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P R E S S R E L E A S E

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***Groups File Claim Against BP and Pipeline Partners in 5 Countries:
“Green” Company Violating International Norms in Controversial Caspian Oil Pipeline***

As political and business leaders gather in Paris for the Organization for Economic Cooperation and Development's (OECD) Forum 2003, environmental organizations today submitted complaints to the British, French, German, Italian, and U.S. governments charging that BP and its consortium partners¹ in the proposed Baku-Tbilisi-Ceyhan (BTC) oil pipeline are breaching the OECD's "Guidelines for Multinational Enterprises."

The Baku-Tbilisi-Ceyhan (BTC) oil pipeline is a proposed pipeline that would span 1,056 miles (1,760 kilometers) from the Azerbaijan capital of Baku, through Tbilisi Georgia, ending in the Mediterranean city of Ceyhan, Turkey. A gas pipeline also is planned to follow the same route. British Petroleum (BP) is the lead sponsor; there are nine other participants in the consortium. The BTC consortium is seeking the political and financial support of their countries' export credit agencies, the European Bank for Reconstruction and Development and the International Finance Corporation of the World Bank Group.

The OECD Guidelines oblige companies to "contribute to sustainable development and to refrain from seeking or accepting exemptions from environmental, health, safety, labour, taxation and other legislation". The NGOs charge that the Consortium has negotiated agreements that openly flout this obligation.

The Guidelines, which were revised in June 2000, cannot be legally enforced. But they are increasingly regarded as a key yardstick of corporate social responsibility.

In their 9-page Complaint, the NGOs charge the Consortium with having:

- exerted undue influence on the regulatory framework for the project - the Consortium's legal team even boasting that it had "created laws" in Azerbaijan;
- sought or accepted exemptions related to social, labor, tax and environmental laws;
- pressured the Georgian environment minister to approve the Environmental Impact Assessment (EIA) despite the minister's protests that the EIA violates Georgian law; and
- undermined the host governments' ability to mitigate serious threats to the environment, human health and safety by, among other actions, negotiating agreements that free the pipeline project

¹ The Baku-Tbilisi-Ceyhan Consortium (BTC Co) is comprised of BP, which has controlling interest, as well as 10 companies from 8 other nations: SOCAR (Azerbaijan), Unocal, ConocoPhillips, (US) Statoil (Norway), TPAO (Turkey), ENI (Italy), TotalFinaElf (France), Itochu, Inpex (Japan), and Delta Hess (joint US-Saudi).

from any environmental, public health or other laws that the three host countries might adopt in the future.

Other concerns highlighted in the complaint include failure to adequately consult with project-affected communities and failure to operate in a manner contributing to goals of sustainable development.

“It is tremendously ironic that TotalFinaElf, an official sponsor of the OECD Forum, is breaching the very standards of behavior prescribed by the OECD governments,” said H el ene Ballande of Friends of the Earth France.

“BP markets itself as a clean and green oil company,” said Nicholas Hildyard from The Corner House. “This complaint reveals how BP and its partners are routinely seeking exemptions from public health and environmental laws, and circumventing genuine public consultation. This isn’t beyond petroleum, it’s beyond the pale.”

“While violating agreed international norms, the BTC consortium has the gall to expect taxpayers to support this project through public financing from the World Bank and export credit agencies,” said Heike Drillisch of WEED in Germany.

“US officials have told us we should be grateful for which companies are involved in this pipeline,” said Jon Sohn of Friends of the Earth US. “Yet as consortium partners in this pipeline, US companies like Unocal and ConocoPhillips are violating agreements that our government has endorsed and professes to uphold.”

Given that the consortium is currently seeking public funding for the oil pipeline, the groups are calling on governments to give immediate attention to the complaints. The groups are also calling for an immediate moratorium of construction activities and for financial support to be placed on hold until the consortium has remedied the breaches to the OECD Guidelines.

The OECD Guidelines for Multinational Enterprises prescribe “standards of behavior” for companies operating in both OECD and non-OECD member countries. OECD governments are obliged to create a “National Contact Point” that will promote the use of the guidelines among corporations, monitor their implementation and hear complaints of specific instances where it is alleged a company has violated the Guidelines.

The U.S. version of the complaint and appendices can be found at:
<http://www.foe.org/camps/intl/Appendices.htm>

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