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Mapping Political Influence

Political donations and lobbying
by the fossil fuel industry in BC

Summary

THIS STUDY EXAMINES THE POLITICAL REACH AND INFLUENCE of the fossil fuel industry in British Columbia, as evidenced in donations to political parties and lobbying efforts by oil, gas and coal corporations and industry groups. It finds a remarkable and disturbingly close relationship between industry and the provincial government—one that not only contradicts the province's stated aim to fight climate change but also undermines democracy and the public interest.

Political donations

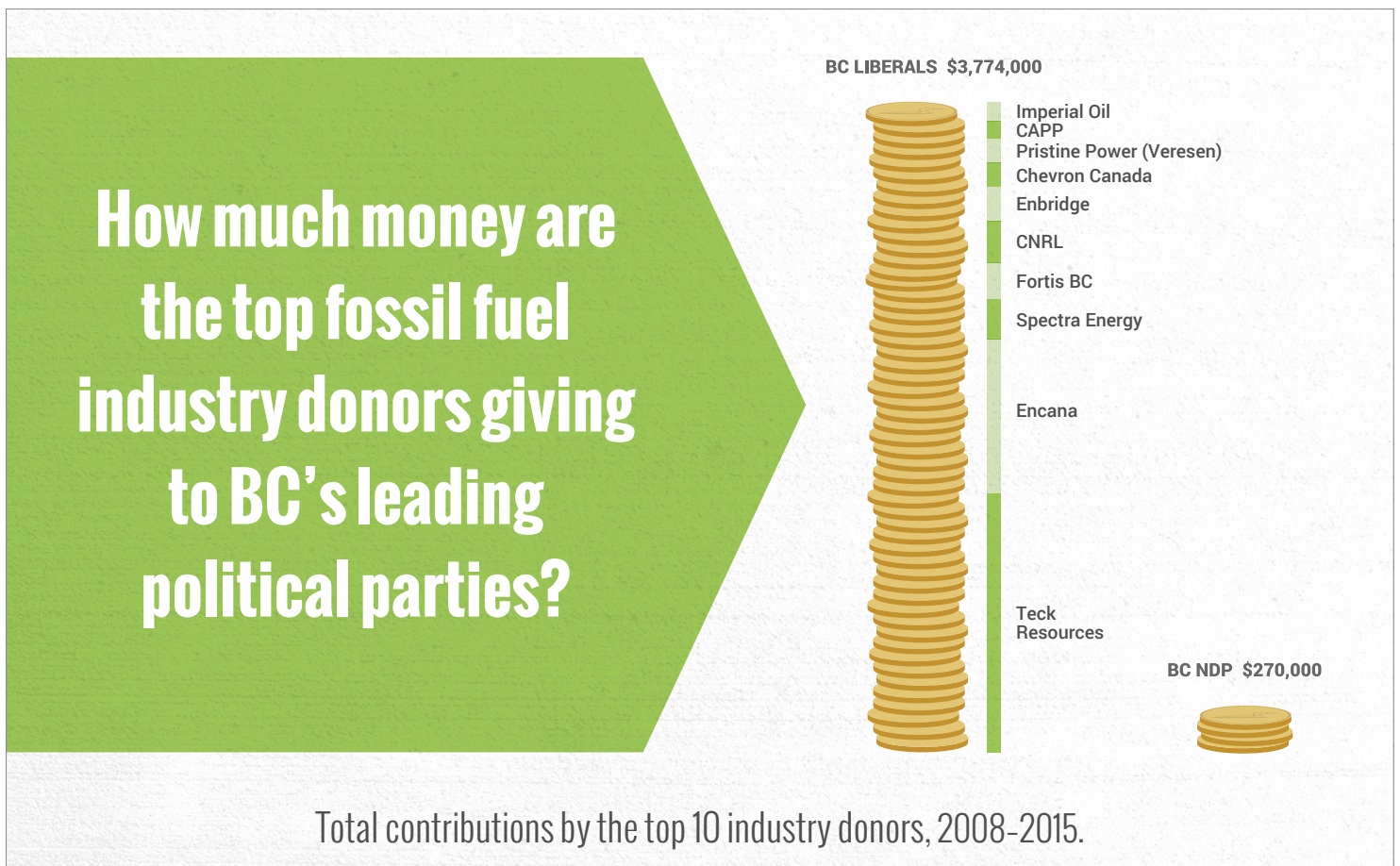
One of the most direct ways that corporations participate in the political process is through donations to political parties. Few believe that such donations are an act of altruism, or that they represent mere “gifts.” Instead, corporate contributions can be understood to be either ideological or pragmatic.

Ideological contributions are directed to political parties whose policies favour corporate needs and wishes. Pragmatic donations are more tightly connected to the particular interests of the corporation, helping them gain personal access to politicians and ensuring their views on key matters are heard.

This paper draws on data from two key sources to analyze fossil fuel industry money in BC politics: Elections BC’s Financial Reports and Political Contributions (FRPC) System, and a database of fossil fuel corporations being developed as part of a larger multi-year research initiative, the Corporate Mapping Project.

We examined all fossil fuel industry donations to the BC Liberals and the BC NDP (the two leading parties) between 2008 and 2015, a period that covers the last two election cycles. Our key findings include the following:

- Forty-eight fossil fuel companies and industry groups donated a total of \$5,180,480 to the two parties over this eight-year period. Of this total, 92 per cent (\$4,769,769) went to the BC Liberals.
- The top 10 fossil fuel industry donors account for more than three-quarters (78 per cent) of total donations, with the two top firms—Teck Resources and Encana—contributing nearly half.
- Among these top 10 donors, there is a distinct geography of giving, with the majority of firms headquartered in Calgary, Alberta. Only two of the companies—Teck Resources and FortisBC—are headquartered in BC, and one company—Spectra Energy—is headquartered in the United States. Chevron Canada and Imperial Oil are, however, foreign-controlled subsidiaries of US-based parent companies.
- In 2014 and 2015, newly formed LNG operators made significant donations. Pacific NorthWest LNG, Steelhead LNG, Prince Rupert Gas Transmission, and Woodfibre LNG gave combined contributions of \$110,650 to the BC Liberals and \$15,500 to the BC NDP.



Lobbying

Donations to BC political parties from fossil fuel firms allow corporations to secure access to key political decision-makers. They therefore work in tandem with, or may even be considered as part of, the lobbying process.

Information on lobbying became publicly available in BC starting in 2010 under a newly introduced Lobbyists Registration Act. The act requires lobbyists to register and report whenever they communicate with or intend to communicate with a public office holder in a lobbying effort. (Unfortunately, the act doesn't distinguish between actual and intended lobbying—thus all figures referenced here include both.)

We conducted an exhaustive search of the registry and found 43 fossil fuel corporations and industry groups with registered lobbying efforts between April 2010 and October 2016. Comprehensive data were gathered for the 10 most active organizations, which together account for more than three-quarters of the lobbying by the fossil fuel sector:

- The top 10 fossil fuel firms reported a total of 19,517 lobbying contacts with BC public office holders between 2010 and 2016. That's an average of 14 lobbying contacts per business day.
- There is substantial overlap between giving and lobbying, with seven of the top 10 political donors also ranking among the top 10 most active lobbyists.
- The amount of lobbying by environmental non-governmental organizations (ENGOs) pales in comparison. There are only eight such organizations with active lobbying efforts, reporting a total of 1,324 contacts over the same period.

Twenty-eight per cent of lobbying by the top 10 most active lobbyists is with cabinet ministers—an unrivalled level of access.

- Rich Coleman, Minister of Natural Gas Development (and Responsible for Housing), is the most targeted minister with 733 reported contacts by the top 10 firms. This amounts to an average of nearly three contacts per week for Coleman alone.
- The next most contacted are Premier Christy Clark (618 contacts), Minister of Energy and Mines Bill Bennett (437), Environment Minister Mary Polak (354) and Finance Minister Mike de Jong (330).

Almost half (48 per cent) of lobbying contacts are with ministries and government agencies (at the staff level, such as with deputy ministers).



- The central lobbying targets are the Ministries of Energy and Mines, Natural Gas Development, and Environment. The Oil and Gas Commission (OGC) also figures prominently—the registry data show 984 contacts by the top 10 firms. The Ministry of Aboriginal Relations and Reconciliation, Ministry of Finance, and Ministry of Forests, Lands and Natural Resources also attract considerable attention.
- It is striking how many lobbying ties lead to the Ministry of Environment, whose responsibilities ought to be quite distinct from “dirt ministries” (like Energy and Mines), which typically facilitate business investment.

The remaining 24 per cent of contacts are with MLAs.

- Spectra Energy and Teck Resources are particularly active with MLAs—unlike others in the top 10, the majority of their total lobbying contacts are with MLAs. This focus on MLAs may reflect the nature of their business operations, which are spread throughout the province.
- Both NDP and Liberal MLAs are heavily targeted. This is especially the case with the past and current leaders of the BC NDP, Adrian Dix and John Horgan, who are among the top three most contacted.

Oil and gas industry associations play an important role in lobbying efforts:

- Associations like the Canadian Association of Petroleum Producers (CAPP) and the Canadian Energy Pipeline Association (CEPA) are central to the network of lobbyists and are far more active than other resource and manufacturing associations in the province.

- In less than a one-year period (October 2015 to August 2016), CAPP reported 201 expected lobbying contacts with government ministers and agencies in relation to development of the provincial government's Climate Leadership Plan, which has been widely condemned as doing little to meaningfully tackle climate change.
- Alex Ferguson, the commissioner and CEO of the Oil and Gas Commission from 2006 to 2011, reported lobbying his former organization 19 times on behalf of CAPP.

Considering that a handful of organizations and state officials are the target of most lobbying by the fossil fuel industry, the network amounts to a small world, dominated by the few large corporations that control much of this economic sector. While it is not possible to determine the extent to which a given lobbying effort directly influences a specific policy outcome, what shines through is the extent to which well-funded and well-organized corporations (and their industry associations) exert continual pressure on, or work in tandem with, key decision-makers to develop policies that align with their interests.

Recommendations

The fossil fuel industry is a major and consistent donor to the ruling BC Liberal Party, which has received nearly \$5 million from oil, gas and coal corporations and industry groups over the course of two

provincial election cycles. Such donations help secure access to key decision-makers and offer the opportunity to exercise political influence, such as through lobbying.

BC stands out in Canada in terms of its weak regulations against corporations influencing public policy. At a minimum, and as an urgent priority, the provincial government should:

- Following the 2017 election's conclusion, ban corporate and union donations to political parties outright, including the purchase of tickets to fundraising events and donations to party leadership campaigns. Individual donations should also be limited to people whose primary residence is in BC, and these should be capped at a modest level that prevents those with deep pockets from skewing the democratic process in their favour.
- Overhaul the Lobbyists Registration Act, which creates major loopholes that impede true transparency. A full review is warranted, but at minimum, lobbyists should be required to report who they have lobbied (rather than to list who they expect to lobby), including the specific date of a given communication and a more detailed description of the type of contact that occurred and its subject matter. Lobbyists should also be required to disclose meetings initiated by public officials. And disclosure of the costs of lobbying—fees paid to professional lobbyists and firms by clients—should be reported.



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