



BP - Extracting Influence at the Hearth of the EU Conclusion

The case studies presented here reveal only a fraction of the work BP does in Brussels - a staff of 20 work daily to maintain BP's close relationship with the Commission and to develop dialogue with MEPs. Their work is reinforced by senior members of the company who are well connected, both in Brussels and at a national level. Yet few of these conversations are recorded. Access-to-document requests reveal that the Commission frequently keeps only token minutes of consultation meetings. Consequently much of BP's input remains hiddenⁱ. However, the company's prestigious Brussels office and its expenditure of more than 250,000 euro a year on EU lobbying indicate how seriously BP takes having its voice heard in the European capitalⁱⁱ.

The bulk of BP's lobbying is done through more than 10 different industry associations, which amplify the company's voice as well as insulating it from accusations of direct political interference. The Commission frequently consults with these industry-wide bodies and BP often achieves political objectives through third parties. Yet BP only provides limited information about its membership of different bodies in the Commission's voluntary lobby disclosure register, revealing a limit to BP's openness - despite the claims of the company's Corporate Social Responsibility (CSR) policy.

As Europe's second largest corporation, BP stands to benefit hugely from favourable EU policies, and through inputting to EU consultations. In addition, BP has penetrated EU institutions, giving it a direct voice in policy-making. The company has been able to have significant input to the design of the European regulatory mechanisms which affect its business, such as the Emissions Trading Scheme (ETS).

Wherever possible BP lobbies to avoid costly environmental regulation altogether, favouring self regulation. But where politicians and public opinion demand action, for example on climate change the company is skilled at shaping the policy response to minimise any costs to the company and in the case of the Emissions Trading Scheme (ETS) even to profit from the new regulatory landscape, having engineered the architecture of the new system itselfⁱⁱⁱ.

BP acknowledged the failure of its previous lobbying strategy on climate change - that of denial - when it left the Global Climate Coalition (GCC) in 1997 and has since then developed a more sophisticated approach. The adoption of an EU-wide scheme ostensibly to curb greenhouse gas (GHG) emissions could have represented a monumental failure for a company which had previously argued against any action to cut emissions. But through the company's admission that it had been part of the problem, it was able to convince policy-makers that it could offer the solution, and the company successfully shaped the resulting EU policy. Given the scale of the problem, the impact of the Emissions Trading Scheme (ETS) on BP's business has been minimal, and any effect that it has had on the company has been positive, as BP has lead the field in trading emissions allowances.

Externally, BP benefits from EU foreign and trade policies, and the company is in regular correspondence with the commissioners and staff who shape those policies. As a flagship

company which effectively represents Europe around the world, BP commands a sense of shared interest among Commissioners and MEPs, who are consequently enthusiastic advocates for BP's interests. Dialogue is as likely to be initiated by the Commission as by the company, since decision-makers seek to learn for example from the company's practical experience of bilateral trade relations.

Evidence that the EU has supported BP sometimes falls short of proof that BP lobbied to gain that support, as the best lobbying remains hidden. However, in BP's own words, its Brussels office exists to "centralise BP's interface with the Commission"^{iv}. Commission documents show that frequent meetings take place and that communication is often exchanged between BP staff and commissioners. Even when documentary proof is not available, it is highly likely that conversations have taken place and in many cases it is inconceivable that they have not.

When the then Trade Commissioner Peter Mandelson visited Moscow in June 2008, it is inconceivable that he could have spoken about an issue as specific as the TNK-BP case without first speaking to BP. The case formed the focal point of EU-Russian relations at that time and Mandelson's researchers are likely to have contacted BP, so as to be able to brief him on the most significant, contemporary trade-related issue between the EU and Russia. When the former Trade Commissioner addressed his Russian counterparts on behalf of the EU, it was only natural that he should defend the EU's largest investment in the country^v.

Similarly, when BP Chairman Peter Sutherland, put his name to the report "Seizing the Opportunity"^{vi} as the chairman of the ERT's working group on Foreign Economic Relations, it is inconceivable that he would have put his name to a report which argued against the interests of BP. He is writing in a different capacity but his interests overlap.

BP has successfully fostered a false perception among decision-makers that what is good for BP is also good for the EU. BP commands significant influence at the European level, a degree of influence which is explained by the company's size and status but not justified by the wider benefits the company brings to the EU as a whole. BP lobbying has compromised European energy security by encouraging reliance on imported oil and gas. European environmental legislation has been crippled by successful lobbying, resulting in toothless regulation and hollow voluntary initiatives.

ⁱ Personal correspondence.

ⁱⁱ European Commission (2008) Register of interest representatives - Alphabetic list, BP plc, 14 November 2008, <https://webgate.ec.europa.eu/transparency/regryn/consultation/displaylobbyist.do?id=3394026642-58>

ⁱⁱⁱ Putting the Fox in Charge of the Henhouse: How BP'S Emissions Trading Scheme Was Sold To The EU, Case study, January 2009, <http://www.corporateeurope.org>

^{iv} Personal correspondence.

^v BP and the Russian Bear, Case study, January 2009, <http://www.corporateeurope.org>

^{vi} ERT (2006) Seizing the opportunity - Taking EU-Russian relations to the next level, p3 and p13, <http://www.ert.be/doc/0147.pdf>