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Transatlantic Free Trade Agreement: What's at Stake





Outline

I. Eco-labeling

II. Natural Gas Exports and Fracking

III. Investment Rules

IV. Environment / Sustainable Development Chapter



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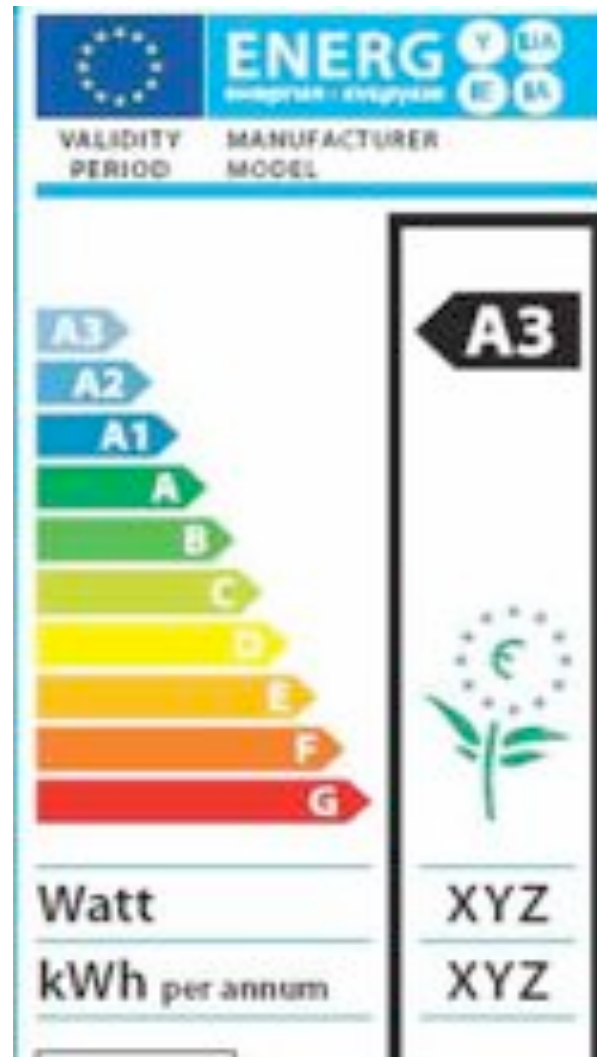
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Eco Labeling



reducing with
the Carbon Trust



per pack

The carbon footprint of this product is 100g and we have committed to reduce it. This is the total carbon dioxide (CO₂) and other greenhouse gases emitted during its life, including production, use and disposal

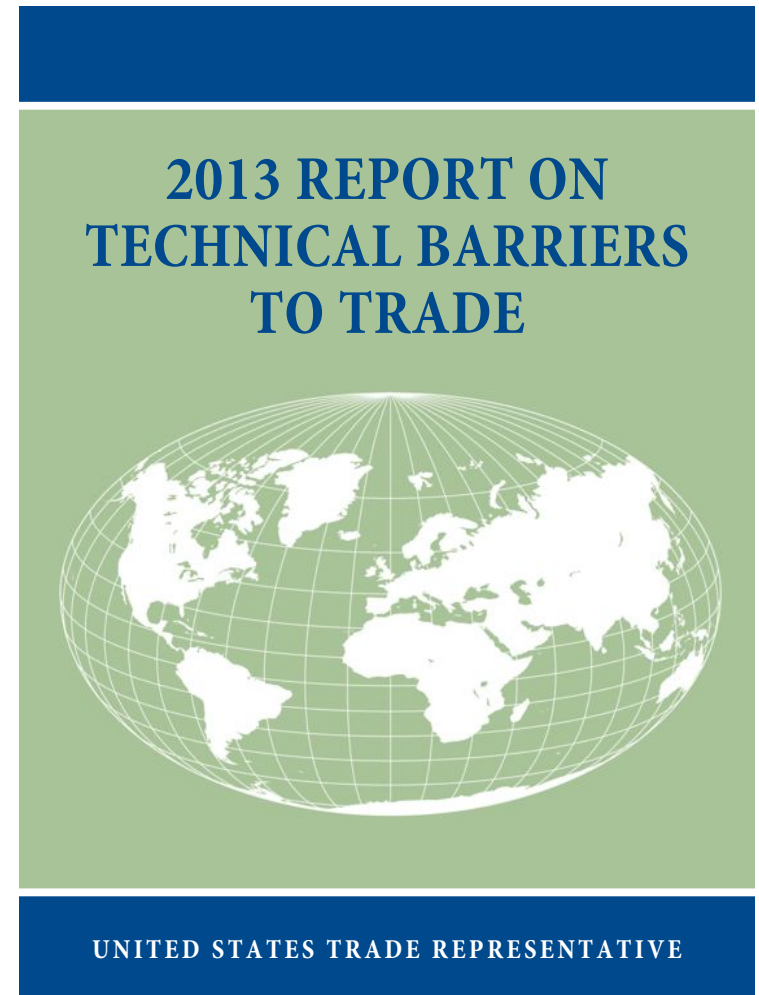
carbon-label.com



Eco Labeling

“...Many truly voluntary standards that governments have developed (such as voluntary labeling programs related to energy efficiency or agricultural products) have nonetheless created substantial trade barriers.

Further, oftentimes voluntary standards may solely reflect domestic stakeholder interests rather than also those of the larger global trading community.”





Expanding Fracking and Gas Exports



Source: Energy Information Administration based on data from various published studies.
Updated: May 9, 2011

Expanding Fracking and Gas Exports

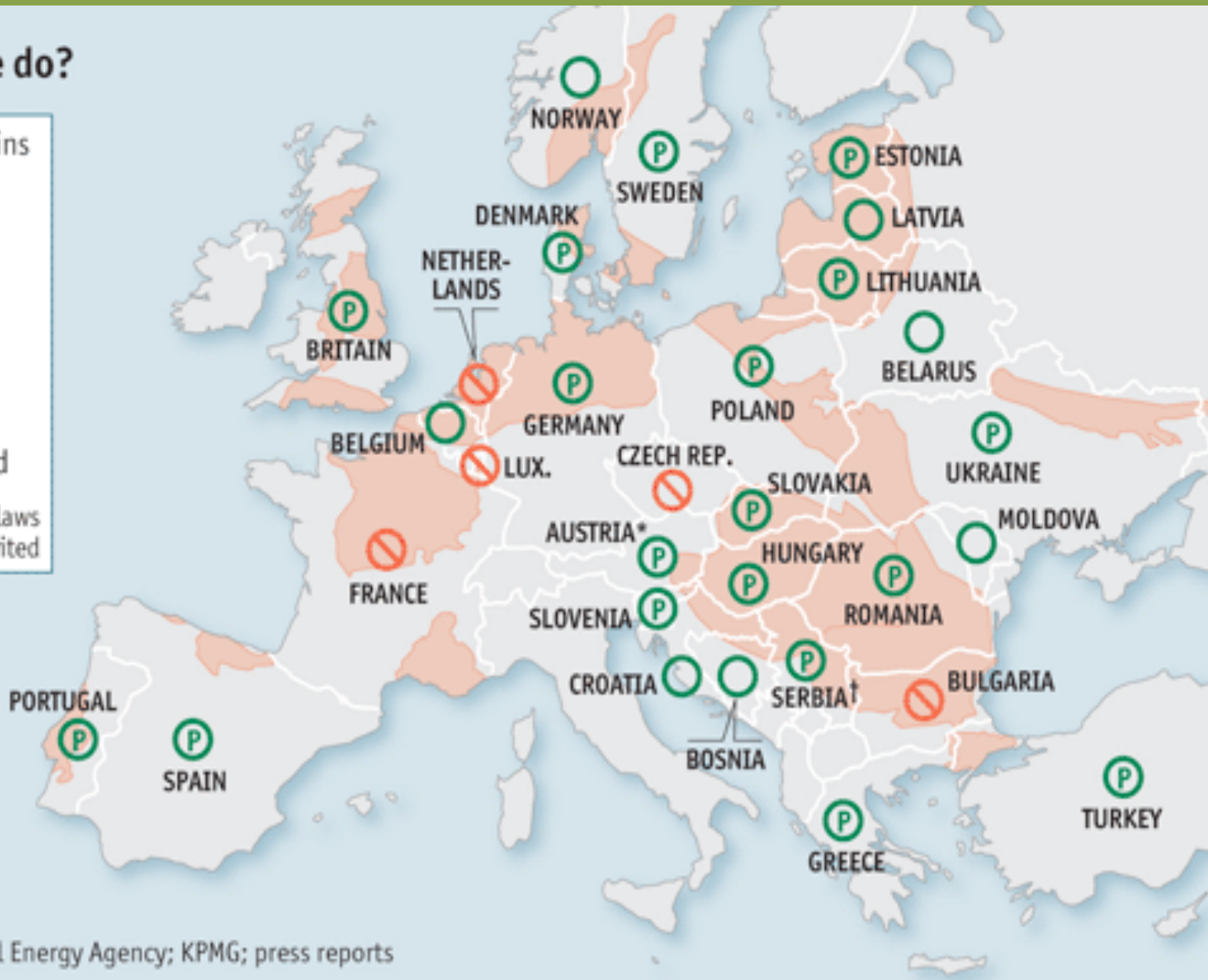
What shale we do?

Shale-gas basins

Extraction:
2012

-  Banned/
moratorium
-  Allowed
-  Allowed &
permits issued

*Restrictive laws
†Bids for permits invited



Sources: International Energy Agency; KPMG; press reports

Expanding Fracking and Gas Exports

Natural Gas Overview: World LNG Prices

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

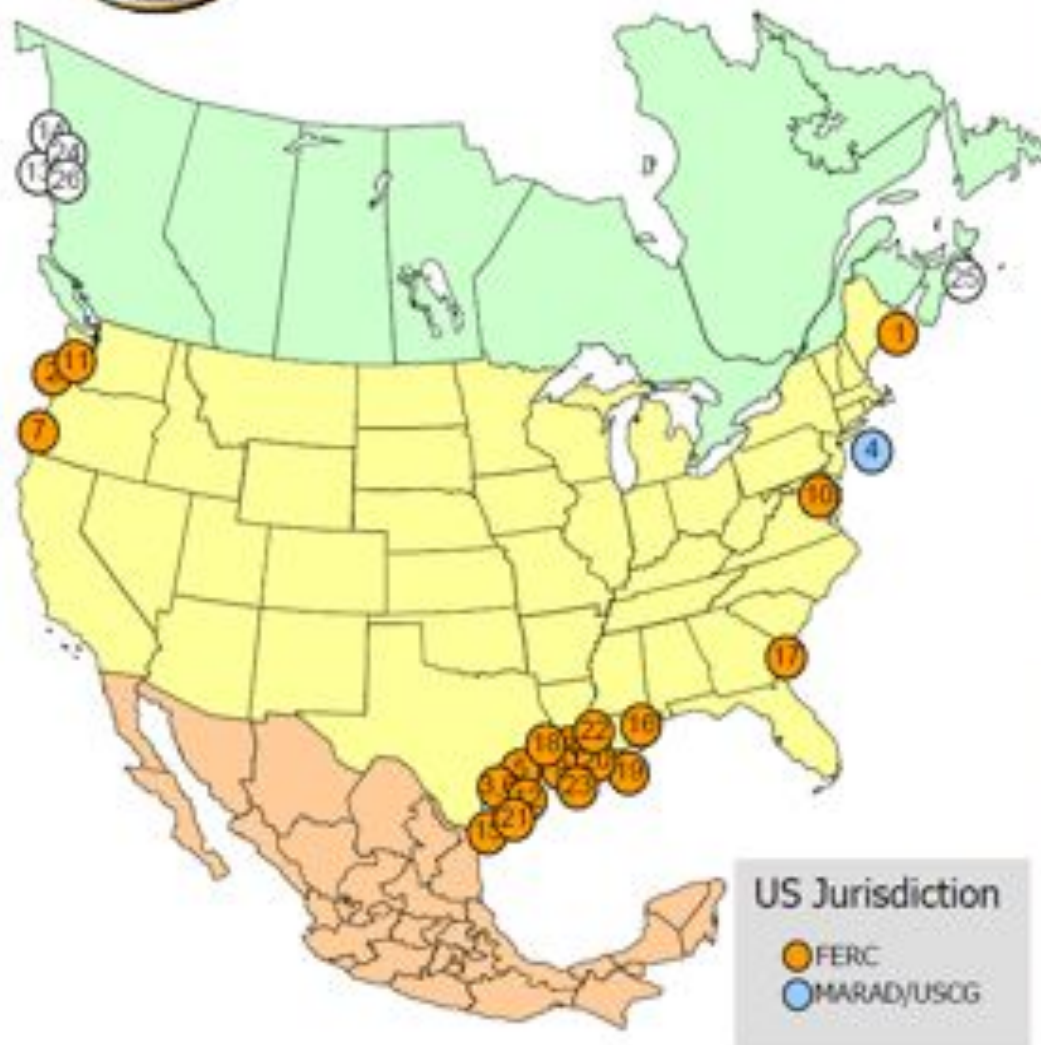
World LNG Estimated March 2013 Landed Prices





North American LNG Import/Export Terminals

Proposed/Potential



Import Terminal

PROPOSED TO FERC

1. Robbinston, ME: 0.5 Bcf/d (Kestrel Energy - Downeast LNG)
2. Astoria, OR: 1.5 Bcf/d (Oregon LNG)
3. Corpus Christi, TX: 0.4 Bcf/d (Cheniere - Corpus Christi LNG)

POTENTIAL U.S. SITES IDENTIFIED BY PROJECT SPONSORS

4. Offshore New York: 0.4 Bcf/d (Liberty Natural Gas)

Export Terminal

PROPOSED TO FERC

5. Freeport, TX: 1.8 Bcf/d (Freeport LNG Dev/Freeport LNG Expansion/FLNG Liquefaction)
6. Corpus Christi, TX: 2.1 Bcf/d (Cheniere - Corpus Christi LNG)
7. Coos Bay, OR: 0.9 Bcf/d (Jordan Cove Energy Project)
8. Lake Charles, LA: 2.4 Bcf/d (Southern Union - Trunkline LNG)
9. Hackberry, LA: 1.7 Bcf/d (Sempra - Cameron LNG)
10. Cove Point, MD: 0.75 Bcf/d (Dominion - Cove Point LNG)
11. Astoria, OR: 1.30 Bcf/d (Oregon LNG)
12. Lavaca Bay, TX: 1.38 Bcf/d (Excelerate Liquefaction)

PROPOSED CANADIAN SITES IDENTIFIED BY PROJECT SPONSORS

13. Kitimat, BC: 0.7 Bcf/d (Apache Canada Ltd.)
14. Douglas Island, BC: 0.25 Bcf/d (BC LNG Export Cooperative)

POTENTIAL U.S. SITES IDENTIFIED BY PROJECT SPONSORS

15. Brownsville, TX: 2.8 Bcf/d (Gulf Coast LNG Export)
16. Pascagoula, MS: 1.5 Bcf/d (Gulf LNG Liquefaction)
17. Elba Island, GA: 0.5 Bcf/d (Southern LNG Company)
18. Sabine Pass, TX: 2.6 Bcf/d (ExxonMobil - Golden Pass)
19. Plaquemines Parish, LA: 1.07 Bcf/d (CE FLNG)
20. Cameron Parish, LA: 0.16 Bcf/d (Waller LNG Services)
21. Ingleside, TX: 1.09 Bcf/d (Pangea LNG (North America))
22. Lake Charles, LA: 0.54 Bcf/d (Magnolia LNG)
23. Cameron Parish, LA: 0.20 Bcf/d (Gasfin Development)

POTENTIAL CANADIAN SITES IDENTIFIED BY PROJECT SPONSORS

24. Prince Rupert Island, BC: 1.0 Bcf/d (Shell Canada)
25. Goldboro, NS: 0.67 Bcf/d (Peridae Energy Canada)
26. Kitimat, BC: 2.0 Bcf/d (LNG Canada)

As of February 21, 2013

Office of Energy Projects



Investment Rules in TAFTA

LONE PINE RESOURCES INC.

Investor

v.

THE GOVERNMENT OF CANADA

Party

**NOTICE OF INTENT TO SUBMIT A CLAIM TO ARBITRATION UNDER
CHAPTER ELEVEN OF THE NORTH AMERICAN FREE TRADE AGREEMENT**



The Right to Mine??

1. INTRODUCTION

2. Lone Pine notifies Canada of its intent to bring an arbitration on behalf of its wholly owned subsidiary, Lone Pine Resources Canada Ltd. (the “Enterprise”), under Article 1117 of the NAFTA for the arbitrary, capricious, and illegal revocation of the Enterprise’s valuable right to mine for oil and gas under the St. Lawrence River by the Government of Quebec without due process, without compensation, and with no cognizable public purpose. Canada is responsible for Quebec’s acts under the NAFTA and applicable principles of international law.



Environment/ Sustainable Development Chapter

Environment Obligations in Recent US FTAs

Environment Chapter:

- 1) Commitments to not waive or weaken environmental laws/policies in order to attract trade/investment;
- 2) Commitments to uphold obligations under a set of multilateral environmental agreements;
- 3) Commitments to address conservation challenges of the region, such as banning trade in illegally harvested timber, illegally taken wildlife, and ensuring sustainable fisheries management; and
- 4) **Enforceability: Chapter will enforced in the same manor as commercial chapters in the agreement – with dispute settlement and trade sanctions.**

EU Approach in Recent FTAs:

Trade and Sustainable Development Chapter:

- 1) Commitments to not waive or weaken environmental laws/policies in order to attract trade/investment;
- 2) Reaffirm commitments to implement in their laws and practices a set of MEAs or the MEAs to which they are Party;
- 3) Recognize the importance of having practices that improve forest law/enforcement, conserve and manage fish resources; and
- 4) Chapter is not subject to Dispute Settlement; disputes would be settled through consultations and potentially recommendations of a panel of experts.



Fossil-Fuel Subsidies

- Up to \$75 billion per year in Organization for Economic Cooperation and Development (OECD) countries goes to support oil, gas, and coal.
- The U.S. and a number of EU countries have already committed to eliminating fossil fuel subsidies.

Recommendations for TTIP:

- Commit to increased transparency of fossil fuel subsidies
- Develop final plans & timelines to phase-out subsidies to fossil fuel industry
- List subsidies to fossil fuel industry as prohibited subsidies.
- Ensure governments have the flexibility to put in place subsidies for clean energy programs, **listing those subsidies as “green light”**



Overview of Recommendations

1. Ensure that the chapter on Technical Barriers to Trade include a **strong exception for environmental measures** to ensure that green labeling and other green certification programs are not subject to trade litigation under TTIP;
2. Ensure that the US retains its ability to weigh whether US exports of natural gas are in the interest of the public;
3. Exclude investor-state and broad investor protections;
4. Include an ambitious, binding, enforceable environment chapter;
5. Include commitments to phase-out fossil fuel subsidies; protect green energy subsidies; and
6. Balance industry and public/CSO engagement and ensure public release of all texts.



www.sierraclub.org/trade

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