

DIRTY HANDS ON DIRTY DEALS

TTIP AND COP21 SHAPED BY SAME BIG BUSINESS INTERESTS



**capturing
COP21**

corporate influence at the
UN climate summit in Paris
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What do the UN climate talks in Paris this December, “COP21”, and the ongoing EU-US trade negotiations, TTIP, have in common? Both look set to create deals that work for big business and dirty industry, but threaten people and the planet and undermine the fight for climate justice.

The same profit-hungry multinationals and their lobby groups pushing TTIP’s corporate power-grab are also intent on wrecking the climate. As a result, shareholders and chief executives will continue to line their pockets whilst trashing our communities and their environments.

These corporate climate criminals want to produce and trade at the lowest cost to themselves – regardless of the costs to the rest of us. Through aggressive lobbying and crafty PR spin, they want to use both set of talks to not just stop regulation that protects the climate, but actually use the negotiations to push false solutions to the crisis based on rebranding and expanding their dirty business models.

**A closer look at the
dirty hands behind
TTIP and COP21**

Industry lobby groups and trade associations enjoy privileged access to decision makers – unlike trade unions, environmental NGOs or consumer groups. A closer look at the lobby groups meeting most with EU TTIP negotiators shows they’re lobbying for a climate catastrophe.

BusinessEurope

BusinessEurope, the European employers' confederation, is one of Brussels' most influential big business lobby groups, spending over €4 million on EU lobbying in 2014.¹ It is known for its cosy relationship with EU decision-makers and track record of lobbying to block or weaken environmental and social policies. Its corporate members include climate-criminals BP, Total, Shell, EDF and GDF Suez (now Engie – an official COP21 sponsor). To highlight their credentials, Shell has shirked responsibility for decades of devastation in the Niger Delta, BP and ExxonMobil have been responsible for some of the worst oil spills in history – yet all want to drill for oil in the Arctic!

TTIP BusinessEurope was the biggest EU lobby group on TTIP in the first two years of the trade deal's planning and negotiations, steering the deal toward what we have now (see Box 1). It had the most meetings on TTIP with the European Commission's Trade directorate, which is responsible for the EU's negotiating position (15 between Jan 2012 and Feb 2014).² Its International Relations Director sits on the Commission's influential TTIP advisory group.³

BusinessEurope wants TTIP to stop environmental policies being "barriers to trade" and prevent governments "discriminating" against polluting products (see Box 1). It demands an end to tariffs and to policies trying to restrict the exploration and production of fossil fuels – including shale gas.⁴ In short, it intends to use TTIP to keep us hooked on fossil fuels and put trade concerns above climate action.



Box 1: What is wrong with TTIP?

EU-US trade agreement TTIP (Transatlantic Trade and Investment Partnership) is being negotiated in secret and in close cooperation with corporate lobbies. TTIP threatens to lower standards for consumer protection, undermine health and environmental policies, and transfer more political power to corporations, especially big polluters.

Regulatory cooperation

This innocent-sounding phrase disguises a disturbing reality of handing regulatory power over to big business, now and in the future. Corporate lobbies are asking to co-write regulations before national parliaments have even got involved, and to stop any new regulations that could be 'barriers to trade' (e.g. restrictions on polluting or dangerous products).⁷

Private corporate courts

Lobby groups like BusinessEurope want an investor-to-state dispute settlement (ISDS) mechanism in TTIP. These private courts allow companies to sue governments for passing laws that might cut their anticipated profits e.g. moratoria on fracking or increased efficiency of coal plants (these have both led to ISDS cases under other trade agreements).⁸

A gateway for unconventional fossil fuels

Dirty industry, including CEFIC and BusinessEurope, sees TTIP as a way to open the gates to US exports of shale gas and other dirty new production techniques. But extraction of unconventional fossil fuels like shale gas and tar sands have devastating social and environmental impacts, and produce even higher emissions than conventional sources.⁹

TTIP is intended to make laws and regulations reigning in corporate profits impossible – or at least very expensive – including much needed action on climate change. If big business lobbies get what they want (ISDS, regulatory cooperation, etc), TTIP will effectively create a corporate bill of rights that trumps democratic decisions and environmental emergencies.

COP21 BusinessEurope sees the UN climate talks (UNFCCC) as a great business opportunity. It lobbies for a climate deal that will “drive the competitiveness of European industry”, calling on negotiators to “get the best out of Paris for private investment security”. But by competitiveness it means cheap energy and weak environmental regulation. Painting itself as part of the solution, its core demand for COP21 is to be a formal partner in international climate negotiations. So an *official* seat at the table to help the UNFCCC “in setting agendas”⁵ – even though its own agenda is to kill off any effective and fair climate action. BusinessEurope is also trying to steer international finance earmarked for poorer countries to tackle climate change and its impacts towards its corporate members.⁶

A revealingly titled lobby paper “On the road to Paris: A Global Deal is Our Business” pushes for a global carbon market (even though carbon markets have made big polluters rich rather than reducing their emissions) and a deal that applies similar targets to all “competitors” no matter which country they are in (which ignores historical responsibility for causing the problem – see Box 2).

BusinessEurope member	Lobby spend 2014	Record on trade/ TTIP?	Record on climate/ COP21?
Exxon Mobil	EU: up to €5 million US: \$12.6 million ¹⁰	<p>The European Commission had a behind-closed-doors meeting on energy in TTIP with ExxonMobil – but wouldn’t disclose the meeting minutes because it had to protect Exxon’s “commercial interests”.</p> <p>Exxon lobbied hard to get tar sands, which cause widespread social and environmental damage, into the EU via free trade agreement CETA, TTIP’s Canadian sister deal.</p> <p>Exxon fought against the EU Fuel Quality Directive – intended to reduce use of high-carbon fuels – claiming it would cost €60 billion in diesel exports from US to the EU. TTIP is the new lobby target to stop restrictions on polluting fuels.¹¹</p> <p>Exxon sued Canada (using ISDS) because a Canadian province introduced laws requiring it to invest in Research and Development. Exxon won this legal attack. Canadian taxpayers had to pay CAN\$17.3 million (approx €11.6 million) to Exxon and another oil company.¹²</p>	<p>ExxonMobil funded climate-sceptics for years, and says world climate policies are “highly unlikely” to stop it from producing and selling fossil fuels.</p> <p>At 2015 AGM, Exxon CEO said it doesn’t invest in renewables because “We choose not to lose money on purpose.”¹³</p> <p>It is pro-carbon markets and false solutions like gas and nuclear.</p>



Box 2: What is wrong with a corporate climate deal?

Big business and dirty industry present themselves as part of the solution to climate change, rather than part of the problem. They put great efforts into greenwashing, whilst lobbying for market-based and techno-fix solutions that keep profits – and emissions – high.

A deal that treats all countries the same way

Business lobbies like **CEFIC**, **BusinessEurope** and **ACEA** push for rich and poor countries (“competitors”) to be treated roughly the same. This ignores historical responsibility: rich countries got rich by polluting the atmosphere, but developing countries cannot follow this path if we are to avoid catastrophic climate change. That means rich countries need to make far bigger emissions cuts as well as provide the finance and technology for poorer countries to avoid the same dirty development pathway.

Carbon markets

Carbon markets are an opportunity for polluters to pay to keep polluting – in Europe’s flagship Emissions Trading Scheme (ETS) the biggest polluters have actually profited, while not cutting emissions. This is because carbon markets are highly susceptible to industry lobbying and accounting tricks. Carbon markets also stop more effective policies such as renewable energy or energy efficiency: **BusinessEurope** member **ExxonMobil** argues we must “allow markets, not regulators, to determine technologies that best meet consumer needs”.¹⁵ However the ‘market’ is actually those cutting emissions, i.e. the polluters, meaning they get to choose whichever dodgy or experimental technology ensures business as usual, such as carbon capture and storage (CCS) or shale gas, without consideration for their social and environmental impacts or even their viability. A global carbon market would multiply these problems and give polluters in the richest countries even more opportunities to not cut emissions while still oblige competitors in the global South to take equal action (see above).

European Automobile Manufacturers' Association (ACEA)

ACEA is a powerful car industry lobby group in Brussels with a history of attacking vehicle emissions standards, spending over €2 million on EU lobbying in 2014.¹⁶ Its president Carlos Ghosn is the CEO of official COP21 sponsor Renault Nissan.¹⁷ ACEA's members include Volkswagen, the German car firm that rigged emissions tests for 11 million cars, causing an estimated one million tonnes of harmful air pollution each year, all the while claiming to be a leader in tackling climate change!¹⁸

TTIP ACEA has been a prolific visitor to DG Trade on TTIP (12 meetings between Jan 2012 and Feb 2014).¹⁹ It wants TTIP to remove “regulatory barriers” for the car industry, claiming doing so could lead to 240,000 more vehicles traded across the Atlantic each year.²⁰ ACEA sees “regulatory barriers” as differences in, for example, crash test standards, and wants them harmonized. Aside from the fact that huge car industry growth is incompatible with urgent climate action, all signals point to harmonization causing a regulatory race to the bottom. ACEA's own study shows that US safety standards are lower than their European counterpart's, so harmonization would mean lowering standards in the EU. Of note, ACEA never actually published the study as it was worried it would undermine its own arguments.²¹

COP21 ACEA president Ghosn has said that “As Paris and the world gear up for the COP21... We must make sure that ambitious climate change policies do not conflict with the need to protect jobs and growth in Europe”,²² i.e. don't tackle climate change if it stops the expansion of polluting industries. ACEA warns the EU that climate policies that “raise the costs of production in the EU without securing commitments for similar action from EU's main rivals in international markets will hurt severely the EU industry's competitiveness”,²³ i.e. the EU should not live up to its international commitment to take a lead on climate change, despite being historically one of the most responsible (see Box 2).

ACEA has fought against the EU increasing its targets to reduce emissions from cars. As new cars can be more climate friendly, it suggests instead of further regulation “encouraging swifter fleet renewal” ie selling more new cars!²⁴ This approach becomes even more hollow in light of Volkswagen's new cars rigging emissions tests.

BusinessEurope member	Lobby spend 2014	Record on trade/ TTIP?	Record on climate/ COP21?
BMW	EU: up to €1.5 million US: \$0.44 million ²⁵	High-level BMW executives claim TTIP would save BMW \$500 million/year. Its CEO urged politicians at German auto-industry event to say “Yes to TTIP!” for its huge growth potential. But huge car industry growth is incompatible with urgent climate action. ²⁶	BMW is a headline partner of COP21's side event/ industry greenwashing bonanza, the “Sustainable Innovation Forum”. BMW lobbied tirelessly against emissions reduction targets for the EU car industry. ²⁷



European Chemical Industry Council (CEFIC)

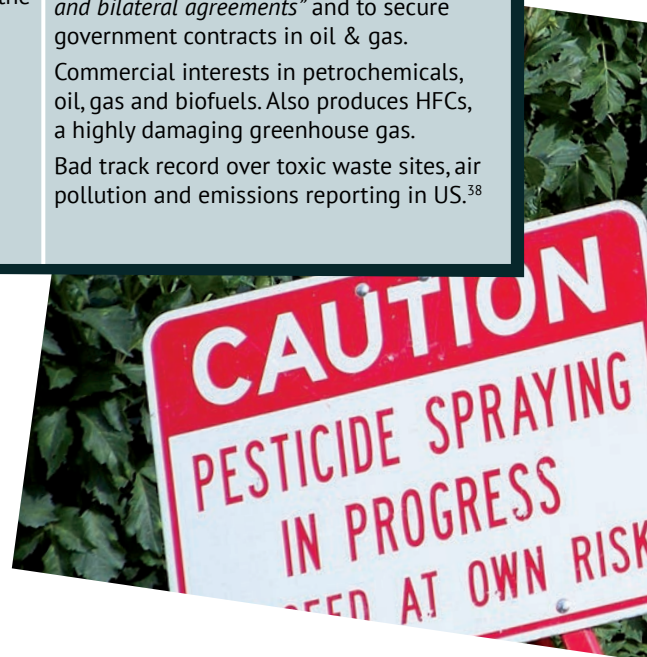
Europe's chemicals lobby CEFIC has been a ferocious opponent of strong EU climate laws and high EU targets to reduce emissions. The chemicals sector is a major polluter (both in terms of greenhouse gases and other harmful pollutants of air, land and water) and a colossal user of fossil energy, which it wants as cheaply as possible. With petrochemical members like BP, Shell Chemicals and Total Chimie, CEFIC has plenty of cash at its disposal: it spent €10 million on EU lobbying in 2014!²⁸

TTIP CEFIC has been one of the biggest lobbies on TTIP (12 meetings with DG Trade between Jan 2012 and Feb 2014).²⁹ Its chief Hubert Mandery says that CEFIC's proposals on TTIP *"have largely been taken over by the European Commission"*. Clear evidence of how influential dirty industry is in the trade talks.³⁰ CEFIC demands a TTIP energy chapter that would *"allow for access to US shale gas"*³¹ (see Box 1). At a CEFIC event on TTIP Mandery also said EU energy prices are too high because of *"surcharges stemming from environment and climate policies"*, a problem to be *"urgently addressed by policy makers"*³² – which according to polluters could be tackled by importing US shale gas, watering down climate policies or paying compensation to make EU business 'competitive'.

COP21 CEFIC says the *"Paris-COP21 agreement must work with and for business"* – in other words, it wants a deal shaped by, and profitable for, the energy-intensive chemicals industry. It will hold official side events at COP21 to push its agenda, arguing that a climate deal must avoid *"distorting competition in global markets and/or relying on trade barriers"*.³³ But what big business calls "distorting competition" – i.e. faster and deeper emissions cuts for rich, industrialised countries – is vital to respect the different responsibilities for, and abilities to act on, climate change.

It promotes a global carbon market *"to achieve emissions reductions at the lowest possible cost for industry"* regardless of which country they are in or what the social and environmental cost is (see Box 2). But, if COP21 doesn't succeed in this, CEFIC wants the EU to review its own emissions trading system (ETS) so as not to undermine its competitiveness, i.e. ensure it's not too ambitious.³⁴ This follows years of lobbying by CEFIC to weaken the ETS and ensure it profits dirty industry rather than cuts emissions.³⁵

BusinessEurope member	Lobby spend 2014	Record on trade/ TTIP?	Record on climate/ COP21?
Honeywell	EU: up to €0.6 million US: \$5.1 million ³⁶	Honeywell priorities include to lobby for "favorable" trade agreements including TTIP, and it has met with Trade Commissioner Malmstrom's cabinet on the matter. Involved in US launch of 'AmChams in Europe' TTIP report, which says TTIP will mean less "red tape", and describes environmental and health & safety laws as regulatory barriers which <i>"bring additional costs or restrictions for exporters"</i> . ³⁷	Priorities include to lobby for "favorable" <i>"international climate treaty negotiations and bilateral agreements"</i> and to secure government contracts in oil & gas. Commercial interests in petrochemicals, oil, gas and biofuels. Also produces HFCs, a highly damaging greenhouse gas. Bad track record over toxic waste sites, air pollution and emissions reporting in US. ³⁸



FoodDrinkEurope

FoodDrinkEurope is a major Brussels lobby group defending the interests of big food multinationals like Nestlé, Unilever and Coca-Cola, which want cheap raw commodities and weak environmental and public health laws. It declares spending only €0.2 to €0.3 million on EU lobbying in 2014,³⁹ but its influential status is shown by the attendance of two EU Commissioners at its 2015 Congress.⁴⁰

TTIP FoodDrinkEurope has been one of the top TTIP lobbies (at least 8 meetings on TTIP with DG Trade between Jan 2012 and Feb 2014).⁴¹ Its chief Mella Frewen (formerly head lobbyist at Monsanto) sits in the Commission's TTIP advisory group.⁴² It wants TTIP to facilitate *"the low level presence of unapproved genetically modified crops"*⁴³ – a backdoor for GMOs into Europe. It uses rhetoric of "regulatory cooperation" (see Box 1) to attack important standards that it claims will distort trade – standards that could include food safety rules and GMO labelling – insisting on no new "regulatory barriers".⁴⁴

COP21 FoodDrinkEurope promotes a corporate-controlled vision of 'climate friendly' agriculture, using lots of greenwashing to distract from the negative social, environmental and climate impacts of the agribusiness sector (e.g. soil degradation, loss of biodiversity, chemical pollution of water sources, land grabs and deforestation, etc). Yet FoodDrinkEurope tries to divert attention from this by promoting ineffective and misleading labelling schemes like the Round Table on Responsible Soy⁴⁵ – legitimising the expansion of GM soy plantations, a growing driver of deforestation in Latin America.

FoodDrinkEurope is pro-carbon markets, lobbying for a "well-functioning" ETS to stimulate "cost-efficient" emission reductions. It also wants international climate finance to go to corporations to stimulate "investment and innovation"⁴⁶ – i.e. it wants to profit from public climate money.

BusinessEurope member	Lobby spend 2014	Record on trade/ TTIP?	Record on climate/ COP21?
Cargill	EU: up to €0.1 million US: \$1.3 million ⁴⁷	Cargill has commercial interests in GMOs and sees TTIP as the backdoor for GMO food/seeds into the EU. Cargill is against mandatory labelling of GM food products, making its lobbying on TTIP worrying. Cargill has used ISDS to sue Mexico, winning \$77 million from Mexican taxpayers, showing its willingness to protect its profits at the expense of democracy. ⁴⁸	Cargill, a major crop biotechnology lobby, claims "GM foods can help us conserve existing water and soil resources". In reality, costly GM seeds go hand in hand with more energy intensive and higher chemical use agriculture, biodiversity loss and soil degradation. People and planet are better served by preserving biodiversity, local production and food sovereignty. Cargill's CEO lobbied US President Obama to approve environmentally disastrous Keystone XL oil pipeline. ⁴⁹

Box 3: Protecting IPRs on corporate wishlist for TTIP & COP21

Intellectual Property Rights (IPRs) are temporary monopolies granted to patent holders in exchange for publishing an invention. But in practice they can act as monopoly privileges for powerful corporations, a means to control production and profit, regardless of environmental costs or human rights. For example, by restricting access to vital medicines which they hold the patents for, or urgently needed low-carbon technologies.

BusinessEurope wants TTIP to enable stricter protection of IPRs with third countries (beyond the EU and US), outrageously claiming that IPRs drive cross-border technology transfer.⁵⁰ Longer monopolies through strengthened intellectual property rules and limits on price-controlling policies in TTIP could drive up prices for medicines and costs for national health systems – bad news in face of climate-related pressures on public health.⁵¹

EU chemicals lobby **CEFIC** insists “the UNFCCC negotiations should not include recommendations that undercut or put into question the current existing IP systems”.⁵² It says countries that enforce compulsory licensing (i.e. ignore IPRs) would deter investments. But this also prevents the transfer of clean technologies needed to help the global South avoid the dirty development-pathways of the North. Instead, CEFIC wants tax benefits and incentives to “facilitate” technology flow i.e. more public money for private companies to make their technologies available.

Conclusion

The biggest corporate lobby groups on TTIP are making sure their big business power grab will be furthered by the COP21 negotiations. Rather than looking out for people or the planet, their focus on expanding their dirty business models means the climate-wrecking tenets of free trade are being strongly pushed in the UNFCCC (global markets, intellectual property rights, attacking regulations). Worryingly, this corporate coup is being uncritically facilitated by our governments. The stakes are too high to let this happen, and only by people asserting their right to democracy – in TTIP and COP21 – can this be stopped. Laws should be made in the interest of the public, not corporate polluters.



Corporate Europe Observatory
<http://corporateeurope.org>

Corporate Europe Observatory (CEO)
challenges the influence of big business
and business lobby groups
in EU policy making.

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For all references and footnotes see
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