2023

pursuant to Rule 136(5) of the Rules of Procedure

on the opening of negotiations of an agreement with the United States of America on strengthening international supply chains of critical minerals (2023/2772(RSP))

Bernd Lange

on behalf of the Committee on International Trade

B9-0000/2023

**European Parliament resolution on the opening of negotiations of an agreement with the United States of America on strengthening international supply chains of critical minerals
(2023/2772(RSP))**

The European Parliament,

- having regard to the Commission recommendation of 14 June 2023 for a Council decision authorising the opening of negotiations of an agreement with the United States of America on strengthening international supply chains of critical minerals (COM(2023)0327),
- having regard to the joint statement of 10 March 2023 by US President Joe Biden and Commission President Ursula von der Leyen,
- having regard to the US Inflation Reduction Act of 2022 (IRA),
- having regard to the EU-US Joint Statement of the Trade and Technology Council of 31 May 2023,
- having regard to the question to the Commission on the opening of negotiations of an agreement with the United States of America on strengthening international supply chains of critical minerals (O-0000/2023 – B9-0000/2023),
- having regard to Rules 136(5) and 132(2) of its Rules of Procedure,
- having regard to the motion for a resolution of the Committee on International Trade,
 - A. whereas the EU and the US share common values and a fundamental common interest in shaping a rules-based international environment that strengthens multilateralism and democratic values, defends human rights, upholds international law and promotes a rules-based international order and sustainable development around the world;
 - B. whereas the United States is a founding member of the World Trade Organization (WTO) and has for decades been a strong advocate of a rules-based multilateral world order;
 - C. whereas the EU and the US have recently launched the EU-US Clean Energy Incentives Dialogue focusing on possible revisions to green subsidies rules that the two parties could propose at WTO level; whereas they have also launched the Transatlantic Initiative on Sustainable Trade as part of the EU-US Trade and Technology Council to amplify the potential of the transatlantic marketplace as a catalyst for decarbonisation and the green transition;
 - D. whereas the global race to shape the future of clean energy technology manufacturing is picking up pace, influenced, among other things, by public interventions;
 - E. whereas the objective of promoting clean production and innovation in clean

technologies and stepping up climate efforts should encourage the production of clean technologies in the EU while strengthening the resilience of international supply chains in cooperation with reliable partners and reducing unwanted strategic dependencies;

- F. whereas a multilateral structure of cooperation on critical raw materials could deliver economic and social benefits in the extractive production of critical raw materials and include effective safeguards that reduce impacts on biodiversity and ecosystems within existing global boundaries;
 - G. whereas while the IRA represents the single largest investment in the climate and clean energy in American history, it includes provisions that are discriminatory and undermine the level playing field and in doing so, it excludes EU exporters from the tax credits or subsidies granted under the scheme, including EU exporters of battery operated vehicles or fuel cell operated vehicles;
 - H. whereas the EU and US do not have a free trade agreement in place;
 - I. whereas the adoption of a critical minerals agreement is justified in order to grant the EU equivalent status to US free trade agreement partners for the purpose of the IRA's clean vehicle credit;
 - J. whereas the continuous inclusion of the European Parliament in the process up to the adoption of the negotiating mandate would ensure a more robust and democratically legitimate process;
1. Welcomes the Commission's engagement with the US Administration at the highest level and urges the parties to find solutions to redress the IRA's discriminatory provisions, which affect EU exporters to the US market and undermine the level playing field;
 2. Welcomes the opening of negotiations on an agreement with the US on strengthening international supply chains for critical minerals, to the extent that these negotiations will achieve a balanced result that is compatible with WTO rules and improve mutually beneficial cooperation;
 3. Stresses that the EU has some of the highest standards in the world when it comes to climate and environmental provisions and that these should allow EU products to qualify for the benefits provided for under the IRA; emphasises that the agreement should also fully respect the EU climate and sustainability *acquis*, should be in line with the EU's efforts to strengthen its open strategic autonomy, and should be without prejudice to recently adopted legislation and currently pending legislative proposals, including the Net-Zero Industry and Critical Raw Materials Acts¹ and the proposed regulation concerning batteries and waste batteries²;

¹ Commission proposal of 16 March 2023 for a regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 (COM(2023)0160).

² Commission proposal of 10 December 2020 for a regulation of the European Parliament and of the Council concerning batteries and waste batteries, repealing Directive 2006/66/EC and amending Regulation (EU) No 2019/2010 (COM(2020)0798).

4. Supports transatlantic cooperation, including through international forums, on fair and inclusive standardisation for the lifecycle assessment, extraction, labelling and recycling of critical minerals with a view to supporting sustainable value and supply chains; welcomes the launch of the Transatlantic Initiative on Sustainable Trade and looks forward to the swift implementation of its work programme; calls on the Commission to work closely with the US to explore the full potential of the Trade and Technology Council, and to work closely with other strategic partners to promote resilient, sustainable and reliable global value chains for critical materials and to use this agreement as an opportunity to create added value in, and cooperate with, the countries where those critical minerals originate while reducing unwanted strategic dependencies;
5. Supports the agreement's stated objective of strengthening international supply chains for critical minerals, thus providing for reciprocal trade, labour and environmental commitments, and of promoting the adoption of electric vehicle battery technologies by formalising the shared commitment of the EU and the US to facilitate trade and reduce uncertainty for businesses;
6. Welcomes the objective of building a shared understanding of distortive non-market policies and practices in critical minerals and developing coordinated action, including with other strategic partners, to foster supply chain diversification and reduce vulnerabilities and unwanted strategic dependencies;
7. Stresses that the agreement should also lead to clarity with respect to relevant definitions, and calls on both parties to agree on all minerals listed in the IRA that are to be covered through the agreement and to define the list of sectors related to the critical minerals that are the subject of this agreement;
8. Calls for critical minerals obtained through recycling also to be covered by the agreement; welcomes the fact that the draft negotiating directives refer to the need to promote circularity but regrets that they do not explicitly include recycled raw materials in the scope of the negotiations;
9. Welcomes the negotiating directives' stated ambition with regard to sustainability aspects and labour provisions and the reference to International Labour Organization fundamental principles and rights at work; underlines that the agreement should also fully respect the EU approach to trade and sustainable development and should be without prejudice to recently adopted legislation and currently pending legislative proposals, including the proposed regulation on prohibiting products made with forced labour on the Union market³;
10. Underlines the importance of the inclusion of a transparency mechanism for reciprocal sharing of information about public support provided to the critical minerals sector as well as an early warning system for critical mineral supply chain disruptions;
11. Calls on the Commission to continue to assess the potential impact of the IRA on European industry and its competitiveness, including trade and investment distortions, taking into consideration the current challenges to supply chains and the high costs of

³ Commission proposal of 14 September 2022 for a regulation of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market (COM(2022)0453).

energy, transport and raw materials, and to continue the dialogue with the US with regard to addressing these issues;

12. Calls on the Commission to carry out an *ex post* impact assessment of this agreement and to analyse the extent to which it is achieving its stated objectives, at the latest two years after its ratification;
13. Takes note of the ambitious timeline for the conclusion of the negotiations with the US; recalls, in this context, the importance of immediately and fully involving and informing Parliament at every stage of the negotiations in order to ensure democratic scrutiny; recalls that any formal agreement resulting from such negotiations will require Parliament's consent; stresses that the need for an expedited solution should not be to the detriment of ambition;
14. Calls on the Commission to convey to the US Government that an agreement on critical minerals should be considered only as one of the first steps towards addressing all of the EU's concerns both about the IRA, without prejudice to possible actions at WTO level, and more widely about outstanding trade frictions in EU-US relations; urges the Commission to continue its engagement with the US Government also to address other outstanding concerns;
15. Instructs its President to forward this resolution to the Council, the Commission, the Office of the US Trade Representative and the US Congress.