



EU & US Energy and Climate Security Policies in view of Transatlantic Trade

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EU-US Cooperation



- Increased geopolitical competition by emerging economies & authoritarian regimes
- Mutually coordinated Climate & Energy Policies necessary for stable environment
- Mutual benefits for EU and US
- Drastic changes in US Foreign Policies: US policy dependent on administration in power

=> How can EU & US continue to cooperate?

EU Commercial Policy



- Commission Communication: GLOBAL EUROPE: COMPETING IN THE WORLD, October 4, 2006
- ‘...Europe remains committed to the WTO and is working hard to resume negotiations as soon as circumstances in other countries allow.’
- ‘Free Trade Agreements (FTAs), if approached with care, can build on WTO and other international rules by going further and faster in promoting openness and integration, by tackling issues which are not ready for multilateral discussion.’
- Transatlantic Trade and Competitiveness
 - ‘The **economic gains** from tackling non-traditional, behind-the-border barriers **are potentially significant** in the EU and US. We have been seeking to do so for some time ...a further injection of momentum is necessary.’

↔ 2008 Economic and Financial Crisis => Delay

EU Commercial Policy

EP role



'Parliaments have to think about the consequences of international events on their work.

*Because the borders between what is decided nationally and internationally are blurring. Whether they are about **trade**, **data exchanges** or **strategic partnerships** – many international treaties have consequences on national policies and practices. They **should therefore be a concern for parliaments from the moment negotiations start until their final conclusion and implementation.**'*

Martin Schulz

President of the European Parliament

Rome, 21 April 2015

TTIP – start



- **2013**
- **Objective**
 - expand trade and investment across the Atlantic,
 - contribute to the development of **global rules** that can strengthen the multilateral trading system
- **Negotiations – 12 rounds**
 - 11th round – Miami, October 2015
=> Environment, Labor, Agriculture

TRANSATLANTIC TRADE & INVESTMENT PARTNERSHIP



Stakeholder Policy Presentations



1. Environment, Labor

- Floridians against Fracking (Democratic Party)
- Green Party: Climate Change & Sea Level Rise
- Environmental Coalitions
- Humane Society
- Unions
- Public Health
- National Farmers Union
- European Trade Unions

2. Agriculture, Market Access, Goods, Customs/ Facilitation

- American Farm Bureau Federation
- GMO Free Florida: Monsanto & Global Food Dominance
- FedEx: Consumer Benefits of Enhancing Trade Facilitation

TTIP

development of global rules



- Alternative trade models
 - E.g. China's trade agreements –
 - no labor or environmental protections
 - allow state-owned enterprises to benefit from generous subsidies and other advantages that undercut the competitiveness
 - = do not reflect EU/US interests and values
- TTIP (but also TPP)
 - leading role in writing the rules
 - Could set the highest standards of any trade agreement to date, putting environmental and labor issues on equal footing with all other concerns

TTIP

progress not easy



- 2013 – PRISM - surveillance program under which NSA collects internet communications from at least 9 major US internet companies
- October 2013 - it was reported that the NSA monitored Merkel's cell phone. Merkel called President Obama and told him that spying on friends was "never acceptable, no matter in what situation"
- February 2014 – conflict with Ukraine
- 2015 migration crisis
- TPP
- US presidential elections
- Brexit

Elements of TTIP



- Market access
- Regulatory cooperation
- Rules

Market access - Services



- Licensing and approval – for auditing/legal advice
- New rules on telecommunications, e-commerce, financial services, postal services, **maritime transports**
- Protection for sensitive sectors
 - TV, radio, film
 - Public health
 - Social services
 - **Water distribution**

Any government cannot be forced to privatise and decide who delivers public service = right to regulate maintained

Regulatory cooperation



- Technical barriers to trade (TBTs)
 - Technical regulations (binding)
 - Standards (non-binding)
 - **Introduced to protect human health and safety, animal and plant life and health, the environment, consumers from deceptive practices**
 - » E.g. safety of toys, **safety and energy efficiency of domestic appliances**
 - Require conformity assessment procedure
- Objective
 - eliminate/reduce unnecessarily duplicative or burdensome procedures
 - use international standards (ISO) to make it easier to export

Regulatory cooperation



Food safety and animal and plant health

- EU precautionary principle v. US scientific risk assessment
- High potential of mobilising public (GMOs, chlorinated chicken..)
- Protectionism or protecting interests of consumers?
- Objective:
 - cut the time it takes the US to approve **food imports** from the EU
 - help EU and US regulators work together in future on issues like **animal welfare**
 - uphold the EU's strict **food safety standards**

Regulatory cooperation specific industries



- Chemicals – rules differ significantly
- Cosmetics – alternatives to animal testing, labeling
- Engineering – fridge, plug, GSM, pleasure boats – big differences in technical regulations and procedures checking compliance
- Medical devices - scanners, x-ray - rules overlap (the same thing tested twice) → faster access to life saving devices
- Pharmaceuticals – harmonisation of rules on 1. inspection of manufacturing companies and 2. approval of pharmaceuticals
- Motor vehicles – recognition of standards, e.g. seat belts
- Textiles and clothing – labeling (e.g. care instructions symbols), product safety, standards & testing methods

Rules



- Create new rules to make it easier and fairer to export, import and invest
- **Sustainable development**
 - Support core international standards and conventions for labor and **environment**
 - Ensure that increased trade doesn't come at the expense of workers protection
- **Energy and raw materials**
 - EU increasingly depends on **natural resources outside the EU → facilitate access to energy and raw materials**
 - **Sensitive issues – fracking, absence of renewable energy in TTIP**

TTIP Risks vs. Benefits



Weaknesses & Threats (Cons)

- Hormone-treated meat/Gene-manipulated food
- threatening EU consumer and data protection laws
- Intellectual property rights
- ISDS (investor-to-state dispute settlement)
- Fear

Strengths & Opportunities (Pro)

- Increased legal security
- Joint fight against climate change, public health challenges
- Economic powerhouse (global competition)

Common Economic and Fiscal Union in the Dollar-Euro Area



- Universities & research institutions => technology & knowledge/ exchange transfer
- Business startups network founder scene
- Guidance function of US market with lower energy prices and with re-industrialization initiated by President Obama sets impulse for EU with strong de-industrialization in UK, Spain, Greece, Portugal and Ireland
- EU sets impulses for US to strengthen re-industrialization by introducing SAP-software based on success factors
 - ⇒ currently, exchange of goods still obstructed by different trade standards (custom duties, non-tariff barriers, certification requirements, terms of payment, safety standards, technical defaults, subsidies, immigration regulations etc.)
 - ⇒ Years of negotiation & implementation vs. Growth spurt in mutual goods traffic expected on long-term basis by formation of EU-US trade zone

Agenda suggestions for joint Climate & Energy Policy



- Dramatic increase of CO₂ since 1965 leads to enormous entropy in atmosphere
 - ⇒ According to laws of thermodynamics, energy is not evaporated on earth, but is converted into heat instead
 - ⇒ Increasing amount of floods, tornadoes, hurricanes, heat waves, increase of deserts on earth, melting of glaciers and poles etc.
 - ⇒ Entire regions such as in Bangladesh no longer habitable (sea level rise)
- EU 2020 goals: energy efficiency & fight of climate change
- US: Bush vs. Obama vs. Trump
- Photovoltaic & solar thermal energy, wind energy, wood pellets & briquettes for heating instead of gas & oil
- Common research effort (smart technology) towards the change of industrial companies with “smart technology” (industry 4.0)
 - ⇒ Creation of prosperity & growth

Agenda suggestions for joint Climate & Energy Policy



- Smart mobility (traffic drive system)
- Smart cities (electric vehicles, access restriction)
- Increased Sustainability awareness
- Reversal of coastal building developments
 - => Nature needs to remain on coasts instead of excessive hotels/ buildings
- Photovoltaic & solar thermal energy in private & commercial buildings for cooling/ generation of energy
- Conservation and reserve attitude of fossil combustibles for emergencies and future generations (coal, oil rest occurrences, gas)
- More usage of terrestrial heat for heating/ energy supplies of cities
- Increased usage of hybrid/ electric vehicles for enterprises and government organizations as model effect for the population
- Energy supply net development of wind farms in EU & US
- Climate friendly heating with disperser settlement structures created by wood pellets and wood briquettes instead of gas & oil consumption

Evaluation and Proposal for Solutions



- When former President Bush rejected Kyoto Protocol, UN Climate Change Convention kept negotiating, leading US companies & civil society groups advocating for renewables, low-carbon technology & global climate action
- US withdrawal from Paris Climate Agreement could isolate US on key segment of future global market growth
=> Job destruction in the US + generation of huge public spending & healthcare costs
- EU must defend Paris agreements and multilateral mechanisms driving forward global climate agenda as a global leader for clean technologies, such as renewable energy, electric cars & batteries, digital infrastructure

Conclusion



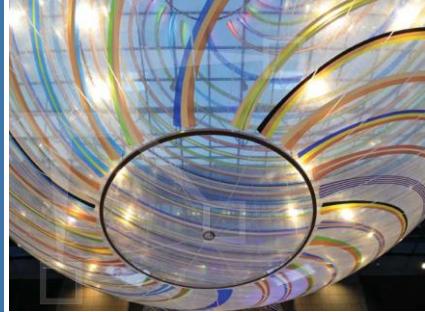
- Trade liberalization
- Control of competition
- Fate for future generations
- Role model for BRICS to change consumption habits

Q&A



Questions or Feedback?

Sources



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