

Center for Biological Diversity * Center for International Environmental Law * Earth Day Network * Friends of the Earth * Greenpeace * Institute for Agriculture and Trade Policy * Institute for Policy Studies—Climate Policy Program * Oil Change International * Power Shift Network * Physicians for Social Responsibility * Rachel Carson Network * Rainforest Action Network * Sierra Club * Students for a Just & Stable Future * SustainUS: U.S. Youth for Justice & Sustainability

1 September 2016

Dear President Obama,

On behalf of our millions of members nationwide, we write you with deep concerns about the most recent proposals for the Transatlantic Trade and Investment Partnership (TTIP), submitted by the European Union (EU), that would undermine your administration's climate achievements and future efforts to tackle the climate crisis. The EU proposals for TTIP would backtrack on the G20 commitment to phase out fossil fuel subsidies, threaten mandatory energy efficiency standards, eliminate all restrictions on gas exports between the U.S. and the EU, and jeopardize protections against dangerous extractive activities. We call on your administration to publicly oppose these polluter-friendly TTIP proposals. Trade deals should support, not hinder, climate progress.

It was through your leadership that the G20 made the important initial commitment to "phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption." We sincerely hope that this commitment will be strengthened at the upcoming G20 in China by committing to a timeline to phase out fossil fuel subsidies by 2020.

The International Monetary Fund estimated that energy subsidies in 2015 would be \$5.3 trillion and that eliminating them could reduce fossil-fuel related deaths by over 50 percent and fossil-fuel related carbon emissions by over 20 percent. This G20 initiative is an important part to achieving this. A report by Oil Change International and the Overseas Development Institute found that G20 countries are providing \$444 billion a year in subsidies for the production of fossil fuels.

Yet, during the 14th round of TTIP negotiations in July 2016, the EU proposed TTIP rules that would allow the U.S. and EU, despite their G20 commitments, to maintain fossil fuel subsidies for "economic" or "security of supply" reasons. These loopholes could be used to keep climate-disrupting fossil fuel subsidies intact well beyond the 2025 deadline called for by the G7. Instead of undermining important climate agreements and goals, trade deals should move us towards the end of fossil fuel subsidies that is needed to avoid the worst impacts of climate change.

Another TTIP proposal tabled by the EU would threaten the large array of mandatory energy efficiency standards that your administration has championed as tools to reduce carbon pollution. Under the proposal, TTIP would require the U.S. and EU to "foster the voluntary adoption by industry of energy efficiency standards for goods when it is likely to deliver the policy objectives faster or in a less costly manner than mandatory requirements." This TTIP obligation – to encourage industry self-regulation rather than actually requiring firms to increase energy efficiency – could threaten the mandatory energy efficiency standards, for example, that the U.S. Department of Energy imposes on more than 60 types of

appliances and equipment, from refrigerators to furnaces. These standards save consumers billions of dollars while cutting hundreds of millions of tons of climate pollution each year. Trade deals should promote, not inhibit, the use of such mandatory energy efficiency standards.

The EU also bluntly stated in the recent negotiating round 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. 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 global dependency on a climate-disrupting fossil fuel, more fracking, and expanded fossil fuel infrastructure. Instead, trade deals should preserve the ability of the U.S. Department of Energy to determine whether gas exports are in the public interest.

Finally, the recent EU proposals for TTIP also include a provision that would jeopardize protections against destructive extractive activities in countries around the world. 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.” This would require the U.S. and EU to try to reduce or eliminate policies in non-TTIP countries that inhibit trade or investment in fossil fuels like oil, coal, and gas; natural resources like wood; and minerals like copper and lead. Such TTIP-required pressure from the U.S. and EU would threaten countries’ protections against fossil fuel extraction, logging, and mining. Trade deals should encourage, not undermine, policies that protect our communities and climate.

On the heels of the Paris climate agreement, it is clear that we must act now if we hope to avoid the worst impacts of climate change, and that to meet this generational challenge, we must boldly restrict fossil fuel emissions. To that end, we urge you to safeguard your climate legacy, publicly reject the above TTIP proposals, and make clear that we cannot afford trade policies that undercut climate action.

Sincerely,

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