

Sierra Club Analysis: Leaked EU Trade Text Reveals Alarming New TTIP Threats to Our Environment

- **Requiring unfettered gas exports:** The EU uses a note in the leaked text to state that TTIP “must” include “a legally binding commitment to eliminate all existing restrictions on the export of natural gas in trade between” the U.S. and EU (*see initial “disclaimer”*). This sweeping TTIP obligation would “eliminate,” the [ability](#) of the U.S. Department of Energy to determine whether it is in the public interest to export liquefied natural gas (LNG) – a fossil fuel with high climate emissions – to the EU, the world’s [third-largest LNG importer](#). If included, this TTIP rule would facilitate increased LNG exports, greater dependency on a climate-disrupting fossil fuel, more fracking, and expanded fossil fuel infrastructure.
- **Undermining clean energy policies:** The leaked TTIP proposal could undermine U.S. and EU policies that encourage clean energy production, such as [renewable portfolio standards](#) that require utilities to increase electricity from renewable sources, or [feed-in tariffs](#) that give wind and solar power producers preferential access to the electrical grid. The EU’s TTIP proposal includes a new provision stating that electricity utilities in the U.S. and EU shall not discriminate “between types of energy” in granting access to the electrical grid, even though that is the very purpose of such U.S. and EU policies that require utilities to favor clean energy over electricity from dirty fossil fuels. The leaked text only allows “limited” exceptions to this rule. To qualify for such an exception, a government could have to prove to a TTIP tribunal that its clean energy policy was “necessary,” “objective,” and “legitimate” – hurdles that public interest policies have failed to meet in past trade challenges (*see Chapter on Energy and Raw Materials, Article 4*).
- **Obligating the U.S. and the EU to “foster industry self-regulation” on energy efficiency:** Another new EU proposal for TTIP states that the U.S. and EU “shall foster industry self-regulation of energy efficiency requirements” rather than using “mandatory requirements” that oblige corporations to boost the energy efficiency of their products (*see Chapter on Energy and Raw Materials, Article 6.2*). The text prescribes this “self-regulating” approach when it “is likely to deliver the policy objectives faster or in a less costly manner” than actually requiring corporations to comply with energy efficiency policies. This provision could threaten the minimum efficiency requirements that the U.S. Department of Energy imposes through its Appliance and Equipment Standards Program on more than 60 types of appliances and equipment, from refrigerators to furnaces, which [save consumers billions of dollars](#) while cutting hundreds of millions of tons of climate pollution each year.

- **Undermining protections against destructive extraction:** The proposed TTIP text includes a new provision that would encourage the U.S. and the EU to jointly pressure countries around the world to abandon protections against destructive extractive activities. The provision states that the U.S. and EU “shall cooperate” to “reduce or eliminate trade and investment distorting measures in third countries affecting energy and raw materials” (*see Chapter on Energy and Raw Materials, Article 8*). That is, the U.S. and EU must try to reduce or eliminate environmental policies in non-TTIP countries if they inhibit trade or investment in fossil fuels like oil, coal, and gas; natural resources like wood; and minerals like copper and lead (all of which are included in the text’s definitions of “energy” and “raw materials” – *see Chapter on Energy and Raw Materials, Annex I*). Such TTIP-required pressure from the U.S. and EU would threaten many countries’ protections against fossil fuel extraction, logging, and mining. This dangerous TTIP proposal undercuts the text’s weak proposal for the U.S. and EU to cooperate to “promote” positive goals such as “corporate social responsibility,” “the efficient use of resources,” and “safety and environmental protection for offshore oil, gas and mining operations” (*see Chapter on Energy and Raw Materials, Article 8*).