

Tracking Corporate Climate Lobbying in Response to the COVID-19 Crisis

Background

The COVID-19 pandemic has required dramatic action on a global scale to limit its toll on human health. The introduction of extreme social distancing rules, travel restrictions and other measures has meant some forms of economic activity have almost ceased, threatening jobs and livelihoods. This in turn has led many governments to make massive, rapid disbursements of financial aid for individuals and businesses.

Corporate lobbyists have been highly active in this chaos. Much of this lobbying activity is for immediate relief for the worst hit industries and businesses, particularly in hospitality and other services sectors, which employ large numbers of people. However, another trend is emerging relating to the climate emergency.

While greenhouse emissions may fall temporarily due to reduced economic activity, political and economic decisions made in the midst of the COVID-19 crisis could have important longer-term impacts. Opportunistic lobbying from the fossil fuel value chain to influence the far-reaching governmental interventions on the COVID-19 crisis is important and worthy of close scrutiny.

InfluenceMap is thus assessing corporate lobbying that intersects the COVID-19 crisis and the climate emergency. Specifically, this will track lobbying that appears to be both outside the scope of the originally intended governmental actions on COVID-19 (i.e. extension beyond any damage specifically caused by the immediate crisis) and counter to scientific guidance from the IPCC climate community.

One implication of this crisis is disruption to regular legislative processes as governments scramble to respond. This carries with it the risk of reduced transparency and public oversight, and an environment that is highly advantageous for experienced lobbyists from incumbent industries. InfluenceMap will deliver its ongoing tracking of corporate climate lobbying in the global media, corporate disclosures, social media advertising, legislative consultations and meetings with policymakers to look for key trends in the available evidence. InfluenceMap will examine evidence in two areas on the COVID-19 crisis intersection with climate lobbying.

- Lobbying for financial interventions by governments that are either specifically advantageous for fossil fuel production and/or contrary to science-based advice from the IPCC on climate.
- Lobbying on climate policy/regulations, including efforts to delay or dilute planned climate motivated policy strands.

Trends are summarized below, with the key examples set out in more detail in the table that follows.

Summary and Trends

- The oil and gas sector appears to be the most active globally in the above two lobbying areas, demanding both financial support and deregulation in response to the COVID-19 crisis. Climate-related deregulation appears to be the priority and has so far been detected from key industry associations and players in regions including the US, Canada and Australia.
- Lobbying on climate motivated policy strands so far has concentrated on delaying or freezing compliance to regulations currently in place. This includes the [American Petroleum Institute's request](#) that environmental reporting requirements from the US Environmental Protection Agency be waived and a call from Canadian corporates in Alberta, including many oil companies, [to postpone](#) a planned increase in the federal carbon tax. The powerful European automotive lobbying group, ACEA, [has signaled](#) that it will ask for timelines for compliance with EU vehicle climate regulation to be relaxed.
- The corporate sector appears not yet to have openly engaged on longer-term policy ambition (e.g. the European Green Deal) with reference to COVID-19. However, it is expected this will become a major factor of future engagement on such policy streams. For example, the updating of the EU Emissions Trading Scheme is likely to be one such area of dispute, with industry associations hit by the economic slowdown having [reportedly already](#) requested more flexibility in disclosing verified emissions under the scheme.
- Industry associations appear to be leading lobbying efforts claiming to represent the interests of entire sectors. Despite this, there have been cases of disagreement within their individual company membership as to the best response to the disruption caused by the COVID-19. In Europe, German automakers [BMW](#), [Daimler](#), and [VW](#) have seemingly contradicted industry association [ACEA's suggestion](#) that compliance to with EU vehicle climate regulation may need to be relaxed.
- US based think tanks with undisclosed funding that have been linked to fossil fuel-based interests such as the Koch brothers are active in trying to shape the US Federal government's response to the crisis. Groups including the Texas Public Policy Institute and the Competitive Enterprise Institute, under the umbrella of newly formed Life:Powered project, have written to the US Congress [opposing](#) proposals by some US lawmakers to include green items in the COVID-19 stimulus proposals with "tax incentives and spending for unreliable 'green' energy programs", arguing "climate change is not an immediate threat to humanity".
- Similar entities also appear to have coordinated efforts at a state-level. Several members of the State Policy Network, a group of free market think tanks largely funded by [dark money groups and conservative foundations](#) have run paid political advertising on social media attacking efforts to align the COVID-19 financial interventions with climate concerns (see examples [in South Carolina, Texas](#) and [Michigan](#)).

Detailed Climate Lobbying as of March 31st, 2020

Key		Lobbying for financial interventions by governments counter to the Paris Agreement
		Lobbying to dilute or roll back existing or planned climate motivated policy strands

Sector	Region	Entity	Type	Details
 Oil & Gas Production		The American Petroleum Institute (The API)		On March 20th, the CEO of API, Mike Sommers, wrote to President Donald Trump , requesting assistance in the form of “temporarily waiving non-essential compliance obligations.” In a follow up letter to the head of the EPA on March 23rd, API lobbied for a range of measures including suspending reporting requirements for greenhouse gas emissions and the Fugitive Leak Detection and Repair program covering volatile organic compound emissions. On March 26th, the EPA issued a sweeping and open-ended suspension of its enforcement of environmental laws.
		Oil/gas Companies: ExxonMobil, Chevron, Occidental Petroleum, Devon Energy, Phillips 66, Enterprise Transfer Partners		The API has maintained that it is not looking for an industry bail out. However, despite the Senate approved \$2 trillion COVID-19 stimulus package not including the Republican proposed buy up of oil for the Strategic Petroleum Reserve, the final bill could still provide fossil fuel companies with significant payouts. Executives from oil companies are due to meet with President Trump on Friday 3 rd April to reportedly discuss further help for the industry.
		Canadian Association of Petroleum Producers (CAPP)		CAPP has reportedly been negotiating a \$15 billion bail-out package from the Canadian federal government for the oil and gas industry.
		Oil/gas Companies: Canadian Natural Resources, Cenovus Energy, Enbridge, Suncor and Total		In a joint letter coordinated by the Business Council of Alberta, several oil and gas companies including Canadian Natural Resources, Cenovus Energy, Enbridge, Suncor and Total joined a call on the federal government in Canada to postpone any scheduled tax increases or regulatory changes, including the planned increase to the federal carbon tax.

		Oil and Gas UK (industry association)		OGUK produced a business outlook report that referenced the COVID-19 crisis, while arguing that protecting the UK oil and gas industry is essential in ensuring the sector can contribute to providing the UK with net-zero emissions solutions.
		Australian Petroleum Production and Exploration Association (APPEA)		APPEA Chief Executive Andrew McConville referenced the need for measures to ensure economic recovery from COVID-19 pandemic while commenting in favour of a draft government commission report published on Australian resource sector regulation. APPEA stated support for a number of findings, including advice against bans on natural gas exploration. McConville argued the report constituted an “ <i>an important contribution as we consider vital recovery measures</i> ”.
Coal Production		The National Mining Association		The NMA wrote a letter to the US President and Congress asking for financial assistance for the coal industry, requesting that “coal companies have access to the necessary cash flow they need to continue operations” and asked Congress to “suspend or reduce” royalties and fees paid by the industry, including those which cover health assistance to victims of black lung disease. The struggling industry has consistently lobbied the Trump administration for support in recent years. On this occasion, the US Congress rejected NMA’s requests, deciding not to include the coal industry in the COVID-19 bailout. The NMA responded stating it will continue to make the demands.
Auto-motive		European Automobile Manufacturers Association (ACEA)		ACEA sent a letter to EU Commission President Ursula Von Der Leyen in which it says it will ask the EU to consider relaxing timelines for compliance with EU climate regulation.
		Kia (Hyundai)		The Chief of Operations at Kia, a major subsidiary of Hyundai, seemed also to cast doubt on the feasibility of the EU’s CO ₂ targets.
		The German Association of the Automotive Industry (VDA)		Meanwhile, a spokesman for the VDA , whilst asserting that it was too soon to judge the impacts of the COVID-19 on the European car industry, stated that if companies were ‘badly damaged’ by the crisis that there would ‘be a debate on CO ₂ targets’
		BMW, Daimler and VAG Group		However, some manufacturers appeared to affirm their commitment to the EU’s CO ₂ targets, with the CEO’s of BMW , Daimler and VW all stating their intention to meet the targets as planned.

 Finance		European Banking Federation (EBF)		Sensitivity Analysis on Climate Change, expected in the second half of 2020, to 2021. Similarly, UK banks have reportedly lobbied for the Bank of England to delay climate stress testing.
 Think Tanks		Life:Powered A project of the Texas Public Policy Institute, and including members such as Competitive Enterprise Institute		<p>Life:Powered sent a letter to congress opposing proposals by some US lawmakers to align any COVID-19 stimulus proposals with “tax incentives and spending for unreliable ‘green’ energy programs”, arguing that, “<i>Climate change is not an immediate threat to humanity.</i>” This was backed up with paid-for advertising on social media referencing COVID-19 and downplaying the need to act on climate change.</p> <p>Several members of the State Policy Network have run paid-for political advertising on social media specifically attacking proposals to use the US response to the financial downturn to also respond to climate change.</p> <ul style="list-style-type: none"> ■ The South Carolina based Palmetto Promise Institute is publishing adverts claiming that the democrats are trying to use the crisis to push for “pet progressive projects like the green new deal” ■ The Texas Public Policy Foundation ran an advert criticizing the Democrats “using the COVID-19 aid bill to enact their climate change agenda” and arguing “<i>the real key is access to reliable, affordable, and abundant energy</i>” ■ The Michigan based Mackinac Center for Public Policy ran an advert claiming “Solar and wind set to profit handsomely from COVID-19 response” <p>Another member of the network, The Center of the American Experiment from Minnesota , has so far used the opportunity to push anti-renewables messaging, running an advert stating “<i>What’s powering your quarantine and our hospitals around the country? Hint: It isn’t the wind.</i>”</p>
The State Policy Network A group of think tanks, largely funded by dark money groups and conservative foundations , that aim to promote free market policy				

InfluenceMap will continue to monitor and report on this trend as it develops and provide media, investor and campaign group focused updates.