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## BRIEFING MEMORANDUM

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TO: G - Under Secretary Dobriansky

FROM: OES - Ken Brill, Acting

SUBJECT: Your Meeting with ExxonMobil Officials, .  
Thursday, September 20, 10:30 a.m.

ExxonMobil requested this meeting to give you their views on climate change issues and policies. Your objectives:

- Welcome the company's input to the policy review.
- Reaffirm the President's commitment to international leadership, notwithstanding opposition to the Kyoto Protocol.

ExxonMobil is among the companies most actively and prominently opposed to binding approaches to cut greenhouse gas emissions. Through previous efforts with the Global Climate Coalition and its own ongoing public outreach, ExxonMobil stresses scientific uncertainty regarding human impacts on climate, and warns that Kyoto or any similar mandatory effort would be unjustifiably drastic and premature. The company advocates research and technology development as a precautionary approach to the possibility of adverse effects of anthropogenic emissions. Brian Flannery, ExxonMobil's science, strategy and programs manager, actively participates in the UNFCCC process.

Flannery and his colleagues will undoubtedly be interested in gleanings of the U.S. stance at COP7. You may wish to indicate our hope to present ideas pursuant to the President's initiatives, despite certain criticism from pro-Kyoto forces.

While acknowledging common views on Kyoto's flaws, you may wish to point out that the Administration is committed to a leadership position on climate change, and that environmental and diplomatic reasons point to the need to include real efforts to cut domestic emissions. It may be useful to get their take on an approach that would allow the U.S. to exert leadership in the international process, given the current international landscape.

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U/S Dobriansky Meeting with ExxonMobil, September 20, 2001

Unclass System: H:EGC/Ed/bm-dobriansky exxonmobil 9-20-01

Drafted: OES/EGC: Ed Fendley x72764

Cleared: OES/EGC: Trigg Talley ok  
EB/ESC/IEC/ENR: Patrick Dunn ok  
G: Ned Nyman ok

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## Checklist of Key Issues

1. **Welcome Your Ideas:** Recognize ExxonMobil's keen interest and participation in international climate change process. Particularly need your input now as we elaborate new policies.
2. **President Committed to Leadership:** Rejecting Kyoto is not enough; need to develop meaningful policies, including efforts to cut emissions at home. Interested in your views about a sensible approach to providing leadership on this issue over time.
3. **(If Raised) Stance at COP 7:** Plan continued engagement on Convention issues and to protect core interests. Hope to begin sharing ideas with friends and allies soon. No intention to offer Kyoto alternative; looking to elaborate and expand President's initiatives.

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**Participants**

U.S.

Under Secretary Paula Dobriansky

G - Ned Nyman

EB/ESC/IEC/ENR - Patrick Dunn

OES/EGC - Ed Fendley (notetaker)

ExxonMobil

James Rouse, Vice President, Washington Office

Frank Sprow, Vice President, Health Safety and Environment

Sherman Glass, General Manager, Corporate Planning

Brian Flannery, Manager, Safety, Health and Environment

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**Background on ExxonMobil**

ExxonMobil was formed by the 1999 merger of two of America's largest oil companies, promptly replacing Royal Dutch-Shell Group as the number one energy company and vaulting past General Motors as the largest corporation in the world. ExxonMobil made \$17.7 billion in profits last year, a record for a publicly traded company. In addition to its primacy in the oil industry, ExxonMobil is the largest private company holder of natural gas reserves.

ExxonMobil's unwavering skepticism of international efforts to address climate change, combined with the company's size and its identification as a U.S. company, have helped make it a prime target for vitriol and boycotts by a range of international environmental and social activists.

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**ExxonMobil's Position on the Kyoto Protocol**Source: [http://www.exxonmobil.com/public\\_policy/index.html](http://www.exxonmobil.com/public_policy/index.html)

Activists promote the idea that opposition to the Kyoto protocol equates to a lack of concern about climate change. This is simply not the case. Like many other companies, we do not believe Kyoto is the right approach. We fear it would impose dramatic economic costs in the developed world, while doing little to achieve its goal of addressing climate change since developing nations, which require most of the world's increased needs for energy to grow their economies, have no comparable commitments. In fact this position is supported by the recent report prepared by US National Academy of Sciences National Research Council panel on climate change. One of the 11 panelists recently wrote, "My own view, consistent with the panel's work, is that the Kyoto Protocol would not result in a substantial reduction in global warming."

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Statement of Lee R. Raymond  
CEO and Chairman, ExxonMobil

Source: [http://www.exxonmobil.com/news/publications/c\\_global\\_climate\\_change/c\\_better\\_path.html](http://www.exxonmobil.com/news/publications/c_global_climate_change/c_better_path.html)

For more than two decades, Exxon Mobil Corporation has carefully studied and worked to increase understanding of the issue of global climate change, often referred to as global warming. The company is committed to a course of action on this issue consistent with sound science, solid economics and high ethical standards.

As a science- and technology-based company, we apply the same rigor on global climate change as we do in running a 3-D seismic survey off West Africa, designing a world-scale petrochemical complex in China or developing cleaner high-performance fuels and other products for world markets.

We agree that the potential for climate change caused by increases in carbon dioxide and other greenhouse gases may pose a legitimate long-term risk. However, we do not now have a sufficient scientific understanding of climate change to make reasonable predictions and/or justify drastic measures.

Some reports in the media link climate change to extreme weather and harm to human health. Yet experts see no such pattern.

Dr. James E. Hansen, a leading scientist instrumental in focusing national attention on global warming a decade ago, expressed scientific uncertainty in an article in *Proceedings of the National Academy of Sciences USA*: "The forcings that drive long-term climate change are not known with an accuracy sufficient to define future climate change."

Although the science of climate change is uncertain, there's no doubt about the considerable economic harm to society that would result from reducing fuel availability to consumers by adopting the Kyoto Protocol or other mandatory measures that would significantly increase the cost of energy. Most economists tell us that such a step would damage our economy and almost certainly require large increases in taxes on gas and oil. It could also entail enormous transfers of wealth to other countries.

This does not mean we favor doing nothing. We have redoubled our efforts in energy conservation at our own operations around the world. We have established cooperative programs with auto companies and others to develop environmentally friendly, next-generation automotive systems and fuels with significantly lower emissions and improved efficiency.

We are also working on gasoline-powered fuel cells for automobiles. We support scientific and economic research at a number of leading institutions, such as the Massachusetts Institute of Technology and Carnegie-Mellon University.

We believe that there is a better path forward - one that will allow us both to protect our environment and to sustain economic prosperity. The whole history of our industry has been a demonstration that we can achieve both goals, and new technology will have to be the key enabler.

Satellite technologies enable us in the oil and gas industry to explore with great precision before we ever touch the earth. Horizontal drilling has revolutionized the extraction process, reducing the impact on surface areas. Fuels today are cleaner and more efficient than ever before, minimizing humans' impact on the air and the planet.

Over time, we are learning more and more about how to safeguard both Earth and the well-being of the people who live on it. Through responsible stewardship, we are finding this balance and making it a reality.

We believe that no one - now or in the future - should have to choose between an earth that sustains life itself and the tools that make modern life possible and prosperous. Through responsible use of energy, we believe we will not have to make this choice.

Climate change is an important issue. We have an obligation to ourselves and to future generations to make sure it's handled properly.