



## **The Trans-Pacific Partnership: What It Would Mean for the Environment**

The Trans-Pacific Partnership (TPP) is an expansive trade deal being negotiated between twelve countries in the Pacific Rim: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and the United States. Because the TPP is intended as a “docking agreement,” other countries would be able to join over time.

The Pacific Rim is an area of great significance from an environmental perspective. It includes Australia’s Great Barrier Reef—the world’s largest coral reef system, home to more than 11,000 species—and Peru’s Amazon Rainforest—one of the most biologically diverse areas on Earth.

But the natural environment and rich biodiversity of the Pacific Rim are threatened by, among other things, illegal and/or unsustainable commercial exploitation. The Asia-Pacific region accounts for about one third of all the threatened species in the world. The numbers of several species of oceanic sharks, including reef sharks, are declining rapidly. And illegal logging persists in a number of TPP countries, threatening not only natural forests, but the communities who live in and rely upon the forests.

Trade agreements must serve to strengthen environmental and climate protection. The Trans-Pacific Partnership, however, follows a flawed model of trade that puts corporate profits before communities and the environment.

### **Lack of Transparency**

The TPP encroaches on a broad range of issues—the environment, labor and jobs, food, health, access to medicines, and more. Despite the huge impact that the TPP would have on our lives, trade negotiators are developing TPP texts, or chapters, behind closed doors with very little public input. None of the texts are public, though a few have leaked. Moreover, nearly the only people apart from select TPP government officials with access to texts are more than 600 corporate representatives who serve as “official U.S. trade advisors.” The text of the TPP must be released now so that we can have a real conversation about the effects of this pact on communities and the environment.

### **The TPP and the Environment**

The chapters in trade deals devoted to the environment have a history of lacking meaningful enforcement. But they’ve been strengthened over the years, largely thanks to citizen-led advocacy by groups including the Sierra Club. This pressure led to the forging of a bipartisan consensus in May 2007 that set the minimum standards for environment, labor, and other provisions in our trade agreements.

It is essential that the environment chapter of the TPP build on this progress. At the minimum, the environment chapter of the TPP must:

- be binding and subject to the same dispute settlement provisions as commercial chapters;
- ensure that countries uphold and strengthen their domestic environmental laws and policies and their obligations under multilateral environmental agreements; and

- include binding provisions to address the core environment and conservation challenges of the Pacific Rim region, such as a prohibition on trade in illegally taken timber, wildlife, and fish and a ban on shark finning and associated trade.

### **The TPP and Corporate Rights**

The TPP will follow the model of the North American Free Trade Agreement (NAFTA) and include provisions that allow foreign corporations to sue governments directly—for unlimited cash compensation—over almost *any* domestic environmental or other law that the corporation alleges is hurting its ability to profit. While typically disagreements over trade are handled between countries, the so-called "investor-state dispute settlement" cases are heard in private and unaccountable trade tribunals. This means that not only do investor-state cases threaten laws designed to protect our health and environment, they do so in a completely opaque manor. To date, corporations such as Exxon Mobil and Chevron have launched almost 600 cases against nearly 100 governments.<sup>1</sup>

#### **Injustice in La Oroya**

In a case going on today, a U.S. corporation, Renco Group, invested in a metallic smelter in La Oroya, Peru, one of the most polluted sites in the world.<sup>2</sup> Metallic smelters, which refine metals such as lead, zinc, silver, and gold are both an environmental and health hazard; it has been documented, for example, that people living near metallic smelters have dangerously high levels of lead in their blood.

Renco was supposed to clean up pollutants and contaminants in the area of their smelter, but they never did. After the Peruvian government decided not to grant Renco a third extension on its clean-up obligations, Renco filed an investor-state suit under the US-Peru free trade agreement and demanded \$800 million in compensation. The case is still ongoing.

#### **Increase in Dirty Fracking**

The TPP would facilitate increased exports of liquefied natural gas by *requiring* the U.S. Department of Energy to automatically approve all natural gas exports to TPP countries. Increased exports would mean an increase in hydraulic fracturing, or fracking, the dirty and violent process that dislodges gas deposits from shale rock formations. Increased exports of natural gas would also cause an increase in electricity prices, burdening consumers, manufacturers, workers, and increasing the use of dirty coal power.

#### **Fast-Track Authority**

Fast track authority would allow the U.S. executive branch to finish negotiating and sign the TPP before ever sending the agreement to Congress. It would then limit the role of Congress to a straight up-or-down vote on the pact—with no room for amendments and limited floor debate. Fast track is an outdated and inappropriate mechanism for trade pacts as expansive as the TPP. Congress should oppose any legislation that limits the ability of Congress to set the terms of trade and that expedites the passage of trade pacts without sufficient protections for communities and the environment.

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<sup>1</sup> United Nations Conference on Trade and Development (UNCTAD). *Latest Developments in Investor-State Dispute Settlement*. 2014. [http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d3\\_en.pdf](http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d3_en.pdf)

<sup>2</sup> For more information on this case, see Public Citizen, Global Trade Watch. "Renco Group Uses Trade Pact Foreign Investor Provisions to Chill Peru's Environment and Health Policy, Undermine Justice." March 2012.