

Deny, dupe and delay – the underhand tactics of ExxonMobil

From the Valdez oil spill to the international negotiations on climate change, ExxonMobil has been practising the tactics of deny, dupe and delay.

15 years after the spill that devastated a pristine wilderness area and damaged the lives of many of its inhabitants, ExxonMobil is still dragging the plaintiffs through the courts in an effort to avoid paying out the punitive damages award, first passed by a Federal jury in September 1994.

Punitive damages of \$5 billion were awarded to 34,000 fishermen and other Alaskans harmed by the oil spill. It was then the largest punitive damage award in history, equal to one year's worth of ExxonMobil profits at the time.

ExxonMobil's first appeal to the Supreme Court in 1997 was thrown out, but in 2001, a 9th U.S. Circuit Court of Appeals found that the \$5 billion judgement was excessive and sent the case back to the U.S. District Court in Anchorage. The judge here was ordered to reduce the amount, which he did, to \$4 billion.

Changing legislation to win

Another appeal followed, and then the case was again sent back to Judge Holland in Anchorage, after the U.S. Supreme Court found that a \$145 million punitive damage award against State Farm Insurance was excessive. Evidence used to win this judgement was taken from research placed in legal and academic journals which challenged the competency of juries to award punitive damages. Significantly, the research was funded by ExxonMobil and used in the Valdez case.

In January this year, Judge Holland again ordered ExxonMobil to pay \$4.5 billion in punitive damages with \$2.25 billion in interest, a \$1.3 billion fee for the plaintiffs' legal team plus more than \$350 million in interest [calculated as of April 2003] since the jury's 1994 verdict. Predictably, ExxonMobil says it will appeal.

Dirty tricks on climate change

These tactics are not an isolated case. ExxonMobil has funded a long-running campaign of dirty tricks to undermine and delay the international process to tackle climate change, spending millions of dollars in the process.

Despite 2000 of the world's top scientists (the Intergovernmental Panel on Climate Change) and almost all the world's leaders saying that the time for action on climate change is **now**, ExxonMobil continues to argue that more research is needed before any action is taken. Most would agree that this is so, but argue that it should be conducted *alongside* action to tackle the problem, not *in place* of it.

ExxonMobil has attempted to steer the climate change debate to focus on "uncertainty", as seen by its participation in the planning of a \$6 million public relations campaign with the American Petroleum Institute. Called the 'Global Climate Science Communications Action Plan', its stated aim was to discredit the Kyoto Protocol by stressing such 'uncertainties'. An internal memo stated that victory would be achieved when "those promoting the Kyoto Treaty on the basis of extant science appear to be out of touch with reality."

On April 17, 2001 the company placed an advertisement in several newspapers claiming that the Kyoto Protocol is "fundamentally flawed" and "fatally politicized." In March 2001, President Bush took the lead from the oil giant and announced that the U.S. would not ratify the Kyoto treaty, which is "fatally flawed in fundamental ways".

In 2001, ExxonMobil was behind the removal of IPCC Chair, Dr. Bob Watson. The company faxed the White House asking "Can Watson be replaced at the behest of the USA?" This was after Watson had supported the inclusion of a key reference to *human influence on climate change* in the final IPCC 'Summary for

Policymakers' at a meeting in September 2001. ExxonMobil had argued for this text to be removed. Watson was voted out at the next IPCC meeting where the U.S. and the OPECs led a vociferous lobbying campaign against him.

Funding front groups

While ExxonMobil says it "*takes the issue of climate change extremely seriously*", it continues to fund climate sceptic front groups that are running an aggressive campaign against climate science and U.S. re-engagement in the Kyoto protocol.

Both Exxon and Mobil were founding members of the key industry lobby group set up to lobby against action on climate change, the Global Climate Coalition. When both BP and Shell pulled out of the GCC, Exxon and Mobil stayed on. ExxonMobil is the biggest fossil fuel industry donor to right wing front groups in Washington D.C. who both oppose the Kyoto Protocol and the conclusions of the IPCC.

One of the central arguments used by these front groups is that there is no proof of global warming. They cite, and prominently promote, a small group of "climate sceptic" scientists to back their argument, such as Sallie Baliunas and Willie Soon.

Exxon's single largest recipient of funding has been the Competitive Enterprise Institute, a Washington-based, free market think tank, highly influential with the Bush Administration. The CEI was instrumental in undermining the U.S. Environmental Protection Agency's National Assessment on climate change for the UNFCCC in 2002. When the report was made public, headlines such as the New York Times' "*Climate Changing, US says in report*"¹ prompted panic in the White House.

Myron Ebell of the CEI sent a memo to the White House's Council on Environmental Quality on the same day beginning, "Thanks for calling and asking for our help." He advised the White House that he was "willing and ready to help, but it won't be possible to do much without some sort of backtracking from the Administration." He stated the need to "drive a wedge between the President and those in the Administration who think that they are serving the President's interests by publishing this rubbish." Just two days later, the President backtracked from the report when he dismissed it as having been written by "the bureaucracy."

The CEI has received a total more than \$1 million from ExxonMobil since the Kyoto Protocol was agreed in 1997. In 2002, ExxonMobil's funding to the CEI included a tagged \$60,000 for "legal activities"² – the EPA lawsuit?

Morally and ethically bankrupt

ExxonMobil is a particularly litigious company, preferring to use its vast financial resources to silence its critics than to actually admit responsibility for its actions and, in the case of the Valdez, to pay up.

In May 2003, 38 Greenpeace volunteers entered ExxonMobil's headquarters to peacefully demonstrate against the company's position on climate change. ExxonMobil retaliated by bringing civil and criminal damages against the individual volunteers and Greenpeace.

The hypocrisy of the world's largest oil company, one of the richest companies on earth, thinking it can interfere in issues that affect us all without facing any criticism and action is typical. As the Valdez oil spill has shown, ExxonMobil is a company without ethics, a company that only cares for profits.

² http://www2.exxonmobil.com/Corporate/files/corporate/public_policy1.pdf