

# The Center for Media and Democracy

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January 21, 2016

Attorney General Kamala Harris  
Office of the Attorney General  
California Department of Justice  
P.O. Box 944255  
Sacramento, CA 94244-2550

Dear Attorney General Harris,

We write to bring additional information to your attention that may be relevant to your office's investigation into whether Exxon Mobil deceived its shareholders and the public about the impact that burning fossil fuels has on climate change. In our view, the evidence strongly suggests it did.

Our organization, the Center for Media and Democracy, submitted a similar letter to New York Attorney General Eric Schneiderman.

## **Introduction**

Since at least 1981, Exxon Mobil has funded the American Legislative Exchange Council, or "ALEC," a national lobbying organization that acts as a conduit for corporate interests to advance their legislative agenda with state legislators. An Exxon Mobil lobbyist sits on ALEC's corporate board.

With Exxon's financial support and leadership, ALEC has adopted resolutions denying the science behind the causes of climate change, promoted legislation to undermine policies aimed at addressing climate change, such as efforts to promote renewable energy or limit carbon emissions, and held workshops for state legislators promoting climate change denial.

By funding ALEC for decades Exxon has promoted numerous aspects of climate change denial and blocked legislative efforts to address climate change—while Exxon knew from its own scientific research that burning carbon was fueling climate change, a fact that it only belatedly admitted publicly.

Our organization, the Center for Media and Democracy, has conducted extensive research on ALEC via our “ALECexposed.org” project, and we are available to provide additional information that may assist you in conducting your investigation. Some of the information below is based on CMD’s in-depth investigation of ALEC including ALEC’s central role in climate change denial in the states, and some of the information below is based on investigative work by Kert Davies of the Climate Investigations Center.

## **Background on ALEC**

ALEC describes itself as a “membership organization,” with members from the “public sector” (an estimated 2,000 state legislators from all 50 states) and the “private sector.” CMD has calculated that nearly 98 percent of its funding comes from private sources other than state legislators. In other words, ALEC’s core operations are made possible by funding from global corporations like Exxon Mobil.

Corporate and special interests pay between 50 and 500 times as much as a lawmaker to be part of the organization. Legislators pay just \$50 per year to join ALEC, whereas corporations pay between \$7,000 and \$25,000 for membership, plus additional fees to fund ALEC Task Forces or sponsor legislative workshops for lawmakers or meetings where corporate lobbyists push bills and resolutions that helped set the legislative agenda in state capitols across the country.

ALEC is quintessentially a pay-to-play operation that helps lobbyists obtain access to lawmakers and promote the agenda of the corporations for which they work.

For decades, corporate interests have paid to join an ALEC “Task Force” and get an equal vote with legislators on the adoption of bills and resolutions that are often introduced in state

legislatures at the behest of the state legislative leaders of ALEC, who are tasked with a duty to push the ALEC agenda into law. Until recently, ALEC’s corporate task force members could also directly propose bills to be voted on with legislators behind closed doors at ALEC meetings. For example, Exxon Mobil was behind an ALEC model bill from 2012 to hide the chemicals used in fracking.<sup>1</sup> (ALEC has claimed that only legislators can introduce bills, but CMD has debunked that by showing how that is largely a nominal process where legislators introduce bills at ALEC sought by corporate lobbyists.<sup>2</sup>)

Corporate interests also pay to sponsor workshops at ALEC meetings and can dictate the content of those workshops. Private interests also underwrite the reports presented by ALEC, such as the “EPA Regulatory Train Wreck,” which outlined 15 bills for state legislators to use to thwart the power of the EPA to regulate carbon emissions. Corporate interests also fund ALEC’s meetings of state legislators and lobbyists and have their logos prominently presented on the agenda.

ALEC is registered in California with the Attorney General’s Office as a charitable organization, and it has federal tax-exempt status under section 501(c)(3) of the Internal Revenue Code. However, ALEC’s tax-exempt status has been challenged in a series of complaints filed with the IRS alleging that ALEC operates primarily as a lobbying organization operating for the private benefit of its funders. CMD has submitted extensive evidence to the IRS in support of the filings of Common Cause.

### **Exxon Mobil’s Funding of ALEC and Leadership in ALEC Contradicts Its Public Positions on Climate Change**

Exxon Mobil has cumulatively given at least \$1,730,200 to ALEC between 1998 and 2014, according to publicly-available information, although the actual total is likely higher. CMD has

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<sup>1</sup> See Cora Currier, *ALEC and ExxonMobil Push Loopholes in Fracking Chemical Disclosure Rules*, PRO PUBLICA (Apr. 24, 2012), <http://www.propublica.org/article/alec-and-exxonmobil-push-loopholes-in-fracking>.

<sup>2</sup> See Matt DeFour, *Documents Released in Open Records Lawsuit Show Lobbying Group Pulling Legislators’ Strings*, WISCONSIN STATE JOURNAL (APR. 4, 2014), [http://host.madison.com/wsj/news/local/govt-and-politics/documents-released-in-open-records-lawsuit-show-lobbying-group-pulling/article\\_1e33edf4-857d-507c-92c7-ec6948c5fc02.html](http://host.madison.com/wsj/news/local/govt-and-politics/documents-released-in-open-records-lawsuit-show-lobbying-group-pulling/article_1e33edf4-857d-507c-92c7-ec6948c5fc02.html).

identified records showing that Exxon has funded ALEC as far back as 1981,<sup>3</sup> and that it sponsored ALEC’s meetings of legislators and lobbyists at least as early as 1984.<sup>4</sup> Because ALEC has often sought to keep the public in the dark about the identities of the corporations driving its legislative agenda, records of its corporate membership each year are not complete, but CMD has also identified materials showing both Exxon and Mobil as corporate members of ALEC in 1992<sup>5</sup> and 1994, as well as in the past seventeen years.<sup>6</sup>

Additionally, we know that between 2003 and 2005 Exxon Mobil earmarked \$428,000 of its funding to ALEC for “climate change” as ALEC peddled climate change denial and aimed to thwart regulation and legislation to address climate change. And Exxon’s continued funding in recent years, although not expressly earmarked for climate change on documents produced by the corporation or its foundation,, has nonetheless continued to help ALEC advance its climate denial policies, contradicting Exxon’s public statements on the issue.

Based on Exxon Mobil’s corporate disclosure reports and the Exxon Mobil Foundation’s IRS filings, the company’s known funding to ALEC in recent years includes:

| <b>Year</b> | <b>Amount</b>   | <b>ExxonMobil funding entity</b> | <b>Stated purpose</b>  | <b>Source</b>                                     |
|-------------|-----------------|----------------------------------|--|---|
| <b>1998</b> | <b>\$15,000</b> | Corporate                        | “Conference for freshman legislators”                        | 1998 Exxon Education Foundation Dimensions report |
| <b>2000</b> | <b>\$70,000</b> | Foundation                       | “General Support”  | 2000 IRS Form 990                                 |
| <b>2001</b> | <b>\$70,000</b> | Corporate                        | “Annual Conference” - \$50,000<br>“Annual Summit” - \$20,000 | 2001 Worldwide Giving Report                      |
| <b>2001</b> | <b>\$10,000</b> | Foundation                       | “General Support”  | 2001 Worldwide Giving Report                      |

<sup>3</sup> Letter from Kathleen Teague, Exec. Dir., American Legislative Exchange Council, to Mike Irish, Philip Morris USA (Oct. 14, 1981), *available at* [http://www.alecexposed.org/w/images/c/cf/1981\\_ALEC\\_Exxon.pdf](http://www.alecexposed.org/w/images/c/cf/1981_ALEC_Exxon.pdf).

<sup>4</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, ALEC’S ELEVENTH ANNUAL MEETING 1 (June 21-24, 1984), *available at* [http://www.alecexposed.org/w/images/c/c1/ALEC\\_1984\\_Funders.pdf](http://www.alecexposed.org/w/images/c/c1/ALEC_1984_Funders.pdf).

<sup>5</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, 1993 ANNUAL MEETING 61 (1992), *available at* [http://www.alecexposed.org/w/images/b/bf/ALEC\\_1992\\_Annual\\_Meeting\\_Partial.pdf](http://www.alecexposed.org/w/images/b/bf/ALEC_1992_Annual_Meeting_Partial.pdf).

<sup>6</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, 1994 ANNUAL MEETING 46 (1994), *available at* [http://www.alecexposed.org/w/images/4/4c/1994\\_ALEC\\_Meeting\\_page\\_46.pdf](http://www.alecexposed.org/w/images/4/4c/1994_ALEC_Meeting_page_46.pdf).

|      |           |            |   |                              |
|------|-----------|------------|---|------------------------------|
| 2002 | \$163,200 | Corporate  | “Annual Conference” - \$50,000;<br>“General operating Support” - \$80,000<br>“Membership” - \$5,000<br>“Project support” - \$25,000<br>“other” - \$3,200  | 2002 Worldwide Giving Report |
| 2002 | \$30,000  | Foundation | “General Operating Support”   | 2002 Worldwide Giving Report |
| 2003 | \$78,000  | Corporate  | “Annual Conference”   | 2003 Worldwide Giving Report |
| 2003 | \$290,000 | Foundation | ” <b>Energy and climate change</b> ”- \$50,000<br>“General Operatiing Support” - \$100,000<br>“ <b>Global Climate Change</b> ” - \$140,000  | 2003 Worldwide Giving Report |
| 2004 | \$55,000  | Corporate  | “Annual Conference”   | 2004 Worldwide Giving Report |
| 2004 | \$167,000 | Foundation | “ <b>Energy and Climate Change</b> ”- \$62,000<br>“ <b>Climate Change</b> ”- \$75,000<br>“General Operating Support”-\$30,000   | 2004 Worldwide Giving Report |
| 2005 | \$90,000  | Corporate  | “Annual Conference”   | 2005 Worldwide Giving Report |
| 2005 | \$151,500 | Foundation | “ <b>Energy sustainability project (climate change)</b> ” - \$80,000<br>“ <b>Climate change environmental outreach</b> ” - \$21,500<br>“General operating support” - \$30,000<br>“Project Support” - \$20,000 | 2005 IRS Form 990            |
| 2006 | \$56,000  | Corporate  | “Annual meeting host committee sponsorship” - \$15,000<br>“Annual meetings sponsorship” - \$31,000<br>”General Support” - \$10,000  | 2006 Worldwide Giving Report |
| 2006 | \$30,000  | Foundation | None  | 2006 Worldwide Giving Report |
| 2007 | \$31,000  | Corporate  | None  | 2007 Worldwide Giving Report |
| 2008 | \$56,000  | Corporate  | None  | 2008 Worldwide               |

|             |                      |   |  |  |
|-------------|----------------------|---|--|--|
|             |                      |   |  | <a href="#">Giving Report</a>                |
| <b>2009</b> | <b>\$47,500</b>      | Corporate   | "Annual Conference - \$15,000<br>General Support -\$31,000<br>other -\$1,500   | <a href="#">2009 Worldwide Giving Report</a> |
| <b>2010</b> | <b>\$64,000</b>      | Corporate   | "General Support -\$39,000;<br>"National Chairman's Reception" - \$25,000  | <a href="#">2010 Worldwide Giving Report</a> |
| <b>2011</b> | <b>\$86,500</b>      | Corporate   | None   | <a href="#">2011 Worldwide Giving Report</a> |
| <b>2012</b> | <b>\$59,000</b>      | Corporate   | "2012 Annual Conference" \$25,000;<br>"Private Sector and Energy and Tax Task Force" \$34,000  | <a href="#">2012 Worldwide Giving Report</a> |
| <b>2013</b> | <b>\$49,000</b>      | Corporate   | "2013 Annual Conference" \$15,000; "Private Sector, Energy and Tax Task Forces" \$34,000   | <a href="#">2013 Worldwide Giving Report</a> |
| <b>2014</b> | <b>\$61,500</b>      | Corporate   | "Annual Conference" - \$25,000;<br>"Private Sector-Jefferson Club Membership" -\$25,000;<br>"Other Contributions, each under \$5,000" - \$11,500 | <a href="#">2014 Worldwide Giving Report</a> |
|             | <b>\$1,730,200 =</b> | <b>Total Funding Exxon to ALEC, 1998-2014</b>     |  |  |
|             | <b>\$428,000 =</b>   | <b>Total Funding Earmarked for Climate Change</b> |  |  |
|             |                      |   |  |  |

This funding makes Exxon Mobil one of ALEC’s top financial supporters, even though it is only a small amount of the global corporation’s total profits.

In addition to directly funding ALEC, Exxon Mobil plays an important leadership role within the organization. Exxon Mobil has long had a representative on ALEC’s corporate board, which ALEC previously called its “Private Enterprise Board” and has recently rebranded as its “Private Enterprise Advisory Council.” The ALEC corporate board meets jointly with ALEC’s Board of

Directors (made up of a rotating cycle of legislators) to make decisions for the organization's operations. The Board of Directors ultimately approves ALEC model legislation.

Exxon Mobil is currently represented on the ALEC corporate board by its U.S. Government Affairs Manager Cynthia Bergman. Records of Exxon Mobil's involvement in ALEC's governing corporate board go back to at least 2002.<sup>7</sup>

Exxon Mobil has also long funded and been a voting member of ALEC's Energy, Environment, and Agriculture Task Force, the committee of legislators and lobbyists responsible for the majority of ALEC's climate denial resolutions and projects. Records additionally show that Mobil chaired the committee in 1995, when it was known as the Energy, Environment, and Natural Resources Task Force.<sup>8</sup>

Exxon Mobil's funding of ALEC and leadership role within ALEC suggests that the company may be working behind-the-scenes to oppose policies that it tells the public and its shareholders that it supports—namely, the science behind climate change and policies aimed at addressing it, such as regulation of carbon emissions or a carbon tax.

Moreover, the company has directly funded ALEC's work on climate change, and at times has sought to conceal this work from shareholders. In 2005, for example, Exxon Mobil gave ALEC a total of \$241,500 from its corporate and foundation arms. In its corporate "Worldwide Giving Report" published for shareholders, Exxon listed an \$80,000 grant for an "Energy Sustainability Project" and \$71,500 for "General Operating Support." From the 2005 Exxon Worldwide Giving Report:

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<sup>7</sup> See AMERICAN LEGISLATIVE EXCHANGE COUNCIL, IRS FORM 990 23 (2002), *available at* [http://www.alecexposed.org/w/images/2/29/2002\\_ALEC\\_990.pdf](http://www.alecexposed.org/w/images/2/29/2002_ALEC_990.pdf) (listing Walt Buchholz, Exxon Mobil's Government Relations & Issues Advisor, as a "P E Director").

<sup>8</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, LEGISLATIVE BRIEFINGS 5 (1995), *available at* <http://www.alecexposed.org/w/images/9/9e/Alec-staff-and-board-1995.pdf>.

**American Legislative Exchange Council, Washington, D.C.**

|                               |                   |
|-------------------------------|-------------------|
| Annual Conference*            | 90,000            |
| Energy Sustainability Project | 80,000            |
| General Operating Support     | <u>71,500</u>     |
| <b>Subtotal</b>               | <b>\$ 241,500</b> |

Yet in documents submitted to the IRS from the Exxon Mobil Foundation, Exxon described the \$80,000 grant more specifically as “Energy Sustainability Project (Climate Change)” and also described a \$21,500 grant earmarked for “Climate Change Environmental Outreach.” From the Exxon Mobil Foundation 2005 Form 990:

**ExxonMobil Foundation**  
**Schedule of 2005 Appropriations and Payments - by Program Area**  
*December 31, 2005*

| <b>Payee Organization</b>   | <b>Tax Status</b> | <b>Beginning Balance</b> | <b>New Allocations</b> | <b>Amended</b> | <b>Amount Paid</b> | <b>Ending Balance</b> |
|---|-------------------|--------------------------|------------------------|----------------|--------------------|-----------------------|
| 2005<br>American Legislative Exchange Council<br>1129 20th Street, NW, Suite 500<br>Washington, DC 20036<br>Energy Sustainability Project (Climate Change)<br>\$80,000.00 | 501c(3)           | \$0.00                   | \$80,000.00            | \$0.00         | \$80,000.00        | \$0.00                |
| 2005<br>American Legislative Exchange Council<br>1129 20th Street, NW, Suite 500<br>Washington, DC 20036<br>Project Support<br>\$20,000.00                                | 501c(3)           | \$0.00                   | \$20,000.00            | \$0.00         | \$20,000.00        | \$0.00                |
| 2005<br>American Legislative Exchange Council<br>1129 20th Street, NW, Suite 500<br>Washington, DC 20036<br>Climate Change Environmental Outreach<br>\$21,500.00          | 501c(3)           | \$0.00                   | \$21,500.00            | \$0.00         | \$21,500.00        | \$0.00                |

As described in more detail below, that same year, ALEC issued a publication titled “10 Myths About Global Warming,” ALEC’s director stated in an op-ed that “the science was uncertain” around global warming, and ALEC’s website suggested that concern about climate change was driven by “junk science.” ALEC issued no publications that year or in nearby years supporting efforts to address climate change.

**ALEC Has Been Described as a Component of the Exxon-Backed Plan to Promote Climate Change Doubt**

The role of ALEC in peddling Exxon-funded climate denial is evidenced by a 1998 document called the “Global Climate Communications Action Plan,” which was developed by Exxon and



other fossil fuel interests to reframe climate science as “uncertain” following the December 1997 Kyoto Protocol to reduce greenhouse gas emissions.<sup>9</sup>

The plan notes that economic arguments about the impact of the Kyoto Protocol had failed to derail the treaty or undermine its public support, and that “those who oppose the treaty have done little to build a case against precipitous action on climate change based on the scientific uncertainty.”

“Upon this tableau, the Global Climate Science Communications Team (GCSCT) developed an action plan to inform the American public that science does not support the precipitous actions Kyoto would dictate, thereby providing a climate for the right policy decisions to be made,” the plan states.

Exxon was part of the “Global Climate Science Communications Team” that developed this plan to mislead the public about climate science, despite the company having identified the impact of carbon emissions on climate change more than twenty years earlier.

ALEC was described as one of five “potential fund allocators” for implementing the plan, along with the Committee for a Constructive Tomorrow (CFACT) and the Competitive Enterprise Institute, both of which continue to regularly participate in ALEC meetings. It is not known how much money Exxon or other companies provided to ALEC or any other group as part of this climate denial plan.

In 1998, the same year that the Exxon-backed “Global Climate Communications Action Plan” was developed with ALEC as a “potential fund allocator,” ALEC adopted at least four bills and resolutions for state legislators aimed at opposing Kyoto, claiming there is “scientific uncertainty” around the causes of climate change, and otherwise undermining greenhouse gas regulation. Those bills include:

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<sup>9</sup> See EXXON CORPORATION ET AL., GLOBAL CLIMATE COMMUNICATIONS ACTION PLAN (April 3, 1998) (draft) (obtained by the Climate Investigations Center), *available at* <https://www.documentcloud.org/documents/784572-api-global-climate-science-communications-plan.html#document/p8/a147247>.

- “State Responses to Kyoto Climate Change Protocol”<sup>10</sup>
- “Ozone Attainment State Implementation Plan Act”<sup>11</sup>
- “Resolution on Environmental Justice”<sup>12</sup>
- “Interstate Research Commission Act on Climatic Change Act.”<sup>13</sup>

The “State Responses to Kyoto Climate Change Protocol” expressed opposition to the treaty and prohibited a state from adopting regulations on greenhouse gas prior to the treaty’s ratification by the U.S. Congress.<sup>14</sup>

The “Interstate Research Commission Act on Climatic Change Act” declared that human activity “may lead to deleterious, neutral, or possibly beneficial climatic changes” and that “a great deal of scientific uncertainty surrounds the nature of these prospective changes.”<sup>15</sup> (ALEC re-approved the “Interstate Research Commission Act on Climatic Change Act” in 2013, the same year that Exxon Mobil disclosed that it gave \$49,000 to the organization, and well after Exxon Mobil had stated publicly that it acknowledged the science around climate change.)

In the following years, with the Kyoto treaty stalled in Congress and ultimately rejected by the George W. Bush administration, states increasingly began taking steps to regulate carbon emissions. ALEC framed these state regulatory efforts as “Son of Kyoto” bills and continued to deny that carbon emissions caused climate change. Ultimately, ALEC urged the repeal of Regional Greenhouse Gas Initiatives that states adopted to help address climate changes.

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<sup>10</sup> ALECExposed, *State Responses to Kyoto Climate Change Protocol Exposed*, [http://www.alecexposed.org/wiki/State\\_Responses\\_to\\_Kyoto\\_Climate\\_Change\\_Protocol\\_Exposed](http://www.alecexposed.org/wiki/State_Responses_to_Kyoto_Climate_Change_Protocol_Exposed) (last visited Nov. 13, 2015).

<sup>11</sup> ALECExposed, *Ozone Attainment State Implementation Plan Act Exposed*, [http://www.alecexposed.org/wiki/Ozone\\_Attainment\\_State\\_Implementation\\_Plan\\_Act\\_Exposed](http://www.alecexposed.org/wiki/Ozone_Attainment_State_Implementation_Plan_Act_Exposed) (last visited Nov. 13, 2015).

<sup>12</sup> ALECExposed, *Resolution on Environmental Justice Exposed*, [http://www.alecexposed.org/wiki/Resolution\\_on\\_Environmental\\_Justice\\_Exposed](http://www.alecexposed.org/wiki/Resolution_on_Environmental_Justice_Exposed) (last visited Nov. 13, 2015).

<sup>13</sup> ALECExposed, *Interstate Research Commission on Climatic Change Act Exposed*, [http://www.alecexposed.org/wiki/Interstate\\_Research\\_Commission\\_on\\_Climatic\\_Change\\_Act\\_Exposed](http://www.alecexposed.org/wiki/Interstate_Research_Commission_on_Climatic_Change_Act_Exposed) (last visited Nov. 13, 2015).

<sup>14</sup> See supra note 10.

<sup>15</sup> See supra note 13.

In 2003, the *New York Times* reported:

The rising level of state activity is causing concern among those who oppose carbon dioxide regulation.

"I believe the states are being used to force a federal mandate," said Sandy Liddy Bourne, who does research on global warming for the American Legislative Exchange Council, a group contending that carbon dioxide should not be regulated because it is not a pollutant. "Rarely do you see so many bills in one subject area introduced across the country."

The council started tracking state legislation, which they call son-of-Kyoto bills, weekly after they noticed a significant rise in greenhouse-gas-related legislation two years ago. This year, the council says, 24 states have introduced 90 bills that would build frameworks for regulating carbon dioxide. Sixty-six such bills were introduced in all of 2001 and 2002.<sup>16</sup>

The following year, ALEC released a report titled "Sons of Kyoto: Greenhouse Gas Regulation in the States," claiming the Kyoto treaty did "not have a scientific standing nor did it reflect economic realities" and warning about the spread of state climate regulation:<sup>17</sup>

"Regardless of the scientific uncertainty and the economic costs, there is an orchestrated movement to force the federal government and the American public to implement Kyoto-like regulation and develop a cap and trade carbon emission system," the report stated.

Based on public disclosures, the peak years of Exxon Mobil's funding for ALEC came during this same period, 2003 to 2005, at the height of state efforts to regulate carbon emissions. During those years Exxon Mobil earmarked \$428,500 in funding to ALEC for work on "climate change."

Throughout this period ALEC promoted efforts to thwart greenhouse gas regulation at the state level, in part by claiming there was "scientific uncertainty" about the role of CO<sub>2</sub> emissions in climate change—the same role described for ALEC a few years earlier in the Exxon-backed "Global Climate Communications Action Plan."

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<sup>16</sup> Jennifer Lee, "The Warming is Global but the Legislating, in the U.S., Is All Local," THE NEW YORK TIMES, Oct. 29, 2003, <http://www.nytimes.com/2003/10/29/us/the-warming-is-global-but-the-legislating-in-the-us-is-all-local.html>.

<sup>17</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, SONS OF KYOTO: GREENHOUSE GAS REGULATION IN THE STATES (January 2004), available at [http://www.alecexposed.org/w/images/7/7d/Sons\\_of\\_Kyoto.pdf](http://www.alecexposed.org/w/images/7/7d/Sons_of_Kyoto.pdf).

Evidence of Exxon Mobil funding ALEC as it advanced climate change denial during these years include:

**2003:**

**\$368,000 total from Exxon to ALEC, \$190,000 earmarked for “climate change.”** In 2003, Exxon disclosed a \$50,000 contribution to ALEC for “energy and climate change” and another contribution in the amount of \$140,000 for “global climate change.”<sup>18</sup>

**ALEC held “Energy Sustainability Academy” for state legislators featuring climate deniers.**

In January 2003, ALEC organized a two-day “Energy Sustainability Academy” for state legislators at the Westin Hotel in Denver, Colorado, featuring known climate deniers such as James Taylor of the Heartland Institute and Marlo Lewis and Christopher Horner, who were then with the Competitive Enterprise Institute (another group described in the “Global Climate Communications Action Plan”).<sup>19</sup>

**ALEC issues publication claiming “the science is uncertain” on climate change and warning against state CO2 regulation.**

The foreword to a 2003 ALEC publication titled “Energy, Environment, and Economics” describes Kyoto as an “ill-founded international agreement” that “reflected neither scientific uncertainties nor economic reality” and warning that an “effort is underway in some states to promote legislation and regulation with Kyoto-like goals.”

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<sup>18</sup> EXXON MOBIL CORPORATION, 2003 CONTRIBUTIONS 40 (2003), *available at* <http://www.alecexposed.org/w/images/1/1e/2003-exxon-giving-report.pdf>.

<sup>19</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, 2003 SUSTAINABILITY ACADEMY (2003), *available at* [http://www.alecexposed.org/w/images/9/9a/ALEC\\_2003\\_Sustainability\\_Academy.pdf](http://www.alecexposed.org/w/images/9/9a/ALEC_2003_Sustainability_Academy.pdf).

The publication repeats the mantra that “the science is uncertain” regarding the causes of climate change and provides state legislators with resources to push back on the “global warming scare” and model bills to thwart CO2 regulation and litigation.<sup>20</sup>

### **ALEC’s executive director pushed climate denial in opinion piece.**

In a 2003 *Washington Times* opinion piece, ALEC’s executive director stated the claim that carbon dioxide contributes to global warming was “no means agreed upon the scientific community.” From the op-ed:

“The claim that carbon dioxide contributes to global warming is highly controversial, and is by no means agreed upon in the scientific community. Plenty of evidence suggests global temperature changes during the last century have stemmed from natural causes, not man-made ones. The U.S. government, even after spending \$45 billion in global warming research over the last decade, still concedes the science is inconclusive.”<sup>21</sup>

### **ALEC published a summary of greenhouse gas regulations.**

In 2003, ALEC published a summary of greenhouse gas legislation that sought to regulate carbon dioxide from 2001 to 2002 legislative sessions. The tracking document included bills passed and rejected as well as agency regulations.<sup>22</sup> ALEC has used such lists to assess where it can try to stop or repeal standards or where it can promote legislation to advance its corporate funders agenda.

### **ALEC declared EPA cannot regulate carbon emissions.**

In 2003, ALEC issued a press release opposing a state lawsuit urging the EPA to regulate carbon dioxide, claiming, “the suit is based on inconclusive logic and faulty science.” ALEC’s Energy, Environment, Natural Resources and Agriculture task force director stated in a quote: “If you

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<sup>20</sup> Alexandra Liddy Bourne, *Energy Sustainability in the 21<sup>st</sup> Century*, in AMERICAN LEGISLATIVE EXCHANGE COUNCIL, ENERGY, ENVIRONMENT, AND ECONOMICS 4 (Jan. 2003), available at [http://www.alecexposed.org/w/images/6/62/ALEC\\_Energy\\_Book\\_Split.pdf](http://www.alecexposed.org/w/images/6/62/ALEC_Energy_Book_Split.pdf).

<sup>21</sup> Duane Parde, *Skewed Road Map to Kyoto*, THE WASHINGTON TIMES, June 20, 2003, [http://www.alecexposed.org/w/images/0/02/Skewed\\_road\\_map\\_to\\_Kyoto\\_-\\_The\\_Washington\\_Times\\_Commentary.pdf](http://www.alecexposed.org/w/images/0/02/Skewed_road_map_to_Kyoto_-_The_Washington_Times_Commentary.pdf).

<sup>22</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, 2003 LEGISLATION TO REGULATE GREENHOUSE GASES (2003), available at [http://www.alecexposed.org/w/images/b/bc/ALEC\\_2003\\_Legislation\\_to\\_Regulate\\_Greenhouse\\_Gases.pdf](http://www.alecexposed.org/w/images/b/bc/ALEC_2003_Legislation_to_Regulate_Greenhouse_Gases.pdf).

begin to regulate carbon dioxide, who will prevent the government from regulating water vapor and oxygen – the two largest greenhouse gas concentrations in the atmosphere.”<sup>23</sup>

**Task force heard negative presentations on economic impact of climate policies.**

In 2003, ALEC’s Energy, Environment, Natural Resources and Agriculture Task Force held a workshop on the “economic impact of climate change policies” and heard presentations from climate change deniers like Joe Bast of the Heartland Institute.<sup>24</sup>

**2004:**

**\$219,000 total from Exxon to ALEC, \$137,000 earmarked for “climate change.”**

In 2004, Exxon disclosed a \$62,000 contribution to ALEC for “energy and climate change” and another contribution in the amount of \$75,000 for “climate change.”<sup>25</sup>

**ALEC “Sons of Kyoto” report claimed Kyoto Protocol did not have scientific standing.**

In a 2004 publication titled “Sons of Kyoto: Greenhouse Gas Regulation in the States,” ALEC claimed the Kyoto Protocol to limit greenhouse gas emissions “was conceived under the auspices of concern about increased temperatures due to global warming” but “did not have a scientific standing nor did it reflect economic realities.”<sup>26</sup>

**2005:**

**\$241,500 from Exxon to ALEC, \$101,500 earmarked for “climate change.”**

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<sup>23</sup> Press Release, American Legislative Exchange Council, Attorneys General in Three States Sue EPA in Attempt to Regulate CO<sub>2</sub> (June 5, 2003), *available at* [http://www.alecexposed.org/w/images/e/ea/ALEC\\_Press\\_Release\\_Attorneys\\_General.pdf](http://www.alecexposed.org/w/images/e/ea/ALEC_Press_Release_Attorneys_General.pdf).

<sup>24</sup> American Legislative Exchange Council, “Natural Resources Task Force,” *available at* [http://www.alecexposed.org/w/images/e/e8/ALEC\\_Natural\\_Resources\\_Taskforce.pdf](http://www.alecexposed.org/w/images/e/e8/ALEC_Natural_Resources_Taskforce.pdf).

<sup>25</sup> EXXON MOBIL CORPORATION, 2004 WORLDWIDE CONTRIBUTIONS AND COMMUNITY INVESTMENTS 2 (2004), *available at* <http://www.alecexposed.org/w/images/0/00/2004-exxon-giving-report.pdf>.

<sup>26</sup> AMERICAN LEGISLATIVE EXCHANGE COUNCIL, SONS OF KYOTO: GREENHOUSE GAS REGULATION IN THE STATES (January 2004), *available at* [http://www.alecexposed.org/w/images/7/7d/Sons\\_of\\_Kyoto.pdf](http://www.alecexposed.org/w/images/7/7d/Sons_of_Kyoto.pdf).

In 2005, Exxon disclosed a \$80,000 contribution to ALEC for “energy sustainability project (climate change)” and a \$21,500 contribution to ALEC for “climate change environmental outreach.”<sup>27</sup>

### **ALEC publication addresses “10 myths about global warming.”**

In 2005, ALEC issued a publication titled “[Top 10 Myths About Global Warming](#)” authored by the Director of ALEC’s Natural Resources Task Force, Kelli Kay. From the publication:

- MYTH 1: “Scientists have conclusively proven that human activity is causing the earth to warm”
- MYTH 2: “Earth’s temperature has risen to an unnatural level over the last century
- MYTH 3: “The ice caps are melting and sea levels are rising”
- MYTH 4: “Extreme weather phenomena are increasing due to global warming”
- MYTH 5: “Global warming threatens fragile ecosystems and may cause threatened and endangered species to become extinct”
- MYTH 6: “The U.S. Government believes the theory of global warming has been proven and supports capping greenhouse gas emissions”
- MYTH 7: “Adhering to the Kyoto Protocol and other carbon dioxide reduction schemes will decrease earth’s temperatures”
- MYTH 8: “Adhering to the Kyoto Protocol and other carbon dioxide reduction schemes will be relatively inexpensive”
- MYTH 9: “Multi-pollutant regulation, which includes both EPA criteria pollutants and greenhouse gases, is an inexpensive, ‘no-regrets’ method for improving air quality”
- MYTH 10: Renewable energy technology can immediately replace all fossil fuels”<sup>28</sup>

### **ALEC’s website claimed science supporting the idea of climate change was “junk science”**

In 2005, ALEC’s website stated:

“In Our Environmental Policy: Increasingly, ‘junk science’ has dictated the direction in which environmental policy is headed. Current regulations, restrictions, and government intervention are so pervasive that if no action is taken to counter this trend, economic progress and prosperity face near paralysis. The danger to our economic progress that the ‘precautionary principle’ presents far outweighs the perceived potential dangers to our environment.”<sup>29</sup>

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<sup>27</sup> EXXON MOBIL CORPORATION, 2005 WORLDWIDE GIVING REPORT 1 (2005), *available at* <http://www.alecexposed.org/w/images/5/51/2005-exxon-giving-report.pdf>.

<sup>28</sup> Kelli Kay, *Top 10 Myths About Global Warming*, AMERICAN LEGISLATIVE EXCHANGE COUNCIL 18-21 (2005), *available at* [http://www.alecexposed.org/w/images/d/d9/ALEC\\_Climate\\_Myths.pdf](http://www.alecexposed.org/w/images/d/d9/ALEC_Climate_Myths.pdf).

<sup>29</sup> American Legislative Exchange Council, “Junk Science,” *available at* [http://www.alecexposed.org/w/images/4/44/Junk\\_Science.pdf](http://www.alecexposed.org/w/images/4/44/Junk_Science.pdf).

These are just a few examples of the numerous ways in which ALEC has been deployed to teach climate change denial to thousands of state legislators and block political action during a period that Exxon contributed substantial funding to ALEC's "climate change" efforts.

More recent examples show that Exxon Mobil's ongoing support for ALEC has continued to undermine the company's stated policy positions.

For example, Exxon Mobil has publicly indicated that it supports a carbon tax.<sup>30</sup> However, in 2013, the ALEC "Energy, Environment and Agriculture Task Force" and the "Tax and Fiscal Policy Task Force" jointly adopted a resolution at ALEC's Annual Meeting declaring the organization "opposes all Federal and state efforts to establish a carbon tax on fuels for electricity and transportation" (see ALEC "Resolution in Opposition to a Carbon Tax" available at <http://www.alec.org/model-legislation/resolution-opposition-carbon-tax/>).

That same year, Exxon Mobil disclosed that it gave \$49,000 to ALEC, which included \$15,000 to sponsor the 2013 Annual Meeting and \$34,000 towards the ALEC "Energy, Environment and Agriculture Task Force" and the "Tax and Fiscal Policy Task Force." Companies that fund ALEC task forces become members of that task force and are given a vote on bills and resolutions.

In other words, the ALEC "Resolution in Opposition to a Carbon Tax" was adopted by the same ALEC task forces funded by Exxon Mobil, and at the same Annual Meeting sponsored by Exxon Mobil, even as Exxon Mobil told its shareholders and the public that it supports a carbon tax. During this same period an Exxon Mobil representative was also on the ALEC corporate board.

In 2014, Exxon Mobil disclosed that it gave \$61,500 to ALEC, which included \$25,000 to sponsor ALEC's Annual Conference, \$25,000 to join the 501(c)(4) "Jeffersonian Project," and

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<sup>30</sup> See Coral Davenport, *Large Companies Prepared to Pay Price on Carbon*, NEW YORK TIMES, Dec. 5, 2013, <http://www.nytimes.com/2013/12/05/business/energy-environment/large-companies-prepared-to-pay-price-on-carbon.html>.



\$11,500 in “other contributions.” At ALEC’s Exxon Mobil-sponsored Annual Meeting that year, Heartland Institute President Joseph Bast led an ALEC workshop for state legislators from across the country featuring a presentation claiming that:

- “There is no scientific consensus on the human role in climate change.”
- “There is no need to reduce carbon dioxide emissions and no point in attempting to do so.”
- “Carbon dioxide has not caused weather to become more extreme, polar ice and sea ice to melt, or sea level rise to accelerate. These were all false alarms.”
- The International Panel on Climate Change (IPCC) “is not a credible source of science or economics.”
- “The likely benefits of manmade global warming exceed the likely costs.”

Additionally, at that same Exxon Mobil-funded meeting, the Committee for a Constructive Tomorrow (CFACT) handed legislators a worksheet called “Climate change talking points 2014” that coached ALEC legislative members on how to talk about “manmade climate fears.” CFACT was one of the other organizations listed in the 1998 Exxon-backed “Global Climate Science Communications Plan,” along with ALEC.

In that worksheet, legislators were told to respond to the question “how can you deny global warming?” by stating “we inhale oxygen and exhale CO<sub>2</sub>” and that “higher atmospheric CO<sub>2</sub> levels cannot possibly supplant the numerous complex and interconnected forces that have always determined Earth's climate.”

These arguments were echoed at ALEC’s December 2014 meeting, when Craig Idso of the Center for the Study of Carbon Dioxide and Global Change led a workshop telling state legislators that “CO<sub>2</sub> is not a pollutant. It is a benefit. It is the very elixir of life.”

Notably, there is no indication of any workshop ever held by ALEC where Exxon promoted the reality that burning carbon is contributing to climate change. Instead, Exxon funding for ALEC has coincided with the advance of the climate change denial agenda to powerful legislators

across the country, arming them with disinformation from the ALEC national meetings Exxon has underwritten.

ALEC has also aimed to promote climate change denial among school children. ALEC's "Environmental Literacy Improvement Act" requires that all environmental education programs and activities "provide a range of perspectives presented in a balanced manner" and "provide instruction in critical thinking so that students will be able to fairly and objectively evaluate scientific and economic controversies."

Yet because there is no serious scientific controversy about climate change, mandating a "balanced" approach to educating children about the issue has the effect of misleading students about the extent and reality of the problem. ALEC adopted this bill in 2000, the same year that Exxon Mobil reported giving \$70,000 to ALEC and the Exxon Mobil Education Foundation reported giving \$10,000. ALEC re-approved the bill in 2013, the same year that Exxon Mobil disclosed that it gave \$49,000 to the organization.

ALEC has been an aggressive opponent of any legislative or regulatory efforts to address climate change, whether reducing carbon pollution or increasing renewable energy. Several model bills oppose EPA efforts to reduce carbon pollution. These attacks on EPA include:

- Undermining EPA action to limit carbon pollution from power plants.
- Questioning EPA's authority to reduce carbon pollution, despite the Supreme Court's many decisions to uphold EPA authority.
- Castigating EPA's efforts to improve air quality and reduce carbon pollution as a "regulatory train wreck."

The full extent of Exxon's funding of ALEC is not known. What is known is that Exxon's continued funding of ALEC and its leadership role within the organization has made ALEC's decades of climate change denial possible.

We encourage you to seek answers to the following questions:

- What were the "deliverables" for Exxon Mobil's funding for ALEC?

- Who reviewed the deliverables on grants to ALEC?
- Does Exxon Mobil have any memoranda of understanding, contracts, grant agreements, or other communications with ALEC about legislation, resolutions, publications, and workshops to help lawmakers embrace climate change denial and attack, stop, or undermine efforts to address the climate changes underway?
- Why has Exxon Mobil continued to fund ALEC as the organization promoted climate change denial?
- Why has Exxon Mobil continued to lead ALEC through membership on its corporate Board as the organization worked to thwart policies aimed at addressing climate change?
- Why has Exxon Mobil funded and participated in the same ALEC task forces that promote climate change denial and undermine climate action?

Please do not hesitate to contact CMD if you need additional information about these matters.

Thank you for your consideration of our views and thank you for opening an investigation of Exxon Mobil about its public and private representations and actions regarding climate change.

Sincerely,



Lisa Graves

Executive Director



Brendan Fischer

General Counsel



Nick Surgey

Research Director