Written Statement by Dr. Dylan Tanner, Executive Director, InfluenceMap

Senate Democrats' Special Committee on the Climate Crisis

October 29th, 2019

To Senator Schatz and members of the Select Committee on the Climate Crisis.

My name is Dylan Tanner. I am the Executive Director of InfluenceMap, a London based think tank.
I want to thank you for the opportunity to provide this testimony and for your leadership on this issue.

Background

In 2011, Christiana Figueres, then executive secretary of the United Nations Framework Convention on Climate Change, issued a stark warning: While companies "stuck in the technologies and fuels of yesterday" go unchallenged over their well-funded and orchestrated campaigns to prevent political action, global climate policy will remain stalled.[1]

Despite this, very little systematic analysis of this critical blockage was readily available. In response, in 2015 InfluenceMap launched the world's first and only public-facing platform for systematically tracking and assessing how the world's leading corporations - and the trade association lobbyists they fund - are influencing and impacting the implementation of climate change policy and regulations globally.

Our methodology ensures the assessment of corporate influence over policy is done in an objective and consistent manner. The definition of "policy influence" is derived from the 2013 UN Guide for Responsible Corporate Engagement in Climate Policy.[2] All company and trade association positions are measured against benchmarks based on "Paris-aligned" climate and energy policy put forward by relevant regulatory bodies, including the EC Directorate-General for Climate Action (EC DG Clima) and national climate regulators.

Our analysis is based on a thorough assessment of corporate and trade association public disclosures, including legislation consultations, organization websites, social media, financial filings and transcripts of CEO and senior management messaging. For any company or trade association, hundreds of pieces of evidence might be assessed and scored. These are aggregated with an algorithm to compute metrics that indicate corporate behavior.[3]

InfluenceMap's stakeholders include campaign groups, shareholders of the corporations in the form of pension funds, investment advisors and investor representatives, research institutions including academia, and the world's media. In particular, I would highlight the global investor community who are increasingly concerned and exercise on this issue. Our analysis is used by global investors, including the Climate Action 100+ engagement process involving over 300 investors with over $35trillion in assets under management, including pension funds NY State Common and Calpers.

InfluenceMap's work on climate policy influence has been cited in over 1,000 media articles, including articles in The Economist, Reuters, CNN Money, Bloomberg Business, the Sydney Herald, South China Morning Post and many more. Full details are available on the homepage: https://influencemap.org.

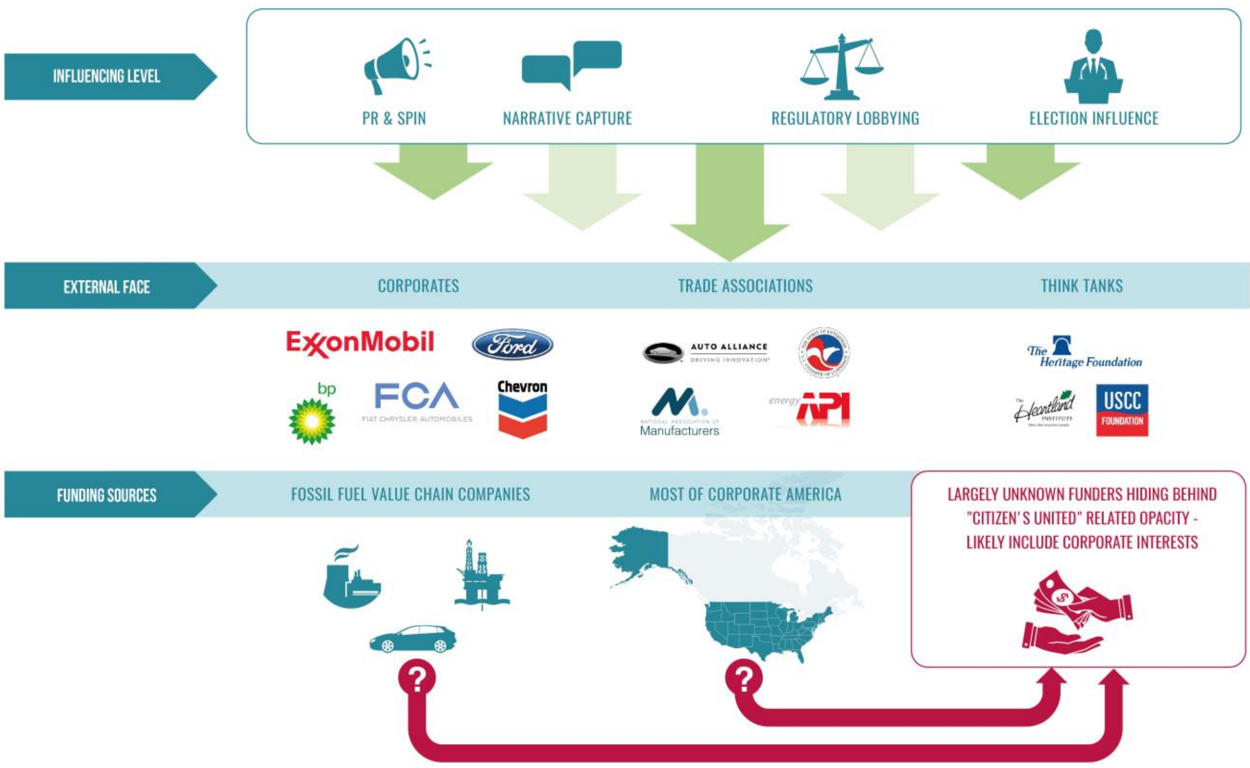
[1] Christiana Figueres: 'lobbyists for fuels of yesterday have a louder voice', The Guardian September 2011
[2] Responsible Corporate Engagement in Climate Policy, UNGlobalCompact.org, published 2013, last updated December 2015
[3] Our Methodology, InfluenceMap.org, accessed October 2018

Overview of the climate lobbying landscape

The common conception of lobbying is that it happens behind closed doors, and, indeed, much activity to influence climate change policy happens away from serious public scrutiny. Official disclosure systems, such as the US Senate's Lobbying Disclosure Act Database, provide only a small window into this world, with much of the detail of how regulations are lobbied not provided.

This focus, however, (i.e. direct engagement between lawmakers and companies) captures only a part of a systematic effort from the fossil fuel value chain to influence the climate change agenda.

What our analysis shows is an integrated strategy for control of the climate policy agenda by the fossil fuel value chain. This applies globally, with the tactics varying by region but including narrative capture, regulatory lobbying and the influencing of elections.



InfluenceMap's work focuses on the activities we can attribute directly to companies and their trade groups. There is also a part of this picture relating to so-called dark money funding which is difficult to link to corporations. While critical to the wider climate change lobbying picture, this is not InfluenceMap's focus. There is a significant body of preexisting research in this area.[4]

Excluding funds potentially directed either to think tanks or directly on elections, in March 2019 InfluenceMap calculated that since the Paris Agreement negotiations in 2015, the 5 Oil and Gas Majors alone (ExxonMobil, Shell, BP, Chevron and Total) have spent over $1 billion on misleading climate branding and wide-ranging lobbying efforts.[5] We found these efforts to be overwhelmingly in conflict with the goals of this landmark global climate accord and designed to maintain the social and legal license to operate and expand fossil fuel operations.

In context, the same companies' annual CAPEX for oil/gas-related business stands at over $100 billion annually, and the IMF states the US alone provides $650bn in fossil fuel subsidies a year.[6] In other words, a great return on investment of lobbying dollars.

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[4] For example; Brulle, Robert J. 2014. "Institutionalizing delay: foundation funding and the creation of US climate change counter-movement organizations." Climatic Change 122 (4): 681-694; Jacques, Peter J., Riley E. Dunlap, and Mark Freeman. 2008. "The organisation of denial: Conservative think tanks and environmental scepticism." Environmental Politics 17 (3): 349-385. https://doi.org/10.1080/09644010802055576. http://dx.doi.org/10.1080/09644010802055576.
[5] Big Oil's Real Agenda on Climate Change, InfluenceMap, March 2019
[6] Global Fossil Fuel Subsidies Remain Large: An Update Based on Country-Level Estimates, IMF Working Paper, May 2019

The Impact of Trade Associations

I want to focus on the key role played by trade groups. Their primary focus is to control the detailed climate regulatory agenda.

Trade associations around the world have a stated function to influence policy in the interests of their corporate members. The US Chamber of Commerce, for example, states members "count on the Chamber to be their voice in Washington, D.C." Trade associations and business federations are particularly effective for two key reasons:

- They are highly experienced and have well-oiled strategies to influence legislation and regulation, tracking and countering all strands of binding policy that could impact their fossil fuel value chain members. These tactics range from the capture of the wider narrative on climate to legal challenges to specific regulatory strands. Certain trade associations, such as the US Chamber of Commerce, are also powerfully involved in election influencing.

- They claim to be representative of large parts of the economy and come to the table armed with "jobs and growth" arguments to counter regulatory threats to their members. They are considered authoritative and can lend politicians and lawmakers of their choosing the much sought-after legitimacy of being backed by the business community.

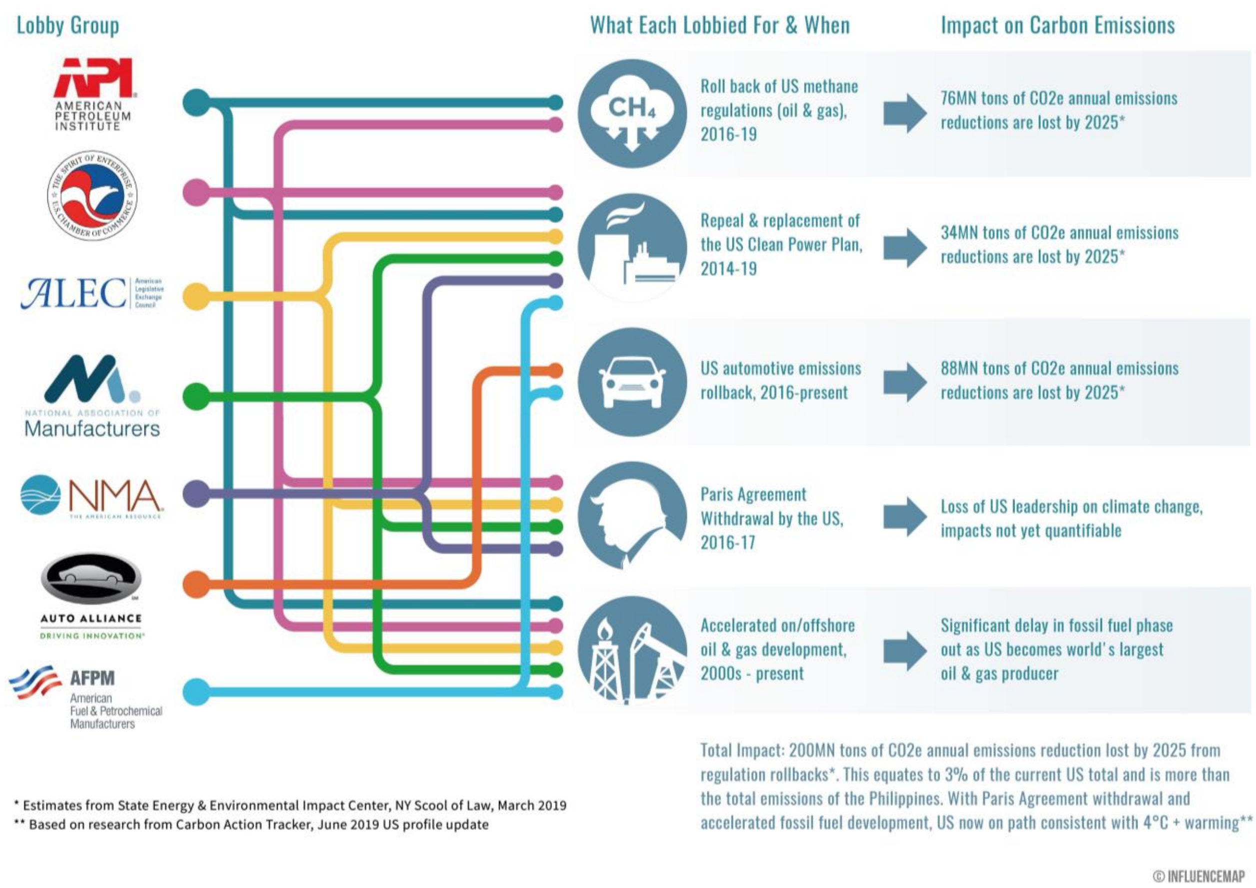
InfluenceMap's system tracks and analyzes over 100 key trade associations globally. This research has found industry groups across the energy, automotive and industrial sectors, to remain overwhelmingly negative towards meaningful climate change policy.

In September this year, we released a new analysis which quantified and compared the impact of trade associations on climate change. This analysis found seven of the ten most negatively impactful trade associations on climate policy globally operate in the US.[7]

The finding reflects the extent to which US lobbyists have stoked, harnessed, and guided the Trump Administration's deregulatory agenda to undermine climate policy progress since 2016. The NY School of Law determined the subsequent rollbacks in policy will add 200 Mn tons of CO2 equivalent emissions a year by 2025,[8] placing the US on a pathway consistent with 4°C+ warming globally according to think tank Carbon Action Tracker.[9]

The graphic below attempts to better explain the pivotal role played by trade associations in efforts to roll back a range of US climate policies over the last three years. It connects each trade association's lobbying priorities, including the US Clean Power Plan, methane regulations, automotive fuel economy standards, the Paris Agreement and restrictions on oil and gas development, to the likely corresponding impact on US emissions.

[7] Trade Groups and their Carbon Footprints, InfluenceMap, September 2019
[8] Climate & Health Showdown in the Courts: State Attorneys General Prepare to Fight, NYU School of Law, March 2019
[9] Carbon Action Tracker, Countries Analysis, October 2019



The Importance of Trade Associations in Anti-Climate Lobbying

I want to highlight two further trends that illustrate the role trade associations play in holding back climate change policy progress on behalf of fossil fuel companies.

The first is that companies are outsourcing the most negative lobbying to their trade associations as it becomes politically unviable to be directly oppositional.

The history of how fossil fuel interests have attempted to undermine the findings of the scientific community has been well documented.[10] Trade associations have played a big part in this. For example, Global Climate Coalition (GCC) (1989–2001) was an international lobby group of businesses, which opposed action to reduce greenhouse gas emissions and challenged the science behind global warming; it was initially set by US's National Association of Manufacturers, with members including the American Petroleum Institute and the US Chamber of Commerce, as well as companies such as ExxonMobil, Shell Oil, and BP.

With public concern for climate change growing, however, direct climate-denial tactics have been become increasingly controversial and, as such, marginalized - left primarily to think tanks or dark money groups that do not openly disclose their backers.

InfluenceMap's research shows, however, that trade associations continue in their attempts to undermine the efforts underway by publicly mandated bodies to act decisively on climate change via a range of alternative tactics. For example, trade associations have consistently and effectively articulated arguments that draw on the economy, rising energy prices and job losses to block climate legislative proposals and regulation. In doing this, they perform an important function for the companies they represent: protecting them from the risk of negative public exposure by putting space between the company's public brand and the regressive climate policy position.

[10] ExxonKnew.org, accessed October 2018

When successful, this strategy allows heavily polluting companies to retain a green veneer, helped by extensive PR and advertising that emphasises their support for action on climate change, while achieving the policy frameworks needed to delay meaningful action on climate change for as long as possible.

This is exampled by recent dynamics between the American Petroleum Institute and its members on US methane regulations. The API has successfully lobbied for a series of rollbacks since 2016. Over this time, board members such as ExxonMobil and BP have given tacit support to the API whilst using PR statements to distance themselves from any negative publicity surrounding the issue. This was first achieved simply by promoting their voluntary methane reductions and, more recently, making statements on how they now disagree with the latest rollbacks proposed by the US EPA. They have not, however, required the API to refrain from lobbying the positions they supposedly disagree with.

Ultimately, the trajectory of US methane regulation, driven by API lobbying, has remained the same. The EPA estimates the proposed rollbacks will save the industry $100 million through 2025 in compliance costs. Analysis released in October 2019 has shown that ExxonMobil and BP are among the worst for flaring methane in US oil fields.[11]

The Capture of Powerful Cross-Sector Trade Groups by Fossil Fuel Interests

The second trend concerns the very powerful cross-sector groups like the US Chamber of Commerce and the National Association of Manufacturers, which tend to adopt the lowest common denominator positions on climate of their most oppositional members.

Trade associations that represent business or industry as a whole, rather than a segment through representing a specific sector, tend to be particularly influential when it comes to shaping the overall policy agenda of the government. To give one example, research from US-based watchdog, Public Citizen, has found this year that 85% of a list of demands made by the National Association of Manufacturers in 2017 have been granted or are being worked on by the current administration.[12]

Cross-sector groups also have the power to talk on behalf of the economy-at-large. The US Chamber of Commerce, for example, is likely the most authoritative voice of American business. In spite of this position, InfluenceMap's analysis has found NAM and the US Chamber to have consistently pushed some of the most regressive and oppositional positions on climate change policy since 2015. Summaries of this analysis can be found through the links listed in the Appendix of this document. Our recent analysis of over 100 trade associations globally found NAM and the US Chamber to be the first and second on the list of the most influential and negative climate policy lobbyists.

It is noted that the US Chamber does not limit itself to direct lobbying activities but also directs its negative climate influence through prolific political spending, despite not disclosing the source of its funding. According to Public Citizen, the US Chamber was the second-largest overall non-disclosing (or "dark money") spender not directly related to a party in 2016, spending nearly $30 million on congressional races, including $26 million on the Senate.[13]

InfluenceMap's analysis of the wider corporate landscape shows the US Chamber's lobbying on climate to be largely misaligned from the positions taken by American's leading corporations - in other word's the US Chamber's membership. As we can see in this chart below, the Chamber's climate stances contrast significantly from those of key members like UPS, Pfizer and Microsoft (a similar pattern holds for NAM).

[11] Exxon and BP among worst for flaring in US oil fields despite green pledges, Unearthed, October 2019
[12] Your Wish Is My Command: Corporate Capture of the Regulatory Process Evident in Trump's First Two Years, Public Citizen, May 2019
[13] The Republican Party and the Chamber of Secrets, Public Citizen, December 2016

This trend is likely due to a largely informal understanding among corporate members of trade associations to stay silent and allow companies to push their chosen positions when their sector's key regulatory issues arise, often resulting in the adoption of the most regressive stances of the most active and at-risk members.

This highly self-serving attitude has allowed perhaps the most powerful business voices in the US to have been captured by a small majority of vested interests from the fossil fuel sectors, at the direct expense of American business as a whole. In turn, these trade groups have attempted to capture US climate policymaking processes at the expense of a safe and science-based response to the climate crisis, both for US citizens and the world.

Appendix A: Key InfluenceMap US Trade Group Profiles

See below a list of InfluenceMap profiles on US Trade Groups referenced in this statement, with links to where these can be accessed online.

The Alliance of Automobile Manufacturers : https://influencemap.org/influencer/Alliance-of-Automobile-Manufacturers/projectlink/Alliance-of-Automobile-Manufacturers-In-Climate-Change

The American Petroleum Institute: https://influencemap.org/influencer/American-Petroleum-Institute-API/projectlink/American-Petroleum-Institute-API-In-Climate-Change

The American Legislative Exchange Council: https://influencemap.org/influencer/American-Legislative-Exchange-Council-ALEC/projectlink/American-Legislative-Exchange-Council-ALEC-In-Climate-Change

The American Fuel & Petrochemical Manufacturers: https://influencemap.org/influencer/American-Fuel-Petrochemical-Manufacturers-cacc951ea59addfcc713fbb359e2680c

The National Association of Manufacturers: https://influencemap.org/influencer/National-Association-of-Manufacturing-NAM/projectlink/National-Association-of-Manufacturers-NAM-In-Climate-Change

The National Mining Association: https://influencemap.org/influencer/National-Mining-Association/projectlink/National-Mining-Association-In-Climate-Change

The US Chamber of Commerce: https://influencemap.org/influencer/US-Chamber-of-Commerce/projectlink/US-Chamber-of-Commerce-In-Climate-Change

Appendix B: Key InfluenceMap reports

See below a list of InfluenceMap research reports reference in this statement, with links to where they can be downloaded in pdf format. The following are a selection of InfluenceMaps content which may be viewed open source at https://influencemap.org/reports/Reports

Big Oil's Real Agenda on Climate Change, March 2019:

https://influencemap.org/report/How-Big-Oil-Continues-to-Oppose-the-Paris-Agreement-38212275958aa21196dae3b76220bddc

Trade Groups and their Carbon Footprints, September 2019:

https://influencemap.org/report/Trade-Groups-and-their-Carbon-Footprints-f48157cf8df3526078541070f067f6e6