The American Petroleum Institute —Big Oil's Front Group— Fights Reasonable Climate Policies To Mislead The Public And Protect Corporate Profits

Summary: The American Petroleum Institute (API) is America's biggest, most influential oil and gas industry association. It represents hundreds of corporations across the oil industry—turning those corporations' dues into massive lobbying and public influence campaigns.

API Is America's Biggest Oil And Gas Industry Association—It Funnels Millions Of Dollars From Oil Companies Into An Influence Machine That Works Behind The Scenes In Washington, DC To Protect Big Oil

API Represents All Segments Of America's Oil And Gas Industry And Has More Than 600 Members. "API represents all segments of America's oil and natural gas industry. Our more than 600 members produce, process and distribute most of the nation's energy. The industry supports more than ten million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. API was formed in 1919 as a standards-setting organization. In our first 100 years, API has developed more than 700 standards to enhance operational and environmental safety, efficiency and sustainability. Although our focus is primarily domestic, in recent years our work has expanded to include a growing international dimension, and today API is recognized around the world for its broad range of programs." [About API, accessed 02/18/21]

API Is Extraordinarily Wealthy—It Spends Tens Of Millions Of Dollars A Year Just On Executive Salaries And Lobbying

API Rakes In Hundreds Of millions of Dollars Per Year. In 2018, the most recent year for which records are available, API had \$234,349,360 in total revenue. [API IRS Form 990, **Americans For Prosperity** accessed <u>02/12/21</u>]

API Pays Its Top Executives Millions Of Dollars Per Year. In the most recent year for which records are available, API paid its outgoing president, Jack Gerard, \$10,604,807 in salary. Its incoming and current president, Mike Sommers, got \$1,790,404 in salary plus \$452,510 in other compensation. [API IRS Form 990, accessed <u>02/12/21</u>]

API Has Spent Nearly \$12 Million Lobbying The Federal Government In The Last Two Years.

- API Federal Lobbying Total Expenditures in 2020: \$5,350,000
- API Federal Lobbying Total Expenditures In 2019: \$6,610,000

[Center for Responsive Politics, accessed <u>02/12/21</u>]

API's PAC Arm Gives Out Hundreds Of Thousands In Campaign Contributions

API's PAC Doles Out Nearly \$200,000 To Federal Candidates Per Cycle.

• 2019-2020 Total PAC Spending: \$183,075

• 2017-2018 Total PAC Spending: \$198,988

[Center for Responsive Politics, accessed <u>02/12/21</u>]

<u>API Spent More Than \$1.3 Million In Contributions To Republican Candidates In 2016 Compared To Contributions In The Hundreds Of Thousands Dollars</u> In 2012 And 2020.

API Donated \$1.38 Million To Republicans In 2016. [API – Contributions, OpenSecrets.org, accessed <u>02/19/21</u>]

• In Contrast, They Donated \$323,550 In 2012 And \$158,000 In 2020. [API – Contributions, OpenSecrets.org, accessed <u>02/19/21</u>]

API Spent More Than \$5.4 Million In Lobbying In 2020.

API Spent A Total Of \$5,350,000 In Lobbying in 2020. [API – Summary, OpenSecrets.org, accessed 02/19/21]

Not Only Did API Fund Groups That Downplayed The Impacts And Dangers Of Climate Change...

Koch-Linked Group Americans For Prosperity Received \$25,000 From AFI. "OpenSecrets Blog found, for example, that AFP [Americans for Prosperity] received \$25,000 from the American Petroleum Institute, the oil industry trade group, which vigorously opposes legislation that attempts to slow climate change." [OpenSecrets, <u>03/05/12</u>]

Institutions Such As The Cato Institute And George C. Marshall Institute Played A Role In Downplaying Or Denying The Risks Of Climate Change. "Drexel University emeritus professor Bob Brulle studied the funding for the climate change "counter movement". He identified 91 institutions which he says either denied or downplayed the risks of climate change, including the Cato Institute and the now-defunct George C Marshall Institute." [BBC, 09/19/20]

• **API Gave About \$4 Million To These Entities.** "He found that between 2003 and 2007, ExxonMobil gave \$7.2m (£5.6m) to such bodies, while between 2008 and 2010, the American Petroleum Institute trade body (API) donated just under \$4m (£3m)." [BBC, 09/19/20]

API Was A Member Of The Western Srates Petroleum Association, Which Planned A "Stealth Campaign" In California To Block Climate Policies. Shell, BP, Chevron, and ExxonMobil are also members and funders of the API and the Western States Petroleum Association (WSPA). Late last year, a leaked presentation from WSPA revealed a stealth campaign to block climate policies in California by backing a constellation of astroturf groups with names such as the "California Drivers Alliance" and "Californians Against Higher Taxes'." [Guardian, 05/29/15]

...It Also Hired A Public Relations Firm, Edelman, To Lobby The Federal Government To Roll Back Regulations And Approve New Fossil-Fuel Projects.

API Was A "Top Client" For Edelman. "Edelman is 'the largest PR firm in the world,' according to Holmes' 2014 World Report, and "'has now held the number one spot for the past four years.' It raked in \$741 million in revenues last year. A decent chunk of that comes from keeping the American Petroleum Institute, the oil industry's chief trade association and lobbying group, as one of its top clients. According to documents obtained by the Investigative Fund this year, API retained Edelman for \$52 million." [Vice, <u>08/05/14</u>]

Edelman "Managed Multiple Websites And Online Advertising Efforts" That Asked Officials To Approve The Keystone XL Pipeline, Support Tax Deductions For The Oil and Gas Industry And Expand Drilling On Public Lands. "Most of that cash was dedicated to helping the oil industry lobby the federal government to roll back regulations and to approve new emissions-heavy fossil fuel projects. "On behalf of API, Edelman managed multiple websites and online advertising efforts asking officials to approve the Keystone XL pipeline, support tax deductions for the oil industry and expand access for drilling on public lands," the Fund noted." [Vice, 08/05/14]

Edelman Staged Television Ads With "REAL PEOPLE Not Actors" To Share Their Opinions About The Oil And Gas Industry. "But Edelman's most famous use of astroturf groups on the energy front is probably its effort to stage a series of television ads with API starring 'REAL PEOPLE not actors" sharing their opinions on the oil industry. It went awry when they were forced to dismiss a clean energy advocate who went on camera and said he wanted clean jobs." [Vice, 08/05/14]

API Fears The Transition Away From Fossil Fuels

API Increased Its Spending In The 2020 Election To Convince Voters That Gas Is Climate-Friendly.

API Upped Its Spending Prior To The November 2020 Election In An Attempt To Convince Younger Voters That Natural Gas Is Climate-Friendly. America's biggest oil and gas lobby group is ramping up its advertising spending ahead of the November election to persuade voters that natural gas is a climate-friendly fuel, according to ad buying data. The campaign by the American Petroleum Institute (API), targeted at younger voters and some tight congressional races, is part of a global battle by the drilling industry to assuage growing fears over the role of natural gas in driving climate change." [The Independent, 08/19/20]

• After Then Democratic Presidential Nominee Joe Biden Unveiled A Plan To Transition Away From Fossil Fuels, API's Spending on Facebook Ads Increased About Six Times Its Previous Spending. US Democratic presidential candidate Joe Biden last month unveiled a \$2 trillion plan to transition the American economy away from fossil fuels, including natural gas, if he beats incumbent Donald Trump, who is a drilling advocate. Biden's plan would support climate litigation against polluters who conceal information about environmental and health risks. In the three weeks following Biden's climate announcement on 14 July, API increased its spending on Facebook ads

to an estimated average of \$24,000 a day. That's about six times its average daily spending in the preceding six months, according to an analysis by Influence Map, a non-profit group whose data on lobbying is used by institutional investors." [The Independent, $\frac{08/19/20}{2}$

API Opposes Transitioning Away From Fossil Fuels.

API's President Argued Against Speeding Up The Transition Away From Fossil Fuels. "The president of the American Petroleum Institute questioned the speed at which government is moving to shift the world's economy away from fossil fuels in a speech Wednesday.... Such a transition is expected to take decades at least, but [Mike] Sommers is arguing against government efforts to speed up the transition away from fossil fuels, even as he called climate change, 'the most important issue of our time.'" [Houston Chronicle, <u>01/13/21</u>]

French Gas Giant Total Said It Would Not Renew Its API Membership.

Total Said It Would Not Renew Its Membership With API After It Had Conducted "A Detailed Analysis Of The Climate Positions" Of The Organization. "Total is ditching its membership of the American Petroleum Institute (API) as the key oil and gas representative body's position on climate issues is at odds with those of the French supermajor, which is targeting net-zero emissions by 2050. The Paris-based giant said on Friday it will not renew its membership of the decades-old group after what it said was "a detailed analysis of the climate positions" of the API." [Upstream Online, 01/15/21]

API President Mike Sommers Warned Of An "Economic Calamity" If Then-Presidential Candidate Bernie Sanders Banned Fracking And Also Then-Presidential Candidate Elizabeth Warren Could "Axe" 7 Million Jobs. "Mr. Sommers also warned of 'economic calamity' if Bernie Sanders succeeded in banning fracking. An end to fracking, a move proposed both by Mr Sanders, the Democratic presidential primary frontrunner, and one of his rivals, Elizabeth Warren, could axe 7m jobs, he said." [Financial Times, 02/25/20]

API Has Shifted To Advocating At the Local Level

<u>API Has Successfully Opposed "Climate-Friendly Policies In At Least 16 Different States."</u>

API And Its Allies Have Also Switched To Working At The Local Level, Successfully Opposing "Climate-Friendly Policies In At Least 16 Different States." "But climate activists have not been alone in switching focus to local politics: The oil industry has also pivoted. In the past few years, the American Petroleum Institute (API) and its allies have activated at the local level, fighting against—and occasionally beating back—climate-friendly policies in at least 16 different states. This surge of local activism has succeeded in slowing the growth of electric-vehicle sales and zero-carbon energy, experts say." [The Atlantic, 02/18/21]

<u>API's Restructuring To A More Regional Approach To Oppose Transitions</u> <u>Away From Fossil Fuel At The State And Local Level.</u> **API Engaged In A Restructuring That Shifted Away From State Lobbying To A Regional Approach.** "The American Petroleum Institute is pursuing a restructuring that will result in the closure of 15 state lobbying offices in favor of a regional approach, as policy fights fought by the largest U.S. oil and gas trade group have become nationalized across state lines.... The regional offices will be based in Denver, Colorado; Springfield, Illinois; St. Paul, Minnesota; Columbus, Ohio; Harrisburg, Pennsylvania; Boston, Massachusetts; Raleigh, North Carolina; and Tallahassee, Florida." [Washington Examiner, 03/31/20]

• Change Came As API Became More Active To Oppose Policies Limiting Fossil Fuels At The State And Local Level. "The changes come as API has become more active in opposing policies to limit fossil fuel use promoted by climate activists across an increasing number of states and localities, such as proposals to ban fracking for oil and gas, cities banning natural gas hookups in new homes, subsidies for renewable energy and nuclear plants, and laws encouraging electric vehicles purchases. API is also fighting to support pipelines, frequently opposed by climate activists, which often cross state lines." [Washington Examiner, 03/31/20]

API Opposes Limits On Oil And Gas Production

API Has Successfully Opposed "Climate-Friendly Policies In At Least 16 Different States."

Sommers Said API Would Oppose New Limits On Oil And Gas Drilling On Federal Lands And Waters. Sommers expected API would clash with the Biden administration if it pursues new limits on drilling on federal land and waters, calling proposals floated during the campaign an "'mport more oil' policy. 'I think API will use every tool at our disposal to fight that kind of proposal," including taking the administration to court if it believes such action was done illegally, he said." [S&P Global, 01/13/21]

API Opposes Biden's Plan To Reduce Carbon Emissions From The Transportation Sector. "API also opposes a key piece of Biden's plan to reduce carbon emissions from the transportation sector — a rebate for drivers who trade in traditional internal-combustion vehicles powered by their products for electric ones." [Washington Post, <u>07/16/20</u>]

API Claimed Restricting Oil And Gas production Would Eliminate Jobs Or Shift Them Overseas And "Jeopardize America's Economic Recovery." "The American Petroleum Institute, a trade association representing the oil and gas industry, said restricting oil and gas production would "jeopardize America's economic recovery," increase energy costs, eliminate jobs and shift energy production oversees." [Associated Press, 10/23/20]

API Has Been Named In Multiple Lawsuits For Their Role In Misleading The Public On Climate Change

Minnesota's Lawsuit Was The First That Named API.

Minnesota's Lawsuit Targeting Extractive Companies, Special Interest Groups And Koch Industries Regarding Global Warming Is The First That Names API. "The state of Minnesota on Wednesday filed a lawsuit against the American Petroleum Institute, Exxon Mobil Corp and Koch Industries for what it called a decades-long campaign to deceive the public about climate change. The lawsuit is the latest in a series of legal challenges by states, cities, and citizen groups targeting fossil fuel companies over their role in global warming. It is also the first naming the API, the nation's main oil and gas industry lobby group, as a defendant." [Reuters, 06/24/20]

A New Jersey Lawsuit Asked The Court To Order API To End Its Disinformation Campaign.

Hoboken, New Jersey Alleged API, ExxonMobil And Other Gas Companies Misled Consumers, Investors And The Public About How Their Products Contribute To Climate Change. The City of Hoboken today filed a lawsuit in New Jersey state court against ExxonMobil and other oil and gas companies, as well as the American Petroleum Institute (API), alleging that in an effort to protect company profits, they intentionally misled consumers, investors and the general public about how their products contribute to climate change. The lawsuit also asks the court to order API and these fossil fuel companies to end their disinformation campaigns, provide relief for consumers, and be held accountable for their share of climate change related damages." [Union of Concerned Scientists, 09/02/20]

Delaware Sued API For Participating In A "Campaign Of Deception."

Delaware Sued API And Oil And Gas Companies Over A "Campaign Of Deception." "Delaware on Thursday became the latest state to sue major oil and gas companies over climate change, claiming they knew about the issue for decades but participated in a 'campaign of deception.' "Fossil Fuel Defendants had actual knowledge that their products were and are causing and contributing to the injuries complained of, and acted with conscious indifference to the probable dangerous consequences of their conduct's and products' foreseeable impact upon the rights of others, including the State and its residents, motivated primarily by unreasonable financial gain,' the lawsuit states." [The Hill, 09/10/20]

- The Suit Accuses The Defendants Of Misleading The Public. "The suit also accuses companies of continuing to mislead the public about the impact of their products on climate change through 'misleading and deceptive greenwashing campaigns'." [The Hill, 09/10/20]
- API Is Named Alongside Several Major Oil And Gas Companies. "Named in the lawsuit are major companies including Exxon Mobil, Chevron, BP and Shell, as well as major lobbying group the American Petroleum Institute (API)." [The Hill, 09/10/20]

API Has Multiple Front Groups Which It Uses To Derail Conversations About The Impacts Of Climate Change And To Promote Energy Development

Energy Citizens Front Group Created By API "Aimed At Derailing Climate-Change Legislation"

API Created The Front Group Called Energy Citizens. "Energy Citizens is a creation of the American Petroleum Institute, the oil industry's largest trade group. (In 2009, API has spent some \$5.8 million on lobbying, much of it on the climate and energy bills.) A memo from API president Jack Gerard, leaked to Greenpeace, urged his group's members to ensure "turnouts of several hundred attendees' at supposedly grassroots events like the ones Energy Citizens was sponsoring." [Mother Jones, 12/05/09]

"Energy Citizens" Is Coordinated By The American Petroleum Institute. "Taking a leaf from the playbook employed by health care reform opponents, the oil industry has put together an 'Energy Citizens' movement aimed at derailing climate-change legislation. [...] Similar rallies, which the American Petroleum Institute is coordinating, are planned for 22 cities across 19 states, so far not including California. They are meant to send a "loud message" to the U.S. Senate when it takes up the House-passed cap-and-trade bill next month, according to a memo from the industry trade group, of which Chevron is a prominent dues-paying members. [...]The U.S. Chamber of Commerce, the National Association of Manufacturers and a number of state business organizations are on board with the program (www.energycitizens.org)." [San Francisco Chronicle, 08/20/09]

<u>Vote4Energy Was Relaunched By API To Encourage Voters To Pick Candidates Who Supporter "Broader" Energy Development.</u>

API Wanted Voters To Select Candidates Who Supported "Broader Development of The Nation's Abundant Energy Sources" In 2016. "The American Petroleum Institute wants US voters to elect candidates in the 2016 elections who support broader development of the nation's abundant energy resources to further benefit the general economy, create more goodpaying jobs, and improve US and North American security, API Pres. Jack N. Gerard said." [Oil & Gas Journal, 06/23/15]

• API Relaunched Vote4Energy In June 2015. "It is simple: If we are to create a better energy and economic future, we'll need policies and policymakers that are willing to partner with the oil and gas industry to responsibly develop the immense energy potential we have within our borders," he said at a June 23 breakfast where API relaunched the Vote4Energy voter education campaign it used prior to 2014's mid-term elections." [Oil & Gas Journal, 06/23/15]