

# **DENIAL** AND **DECEPTION:**

**A Chronicle of ExxonMobil's  
Efforts to Corrupt the Debate  
on Global Warming**

**STOP**  
  
**Exxon  
Mobil**

A Report by

**GREENPEACE**

May 2002

# Acknowledgements

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The report was written and researched by Janet Sawin and Kert Davies, using research and reports by Greenpeace United Kingdom, Ross Gelbspan, Kirsty Hamilton and Bill Hare. Special thanks to the Ozone Action files. Greenpeace is grateful to the foundations, donors and members who support our global warming campaign.

# Foreward

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One way to look at human history is through the periodic struggles between those embodying the corrupting influence of power and those who have kept such power in check or even successfully undermined it. The American Revolution is arguably the birth of the freedom movement in the Western world, although the British might argue that the birth of the "rights of man" came from the issuing of the Magna Carta and frankly, all cultures can point to great liberators of one era or another.

Regardless of where it began, every massive center of unaccountable power, whether it be the Roman Catholic Church of the Middle Ages, the city states of Europe or the ideology based governments of the last century have all met their match and ultimately lost their power when enough people were pushed to the breaking point and chose to take back their inalienable rights.

ExxonMobil is now such a power. Unaccountable to the U.S. Congress, calling out orders to the White House, a fowl of countless regulations governing environmental behavior at all levels of government, paying politicians for favors, and undermining the very reasons American colonists fought for the right to a "more perfect union."

As has been documented in the pages that follow in the latest Greenpeace report: *Denial and Deception: A Chronicle of ExxonMobil's Corruption of the Debate on Global Warming*, ExxonMobil, the world's second largest corporation has successfully used its profits to stall efforts to stop the greatest ecological threat facing the world today – global warming.

Corporations that have sought haven in democracies and then used these rights to circumvent, ignore or change laws to their whims have come under the glare of the modern day freedom fighters. As has been documented in this report, ExxonMobil stands out as perhaps the most significant organization on Earth pushing civilization headlong into a dangerous

experiment on the global climate. We have already been provided a glimpse of what happens as global warming goes unabated, from the loss of low lying island nations and beaches the world over, to the spread of infectious diseases, disrupted agriculture, more severe weather cycles including super storms, more droughts, more floods, and ultimately the massive die-off of the great forests, the disappearance of many glaciers, and the further accelerated loss of biodiversity.

ExxonMobil's role in defeating efforts to stop global warming is impressive. It has included the paying of skeptic scientists to confuse the public and the lobbying and paying of politicians to do nothing – all the way up to the White House. It has included intimidating credible scientists who hold the majority view that global warming is happening and is, in part, driven by humans. All of this history has finally been pulled together into one concise well-documented report that reads like it should be turned into a screenplay like "Erin Brockovich" and "A Civil Action."

But what is most hopeful, despite the frightening nature of the report, is that activists the world over are now looking at ExxonMobil as the key corporation creating the logjam over global warming. Further, the growing awareness of ExxonMobil's human rights violations around the world, an expanding student activist movement in the U.S., boycotts in the U.S. and UK, religious leaders organizing against ExxonMobil for justice, one thing is certain: a widely distributed, organic campaign is developing against ExxonMobil that is seeking to reform this corporation on many levels.

It remains to be seen just how much pressure for positive change will be generated against ExxonMobil. Its willful acts of arrogance in dealing with the environmental problems it creates and its human rights abuses, have made ExxonMobil the most commonly discussed target for reform since the

anti-WTO protests in Seattle. ExxonMobil is now standing in the path of history, which has provided spectacular examples of David beating Goliath, across the 20th century including the movement led by Gandhi to free the Indian people, the U.S. civil rights movement and Solidarity's defeat of Polish communism. The goliath ExxonMobil may provide the perfect catalyst for much needed reform of corporate power. As Ken Cohen, ExxonMobil's head of government relations and public affairs noted to *The Guardian* (July 11, 2001), "We know we have a giant target painted on our chests."

I have no doubt that ExxonMobil will either fall or reform in due time. Wrongful behavior, whether out of malice or ignorance cannot long stand. The question, however, remains, will ExxonMobil be stopped before global warming is beyond the point of no return? Only time will tell. In the meantime, Greenpeace will do everything in its power to stop ExxonMobil's rampant disregard for the planet and its people. This report provides a foundational piece of research to aid in the efforts of activists the world over to kick off the 21st century with either a great reformation or an even greater dissolution of ExxonMobil, the most powerful entity to have sucked the life out of the efforts to stop global warming. There is still time to breathe new life into those efforts once ExxonMobil is cleared from the path.

Rave on,

John Passacantando  
Executive Director

# Executive Summary

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Global warming eclipses all other environmental challenges of the 21st century. There is undeniable proof that pollution from the burning of oil, coal and other fossil fuels is the root cause of the observed climate changes to date. Global warming is already occurring, with evidence piling up weekly of radical climate disruption. If left unchecked, the catastrophe of global warming threatens to cause weather disasters and climate disruption that will destabilize and destroy ecosystems, economies and societies worldwide.

Throughout the last decade, ExxonMobil has been viewed internationally as the number one company driving the ongoing industry campaign to derail the international agreement to solve global warming. While other oil companies are still polluting the environment and lobbying for pro-oil policies, ExxonMobil epitomizes the worst of corporate America's onslaught against climate protection. Prior to the 1999 merger, both Exxon and Mobil were leaders of American oil industry efforts against global warming action. The merger of these two giants truly created what some have called the "Death Star" of the global warming debate.

ExxonMobil and their allies have long spearheaded a corporate war against environmental regulations that threaten to control the negative attributes of their core business – fossil fuel exploitation and use. They give millions of dollars to political campaigns and candidates and spend millions more on lobbyists and advertisements in order to achieve policies that allow them to act with impunity. As a result of this effort they get large financial payback in the form of government subsidies, tax breaks, and access to public lands.

ExxonMobil continues to stall the debate. In early May, René Dahan, the Director and Executive Vice President of ExxonMobil, speaking at the G-8 Energy Ministers meeting in Detroit, stated that "with regard to potential climate change, some people have decided not to wait for additional scientific under-

standing or for further identification of potential solutions."<sup>i</sup> Conversely said Dahan, ExxonMobil has "become increasingly convinced that the only sensible approach is to take a longer term perspective," adding that "if warming turns out to be a real problem, will we be willing to shut down the economies of the industrialized world...?"<sup>ii</sup>

This report, *Denial and Deception: A Chronicle of ExxonMobil's Efforts to Corrupt the Global Warming Debate*, details more than a decade of deliberate and persistent efforts by ExxonMobil and its front groups to derail the evolving global warming treaty and the scientific consensus that urgently supports the international agreement. The report also delves into emerging ties between the ExxonMobil agenda and the damaging global warming legacy of the Bush administration.

Since the early 1990s, Exxon and Mobil have taken leading roles in industry efforts to cast doubt over climate science. With the now defunct Global Climate Coalition front group and others, ExxonMobil has claimed that the scientists are getting it wrong on global warming and the role of fossil fuels. This ongoing effort was spawned by the revelations of the first report of the Intergovernmental Panel on Climate Change (IPCC) in 1990, which pointed to strong and growing evidence of temperature rise, sea level rise and other changes resulting from rising emissions of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases. That report stressed the need for a 60 to 80 percent cut in CO<sub>2</sub> emissions just to stabilize rising atmospheric concentrations of this greenhouse gas. This call for emission cuts was received by Exxon, Mobil and others as a direct attack on their core business.

ExxonMobil's campaign to slow the progress of scientific validation of global warming started with the use of paid skeptic scientists to publicly rebut scientific advances. Exxon has also actively engaged in manipulation of international scientific assessments. In 1998, Exxon was involved in developing a \$6 mil-

lion American Petroleum Institute communications plan for a two-year campaign intended to reshape the climate debate – where the ultimate victory was the defeat of the Kyoto Protocol, and making those promoting it appear ‘out of touch with reality’.<sup>iii</sup> The latest attack on climate science was revealed this year in a secret ExxonMobil memo to President Bush. The memo asked for the removal of Dr. Robert Watson, the Chair of IPCC. The Bush administration climate team and its allies executed ExxonMobil’s will in mid-April of 2002.

In addition to this latest tale of the working relationship between ExxonMobil and Bush, this report delves into some of what is known of the company’s close history with George W. Bush dating back to Bush’s days as Governor of Texas. In 1997, then Governor Bush consulted Exxon and Marathon oil to draft a proposal to deal with Texas’s debilitating air pollution problem from so called “grandfathered” facilities, those that do not pass modern pollution regulations, but are allowed to continue to operate. Rather like asking the fox to design the chicken coop, the resulting proposed regulations were not surprisingly voluntary and full of loopholes. Eventually the secret consultations between Exxon and Governor Bush were revealed and the plan was thrown out.

This report also tracks ExxonMobil’s broad array of political dirty tricks aimed at slowing the progress of global warming policy agreements. From the funding and dissemination of “chicken little” economic scare reports on global warming policy to anti-global warming treaty advertising on television and in newspapers, ExxonMobil has carried this war on the climate treaty from international negotiations to Capitol Hill—around the world and back again.

ExxonMobil’s use of divisive tactical rhetoric is best exemplified by its two faced argument on the role of developing countries in the climate treaty. While arguing in the U.S. policy arena that America should reject a treaty that does not conscript developing countries to act, Exxon simultaneously has lobbied developing countries not to support the treaty saying that they will be economically harmed by it. In the lead up to 1997 Kyoto climate negotiations, Exxon and Mobil, through the Global Climate Coalition and other front groups, were heavily pushing the message in the United States that developing countries were

getting ‘off the hook’ by not having to cut their emissions. One television ad against the impending treaty claimed “it’s not global and it won’t work.” Meanwhile, Exxon CEO Lee Raymond was in China at the World Petroleum Congress warning developing countries that the Kyoto Protocol would limit economic growth. He said that the developing world should both increase the use of fossil fuels and not limit oil exploitation within their borders, lest they lose Western corporate investment.

As recently as this year, Exxon subsidiary Imperial Oil in Canada is known to have lobbied heavily to get the Canadian Government to back out of promises to ratify the Kyoto Protocol. In January, CEO Lee Raymond was said to have met with British Prime Minister Tony Blair in a preview of the Bush climate plan (alternative to the Kyoto Protocol) seeking Blair’s tacit approval of the upcoming plan.

Finally, looking at the actions of the corporation behind the policy rhetoric, we track Exxon’s irresponsible and continuing rejection of clean renewable energy development – the clear solution to global warming. In 2001, ExxonMobil earned \$15.3 billion in profits and its return on capital was 17.8 percent. The corporation’s total capital expenditures were \$12.3 billion<sup>iv</sup>, and its upstream capital and exploration expenditures totaled around \$8.8 billion.<sup>v</sup> But ExxonMobil did not invest one penny in renewable energy technologies. ExxonMobil, as the second largest global corporation, by all means has a responsibility to play a leading role in solving the planet’s largest environmental crisis.

This report shows that ExxonMobil has been a highly destructive influence on both national and international efforts to limit catastrophic global warming. The influence, the total number of years lost and time wasted, cannot be quantified, and added to the now permanent climate legacy of the Bush White House, only our children will truly be able to tally the ultimate damage.

# Introduction

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The United States, with less than five percent of the world's population, emits 25 percent of global warming pollution. By rights, the nation should be taking responsibility and leading international efforts to reduce the threats of global warming induced climate change to the world community. Instead, the United States has abdicated its leadership role and is now attempting to erode the commitment of other countries to reduce greenhouse gas emissions.

The principal factor behind the U.S. position is that corporations have played a dominant and damaging role in shaping the global climate debate. As oil industry executives admitted in 1998: "Companies that produce and use fossil fuels, oil, coal and gas, have a vested interest in the outcome of the climate change debate."<sup>1</sup> While seemingly obvious, this statement carries strong hints of the industry's intent to stifle the emerging international treaty to tackle global warming and the science that backstops those efforts. While the fossil fuel industry as a whole has attempted to influence the debate on global warming, one company in particular has gone far beyond the rest to undermine both the science of climate change and the development of responsible U.S. climate policy. That company is ExxonMobil.

ExxonMobil has spent hundreds of millions of dollars over more than a decade practicing and promoting denial and deceit to undermine meaningful efforts to solve global warming. ExxonMobil's efforts were finally rewarded when President Bush announced that the United States would be withdrawing from the Kyoto Protocol in March 2001. The fossil fuel industry had overtaken U.S. global warming policy. The same is true for the Bush-Cheney energy policy formulated in early 2001, and Bush's alternative strategy to address climate change, which he announced in February 2002.

ExxonMobil's attack on global warming regulation has followed a multi-pronged strategy:

- *undermine the accepted scientific consensus on climate change;*
- *shape U.S. government policy;*
- *mislead the public and policy makers over the economic implications of tackling global warming;*
- *divide developed and developing countries in climate negotiations.*

Beyond this strategy, the company has refused to endorse the most viable solution to climate change: investing in renewable energy technology.

ExxonMobil is the corporation formed by the merger of Exxon and Mobil in 1999. ExxonMobil is known around the world alternately as Exxon, Mobil, Esso and Imperial Oil. This report documents ExxonMobil's legacy of deception and denial on global warming.

# Undermining Climate Science

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***“Science is not now able to confirm that fossil fuel use has led to any significant global warming.”***<sup>2</sup> – ExxonMobil’s position on climate change, May 2000.

***“[There is]... new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities.”*** – Intergovernmental Panel on Climate Change (IPCC), Third Assessment Report 2001

Exxon and Mobil have denied the link between fossil fuels and climate change for more than a decade, and continue to do so despite the fact that the science of climate change and its attribution to the use of fossil fuels has become increasingly clear. As recently as 11 March 2002, the CEO of ExxonMobil, Lee Raymond, said that the corporation intends to ***“stay the course”*** in its skepticism regarding climate change ***“until someone comes along with new information.”***<sup>3</sup> ExxonMobil’s efforts to derail the science are motivated by the understanding that the weight of scientific evidence influences the urgency of government action, and thus the speed at which the world moves towards a fossil free future.

Over the past ten years, ExxonMobil has been at the center of industry efforts to sabotage climate change solutions, including the Kyoto Protocol. One of the most egregious was ExxonMobil’s promotion of a widely publicized and then discredited petition (the “Oregon Petition” of 1998) by “scientists” which aimed to dismiss the scientific consensus on global warming. The petition’s organizers attempted to mislead the few valid signatories into believing that the petition had the backing of the respected National Academy of Sciences (NAS), which it did not. They did this by releasing the petition using a sham, unpublished article, formatted in the same design as that used by the NAS. Subsequently, the NAS issued an extraordinary statement dismissing this fraudulent effort, which included “signatures” from cartoon and television sitcom characters. The petition has been

discredited in the national press.<sup>4</sup>

ExxonMobil has also funded and heavily promoted a number of scientists who are known as “climate skeptics,” in an effort to undermine global scientific consensus on climate change. These are scientists who state that either climate change is not occurring, is not due to human causes, will not have a negative impact upon our economy and society, or alternatively that taking measures to solve it will destroy the U.S. economy. It is important to note that while some of these people are highly respected in their fields, none are climatologists, and their publications on climate issues have not been peer-reviewed. Most of them have little, if any, credibility in the mainstream scientific community, and several have been unable to publish their work in the peer-reviewed scientific literature and have, instead, published their work in political outlets.

It is also critical to understand that while these scientists are often given equal time in the U.S. media, in an attempt to take a balanced approach to the climate issue, they represent a very small minority of scientific voices speaking on this issue in the United States and around the world. The global consensus on climate change is clear: the Earth’s climate is indeed changing, and human activities (primarily the burning of fossil fuels) are largely responsible for global warming. Dr. Bert Bolin, former head of the Intergovernmental Panel on Climate Change (IPCC), said as long ago as 1996 that the larger trends taking place with regard to the science of climate change are not “in debate among scientists working on this issue.”<sup>5</sup>

## A Decade of Denying the Science

Exxon’s campaign of misinformation concerning the consensus on global warming and its manipulation and distortion of climate science can be traced back to May 1990, when it attempted to water down the conclusions of the first assessment report of the

IPCC. Since this first IPCC report, Exxon and Mobil have consistently followed a strategy of exploiting selective and outdated scientific studies to question the existence of global warming and the causal role of fossil fuels in its efforts to undermine the emerging consensus from the IPCC on both the reality and the cause of climate change.

**The Intergovernmental Panel on Climate Change** (IPCC) was established by the United Nations in 1988 to produce assessment reports on the science of global warming, the probable impacts and potential policy responses. It is made up of about 2,500 of the world's top scientists, most of them American. Its first report, released in May 1990, concluded that human-induced climate change is real and that levels of greenhouse gases in the atmosphere are increasing. While the first signs of climate change might not emerge for at least a decade (from 1990), according to the report, the Earth faces probable temperature increases that are unprecedented in human history.

**1990:**

During the final drafting of the IPCC's First Scientific Assessment Report in 1990, Brian Flannery, Exxon's Chief Scientific Advisor and key lobbyist, took issue with the recommendation for 60 to 80 percent cuts in CO2 emissions, in light of what he suggested were "uncertainties" about the behavior of carbon in the climate system. Although the consensus of opinion remained against him, Flannery continued to demand that the IPCC report's Executive Summary state that the range of model results were "quite scientifically uncertain".<sup>6</sup> He was unsuccessful; the summary concluded that greenhouse gas emissions at present rates would **certainly** lead to warming.

**1992:**

Exxon was a prominent member of the Global Climate Coalition (GCC), which until early 2002 was the most outspoken and confrontational lobby group battling global commitments to emissions reductions. (See information about front groups in part III) In 1992 the GCC began using well-known climate skeptics like Patrick Michaels, Robert Balling and Fred Singer (all partly funded by Exxon) as "experts" at press conferences in its attempts to undermine the credibility of accepted climate science and the findings of the IPCC.<sup>7</sup>

In February at a press conference in New York City, the GCC used professional skeptic Fred Singer to attack the IPCC science during the fifth session of negotiations (INC 5). The GCC also issued a briefing entitled "Stabilizing carbon dioxide emissions would have little environmental benefit," in which it cited climate skeptic Professor Richard Lindzen of the Massachusetts Institute of Technology.<sup>8</sup>

That same year, Flannery was quoted by the World Coal Institute in a briefing for climate negotiators: "because model-based projections are controversial, uncertain, and without confirmation, scientists are divided in their opinion about the likelihood and consequences of climate change."<sup>9</sup> Flannery ignored the fact that more than 2,000 scientists in the IPCC believed that the Earth would warm at rates that were unprecedented over the period of human history.

**1994:**

The GCC hired a public relations firm in 1994 to take climate skeptic Dr. Sallie Baliunas on a media tour.<sup>10</sup> Through the conservative think tank, The George C. Marshall Institute, Baliunas has published several reports which attempt to show that human activities such as the burning of fossil fuels play no role in global warming, that science does not support the prospect of dangerous climate change<sup>11</sup>, and that scientific findings do not support federal regulation of emissions.<sup>12</sup> Baliunas is an expert in astrophysics, not climate, and her reports were not subject to the peer review process. Her articles have included arguments that efforts to solve the problem of ozone depletion are misdirected; she also works for the Greening Earth Society, a front group for the Western Fuels Association (the coal industry) which promotes the idea and that the increased CO2 released by the burning of fossil fuels is greening the earth (leading to more plant growth).<sup>13</sup>

**1995:**

In 1995, the GCC sponsored and disseminated a report by a private weather forecasting firm – Accu-Weather – to counter the findings of a landmark study by the U.S. National Climatic Data Center. The National Climatic Data Center study documented the link between extreme weather events and climate change in the United States over the previous two decades.<sup>14</sup> The Accu-Weather study disputed the suggestion that there had been more extreme weath-

er events, drawing its data from only three U.S. cities. Although the study was unsupported scientifically, it gained considerable media and public attention when it was heavily promoted by the GCC.

**The IPCC Second Assessment Report** was released in December of 1995. It concluded that “the balance of evidence suggests a discernible human influence on the global climate” and that “significant reductions in net greenhouse gas emissions are technically possible and can be economically feasible.”<sup>15</sup>

The president of the American Petroleum Institute at the time, Charles DiBona, called the IPCC’s Second Assessment Report “inflammatory,” because it stated that “the balance of evidence suggests that there is a discernible human influence on global climate.”<sup>16</sup> It is notable that oil producing countries such as Kuwait and Saudi Arabia tried to delay the report’s release because of this “strong language”, and argued against the use of the words “appreciable,” “notable,” “measurable,” and “detectable” in place of “discernable.”<sup>17</sup>

Also in 1995, the GCC attempted to orchestrate a character assassination of an IPCC scientist, Dr. Benjamin Santer. It accused Santer of “scientific cleansing” – claiming in the press that he had secretly and substantially altered the 1995 IPCC report. Other scientists came to Santer’s defense and confirmed that the allegations were false.<sup>18</sup>

#### **1997:**

In the lead up to the negotiations in Kyoto, Japan Mobil ran a series of advertisements in major U.S. newspapers regarding climate change. One of the most extreme appeared in *The Washington Post* one month before Kyoto: “Science: What We Know and Don’t Know.” It featured a large pie chart purporting to show that human activities are responsible for only 3 to 4 percent of total CO<sub>2</sub> emissions in the Earth’s atmosphere. While this is true, it is highly misleading as it conceals the fact that overall CO<sub>2</sub> levels have increased about 30 percent due mainly to the burning of fossil fuels and deforestation.

British Petroleum withdrew from the Global Climate Coalition in 1997, distancing itself from Exxon, Mobil and other corporations that continued to refute the

science of global warming.

“All of us, of course, must reject the advice of those who ask us to believe there really is no problem at all. ... For example, we remember the tobacco company spokesperson who insisted for so long that smoking did no harm. To those that seek to obfuscate, we say: we will not allow you to put narrow special interests above the interests of all humankind.”

– Vice President Al Gore, remarks to the United Nations Committee on Climate Change Conference of the Parties, 8 December 1997, Kyoto, Japan.

#### **1998:**

In April 1998, Exxon took part in the planning of a \$6 million industry public relations offensive – the American Petroleum Institute’s (API) *Global Climate Science Communications Action Plan*. The plan aimed to re-inject uncertainty into the U.S. public’s perception of climate science in the run up to the climate negotiations in Buenos Aires that November.<sup>19</sup> The Exxon representative in the group formulating this plan was Randy Randol, who penned the 2002 memo calling for the ouster of Dr. Robert Watson, Chair of the IPCC.<sup>20</sup> (See appendix and below for ExxonMobil memo dated 6 February 2001.)

The American Petroleum Institute plan stated that:

*“Victory will be achieved when:*

- *Average citizens understand (recognize) uncertainties in climate science, making them stronger ambassadors to those who shape climate policy;*
- *Industry senior leadership understands uncertainties in climate science, making them stronger ambassadors to those who shape climate policy;*
- *Those promoting the Kyoto treaty on the basis of extant science appear to be out of touch with reality.”*

Part of the petroleum industry strategy was to coordinate “a complete scientific critique of the IPCC research and its conclusions” and **to enable decision makers to raise “such serious questions about the Kyoto treaty’s scientific underpinnings that American policy makers not only will refuse to endorse it, they will seek to prevent progress towards implementation at the Buenos Aires**

**meeting in November, or through other ways.”**

This would be achieved by recruiting and training five “independent” scientists – “new faces... without a long history of visibility in the climate debate” to participate in media outreach. The American Petroleum Institute aimed to “maximize the impact of scientific views consistent with ours, with Congress, the media and other key audiences” and admitted shamelessly that it would target teachers and students, in order to “begin to erect a barrier against further efforts to impose Kyoto-like measures in the future.”<sup>21</sup> (See appendix for full text of memo.)

On 25 April 1998, *The New York Times* reported that the American Petroleum Institute intended to “spend millions of dollars to convince the public that the [Kyoto Protocol] is based on shaky science...” and to give global warming skeptics “the logistical and moral support they have been lacking.”

The Royal Dutch/Shell Group withdrew from the plan on April 21st because of “irreconcilable differences” over tactics, including the proposed use of “independent” scientists to stage a public relations campaign.<sup>22</sup>

In June 1998, prior to the climate negotiations session in Bonn, Germany, the Global Climate Coalition (GCC) distributed a pamphlet to diplomats, entitled “Climate Change: The Case Against Scientific Certainty.” In this document, the GCC argued that: **“While it is certain that the Protocol would impose enormous burdens on America’s economy, there is no scientific certainty that human activity affects global climate.”** Perennial skeptic, TV journalist John Stossel, is named in the strategy document to get a major national story run “examining the scientific underpinnings of the Kyoto treaty.” Potential funding sources for the strategy were identified as the American Petroleum Institute, U.S. Business Roundtable, Edison Electric Institute, and the National Mining Association and all of its corporate members. Among the potential “fund allocators” were Competitive Enterprise Institute (CEI), the Committee for a Constructive Tomorrow (CFACT), Frontiers for Freedom and the George C. Marshall Institute.<sup>23</sup> It is clear that the disclosure of this plan by *The New York Times* did not impede its progress.

**1999:**

The Ford Motor Company withdrew from the Global Climate Coalition in late 1999, saying its membership in the GCC was “an impediment to moving ahead credibly on [Ford’s] environmental agenda.”<sup>24</sup> Furthermore, Ford stated that “credible evidence of global warming exists.” “We do believe that there is something to climate change. There is enough evidence that something is happening that we ought to start looking at this seriously,” said Ford spokesman Terry Bresnihan.<sup>25</sup>

**2000:**

In the spring of 2000, ExxonMobil ran a four-part series of advertisements in *The New York Times* that attempted to resurrect the debate over climate science. The claims ExxonMobil made in the advertisement have since been subjected to a full scientific rebuttal using the IPCC findings.<sup>26</sup>

“ExxonMobil, the biggest [oil company], is also the world’s most powerful climate-change skeptic...If the world’s biggest purveyor of fossil fuels ever accepts openly that global warming is real, that may turn out to be more important to the planet than any Kyoto deal.”<sup>27</sup> – *The Economist*, 2 December 2000.

One of the studies referred to in the advertisement<sup>28</sup>, and used by ExxonMobil CEO Lee Raymond at the May 2000 ExxonMobil shareholders meeting, was a chart of temperature data for the effectively stagnant Sargasso Sea. This was used by ExxonMobil to refute the claim that global warming was occurring worldwide.

The author of the Sargasso Sea study later said: **“I believe ExxonMobil has been misleading in its use of the Sargasso Sea data.... There’s really no way those results bear on the question of human-induced climate warming. I think the sad thing is that a company with the resources of ExxonMobil is exploiting the data for political purposes.”**<sup>29</sup>

At the 2000 shareholder meeting, Raymond also showed ExxonMobil shareholders a chart of temperature data from satellites and stated that “if you just eyeball that, you could make a case statistically that, in fact, the temperature is going down.”<sup>30</sup> However, the 13 August 1998 issue of the journal *Nature*<sup>31</sup>

reported that the researchers analyzing the satellite data had failed to account for orbital decay (satellites drop in altitude over time, distorting the temperature measurements). With the flawed analysis, it appeared that satellites were recording a cooling trend, but when corrected for orbital decay, the data actually showed a slight warming. Even climate skeptic Dr. John Christy, the author of the original analysis, considered the new study's conclusions to be legitimate.<sup>32</sup>

At the same meeting, Raymond questioned the global scientific consensus by citing the "Oregon Petition," which dismisses global warming and had been signed by 17,000 "scientists." Raymond stated that "What I am saying is that there is a substantial difference of view in the scientific community as to what exactly is going on."<sup>33</sup> The petition had been discredited in the national press two years earlier after it was determined that it was not organized by climate scientists and that it had misled recipients into believing it came from America's respected National Academy of Sciences, which it did not. The 17,000 signatories included fictional television characters, TV weathermen, deceased persons, and rock stars.<sup>34</sup>

Their intentional reliance on such dubious scientific sources led ExxonMobil to claim in a 2000 company report on climate change that "we do not now have sufficient 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." ExxonMobil still refuses to acknowledge the link between fossil fuels and climate change: **"science is not now able to confirm that fossil fuel use has led to any significant global warming."**<sup>35</sup>

#### 2001:

In January and February 2001, the IPCC published drafts of its Third Assessment Report. The report confirmed the existence of "new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities." The estimated temperature increase expected over the next 100 years was now believed to be double what the panel predicted in its 1995 report.<sup>36</sup>

In March 2001, scientists at the Massachusetts Institute of Technology released a study which concludes that there is a 95 percent chance that the earth's temperature will rise by at least 1.6 degrees Fahrenheit during this century. The study was prepared by a team of about 35 scientists, economists and technical experts at MIT. Ronald Prinn, an atmospheric scientist who co-directed the modeling effort, said that "results suggest that policy makers should make some effort to reduce the world's risks from global warming despite the economic cost of doing so," according to *The Wall Street Journal*.<sup>37</sup>

In September 2001, the world's leading climate expert body, the UN Intergovernmental Panel on Climate Change (IPCC), met in London to reach agreement on its Third Assessment Report on climate change. The IPCC's draft final report contained the following line: "The Earth's climate system has demonstrably changed on both global and regional scales since the pre-industrial era, with some of these changes attributable to human activities."

At this meeting, ExxonMobil suggested an amendment deleting the text: *"with some of these changes attributable to human activities."* The IPCC rejected this amendment.<sup>38</sup> Not only has the IPCC considerably strengthened its opinion that the recent warming is mostly due to human activities, it attributes this increase principally to the burning of fossil fuels.<sup>39</sup>

"As with any other risk, the uncertainty is no excuse for inaction.... The ability to think steadily and consistently about a topic as complicated as climate change is a tough test of management acumen." "Some executives are meeting it head-on. Those who are not should wonder why they aren't – and so should their shareholders." – *Harvard Business Review*, July-August 2000.

#### October 2001 - An About-Face on Science?

Interestingly, ExxonMobil's public statements on the scientific evidence for global climate change have become less uniform of late. It is unknown whether this indicates an internal split on the state of the science or full knowledge while the campaign of public deception continues. As with other environmental liability cases and tobacco companies, "when they knew better" becomes a key piece of evidence.

In apparent contrast to Lee Raymond's statement in March 2002, that the corporation intends to "stay the course" in its skepticism regarding climate change "until someone comes along with new information,"<sup>40</sup> other ExxonMobil executives and printed documents have been quoted with different stances.

In a speech given at the Oil and Money Conference in London, on 30 October 2001, René Dahan, the Director and Executive Vice President of ExxonMobil said that: "Scientific uncertainty is no reason to delay taking appropriate action." Furthermore: "We at ExxonMobil agree that global climate change is a serious issue and the current lack of scientific, economic and technical certainty is not a reason for inaction."<sup>41</sup>

Mr. Dahan claimed his statements marked "an extension, a clarification" of ExxonMobil's position, rather than any switch in it, and were unrelated to pressure from green lobby groups that have mounted a consumer boycott in the United Kingdom and shareholder campaign against the company.<sup>42</sup>

An Esso document released in the UK, states that "there are still many gaps in the understanding of climate change, but it poses serious long term risks and uncertainty is no reason for inaction."<sup>43</sup>

These statements bear strong similarity to the industry-deplored "precautionary principle," the basis for the UN Framework Convention on Climate Change, which states that "[w]hen an activity raises threats of harm to human health or the environment, precautionary measures should be taken, even if some cause-and-effect relationships are not fully established scientifically. In this context the proponent of an activity, rather than the public, should bear the burden of proof."<sup>44</sup> The logic of this principle is that ExxonMobil should bear the burden of proof, and should take precautionary measures to reduce the threat of climate change by starting a transition away from fossil fuels. However, ExxonMobil's actions clearly do not reflect this responsibility, given their lack of investment in renewable energy, their push for more research and delay, and their continued exploration and production of oil and gas.

By contrast, as early as May of 1997, executives at Shell verbalized the precautionary principle. For

example, Heinz Rothermund, the Managing Director of Shell UK Exploration and Production, asked: "How far is it sensible to explore for and develop new hydrocarbon reserves, given that the atmosphere may not be able to cope with the greenhouse gases that will emanate from the utilization of the hydro-carbon reserves discovered already? Undoubtedly there is a dilemma."<sup>45</sup>

On 11 March 2002, in a speech given at Stanford University, Sir John Browne, Chairman and CEO of British Petroleum, explained why his company broke ranks with other oil corporations in 1997 and decided to face up to climate change:

***First, it was clear that reputable science could not be ignored. The science wasn't complete – but science is never complete.... But they knew enough to say that there were long-term risks and that precautionary action was necessary if we were to avoid the greater risk - of the evidence mounting to the point where draconian action was unavoidable.***<sup>46</sup>

### **Attacking the Scientists**

After years of trying to discredit the science and corrupt the scientific debate, ExxonMobil is now going after the scientists.

In March 2002, a February 2001 ExxonMobil memo<sup>47</sup> to the White House, regarding U.S. climate policy and ongoing IPCC proceedings, was released to the media. The memo, from ExxonMobil's Senior Environmental Advisor, Dr. Arthur (Randy) G. Randol III, asks the Bush administration to use its influence to oust Dr. Robert Watson from his post as Chair of the Intergovernmental Panel on Climate Change. Dr. Watson is an internationally respected atmospheric chemist, who is director of the World Bank's Environmental Department. He has also been outspoken about the urgency for action to solve global warming, and has long criticized the United States for its lack of action.

In the memo, dated 6 February 2001, Randol charged Dr. Watson with using leaked drafts of the IPCC's climate reports to further his "personal agenda" and asked:

## **“Issue: Can Watson be replaced now at the request of the U.S.?”**

The memo also included a list of “recommendations,” including the removal of specific people from government offices and the appointment of a number of “climate skeptic” scientists to positions within the administration to influence final reports of the IPCC.

One example provided by Randol as evidence was this Watson quote: “The United States is way off meeting its targets. A country like China has done more, in my opinion, than a country like the United States to move forward in economic development while remaining environmentally sensitive.” Watson’s statement was true on both counts. U.S. greenhouse gas emissions are now more than 17 percent above 1990 levels<sup>48</sup>, despite a commitment under the UN Framework Convention on Climate Change (now U.S. law) by our government to stabilize at 1990 emissions levels by 2000. China has reduced its emissions over the past several years, even while its economy has expanded faster than that of the United States.<sup>49</sup>

Watson responded to ExxonMobil’s charges by noting that: “Every one of my talks have been solidly based on IPCC material.... Obviously, one can be selective, but I try to be very balanced.... So those who say I’m an advocate don’t want to hear the message that indeed the earth is warming; that most of the warming of the last five years is attributable to human activities; that carbon dioxide is the key human-induced greenhouse gas and that most of it comes from fossil fuels.... But I’ve never advocated for a particular policy position.” He also denied that he had ever leaked information prior to the peer review process, during which time IPCC material is sent to scientists around the world, in addition to experts and governments for review.<sup>50</sup>

ExxonMobil initially claimed that the letter was not written by anyone within the corporation. Tom Cirigliano, a spokesman for ExxonMobil, told *The Wall Street Journal* that “Mr. Randol didn’t write the memo but was simply passing it on from third parties. He said that the oil company has no official position on Mr. Watson’s candidacy, and said that he couldn’t identify the memo’s authors.”<sup>51</sup> But he also noted that “In the U.S., as a citizen, or as a group... you have a perfect right to contact your government and tell

them what you think about various issues.... That’s what a free society is all about.”<sup>52</sup> ExxonMobil has yet to take full responsibility for this memo, written on its letterhead and faxed from its offices.

### **Exxon’s History of Abusing Science**

Exxon’s abuse of science to further its own interests is not new nor limited to climate change. Following the Exxon Valdez oil spill of 1989, Exxon stated in report after report that Prince William Sound was “essentially clean and recovered.”<sup>53</sup> However, in early 1993, Doug Wolfe of the National Oceanographic and Atmospheric Administration (NOAA) said that “there was a massive impact with massive mortalities [resulting from the Valdez spill]. It’s very clear that long term recovery is far from complete.”<sup>54</sup> According to Carol Ann Manen of NOAA, “Exxon [was] picking and choosing the information it is using to assess recovery,” and Wolfe added that Exxon had “made use of partial data sometimes taken out of context and selectively ignored other data available to them.”<sup>55</sup> According to Riki Ott, a marine biologist from Alaska, “We’ve been lied to by Exxon from day one of the Exxon Valdez oil spill.”<sup>56</sup> Lee Raymond, Chairman and CEO of ExxonMobil, directed Exxon’s clean up efforts for the Valdez spill.<sup>57</sup>

### **The Skeptics**

ExxonMobil has funded some of the most visible and notorious “climate skeptics,” whose work it uses to back up its anti-Kyoto lobbying<sup>58</sup>, and to distort the debate in the public arena. Whether or not money from the fossil fuel industry can be said to have corrupted or influenced the findings of scientists in any way, ExxonMobil’s financial support has provided these climate skeptics with a voice and a global platform from which to deliver their opinions to the public. The prominence and influence of these scientists has been completely out of proportion both in terms of their contribution to the science of climate change and in the extent to which they represent wider scientific opinion on the issue of global warming. In essence, scientists who have credibility in one field have often been hired to do public relations work for the fossil fuel industry in another field, thereby parading industry wish lists as scientific fact.

## ExxonMobil - Funding the Skeptics

One of the most high profile skeptics in the climate change debate, **S. Fred Singer**, has recently denied receiving any oil company money, and claimed that his consulting for oil companies was solely “on the subject of oil pricing, some 20 years ago...”<sup>59</sup> Yet Exxon’s own documents<sup>60</sup> show that in 1998, the company gave a grant of \$10,000 to the Science and Environmental Policy Project (SEPP), of which Singer is the founding president, and another \$65,000 to the Atlas Economic Research Foundation, which promotes and supports Singer’s work.<sup>61</sup> In addition, in the past Singer has acknowledged receiving funding from Exxon.<sup>62</sup>

According to the *Wall Street Journal*<sup>63</sup>, ExxonMobil also funds the ultra-conservative and anti-environmentalist Frontiers of Freedom Institute, of which Singer is a staff member. Frontiers of Freedom was cited in the American Petroleum Institute (API) 1998 Global Science Communications Action Plan as a possible organization to help operationalize their anti-Kyoto strategy, to be funded by API and others in the fossil fuel industry.<sup>64</sup>

Singer has a history of public attacks on the integrity of the IPCC process.<sup>65</sup> He has fabricated quotes from the former chair of the IPCC, Dr. Bert Bolin, in an attempt to suggest that Dr. Bolin had changed his mind about climate change.<sup>66</sup> Singer was also the mastermind behind a Committee for a Constructive Tomorrow (CFACT) project that took fifty Republican students from the United States, trained in the skeptics’ arguments, to the climate negotiations in Bonn in 2001, to demonstrate in favor of Bush’s abandonment of the Kyoto Protocol.<sup>67</sup> CFACT was also listed in the 1998 API plan mentioned above.

Throughout the years, Singer, a seemingly professional generic skeptic, has argued against an international treaty to ban whaling, and against action on acid rain, ozone depletion and clean air. He has stated that most people would survive a nuclear war and that resultant climatic changes would be minor and short-lived. He has also argued that the lung cancer risk from second-hand smoke was statistically insignificant.<sup>68</sup> (See appendix for details.) However, aside from one technical comment, Singer has been unable to publish his work in any peer-reviewed scientific journals for at least 15 years.<sup>69</sup>

**Sallie Baliunas** has published several reports which attempt to show that human activities such as the burning of fossil fuels play no role in global warming, that science does not support the prospect of dangerous climate change<sup>70</sup>, and that scientific findings do not support federal regulation of emissions.<sup>71</sup> The Global Climate Coalition (of which Exxon and Mobil were prominent members) hired her to go on a media tour in 1994 to refute the science of global climate change.<sup>72</sup> She was also a “co-author” of the paper which imitated the National Academy of Sciences format, and was the basis for the 1998 “Oregon Petition” with signatures from “17,000 scientists” dismissing the scientific consensus on climate change.<sup>73</sup>

Other prominent skeptics funded by Exxon include **Patrick Michaels**, **Robert Balling**, and **Sherwood Idso**.<sup>74</sup> All are veterans of the 1991 coal-industry funded skeptic campaign coordinated by the Information Council on the Environment (ICE). According to strategy papers developed for the campaign, the ICE campaign sought to “re-position global warming as theory (not fact)” and attempted to target “older, less educated males from larger households who are not typically information seekers” and “younger, lower income women.”<sup>75</sup>

In 1998, Exxon gave a grant of \$15,000 to The Cato Institute’s Environment and Natural Resources program, of which **Patrick Michaels** is a senior fellow. Michaels argues in four directions: global warming is not happening, science that detects global warming is flawed, industry-funded science is viable and objective, and global warming will be good for the planet and humankind. Contradicting his claims that global warming is not occurring, in 1998 Michaels wrote that: “The earth’s climate is not necessarily changing in a deleterious fashion.... These changes may bear, at least in part, a fingerprint of human activity.”<sup>76</sup>

Exxon also funds the Pacific Research Institute for Public Policy, which published **Robert Balling’s** 1992 book on climate change, *The Heated Debate*.<sup>77</sup> Balling has argued that climate change, when or if it occurs, will be beneficial, particularly for the United States. “Do something to stimulate plant growth in areas prone to degradation of graze lands: burn fossil fuels and help to increase atmospheric CO2 levels.

The pastures of the world, along with the animals (and people) depending on those ecosystems, will be in your debt!<sup>78</sup>

**Sherwood Idso** is the scientific advisor for the Center for the Study of Carbon Dioxide and Global Change in Arizona, which received a \$10,000 grant from Exxon in 1998. Idso's past contribution to the climate debate was a 1991 coal industry funded video *The Greening of Planet Earth* – which claims that global warming is good for humanity. It was the subject of congressional hearings in the early 1990s.<sup>79</sup>

# Influence on Bush Policies

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***Exxon has attempted to shape U.S. policy on global warming over the past decade from many angles. With the election of George W. Bush, they now have a more sympathetic ear in the White House.***

## **Texas – The Beginnings of the Exxon-Bush Relationship**

The relationship between George W. Bush and Exxon began when Bush was Governor of Texas, during which time Exxon played a key role in weakening state environmental regulatory policy on air quality.

Bush was coming under increasing pressure from the U.S. Environmental Protection Agency<sup>80</sup>, the Texas public in general, and from environmentalists to close a loophole in the 1971 Texas Clean Air Act, which effectively exempted 830 older ‘grandfathered’ power plants (responsible for more than 30 percent of the state’s industrial air pollution) from pollution control. Texas state regulators were considering imposing mandatory restrictions on polluters, but Bush helped block regulations that would require emissions reductions.<sup>81</sup>

Seeing an opportunity to paint himself green in the run up to his presidential campaign, but keen to not alienate his old colleagues in the energy industry, Bush asked two oil company presidents – V.G. Beghini of Marathon Oil Company and Ansel Condray of Exxon – to draft a program tailored to the needs of the industries involved. (ExxonMobil’s Beaumont complex is the largest grandfathered refinery in Texas.<sup>82</sup>)

Beghini, Condray and Bush’s environmental director, John Howard, met in secret for the first six months of 1997 to develop a working proposal for legislation that would not disadvantage them. Robin Schneider, executive director of the non-profit Public Research Works, noted that the companies attending these meetings were among Bush’s most generous and reliable contributors.<sup>83</sup> Their final product – an entire-

ly voluntary scheme – became law in 1999, following a sham public consultation.<sup>84</sup> According to *The New York Times*, “No environmental groups or other public interest groups were invited, and they only learned about the meetings early this year [in 1999].”<sup>85</sup>

In a memo to company owners of grandfathered facilities in Texas, dated 11 June 1997, Beghini and Condray wrote that: “In early March, while discussing the National Ambient Air Quality Standards Issue with Governor Bush, he asked us to work with his office to develop the concepts of a voluntary program to permit grandfathered facilities in Texas... House Bill 3019 and the associated debate from the recent legislative session indicate that our lawmakers are ready to end grandfathering. This voluntary program will be an excellent opportunity to influence the manner in which grandfathered facilities are permitted. Your involvement and that of your company are important.”<sup>86</sup>

***Bush has “given these polluters a corporate loophole they can drive a Cadillac through,”*** commented Land Commissioner Garry Mauro, Bush’s democratic opponent in the 1998 Texas gubernatorial race.<sup>87</sup>

Bush heralded his success in having achieved a major environmental policy without needing to resort to a “command and control” approach. It was exactly the kind of voluntary policy that he would later propose in February 2002 in place of the Kyoto Protocol’s binding emissions reduction targets.

Sharing the platform at a press conference in January 1998 with Ansel Condray, Bush claimed that he had already signed up 26 industry volunteers for his Clean Air Program.<sup>88</sup> By the end of that year however, only three companies had actually reduced emissions, and by less than 17 percent of the promised amount.<sup>89</sup>

**In 2001, the Texas state legislature threw out**

## **the Bush/Exxon voluntary plan as a failure, and instituted mandatory emissions reductions requirements.**

Today Texas is one of the most polluted states in the country; Houston has surpassed Los Angeles as the nation's smog leader. Reductions in toxic emissions under Governor Bush have been attributed to policies put in place under Bush's predecessor, Governor Ann Richards, a point which Bush's aides have not disputed, according to *The New York Times*.<sup>90</sup>

### **Bush and Fuzzy Science**

One of the three men appointed by then-Governor Bush to the Texas Natural Resource Conservation Commission (TNRCC) was Ralph Marquez, a 30-year executive with Monsanto Company and a lobbyist of the Texas Chemical Council. The other two Bush appointees were a cattleman/executive of the Farm Bureau and a former employee of the state agricultural department who tried to loosen rules requiring farmers to notify farm workers when applying pesticides. According to *The Washington Post*, the TNRCC "has endorsed industry opposition to EPA initiatives and belittled federal officials' science." In fact, *The Washington Post* article notes that "Marquez testified in Congress that ozone – the key ingredient in smog – is a 'relatively benign pollutant.'"<sup>91</sup>

"I don't think we know the solution to global warming yet, and I don't think we've got all the facts." – George W. Bush, second presidential debate, 2000.<sup>92</sup>

## **Bush + ExxonMobil = Bad Policy**

**1997:** Bush asks Exxon and Marathon to draft voluntary air pollution policy.

**1997-1998:** Air pollution policy drafted in secret meetings with polluters and Bush.

**1999:** Bush pushes policy through Texas state legislature.

**2000:** Texas Natural Resources Conservation Commission (TNRCC) announces that voluntary plan reduced emissions by 3 percent at most (compared to estimated 25 to 50 percent reduction expected under regulatory requirements). Bush promises to regulate carbon dioxide during presidential campaign.

**2001:** Texas state legislature throws out Bush/Exxon voluntary plan as failure and institutes mandatory emissions reductions requirements.

Bush becomes President of the United States. IPCC releases Third Assessment Report, stating that "there is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities."<sup>93</sup>

Not liking the IPCC's conclusions, Bush asks the U.S. National Academy of Sciences (NAS) for a second opinion; the NAS concludes that the IPCC is right. ExxonMobil sends memo to Bush urging the administration to oust Dr. Robert Watson, chair of the IPCC. Bush throws out Kyoto Protocol, reneges on pledge to regulate CO2 emissions. Bush-Cheney energy plan is released; is strongly influenced by fossil fuel and nuclear power industry interests. Secretary of State Colin Powell promises that a new proposal for dealing with global warming will be ready for an international meeting in November; soon thereafter, National Security Adviser Condoleezza Rice and EPA Administrator Christine Todd Whitman announce that the Bush administration has no such plan.<sup>94</sup>

**2002:** Bush announces plan for voluntary approach to climate change, which looks very much like the program that ExxonMobil advocates. ExxonMobil memo becomes public. Bush administration pushes for overthrow of Robert Watson as IPCC chair, and succeeds.

## National Influence

ExxonMobil has claimed that its contributions to President Bush's election campaign were minimal and that the corporation has no influence over President Bush. According to René Dahan, Executive Vice President of ExxonMobil, the corporation's political action committee (PAC) donated \$745,670 to individual presidential and congressional candidates in the 2000 election cycle, and only \$5,285 of this went to the Bush campaign. "It is ridiculous to suggest that our contributions could buy influence on U.S. government policy."<sup>95</sup>

However, the facts show otherwise.

## ExxonMobil's Multi-Million Dollar Contributions and Lobbying Campaign

Exxon gave more money to the Republicans during the 2000 election cycle than any other oil company – more than \$1 million. Of its total political donations for that year, 89 percent went to Republicans.<sup>96</sup>

ExxonMobil's lobbying budget in 1999, the most recent year for which figures are available, totaled \$11.7 million.<sup>97</sup> ExxonMobil ranked fifth in the United States for lobbying expenses that year, exceeded only by the U.S. pharmaceutical and tobacco giants. This came on top of years of funding for a multimillion-dollar anti-Kyoto advertising campaign.

## The Bush Administration and Oil/Exxon Ties

President Bush's selections for his Cabinet were made public in January of 2001. More than half of them (including Vice President Cheney) came from the oil and gas industry. For example, Bush's Under Secretary for Economic Affairs in the Commerce Department, Kathleen Cooper, was the former Chief Economist for Exxon; Condoleezza Rice, Bush's National Security Advisor, was on Board of Directors of Chevron and had an oil tanker named after her; and Commerce Secretary Don Evans is the former director of an oil and natural gas company based in Denver and helped Bush raise a record amount of money during the 2000 presidential campaign.<sup>98</sup>

## Lobbying Bush to Kill the Kyoto Protocol

Two days before the Bush inauguration, ExxonMobil published an op-ed in the U.S. press outlining its recommendations for "An Energy Policy for the New

Administration." The op-ed stated that "*the unrealistic and economically damaging Kyoto process needs to be rethought.*"<sup>99</sup>

Meanwhile, ExxonMobil and its oil industry colleagues were lobbying Capitol Hill and the White House as well. Following Bush's March 2001 statement regarding his formal opposition to the Kyoto Protocol, the Chief Executive of the American Petroleum Institute wrote a letter of support and congratulations to the Chair of the Energy and Air Quality Subcommittee, Congressman Joe Barton, thanking him for the "strong leadership" he had demonstrated on the issue. The letter indicated that Barton had asked the API for its view on the status of the international negotiations to implement the Kyoto Protocol on 26 March 2001, days before Bush's rejection of the treaty. The letter re-stated the usual skeptic's arguments against Kyoto (the economic implications and lack of developing countries participation), much of the language echoing that of both Bush ("the Kyoto Protocol represents a *fundamentally flawed* approach...") and of Exxon's statements ("the long term challenge of potential climate change") (emphases added). Like ExxonMobil, the API still calls for more research to reduce "*the scientific gaps and uncertainties surrounding the potential of human impacts on the climate.*"<sup>100</sup>

The U.S. Council on International Business (USCIB), of which ExxonMobil is a member, wrote to Bush on 11 April 2001, after his withdrawal from the Kyoto Protocol, suggesting that "*the U.S. should move quickly to chart a path forward that will avoid the Kyoto protocol's unrealistic targets, timetables and lack of developing country participation.*"<sup>101</sup>

On 17 April 2001, ExxonMobil placed an advertisement in several U.S. newspapers claiming that the Kyoto Protocol is "fatally flawed" and "fatally politicized," and that the stalemate in The Hague (climate talks of November 2000) and a new administration in the White House "provide an opportunity to develop a sounder approach." This approach, which ExxonMobil claims would entail "more effective steps to manage the long-term risk of climate change," include technology research and development (R&D), more scientific study to address "fundamental gaps," "economically based voluntary actions and an international approach that meets that aspirations of all

the world's people."<sup>102</sup>

After less than a year of lobbying the Bush administration, the GCC declared success and closed its doors in January 2002. "The Global Climate Coalition, which represented U.S. industry groups opposed to implementing mandatory greenhouse gas emissions reductions, has been dissolved," a coalition official told BNA on 24 January. Frank Maisano, spokesman for the group, said, 'We have achieved what we wanted to accomplish with the Kyoto Protocol.' The coalition had been the most active U.S. industry voice opposing U.S. involvement in the global treaty to curb greenhouse gases."<sup>103</sup>

From the GCC website, 25 January 2002:

*"The Global Climate Coalition has been deactivated. The industry voice on climate change has served its purpose by contributing to a new national approach to global warming.*

***"The Bush administration will soon announce a climate policy that is expected to rely on the development of new technologies to reduce greenhouse emissions, a concept strongly supported by the GCC."***

*"The coalition also opposed Senate ratification of the Kyoto Protocol that would assign such stringent targets for lowering greenhouse gas emissions that economic growth in the U. S. would be severely hampered and energy prices for consumers would skyrocket. The GCC also opposed the treaty because it does not require the largest developing countries to make cuts in their emissions."*

*"At this point, both Congress and the Administration agree that the U.S. should not accept the mandatory cuts in emissions required by the protocol."<sup>104</sup>*

Exactly three weeks later, President Bush announced his climate policy.

In March 2002, a memo from Randy Randol at ExxonMobil to John Howard in the Center for Environmental Quality at the White House (dated February 2001) was released to the press. This is the same John Howard who was an environmental aide in the state of Texas under then-Governor Bush, who

devised the voluntary clean air plan with Exxon in the late 1990s.) The memo was regarding U.S. climate change policy and ongoing proceedings of the IPCC, and asked the Bush administration to use its influence to oust Dr. Robert Watson from his post as Chair of the IPCC. ExxonMobil also requested that a number of specific officials be removed from federal offices, including the State Department and the White House, and recommended the appointment of a number of climate skeptics to positions within the administration. One of these, Harlan Watson, formerly of the House Science Committee, was to be made available to work with the Bush administration's climate team.<sup>105</sup>

The officials at the Department of State and the White House are all gone. Harlan Watson is now the U.S. Senior Climate Negotiator.

In April 2002, ExxonMobil's third request was granted. The Bush administration supported Dr. Rajendra K. Pachauri to replace American scientist Dr. Robert Watson as chair of the UN's Intergovernmental Panel on Climate Change. As chair of the IPCC, Pachauri will lead the expert body in preparing the Fourth Assessment report on climate change.<sup>106</sup> According to an article in the journal *Nature*, "... an orchestrated campaign by the U.S. administration and the fossil-fuel lobby forced the vote on 19 April in which Pachauri defeated the incumbent, atmospheric scientist Robert Watson, by 76 votes to 49. Climate researchers appreciated the way in which Watson defended their findings from politically motivated attacks during his tenure. Many will now be wary of Pachauri, who appears to have tarnished his reputation by collaborating with those whose objective was to ditch Watson."<sup>107</sup>

"Pachauri, an economist as well as an engineer, might not be quite what Bush expects as he has been a vociferous critic of the president for not doing more to cut emissions from the U.S., seen as the world's largest source of heat-trapping gases. While industry lobbyists feel he is preferable to Watson because of his work with industry in the past, many climate experts say Pachauri's lack of grounding in atmospheric science make him an unsuitable choice," according to the *New India Times*.<sup>108</sup>

Pachauri is Director of the Tata Energy Research Institute (TERI) in New Delhi, and on the board of directors of the Indian Oil Corporation.<sup>109</sup> The U.S. support for Pachauri is suspicious considering his criticism of Bush's climate policy and the fact that he has voiced strong opposition to Kyoto Protocol provisions which the U.S. government and fossil fuel industry have long supported and environmental groups have opposed, including emissions trading and the use of forest credits ("sinks"). Pachauri has also supported anti-corporate efforts such as the StopEsso campaign in the United Kingdom.

It is suspected that the fossil fuel interests who worked to get Dr. Pachauri in place are aiming to undermine the progress of the IPCC, which dictates the urgency of action and thus the future of the Kyoto Protocol by electing a divisive chair.

"ExxonMobil has been allowed to veto the United States government's selection of who will head the prestigious scientific panel that monitors global warming. Dr. Robert Watson, the highly respected leader of the Intergovernmental Panel on Climate Change, was black-balled in a memo to the White House from the nation's largest oil company. The memo had its effect last Friday, when Dr. Watson lost his bid for re-election after the [Bush] administration threw its weight behind the 'let's drag our feet' candidate, Dr. Rajendra Pachauri of New Delhi, who is known for his virulent anti-American statements." - Al Gore, op-ed in *The New York Times*, 21 April 2002.

### Influencing U.S. Energy Policy

Documents obtained by the National Resources Defense Council<sup>110</sup> thus far, through the Freedom of Information Act, regarding the Bush-Cheney Energy Task Force indicate that there were many conversations with industry, including ExxonMobil, regarding the formulation of U.S. energy policy in early 2001. Because numerous documents have been withheld to date, the extent to which ExxonMobil influenced the Bush-Cheney energy plan has yet to be determined.

The American Petroleum Institute was the lead organization in the energy task force brought together by Vice President Dick Cheney to formulate an energy plan. Lee Raymond, CEO and Chairman of ExxonMobil, was a member of the API board at the

time. Under pressure from the U.S. media, ExxonMobil admitted that it was involved in the drafting of the Bush-Cheney energy plan, and at least one direct consultation between Raymond and Cheney's office has been disclosed.<sup>111</sup> The resultant plan calls for increasing domestic supplies of oil and gas, and opening federal lands for drilling, thus giving renewed support to the coal and nuclear power industries.

### Bush Echoes ExxonMobil

The similarities between ExxonMobil's statements and the words coming out of Bush's mouth are uncanny and likely not coincidental. In April 2001, ExxonMobil paid for advertisements that described the Kyoto Protocol as "fundamentally flawed" and "fatally politicized." After Bush rejected the treaty, he described the Kyoto Protocol as "fatally flawed in fundamental ways."<sup>112</sup>

Bush's reasons for withdrawing the United States from the Kyoto Protocol reflected ExxonMobil's arguments of the past decade. Bush rejected the treaty because<sup>113</sup>:

- The emissions targets set forth in the protocol are not scientifically justified;
- The Kyoto Protocol is "fatally flawed" and "ineffective;"
- It would hurt the U.S. economy and mean massive job losses;
- The largest developing countries are exempt – even though his father approved their initial exemption in the 1992 UN Framework Convention on Climate Change at the Rio Earth Summit.

Despite Dahan's claim that "It is ridiculous to suggest that our contributions could buy influence on U.S. government policy,"<sup>114</sup> immediately following his speech in London (October 2001), Dahan boasted to the *Financial Times* that the Bush alternative to the Kyoto Protocol "**will not be very different from what you are hearing from us.**"<sup>115</sup>

In fact, he was right. Below are ExxonMobil's recommendations for a "sounder climate policy," followed by the Bush plan as announced on 14 February 2002.

From ExxonMobil paid newspaper advertisements and policy speeches, their wish list on climate is clear:

1. Encourage voluntary actions.<sup>116</sup>
2. Link emissions to economic growth.<sup>117</sup>
3. More research is needed – on the science of climate change; for renewables.<sup>118</sup>
4. Research for “long-term mega-technologies” such as fuel-cells, clean coal.<sup>119</sup>
5. Research and promote carbon separation and storage.<sup>120</sup>

Bush Administration Global Climate Change Policy<sup>121</sup>:

1. Voluntary emissions reductions;
2. The need to link emissions to economic growth; slow down and stop before reversing emissions – 18 percent decrease in “greenhouse gas intensity” by 2012 – meaning business as usual, or worse.<sup>122</sup> According to the White House, “This goal is comparable to the average progress that nations participating in the Kyoto Protocol are required to achieve.”<sup>123</sup>
3. \$1.7 billion to fund basic scientific research on climate change (actually announced in 2001).
4. In January, Bush announced a major new initiative on fuel cells with General Motors – his “Freedom Car” program; ExxonMobil is partnering with GM in developing fuel cell powered cars fueled with hydrogen from gasoline.
5. \$1.3 billion for research on energy and carbon sequestration technologies.

# Political Dirty Tricks

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## On the One Hand: Developing Country Commitments and the Byrd-Hagel Resolution

Although developing countries emit only a fraction of global greenhouse gases, and the historical burden for emissions rests on the industrialized world, ExxonMobil continues to argue that the Kyoto Protocol excludes developing countries such as China and India, and that developing countries should make the same binding commitments to immediate reductions in emissions as the industrialized world.

However, the Kyoto Protocol is a crucial and significant first step towards tackling global warming, which does include developing countries. Under the Kyoto Protocol, developing countries are allowed some increases in emissions in the short term, and more time to bring their emissions under control, in keeping with an international treaty signed in 1992, that included the United States.

At the Earth Summit in Rio in 1992, all nations agreed to the United Nations Framework Convention on Climate Change (UNFCCC). The first President Bush signed this convention, and the U.S. Senate ratified it, making it U.S. law. Under the UNFCCC, all parties agreed that the developed countries – those responsible for the vast majority of greenhouse gas (GHG) emissions since the dawn of the industrial age – would take the lead in reducing emissions. Once developed countries, such as the United States, have made progress on reducing their own emissions, developing countries will be required to reduce emissions as well. However, until the United States takes the lead and starts to set an example, we cannot expect developing nations to make commitments to reduce emissions.

The United States, with less than five percent of today's global population, is responsible for 25 percent of total current emissions worldwide – far more than any other individual country in total and per capita. In contrast, developing nations have already

begun to put policies in place to reduce their emissions of CO<sub>2</sub> and other global warming gases. For example, China has eliminated subsidies for coal, has ordered the closure of about 25,000 coal mines, closed down inefficient coal-fired power plants, and has set targets for the use of renewable energy technologies. From 1991 through 2001, China's emissions grew 8.4 percent, while U.S. emissions (which began the decade at a far higher level) rose 14 percent. During this same time period, China's economy grew four times faster than that of the United States – 142 percent versus 31 percent.<sup>124</sup> According to the Lawrence Berkeley National Laboratory, "even if the Chinese economy continues to grow five percent to six percent per year, by 2020 China's carbon dioxide emissions still will be significantly below U.S. emissions levels in 1990."<sup>125</sup>

The argument ExxonMobil uses again and again to try to prove its case both on the legitimacy of its economics and the long-term position of the U.S. government, is the 1997 Senate Resolution 98. The vote was 95-0 in favor of a resolution by Senators Hagel and Byrd recommending that the United States should not sign an international agreement on climate change unless it contained specific new commitments for developing countries.

A close look at the political context of the time reveals extensive lobbying by Mobil, and by Exxon's trade and lobby groups in favor of the resolution, and close links between Senator Chuck Hagel, Chairman of Senate Foreign Relations, and the oil industry.

For example:

- Mobil took out full-page advertisements in the U.S. press in June 1997, prior to the Senate vote, advocating that *"Instead of rigid targets and timetables, governments should consider alternatives... encourage voluntary initiatives."* It highlighted the upcoming Senate vote, and concluded: *"By early... [in the 21st] century, fast-growing developing*

*nations will be the largest carbon emitters. That is why it is incumbent on all nations to participate in the solution even in the short term.*"<sup>126</sup>

- After the vote, Mobil took out further advertisements expressing support for the concerns raised by the Senate vote over the equity of a climate treaty that excluded developing countries and might result in *"serious harm to the economy of the United States."* It suggested that *"when the Congress speaks this forcefully, the American public as well as the administration should take notice."*<sup>127</sup>
- In the run up to the Senate vote, the American Petroleum Institute signed a U.S. newspaper advertisement on 23 June 1997, addressed to President Clinton and stating API's support for the anti-Kyoto resolution by Byrd and Hagel.<sup>128</sup> Hagel had close links with the API at this time; he spoke at its conference in November that year, just prior to Lee Raymond, who quoted Hagel's resolution in his speech.<sup>129</sup>
- The U.S. Business Roundtable (BRT) ran a \$1 million advertising campaign on climate change in June 1997, urging the Clinton administration not to rush into policy commitments without fully understanding the consequences. This campaign included full-page advertisements in *The Wall Street Journal* and *The Washington Post*, signed by both Exxon and Mobil.<sup>130</sup> The BRT also sent a letter to Senator Hagel on 8 July 1997, supporting his upcoming senate resolution, on the basis that "the science is less than compelling."<sup>131</sup>

### **On the Other Hand, Developing Countries Should Not Commit**

In October 1997, just prior to the international climate negotiations in Kyoto, Japan, Exxon CEO Lee Raymond urged Asian governments at the World Petroleum Congress in Beijing to continue to fight emissions regulations for at least the next two decades. Having previously argued that the lack of developing country participation was unfair to the United States, he now threatened that developing countries would lose foreign investment if binding targets were agreed upon at Kyoto: *"It would be tragic indeed if the people of this region were deprived of*

*the opportunity for continued prosperity by misguided restrictions and regulations."* Claiming that *"the case for global warming is far from airtight,"* Raymond also peddled the scare story that emissions reductions would entail *"energy rationing administered by a vast international bureaucracy responsible to no-one."*<sup>132</sup>

By simultaneously suggesting that the United States must not act unless developing countries join them, and that developing countries should not reduce their emissions because it would hinder economic development, Exxon and the rest of the industry had effectively created an impasse from which the only policy that could emerge was inaction.

### **The UN Would Rule the World, Says ExxonMobil**

During the negotiations over the Kyoto Protocol in Kyoto, Japan, December 1997 the Global Climate Coalition (GCC) produced a press briefing stating that: *"U.S. sovereignty is at risk,"* and that *"Negotiating text gives a UN body – dominated by developing countries – permanent license to control U.S. economic growth, without Senate ratification or domestic legislation."*<sup>133</sup> Exxon continues to use such divisive rhetoric.

These statements are false for several reasons. First, as with any treaty, the U.S. Senate would have to ratify the Kyoto Protocol for it to become U.S. law. Second, it would be up to United States government alone to determine how it would meet its commitments under the treaty. No other country, government or organization can change the laws of the United States. Ratification of the Kyoto Protocol would not require the United States to give up legislative, economic or territorial control; thus, the treaty would not compromise U.S. sovereignty. Assuming the United States became a party to the treaty, we will be a party to future negotiations to advance the commitment levels for future emissions reductions, and will have control over the targets established for our nation. Finally, countries enter into negotiations and sign treaties because such treaties are considered to be mutually beneficial – we gain more by moving forward with the other parties involved than would otherwise be the case.

## Everyone Opposes The Kyoto Protocol, Says ExxonMobil

According to ExxonMobil the vast majority of U.S. politicians and businesses oppose the Kyoto Protocol.<sup>134</sup> In actuality, while there are clearly strong feelings about Kyoto in the United States, opinion is divided. A U.S. public opinion poll, conducted by *The New York Times/CBS* in June 2001, shortly after the Bush administration rejected the Kyoto Protocol in March 2001, found that three out of four people believed immediate action was required to tackle global warming. Furthermore, “more than half the public said that the United States should abide by the agreement, even if it meant that China and India would not have to follow the same standards.”<sup>135</sup>

ExxonMobil’s claim that other U.S. businesses and politicians also oppose the Kyoto Protocol is self-fulfilling. ExxonMobil has led the campaign for U.S. opposition to Kyoto, and has been successful in influencing politicians, industry and the U.S. public. ExxonMobil has undertaken a multimillion-dollar, ten-year campaign of dirty tricks targeted toward the United States to prevent international action on global warming.

Furthermore, it appears that many of the U.S. trade associations that ExxonMobil claims “support/share” its position are in fact being driven by ExxonMobil.<sup>136</sup> One of the most anti-Kyoto of these, the U.S. Council for International Business (USCIB) wrote to President G. W. Bush - allegedly on behalf of all its members - in support of his rejection of the Kyoto Protocol.<sup>137</sup> A Greenpeace survey, which sampled some of the major members of the USCIB, confirmed that many of these companies were not consulted before the letter was sent to President Bush and/or did not agree with the letter’s content. For example, British Telecom North America responded to the Greenpeace survey: **“We belong to this organization for reasons of trade relations and were not consulted on the Kyoto statement. It therefore does not reflect our views.”**<sup>138</sup>

Over the past few years, numerous bills with bipartisan support have been introduced in the U.S. Congress to address climate change and reduce domestic carbon dioxide emissions through pollution controls, development of more energy efficient and renewable energy technologies, and to promote pub-

lic awareness of the climate issue. Several moderate and conservative Republicans, including Senators Olympia Snowe and Susan Collins of Maine, and Sam Brownback of Kansas, have introduced or co-sponsored measures that aim to reduce the threats of global warming.<sup>139</sup> An amendment offered in the U.S. House of Representatives in 2000 (H.R. 1646<sup>140</sup>) stated that: “climate change poses a significant threat to national security, the American economy, public health and welfare, and the global environment...” and “more efficient technologies and renewable energy sources will mitigate global warming and will make the U.S. economy more productive and create hundreds of thousands of jobs.” It further stated that, “action by the U.S. to reduce emissions, taken in concert with other industrialized nations, will promote action by developing countries to reduce their own emissions.”

On 3 August 2001, Senators John McCain (R - AZ) and Joseph Lieberman (D - CT) announced plans to introduce legislation that would impose a nationwide “cap and trade” system on greenhouse gas emissions during a colloquy on the Senate floor. They stated that voluntary approaches to emissions reductions “will not be enough to meet the goal of preventing dangerous effects on the climate system,” (McCain) and that “voluntary programs, unfortunately, do not work” (Lieberman) Furthermore, they noted that “American businesses will suffer as the rest of the industrial countries begin trading emission credits under the Kyoto climate agreement recently rejected by the Bush administration.”<sup>141</sup> Lieberman went so far as to say that “I believe that this failure [of the government to engage in the issue of climate change] abdicates the United States’ position as a leader in environmental affairs and places U.S. industry at risk.”<sup>142</sup> Just one day before their announcement, the Senate Foreign Relations Committee unanimously approved a resolution that urged Bush to reconsider his rejection of the Kyoto Protocol.<sup>143</sup> At the same time, Senator Jim Jeffords (I-Vermont), who left the Republican party in early 2001 and gave control of the Senate to the Democrats, announced that he intended to get a bill passed to regulate CO2 and three other pollutants.<sup>144</sup>

## **ExxonMobil's Efforts Beyond U.S. Borders**

On 22 January 2002, Lee Raymond, Chairman and Chief Executive of ExxonMobil (Esso) spent an hour at No. 10 Downing Street with UK Prime Minister, Tony Blair. A senior government official later told *The Guardian* newspaper that Raymond's visit was to persuade Blair "not to join the chorus of international disapproval" of Bush's alternative to Kyoto, which was about to be announced.<sup>145</sup>

Now that ExxonMobil has succeeded in getting the United States to withdraw from the Kyoto Protocol, the corporation is lobbying the Canadian government to reject the treaty. In March 2002, Bob B. Peterson, the Chairman and CEO of Imperial Oil (the ExxonMobil subsidiary in Canada) told the Canadian Press:

"Kyoto is an economic entity. It has nothing to do with the environment. It has to do with world trade. This is a wealth-transfer scheme between developed and developing nations. And it's been couched and clothed in some kind of environmental movement. That's the dumbest-assed thing I've heard in a long time."<sup>146</sup>

Both Bob Peterson and Tim Hearn (Peterson's soon-to-be successor) are recommending that Canada reject the Kyoto Protocol as the United States has done. Hearn said in early March 2002: "I don't know why we would walk down this path. Why would we create more unemployment and shrink our economy for ostensibly no real impact on the environment?"<sup>147</sup>

# Economic Scare Tactics

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The global treaty and scientific consensus have solidified despite ExxonMobil's efforts. As it became increasingly difficult to confuse the public on scientific grounds, the fossil fuel industry – and ExxonMobil in particular – has begun to refocus its propaganda on the alleged costs of taking action to reduce carbon dioxide emissions, misleading the public and policy makers about the harm that such efforts would have on the U.S. economy.

ExxonMobil's primary arguments have been that the Kyoto Protocol will impose significant economic costs on the United States and that reductions made in the North (by the developed nations) will have a negative economic impact on countries of the South (the developing nations of the world).

## Chicken Little

ExxonMobil has repeatedly claimed that the Kyoto Protocol will impose significant economic costs on the United States, bringing with it economic disaster, massive unemployment, and loss of competitiveness.<sup>148</sup>

However, numerous studies have determined the United States could meet its targets under the UNFCCC and the Kyoto Protocol at little to no economic cost.

In February of 1997, about 2,000 top economists (including six Nobel Laureates) signed a statement affirming that many potential climate protection policies “*would slow climate change without harming American living standards, and these measures may in fact improve U.S. productivity in the long run.*” They urged the United States to play a leadership role at the Kyoto negotiations.<sup>149</sup>

In November 2000, the Department of Energy released a study by five U.S. national laboratories, *Scenarios for a Clean Energy Future*. This study examines possible implementation plans for the Kyoto

Protocol, and concludes that U.S. emissions could be cut by 390 million tons of carbon per year by 2010, producing energy saving equal to or exceeding the costs. Furthermore, the development of new technology and increased use of existing, cleaner technologies could allow for continued reductions in emissions for more than a quarter century.<sup>150</sup>

According to a study by the Tellus Institute, the United States could reduce its carbon emissions to 14 percent below 1990 levels (the Kyoto target is 7 percent) while reducing pollution, creating new jobs and additional income, and saving the average American household nearly \$400 per year.<sup>151</sup>

In 2001, the IPCC Working Group III concluded that bottom-up studies “...show that the costs of reducing emissions by 20 percent in developed countries within the next three decades are negligible to negative. Other bottom-up studies suggest that there exists a potential for absolute reductions in excess of 50 percent in the longer term, without increasing, and perhaps even reducing, total energy system costs.” Their report noted that “The literature indicates that significant ‘no-regrets’ opportunities are available in most countries and that the risk of aggregate net damage due to climate change, consideration of risk aversion, and application of the precautionary principle provide rationales for action beyond no regrets,” and that “earlier mitigation action may increase flexibility in moving toward stabilization of atmospheric concentrations of greenhouse gases.”<sup>152</sup> The report also noted that “significant technological progress relevant to greenhouse gas emissions reduction [with renewable energy technologies, for example] has been made since the SAR [Second Assessment Report] in 1995 and has been faster than anticipated.”<sup>153</sup>

Several countries in Europe have already begun to reduce their emissions at home through increased energy efficiency and the expansion of markets for renewable energy. For example, Denmark now gen-

erates more than 18 percent of its electricity with the wind<sup>154</sup>, and Germany has set a target of meeting one-fourth of its electricity needs with wind power by 2030.<sup>155</sup> The European Union aims to produce 12 percent of its energy, and more than 22 percent of its electricity, with renewable technologies by 2010.<sup>156</sup> The primary impetus behind these targets is Europe's commitment to reduce global warming gases, such as carbon dioxide, under the Kyoto Protocol.

Rather than damaging economies in Europe, policies put in place to advance the development and use of renewable energy technologies have provided new markets, numerous jobs, investment, and other benefits. In fact, at a G-8 meeting in Banff, Canada in April 2002, Germany's Environment Minister Jürgen Trittgen said that he did not understand U.S. arguments that meeting the targets under the Kyoto Protocol would harm the U.S. economy. Germany has reduced greenhouse gas emissions without significant problems. "We are convinced that reduction of carbon dioxide is not a harm to the economy."<sup>157</sup>

The United States has far more renewable energy potential than all of Europe combined. In addition, most economies of western Europe produce significantly more output (measured in gross domestic product) per unit of energy consumed, meaning that the United States has more opportunities than Europe for increasing its energy efficiency and thereby reducing its energy intensity.

### **ExxonMobil Behind the Curve**

In addition to these voices, **other fossil fuel companies have called for the ratification of the Kyoto Protocol.** On 7 November 2001, Greg Bourne, the President of British Petroleum for South Australia and Australasia, called on the Australian government to ratify the Kyoto Protocol. He said that the Australian economy would suffer if the nation did not commit to ratification.<sup>158</sup> Bourne said that "the world is going to have to change its energy use pattern" and that postponing this change will make the transition more difficult, and "cause too much social upheaval." Further, in contrast to ExxonMobil's charge that the Kyoto Protocol will bring massive unemployment, Bourne's "own belief is that there will be many more jobs created by changes into a newer economy than there will be lost."<sup>159</sup>

Both BP and Royal Dutch/Shell Group have established internal targets for reducing their greenhouse gas emissions. In 1998, BP committed to reducing its emissions by 10 percent below 1990 levels over a 12 year period; one month later, Shell pledged to do the same by 2002.<sup>160</sup> BP met its target seven years ahead of schedule, and as Sir John Browne said in March 2002, **"we've met it at no net economic cost – because the savings from reduced energy inputs and increased efficiency have outweighed all the expenditure involved."**<sup>161</sup> While these corporations still have a long way to go, at least they are heading in the right direction.

The Kyoto Protocol will obviously affect the polluting energy industries – the fossil fuel industry in particular – if they do not begin soon to diversify their products and invest in more climate friendly fuels and clean, renewable energy technologies. However, the average American and society as a whole will save money and will benefit from a more stable climate, better health, cleaner environment, and more jobs. The costs of inaction will be far greater.

In early December 2001, Robert A.G. Monks, founder of the leading U.S. corporate-governance consulting firm, Institutional Shareholder Services, Inc., announced the introduction of a shareholder resolution calling for ExxonMobil's board to rein in Lee Raymond, charging that **Raymond's "increasingly extreme position on global warming and other environmental and social issues was harming the company's reputation and share values."**<sup>162</sup>

In March 2002, ExxonMobil shareholders gained an important victory when the Securities and Exchange Commission (SEC) ruled in support of two shareholder resolutions in the corporation's proxy for 2002. The resolutions, which were filed by 56 investor groups which are concerned about ExxonMobil's position on climate change, call for executive compensation to be linked to the company's social and environmental performance, and for the publication of a report on the company's efforts to develop renewable energy technologies. ExxonMobil had challenged the resolutions at the SEC.<sup>163</sup>

“Just as Enron’s board members failed to properly oversee their company’s financial dealings, ExxonMobil’s board is failing to oversee their company’s position on vital environmental issues.”

– Sister Patricia A. Daly, Dominican Sisters of Caldwell New Jersey.<sup>164</sup>

### North vs. South

While ExxonMobil continues to argue that developing countries should make the same binding commitments as the developed world, and has been lobbying Congress to reject the Protocol due to lack of developing country participation, ExxonMobil also lobbies developing countries to reject any environmental obligations (including those on the developed nations) that might “strangle economic growth.”<sup>165</sup> In an effort to silence calls from the developing world for the developed nations to honor their commitments under the UN climate convention and to act first, the corporation alleges that developing countries will face heavy costs if industrialized countries implement policies to reduce CO2 emissions.<sup>166</sup> At the same time, ExxonMobil executives, including CEO Lee Raymond, have implied that developing countries must continue to burn fossil fuels or face losing foreign investment, a direct threat to the economies of these nations.<sup>167</sup>

These notions have been used by fossil fuel lobbyists to foster suspicions among developing countries. They have also been at the center of a deliberate, double-blind strategy to hamstring the entire international process to deal with climate change. And, of course, ExxonMobil has completely ignored the costs – economic and otherwise – that climate change will impose upon the world’s developing countries.

### The Costs of Inaction

Climate change will have greatest impact on those least responsible for the problem and least able to deal with it. According to the IPCC, “the developing countries, particularly the least developed countries, ... have lesser capacity to adapt and are more vulnerable to climate change damages....” In fact, “[t]he effects of climate change are expected to be greatest in developing countries in terms of loss of life and relative effects on investment and the economy.” Furthermore, “The projected distribution of eco-

omic impacts is such that it would increase the disparity in well-being between developed countries and developing countries....”<sup>168</sup>

“The human consequences – and the economic costs – of failing to act [on climate change] are unthinkable. More record floods and droughts. Diseases and pests spreading to new areas. Crop failures and famines. Melting glaciers, stronger storms and rising seas.”

– Vice President Al Gore, Kyoto, Japan, December 1997.

The insurance industry has become increasingly concerned about climate change. According to a 2001 report by Lawrence Berkeley National Laboratory, “The world’s nations have endured nearly one trillion dollars in economic losses (and 560,000 fatalities) due to 8,800 natural disasters over the past fifteen years. Three-quarters of the loss costs were weather-related, and a fifth were insured. Over the past 50 years, the number of weather-related natural disasters has been steadily rising, as have the total and insured losses. Nearly 60 percent of these losses are visited on U.S.-based companies, and between 1970 and 1999 losses (adjusted for inflation) grew nine-times faster than population.”<sup>169</sup>

In 2000, the CGNU, the largest insurer in Great Britain and world’s sixth largest insurance company, said that if left unchecked, climate change could bankrupt the global economy by 2065. “Property damage [due to severe weather] is rising very rapidly, at something like 10 percent a year,” according to Dr. Andrew Dlugolecki of CGNU. Furthermore, “...once this thing begins to happen [the effects of climate change are seen in the West], it will accelerate extremely rapidly.”<sup>170</sup> In 2001, Munich Reinsurance predicted that in a couple of decades the cost of climate impacts will amount to \$300 billion a year.<sup>171</sup>

### The Kyoto Protocol Will Not Work, Says ExxonMobil

ExxonMobil has also claimed that the Kyoto Protocol will do little to achieve its goal of reducing greenhouse gas emissions.<sup>172</sup> But the Kyoto Protocol is a living document, with a series of ‘commitment periods,’ that will advance, with stronger targets, as time passes and in future international negotiations. What the global community has today is an important start

to reducing the threat of climate change. It is essential that the Protocol be ratified and enter into force as soon as possible so that countries can begin using the mechanisms (e.g., joint implementation, the clean development mechanism, etc) and ensure that they will work on a global scale. Furthermore, one of the primary reasons why the Protocol is not stronger today is because ExxonMobil has lobbied tirelessly for more than a decade to undermine the very process of negotiating the treaty.

### **ExxonMobil's Anti-Climate Front Groups**

Much of Exxon's work to undermine the climate negotiations has been carried out under the cover of industry lobby organizations. Since 1990, this network of fossil fuel industry umbrella groups has been attempting to undermine the scientific evidence and economic advice given to governments, and stall the climate negotiations.

In addition to carrying out its own lobbying at the climate talks and in the media, ExxonMobil is, or has been, a leading member of the following organizations, and has played a central part in the planning and funding of their misinformation and propaganda campaigns. These lobby groups have worked hard both to undermine the climate science and overplay the economic implications of climate protection.

### **Global Climate Coalition (GCC)**

"Over the past decade, the Global Climate Coalition has spent millions of dollars to defuse the global warming issue, lobbying members of Congress to thwart any corrective action, conducting economic studies that conclude that any such measures would irreparably harm the economy, and sponsoring skeptics on speaking tours to question whether global warming is the crisis other scientists say it is."<sup>173</sup>

The GCC was established in 1989 and, for more than a decade, was the most outspoken and confrontational lobby group battling emissions reduction commitments. It invested enormous resources into full-scale attacks on international climate agreement, waging extensive, multi-million dollar dis-information campaigns.<sup>174</sup> Both Exxon and Mobil were board members of the GCC and supported the organization.<sup>175</sup> It was recently reported that during the 1990s, Exxon and Mobil spent approximately \$1 billion financing the GCC, though accurate figures may never be known.<sup>176</sup>

In 1997, British Petroleum (BP) left the GCC after admitting that climate change required action. During the period 1999-2000, there was a large-scale defection of companies such as Ford, Texaco and General Motors, but ExxonMobil remained. ExxonMobil was the last to leave the GCC, and left only because the coalition stopped listing corporations as member, accepting only trade associations.<sup>177</sup>

The GCC folded in early 2002, declaring that President Bush and the Senate were enacting their agenda and thus it had achieved its goals.<sup>178</sup>

### **American Petroleum Institute (API)**

ExxonMobil is a financial supporter of the API and sits on the board. Lee Raymond, CEO of ExxonMobil, was the chair of the API from 1995-1997.<sup>179</sup> U.S. Vice President Dick Cheney has been a member of its board of directors, and the API remained a member of the Global Climate Coalition until the GCC folded in early 2002.

### **International Chamber of Commerce (ICC)**

The ICC is an industry lobby group that has active at many sessions of the Kyoto negotiations. At the 6th Conference of the Parties (COP 6) in The Hague, Netherlands, in November 2000, ExxonMobil's Chief Scientific Advisor, Brian Flannery, was registered as a representative of the ICC and was one of the group's main spokespeople.

### **International Petroleum Industry Environmental Conservation Association (IPIECA)**

Exxon and Mobil were both members of the IPIECA in 1996 when it attempted to influence the December climate talks with dire economic forecasts resulting from emissions reductions. ExxonMobil remains a member.

### **U.S. Business Round Table (BRT)**

The BRT is made up of CEOs from more than 200 large corporations, including ExxonMobil. The climate agenda it pushes calls for global agreements that include developing countries, voluntary agreements for industry, "flexible policies," and tradable emissions permits between countries. Tax and regulatory measures are strongly opposed. Its 1997 position statement proposed that "a climate policy which fails to include all nations should be opposed," despite the fact that in 1992, parties to the UN Framework Convention on Climate Change, including the United States, agreed that developed countries should act first.<sup>180</sup>

### **Global Climate Information Project (GCIP)**

In the run up to the international climate change negotiations in Kyoto, Japan in 1997, this industry coalition ran a \$13 million advertising campaign in the U.S. press, and U.S. national and local television and radio stations that opposed U.S. commitments to the upcoming global warming agreement, claiming that developing countries were not included and the treaty would harm the U.S. economy.<sup>181</sup> It was sponsored by the GCC and by API while Lee Raymond was chair.

### **U.S. Council on International Business (USCIB)**

ExxonMobil is a member of this corporate lobby group which actively lobbied for President George W. Bush's rejection of the Kyoto Protocol.

## **Pushing ExxonMobil's Economic Agenda**

### **1996:**

In 1996, the American Petroleum Institute commissioned and funded an economic model to predict the costs of reducing carbon emissions. The model – produced by U.S. consulting firm Charles River Associates – predicted that any commitment to legally binding emissions targets within the next decade would entail large costs.<sup>182</sup> This model failed to compare these potential Kyoto Protocol implementation costs with economic costs of inaction or delay on climate protection, nor the costs of past and future climate change impacts on humans and the environment. Furthermore, it did not incorporate the economic benefits that would result from new markets and jobs created through emissions reduction policies and the development and use of renewable energy and more energy efficient technologies.

The author of the model, David Montgomery, spoke at a briefing organized by the U.S. Council for International Business and chaired by the head of the International Chamber of Commerce (ExxonMobil is a member of both organizations) at the UN climate negotiations in Geneva, December 1996. He was quoted widely in the media throughout that year.<sup>183</sup>

At the December 1996 climate talks, the IPIECA circulated a briefing paper which concluded that:

***"Current proposals for near term (10-20 years) emissions reductions in developed countries, which imply curbs on fossil fuel based energy use, would result in substantial costs that would inhibit economic growth and negatively affect trade, investment, competitiveness, employment and lifestyles."***<sup>184</sup>

Exxon and Mobil were both members of the IPIECA at the time.<sup>185</sup>

### **1997:**

In February of 1997, 2000 top economists (including six Nobel Laureates) signed a statement affirming that many potential climate protection policies **"would slow climate change without harming American living standards,** and these measures may in fact improve U.S. productivity in the long run." They urged the United States to play a leadership role at the Kyoto negotiations.<sup>186</sup>

Following the Senate vote on the Byrd-Hagel resolution in 1997 (which stated that the United States should not sign an international agreement on climate change unless it contained specific commitments for developing countries), the Global Climate Information Project (GCIP) began a \$13 million advertising campaign in the U.S. press, and on U.S. national and local television and radio stations.<sup>187</sup> Before the Kyoto climate negotiations had even begun the GCIP advertisements claimed that “*the UN Global Climate Treaty isn’t global...and it won’t work*,” and that “*Americans will pay the price...50 cents more for every gallon of gasoline*”.<sup>188</sup> The campaign was sponsored by the GCC and by the API, while Lee Raymond was chair of the API.<sup>189</sup>

During the Kyoto negotiations in December 1997 the Global Climate Coalition produced a press briefing stating that: “*Economic damage [of Kyoto] could empty American pockets... millions of job losses, higher gasoline, food and heating bills.*”<sup>190</sup>

#### **1998:**

In 1998, Wharton Econometrics Forecasting Associates (WEFA) published a study commissioned by API which used every worst case scenario possible (no alternative fuels, no time to make transition, no international cooperation or market-based mechanisms, no economic benefits from averting climate change damages or reducing pollution, etc.), and resulted in fear mongering figures regarding the economic costs of implementing the Kyoto Protocol. The study was not peer-reviewed. WEFA estimated that the Protocol would require a carbon tax of \$265 per metric ton over the next decade, and that this would result in economic output reduction of 3.2 percent (of \$300 billion in 1992\$) or a cost of \$2,700 per American family. In addition, more than 2.4 million jobs would be lost, gasoline prices would rise sharply, while gas and electricity prices would double, and advanced developing countries (which are not yet required to reduce emissions under the Protocol) would gain a competitive advantage over the United States.<sup>191</sup> The Global Climate Coalition helped WEFA release the study on the national level.

In late 1998, the U.S. Business Roundtable placed an advertisement in *The Washington Times* stating that “... the Protocol mandates a 41 percent reduction of greenhouse gas reductions by 2008-2012,” and other

misleading or false claims.<sup>192</sup>

#### **2000:**

The 6th Conference of the Parties (COP6) to the UN Climate Change Convention took place in The Hague, Netherlands, in November 2000. Two years earlier, in Buenos Aires, the world’s nations had set this conference as a deadline for agreeing on the mechanisms to achieve meaningful reductions in greenhouse gas emissions.

One of the most visible lobby groups in The Hague was the International Chamber of Commerce (ICC), with more than 100 lobbyists. While the ICC put great effort into positioning itself (and business in general) as environmentally responsible, it lobbied hard to prevent binding government regulation. Instead, it encouraged the use of only voluntary action by industry, and promoted unlimited use of the Kyoto Protocol’s market based mechanisms – including emissions trading and the Clean Development Mechanism.<sup>193</sup>

During the negotiations, the Vice President of ICC, Richard McCormick, warned against “a ‘quick fix, look good’ deal that would cause a dramatic and costly shift in the way industrialized countries use energy.”<sup>194</sup>

One of the main ICC spokespeople at COP 6 was Brian Flannery, the Chief Scientific Advisor for ExxonMobil. On one hand he talked the ICC’s rhetoric of free market environmentalism to the media, but his real motives – and those of the ICC – became apparent when he switched hats to speak out as a lobbyist for ExxonMobil. He confirmed to the *Earth Times*: “*ExxonMobil is firmly against the Kyoto Protocol... it achieves very little and costs too much.*” He also claimed that emissions reductions were unfeasible: “*You are going to need to expand the supply to meet the pressing future needs for energy, for things like the modern internet, the ‘e’ economy.*”<sup>195</sup>

The Hague talks collapsed without agreement when the U.S. delegation refused to compromise over its demand for the use of “carbon sinks” (e.g., forest plantations) to meet U.S. reduction targets.

#### **2001:**

In 2001, ExxonMobil placed an advertisement in

major U.S. newspapers entitled “Moving Past Kyoto...”, in which it states that leading the list of “fundamental flaws” of the Kyoto Protocol “is the growing recognition that most governments cannot meet the politically chosen targets without resorting to economy-wrecking measures.” It goes on to say that “Kyoto was too much too soon.”<sup>196</sup>

By contrast, if the targets had been chosen based on the science, they would be far higher. The science is unambiguous on this point: to arrest global warming requires worldwide reductions in carbon emissions of 70 percent.<sup>197</sup>

In its drafts of the **Third Assessment Report**, published in January and February 2001, the IPCC confirmed that **“using known and currently available technologies, global greenhouse emissions can be reduced below year 2000 levels in the period 2010-2020 at zero net costs, with at least half of this achievable at negative costs (i.e. at a profit).”**<sup>198</sup>

# Ignoring the Future – Missing the Boat on Clean Energy

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If governments do not act now to stop further exploration to find and exploit more oil and other fossil fuels, and instead accelerate the transfer of investment into renewable energy, the world will be committed to new oil, gas and coal developments which the planet's atmosphere and climate will not be able to withstand. ExxonMobil, and the Bush administration, continue to ignore this reality.

In an April 2001 advertisement posted in U.S. newspapers, ExxonMobil recommended a number of steps that the Bush administration should take to deal with climate change. One of those "concrete proposals" was to: "Realistically appraise and address barriers to renewable energy...."<sup>199</sup>

But ExxonMobil has no interest in actually developing and using renewable energy technologies. In fact, in March 2002, the corporation's chairman and CEO, Lee Raymond, said that without "new breakthroughs in green energy" he does not intend to invest in renewable energy. "We've been there, done that," he says. In the early 1980s he helped run investments in solar, wind and battery power on which Exxon claims to have spent \$500 million before selling out.<sup>200</sup>

According to René Dahan, Director and Executive Vice President of ExxonMobil:

"Renewables will have their part. How big or small a role depends on addressing major issues of cost and impact. Government mandates... can't overlook basic issues of science and economics, and we'll continue to make ourselves unpopular by telling anyone who'll listen about the realities."<sup>201</sup>

However, there have been numerous breakthroughs in renewable energy technologies over the past two decades. Like the mobile telephone industry, the renewable energy industry today bears no resemblance to what it was in the 1970s and 1980s. Costs have declined dramatically and will continue to drop with new advancements in technology and greater

economies of scale. In fact, wind generated electricity is now cost-competitive with fossil fuel generation in good wind sites, and far cheaper than nuclear power. Wind power is the world's fastest growing energy source, growing as quickly as the telecommunications industry, with solar photovoltaics (PVs) not far behind. This is despite the fact that in many countries, such as the United States, government subsidies for conventional energy fuels and technologies continue to be many times higher than those going to renewable energy.<sup>202</sup>

Renewable energy – wind, biomass, geothermal, ocean/wave, and solar power – could supply all of the world's energy needs. Denmark has led the world in showing that there are no technological or economic barriers to renewable energy that cannot be overcome. Denmark already gets 18 percent of its electricity from wind power, and plans to increase this share to 50 percent by 2030.<sup>203</sup> Germany has set a goal of producing 25 percent of its electricity from the wind by 2030.<sup>204</sup> And the European Union has set a target of generating 12 percent of its energy and 22 percent of its electricity with renewables by 2010.<sup>205</sup> Developing countries such as China, India and Brazil have also committed to significant increasing in capacity of renewable energy technologies. The market potential for renewable energy and energy efficient technologies is enormous. According to some forecasts, clean energy markets will grow from less than \$7 billion in 2000 to more than \$82 billion by 2010.<sup>206</sup>

A 1997 U.S. case study concluded that less than five percent of U.S. energy sector, heavy industry and energy-intensive transport sector jobs are likely to be affected by policies to reduce greenhouse gas emissions, and that far more jobs will be created than lost in the United States.<sup>207</sup>

In his October 2001 speech, Dahan also stated that: "The renewable industry does not suffer from a lack of investments.... What it will suffer from is the

absence of significant breakthrough advances to close the economic gap with competing energy forms. This will come from research, not from manufacturing investments.<sup>208</sup>

However, experience in the United States, Europe, Japan and elsewhere has demonstrated that government policy is the most important factor in determining the success of renewable energy technologies. Furthermore, policies that create a market for these technologies encourage private investment in renewables research and development (R&D) and production capability, and enable the experience in installation, operation and maintenance, and the economies of scale that can significantly reduce the costs of renewable energy.<sup>209</sup>

If a corporation of ExxonMobil's size – one of the world's largest – were to shift significant investment out of fossil fuels and into renewable energy, it could play an important role in further reducing the costs of renewable energy. Unfortunately, ExxonMobil dismisses non-fossil fuel sources of energy such as renewables, despite the growing investments in these technologies by other major international oil companies including British Petroleum (BP) and Royal Dutch/Shell.

But, rather than investing in renewable energy, ExxonMobil is investing more and more money in oil and gas. ExxonMobil is not interested in developing renewables, but in finding alternative ways to use fossil fuels. Its "solutions" to climate change range from "cleaner fuels," to advanced drilling techniques, to increased energy efficiency of their operations, to tree planting. None of these actions will reduce carbon dioxide emissions.

"Cleaner fuels" such as low-sulfur diesel reduce some airborne pollutants, but do not reduce the emissions that cause global warming. Hydrogen fuel-cell vehicles offer great future potential – but the energy generated will be carbon-free only if the hydrogen fuel is produced with renewable energy. It is no surprise then that the fuel cell vehicle ExxonMobil is working to develop, in coordination with auto manufacturers, will use gasoline to produce the hydrogen fuel.

In 2001, ExxonMobil earned \$15.3 billion in profits

and its return on capital was 17.8 percent. The corporation's total capital expenditures were \$12.3 billion<sup>210</sup>, and its upstream capital and exploration expenditures totaled around \$8.8 billion.<sup>211</sup> But ExxonMobil did not invest a single cent in renewable energy technologies.

By contrast, BP and Shell have both agreed to spend hundreds of millions of dollars each on their renewable energy divisions. Both companies have stressed that they want to turn what could be a regulatory burden into an eventual profit. "The element of profit stems from our belief that commercial mechanisms, such as those included in the [Kyoto] protocol, are the way to solve problems like global warming," says BP spokesman Roddy Kennedy.<sup>212</sup> BP and Shell spend a fraction on renewables of what they spend exploring and developing fossil fuels, and a mere fraction of what they could spend on renewables. Yet the divide between these companies and ExxonMobil is enormous.

Dahan concluded his statement by saying that: "...most importantly [governments must] undertake research on ... long-term mega-technologies such as fuel cells, clean coal, CO2 separation and storage,..." "We need to remember that those new technologies do not exist today and yet they represent the only, I repeat, the only effective long term response to potential climate change."<sup>213</sup>

ExxonMobil wants to have it both ways – it claims that renewable energy technologies require major breakthroughs and are too expensive. At the same time, it calls on governments to invest significant amounts of money in new "long-term mega-technologies" that will continue our reliance on dirty, polluting fossil fuels for decades to come. Not only are these long-term fossil-reliant technologies behind most renewable technologies in terms of technological development and cost, but their costs also go beyond massive investments in R&D, production and fuel costs, and the opportunity costs that come with continuing to invest in dirty, non-renewable fossil fuel technologies rather than clean, renewable alternatives. Carbon dioxide extraction and sequestration are end-of-pipe solutions.

Renewable energy technologies are available today and their use is expanding rapidly worldwide.

Leaders in business and government, around the globe, are calling for a transition to a clean energy economy to address global climate change, increase national security, and meet the rising demand for energy worldwide.<sup>214</sup> ExxonMobil's tactics – calling for more research and development, for example – simply seek to delay this transition and to continue indefinitely the use of fossil fuels.

Lou Noto, Vice Chairman of ExxonMobil, has also stated that the corporation is “against mandates and subsidies, which distort markets, decrease efficiency and raise costs to consumers.”<sup>215</sup> Clearly, he was referring only to subsidies for non-fossil fuels and technologies, and he failed to mention the fact that, at least in the United States, government subsidies continue to favor conventional fuels and technologies over renewables.<sup>216</sup>

“Renewables like wind, solar, and biomass can be players only in niche markets today, where they don't have to compete with fossil fuels, which are abundant, affordable and efficient.”

- Lou A. Noto, Vice Chairman, ExxonMobil, Tokyo, Japan, 15 February 2000.<sup>217</sup>

**“They [renewable energy technologies] are now ready to be brought, full force, into service.... Speedy action by the Administration and the Congress is critical to establish the regulatory and tax conditions for these renewable resources to rapidly reach their potential.”**

- Former Director U.S. Central Intelligence Agency (under Bill Clinton) R. James Woolsey, Former Chairman Joint Chiefs of Staff (under Richard Nixon) Admiral Thomas H. Moorer, and Former National Security Advisor (to Ronald Reagan) Robert McFarlane, 19 September 2001.

# Conclusion

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ExxonMobil's operations over the past decade make it clear that the company will stop at nothing to thwart action to address the serious issue of global warming. ExxonMobil is guilty of:

- Sabotaging the only international treaty to solve global warming;
- Deliberately deceiving the public by manipulating and misrepresenting solid scientific research on global warming;
- Deliberately misleading government officials in the U.S. and abroad.

ExxonMobil bears significant responsibility for the current, weakened state of the only international agreement to tackle global warming. While one hundred seventy-eight nations have now agreed to legally binding emissions reductions, the United States, under the Bush administration, with ExxonMobil's guidance, refuses to take part in the Kyoto Protocol agreements. The U.S. and Exxon are now lobbying other nations not to ratify the treaty. Knowing that a treaty ratified without the U.S. would be embarrassing and create problems for multi-national corporations, Australia recently switched its stance, announcing that it will not ratify the Kyoto Protocol until the United States has done so. In Canada, ExxonMobil's Imperial Oil has been at the lead of forces pushing for their country to stall ratification as well.

ExxonMobil must also bear significant responsibility for the lack of a real domestic plan to deal with the United States' 25 percent share of global greenhouse gas pollution. The company has been one of the most active players working to deliberately undermine domestic global warming pollution reductions. This Bush administration is taking us backwards to the same voluntary global warming plan endorsed by the first President Bush. That agreement failed to achieve any pollution reductions, resulting in the

charge for mandatory cuts embodied in the Kyoto Protocol. We also see echoes of the voluntary air pollution controls that failed Texas five years ago, after being written by Exxon for then Governor Bush. The amount of influence ExxonMobil wields over President Bush should not be discounted. While Bush claims he wants to lead the world on climate change, it is clear that he is the one being led – by ExxonMobil, which has, in effect, both written and paid for his climate policy.

ExxonMobil's propaganda and lobby machine must be stopped if the Kyoto Protocol is to be saved and global warming addressed by the international community. For the global community to escape the most serious impacts of global warming, ExxonMobil must shift its resources to promote a clean energy future. To adequately demonstrate true commitment to the planet's most pressing environmental crisis ExxonMobil must immediately:

- Support the Kyoto Protocol, the world's only international treaty on global warming;
- Stop denying the solid scientific consensus backing the Kyoto Protocol;
- Stop deceiving the American public and government with misleading advertising campaigns and deceptive lobbying efforts.

# Endnotes

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- <sup>9</sup> “Ecoal,” World Coal Institute briefing no. 7, INC 5, New York, April 1992.
- <sup>10</sup> *Ties that Bind*, Ozone Action, March 1996.
- <sup>11</sup> *Are Human Activities Causing Global Warming?* Published by George C. Marshall Institute, 1996; and ‘*Human Activity is Not the Cause of Global Warming*,’ Press Release from the Marshall Institute, 10 April 1996.
- <sup>12</sup> Sallie Baliunas, “Ozone and Global Warming: Are the Problems Real?” George C. Marshall Institute, December 1994.
- <sup>13</sup> Sallie Baliunas, “Ozone and Global Warming: Are the Problems Real?” George C. Marshall Institute, December 1994; and Greening Earth Society, <http://www.greeningearthsociety.org>.
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<sup>62</sup> During a 1994 television appearance on Nightline, Singer acknowledged receiving funding from Exxon, Shell, Unocal and ARCO, and that his institute, the Science and Environment Policy Project (SEPP) is partially funded by Exxon. For more information, see <http://www.heatisonline.org/contentserver/objecthandlers/index.cfm?ID=3207&method=full>.

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- <sup>94</sup> Eric Pianin, "McCain, Lieberman Urge Greenhouse Gas Curbs," *The Washington Post*, 4 August 2001, p. A01.
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- <sup>96</sup> See the Center for Responsive Politics web site for a breakdown of the donations: Open secrets, "Oil and Gas Top Contributors," available at <http://www.opensecrets.org/industries/contrib.asp?Ind=E01&Cycle=2000>.
- <sup>97</sup> According to the most annual figures available for the Center for Responsive Politics (based in Washington, D.C.), ExxonMobil outspent Enron by more than 6 to 1 to promote its cause on Capitol Hill. While Enron spent \$1.9 million lobbying Congress and the President, ExxonMobil spent \$11.7 million, in 1999. Center for Responsive Politics, Washington, D.C. Available from <http://www.opensecrets.org/lobbyists/indusclient.asp?code=E01&year=1999>.
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- <sup>99</sup> ExxonMobil, "An Energy Policy for the New Administration," op-ed, 18 January 2001; available from <http://www2.exxonmobil.com/Files/Corporate/010118.pdf>.
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- <sup>132</sup> Lee Raymond, Chairman and CEO, Exxon Corporation, Remarks during World Petroleum Congress, Beijing, China, 13 October 1997.
- <sup>133</sup> GCC press briefing: *December 10 Talking Points*, Kyoto, Japan, 1997.
- <sup>134</sup> For example, ExxonMobil repeatedly mentions the "bipartisan consensus within the U.S. Senate" in opposition to the Kyoto, citing the Byrd-Hagel amendment; the "significant economic costs" that it will impose on the developed world. See the rest of this report for examples and sources, and see <http://www.exxonmobil.com>.
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- <sup>136</sup> Note that in response to a letter from Greenpeace International regarding Bush's rejection of the Kyoto Protocol, ExxonMobil sent a copy of the USCIB letter as a "good example" of their views on climate change, and the fact that their views "are widely shared by others." Letter from ExxonMobil to Gerd Leipold, Executive Director, Greenpeace International, 18 April 2001.
- <sup>137</sup> Letter dated 11 April 2001, from USCIB President Thomas M.T. Niles to President Bush. The USCIB has an active membership base of more than 300 multinational corporations. See <http://www.uscib.org>.
- <sup>138</sup> Letter to Matthew Spencer of Greenpeace UK, from Chris Tuppen, Head of Sustainable Development and Corporate Accountability, British Telecom North America, 18 July 2001.

- <sup>139</sup> Eric Pianin, "McCain, Lieberman Urge Greenhouse Gas Curbs," *The Washington Post*, 4 August 2001, p. A01.
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- <sup>152</sup> IPCC, Working Group III, "Summary for Policymakers: The Economic and Social Dimensions of Climate Change," available from <http://www.ipc.ch/pub/sar-sum3.htm>.
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<sup>214</sup> For example, Former Director U.S. Central Intelligence Agency (under Bill Clinton) R. James Woolsey, Former Chairman Joint Chiefs of Staff (under Richard Nixon) Admiral Thomas H. Moorer, and Former National Security Advisor (to Ronald Reagan) Robert McFarlane, 19 September 2001 letter to 16 U.S. Senators.

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