Current human demand for resources is at 1.5 times the level that the earth can produce each year.\(^1\) Demand for natural resources has doubled since 1966, putting tremendous pressure on biodiversity, threatening ecosystem services and causing the consequent decline in the health of the forests, rivers and oceans.\(^2\) In not recognizing the value of natural capital, international trade can be a major contributor to ecosystem loss, deterioration and degradation. If we are to better manage the planet to produce enough for all in future, we must ensure that international trade not only fosters economic growth, but also promotes inclusive sustainable development and high environmental standards.

Given the information currently available, WWF questions whether the TTIP will be a high standard agreement that reinforces environmental standards within the European Union and the United States and the markets linked to them by global trade, or whether it will weaken or threaten environmental, social and consumer protections and the ability of governments to regulate in the public interest.

WWF believes that a high-standard TTIP must meet certain fundamental principles:

1. **TTIP must go beyond the environmental and sustainable development provisions in existing U.S. and EU trade agreements to include enforceable commitments for the sustainable use of resources and the preservation of biodiversity.** The U.S.-EU trading relationship is the largest in the world, totaling $650 billion (€484 billion) in 2013.\(^3\) Together, the United States and the European Union account for over 50% of global GDP, nearly one-third of world trade flows and about 40% of global trade in services.\(^4\) Since either the European Union or the United States is the largest trading partner for almost all other countries, together they define the shape of the global economy. To ensure that demand growth and additional investment activities in these huge markets do not lead to further depletion of resources and harm to the global environment, it is

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\(^1\) The United States is at 3.3 and Europe at 2.5 times in relative terms. (WWF International, 2012 Living Planet Report)

\(^2\) WWF International. 2012 Living Planet Report. Biodiversity has declined 30% globally between 1970 and 2008 and 60% in the tropics.


especially important that the TTIP establish strong principles and binding commitments that lead to global improvements in environmental standards.

2. **TTIP must ensure the protection of existing environmental standards and the flexibility to develop more ambitious standards in the future.** WWF has significant concerns that harmonization efforts, including the mutual recognition of standards and the procedures implemented to increase regulatory cooperation, will result in the lowering of environmental standards. Any harmonization should be to the higher standard and the convergence of regulations should serve as a basis that allows all governments, including respective U.S. states and individual EU countries, the flexibility to develop more ambitious environmental and public interest policies in the future. For example:

a) **TTIP must not erase protections for public and worker health, consumer safety, wildlife and the environment** through efforts to address the disparity in the regulation of chemicals and pesticides in the United States and the European Union. Even if harmonization or mutual recognition are not pursued in TTIP, agreement on procedures for regulatory coherence could freeze the development of important forward-looking chemical regulations on both sides of the Atlantic.

b) **TTIP must preserve the ability of the European Union and the United States to maintain their food safety standards and programs to encourage sustainability in agriculture.** The TTIP should respect the different approaches in the United States and EU to food safety and include safeguards to ensure that the trading partners are able to maintain and improve their food safety standards. TTIP should also promote the establishment and use of high standards for agricultural sustainability that are developed in a transparent manner with input from multiple stakeholders.

c) **TTIP must strictly avoid weakening of existing prohibitions or moratoriums on fracking in Europe or curtailing additional measures to limit fracking.** Further, **TTIP should not remove the ability of the U.S. government to review the export of fossil fuels in the public interest,** given the significant environmental impacts from their production and transportation and the need to retain policy flexibility to combat climate change.

3. **The environmental policies of the European Union are governed by the precautionary principle, which must be upheld in TTIP.** The precautionary principle enables governments to take precautionary measures against human activities that potentially harm humans or the environment, including harms that are scientifically plausible but uncertain.

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5 Harmonization can result in an averaging of higher and lower standards, or even a lowest-common denominator approach. Mutual recognition could erase important protections where U.S. and EU regulations do not in fact offer equivalent protection.

6 The precautionary principle is included in numerous international instruments related to environmental protection, e.g. Convention on Biological Diversity, Article 15 Rio Declaration 1992 and enshrined in Article 191 of the Treaty of Lisbon. In contrast, the U.S. regulatory approach requires that all proposed regulations be based on “sound science, cost benefit analysis, risk assessment or other objective evidence.”
4. Exclude Investor State Dispute Settlement (ISDS) from TTIP. The huge scale of mutual investment in the United States and Europe dwarfs even the trading relationship; with each being the other’s primary source and destination for foreign direct investment. ISDS offers foreign investors the opportunity to initiate dispute settlement proceedings against the host government directly in the event that they believe they have not received adequate protections under the country’s laws and regulations. WWF opposes the vastly expanded access to ISDS for investors under TTIP. An increase in the number of challenges to European and U.S. laws and policies designed to protect the environment or address climate change, will result in a chilling effect on governments’ willingness to implement environmental protections.

Since domestic companies do not have access to ISDS procedures, which are outside of judicial processes, inclusion of ISDS in TTIP would provide a substantive advantage to EU investors in the United States over domestic companies, and vice versa.

Investor-state arbitration provisions are particularly unwarranted in the TTIP given the strong, independent judicial systems that are well-established in both the United States and European Union.

5. Transparency and public participation in TTIP negotiations is essential for the legitimacy of any agreement. Negotiations conducted in secret raise fears among the public that important standards and safeguards are being negotiated away or circumvented. Given the complexity of trade agreements and their forward-looking nature, assurances by U.S. and EU negotiators that consumer, health and safety, labor and environmental protections will be preserved cannot be verified in the absence of transparency, including periodic public review of negotiating texts and the full involvement of legislative bodies. Transparency, with improved dialogue, would also contribute to a better agreement.

6. The European Union and the United States should recognize that TTIP will affect trade with developing countries and ensure that TTIP does not undermine sustainable development, including commitment to the Millennium Development Goals and achievement of Sustainable Development Goals.

**Conclusion**

The TTIP must be a high-standard agreement that reinforces and advances rather than undermines environmental sustainability in the European Union and the United States. To address the significant challenges of trade and the environment, the TTIP should establish strong principles and binding commitments that lead to improvements in environmental sustainability and biodiversity conservation in all of the countries linked by global trade to the U.S. and EU markets.

WWF has significant concerns that a number of provisions in TTIP, including those on regulatory coherence and investor state dispute settlement, will undermine existing rules and threaten the development of new standards required to address environmental challenges, potentially threatening progress on addressing sustainability, climate change and environmental

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7 U.S.-EU investments in each others’ economies reached $3.7 trillion in 2011.
conservation on both sides of the Atlantic. WWF would oppose any TTIP agreement that would weaken or threaten environmental, social and consumer protection standards, established judicial systems and the ability of governments to regulate in the public interest. Assurances by TTIP negotiators that these will be preserved will be difficult, if not impossible, to verify in the absence of transparent negotiations and full public debate.