

By Terri Hallenbeck, Free Press Staff

BP, the company whose off-shore well is spewing oil into the Gulf of Mexico, should halt dividend payments to shareholders and millions of dollars in television advertising and put the money toward cleanup of the worst oil spill in U.S. history, Rep. Peter Welch said Tuesday in a letter to the company's chief executive officer.

"BP is showing more regard for its shareholders than for the people of the Gulf Coast," Welch, D-Vt., said. "Their first obligation is to clean up the Gulf."

Welch's comments mirror those made last week by President Barack Obama on dividends and the advertising. Welch said he expected to collect the signatures of 30 congressional colleagues on his letter.

"As BP presides over one of the greatest environmental and economic catastrophes of our time, we find it troubling that your company plans to divert financial resources to shareholder dividends and slick marketing campaigns," Welch writes in his letter to BP CEO Tony Hayward.

Welch said Tuesday in a phone interview of BP's \$59 million in advertising, meant to mitigate public anger over the spill, "This is the last time they should be advertising. What in the world is that about?"

BP is poised to make \$10 billion in dividend payouts to shareholders, as it does annually. In 2009, it paid 56 cents a share and was expected to increase the amount after a strong first half in 2010, according to The Wall Street Journal. Though there is growing pressure in the United States against cutting the dividend payment, there is pressure in Britain to continue them as pension funds there depend heavily on the money.

Published reports last week indicated Hayward was defying calls to halt or cut second-quarter dividend payouts. The company's board is expected to make a decision in July. BP's

first-quarter dividend has already been declared, and is to be paid June 21.

"We urge you to halt your planned dividend payout and cancel your advertising campaign until you have done the hard work of capping the well, cleaning up the Gulf Coast and making whole those whose very livelihoods are threatened by this catastrophe," Welch wrote in conclusion. "Not a moment before then should you return to business as usual."