



Exxon Mobil Responses to the Exxpose Exxon Campaign

On July 12, 2005, a coalition of several of the nation's largest environmental and public interest advocacy organizations joined together to launch the Exxpose Exxon campaign (www.ExxposeExxon.com) in order to focus the spotlight on ExxonMobil's backward positions on global warming, preservation of the Arctic National Wildlife Refuge, renewable energy, and energy independence. ExxonMobil issued a formal response to the campaign immediately following the event.¹ Below are Exxpose Exxon's responses to ExxonMobil's claims.

Arctic National Wildlife Refuge

EXXON: We believe that with more than 30 years of industry experience on Alaska's North Slope and with recent technological advancements, ANWR can be developed with little threat to the ecology of the Coastal Plain.

Our Response: Oil drilling is a dirty business that has no place in a pristine wilderness area like the Arctic National Wildlife Refuge. One only has to look at the experience in the Kenai National Wildlife Refuge for evidence. The industrialization of portions of this refuge for oil development has fragmented and degraded bird and wildlife habitats. Industrial oil development of the refuge has included nearly 200 wells within three oil and gas fields that total 30 square miles; 46 miles of oil and gas feeder pipelines across refuge lands outside of designated oil and gas fields; a 3,500 foot airstrip; 44 miles of roads; more than 60 individual well pads; two solid waste disposal sites; two active gravel pits; and support facilities. Over the past 40 years, more than 270,000 gallons of oil, produced water and other contaminants have been released into the wildlife refuge as a result of the more than 350 spills, explosions and other contamination events caused by oil and gas activities.²

EXXON: Nevertheless, since energy sources are critically important to energy security and to support US economic growth, development of this area could contribute to domestic oil production and to a reduction of US dependence on foreign oil for many years.

Our Response: This is a huge exaggeration. According to a 2004 Energy Information Administration report entitled *Analysis of Oil and Gas Production in the Arctic National Wildlife Refuge*,³ in 2015, oil from the Arctic Refuge would only reduce imports a tiny amount from 63 percent of our supply to 62 percent. Production would not peak until 2025, providing only 0.7 percent of world oil production that year. Even at the peak of production in 2025, Arctic Refuge oil would never meet more than three percent of U.S. oil needs and only would reduce oil imports from a projected 70 percent of our total oil supply to 66 percent. Production would decrease thereafter.

¹ ExxonMobil, "Response to Boycott Call," July 12, 2005, available at http://exxonmobil.com/corporate/Newsroom/NewsReleases/Corp_NR_response_071205.asp.

² Defenders of Wildlife and Audubon Society, *Toxic Tundra*, <http://www.defenders.org/habitat/toxictundra.pdf>.

³ Energy Information Administration, *Analysis of Oil and Gas Production in the Arctic National Wildlife Refuge*, SR/OIAF/2004-04, March 2004, available at [http://www.eia.doe.gov/oiaf/servicerpt/ogp/pdf/sroiaf\(2004\)04.pdf](http://www.eia.doe.gov/oiaf/servicerpt/ogp/pdf/sroiaf(2004)04.pdf).

Global Warming Research and Actions

EXXON: ExxonMobil recognizes the risk of climate change and its potential impact on societies and ecosystems, and we continue to take actions and work with others to address that risk.

Our Response: The company claims that it recognizes the risks associated with global warming, but it still refuses to acknowledge the role humans and the burning of fossil fuels plays in causing global warming. In 2004, the company published several opinion pieces calling for additional research to address alleged uncertainties in global warming science that “limit our current ability to know the extent to which humans are affecting climate and to predict future changes caused by both human and natural forces.”⁴ In June 2005, then-CEO Lee Raymond told the *Wall Street Journal* that it is his view that “it’s yet to be shown how much of this is really related to the activities of man.”⁵ CEO Rex Tillerson reiterated that sentiment again to the *The New York Times* in March 2006.⁶

EXXON: Relative to 1999, our energy saving initiatives have had a greenhouse gas effect equivalent to removing over 1 million US cars from the road.

Our Response: Although ExxonMobil has taken small steps to reduce global warming pollution from its facilities, the company continues to fight mandatory cuts in global warming pollution from all sources, including cars and SUVs. The small emissions reductions at its facilities are far outweighed by the company’s work to undermine international efforts to cut global warming pollution and its funding of quasi-research to create the perception that there is anything less than a scientific consensus on the causes of and solutions to global warming.

EXXON: Regarding funding research, ExxonMobil is a leader in the private sector when it comes to funding climate research programs at top research institutions such as the Massachusetts Institute of Technology, Carnegie-Mellon University, Bermuda Biological Station for Research, Stanford Energy Modeling Forum, the International Energy Agency Greenhouse Gas Research and Development Program, Princeton University, Lamont-Doherty Earth Observatory and the Hadley Centre for Climate Prediction.

Our Response: ExxonMobil is talking out of both sides of its mouth. On the one hand, the company is touting its global warming research. On the other hand, between 1998 and 2004, ExxonMobil gave more than \$15 million to organizations working to influence global warming policy.⁷ Many of the recipients of funding earmarked for work on global warming are members of the Cooler Heads Coalition, formed in 1997 “to dispel the myths of global warming by exposing flawed economic, scientific, and risk analysis.”⁸ ExxonMobil has leveraged this relatively small amount of money to create a cadre of think tanks and quasi-media outlets to help generate an echo effect, where often baseless attacks on global warming science create the appearance of scientific controversy.

⁴ ExxonMobil, “Directions for climate research,” February 5, 2004, at <http://www2.exxonmobil.com/corporate/files/corporate/050204.pdf>; see also ExxonMobil, “Weather and climate,” January 21, 2004, at <http://www.exxonmobil.com/corporate/files/corporate/220104.pdf>.

⁵ Jeffrey Ball, “Exxon Chief Makes A Cold Calculation On Global Warming,” *Wall Street Journal*, June 14, 2005.

⁶ Jad Mouawad “The New Face of an Oil Giant,” *The New York Times*, March 30, 2006.

⁷ Greenpeace, “Exxon Money 2004 Key Facts,” fact sheet, accessed June 30, 2005 at <http://usaphoto.greenpeace.org/exxonmobil-secrets/exxon%20money%202004%20key%20facts.doc>.

⁸ The Cooler Heads Coalition, <http://www.globalwarming.org/article.php?uid=562>, accessed June 12, 2005.

Moreover, not all of the research institutions held up as examples of ExxonMobil's commitment to addressing global warming actually are dedicated to solving the global warming problem. The Bermuda Biological Station for Research's Risk Prediction Initiative, for example, focuses on assessing and estimating the probability of future hazards and catastrophes caused by global warming—not trying to stop the catastrophes from happening.⁹ The Stanford Modeling Forum, as another example, focuses solely on comparing different energy models and improving energy and environmental analysis in private and public decision making—not cutting global warming pollution.¹⁰

Investment in 'Clean' Energy Solutions

EXXON: In 2002, we announced an investment of \$100 million over 10 years in Stanford University's Global Climate and Energy Project (GCEP). ExxonMobil's investment is the largest ever investment in independent climate and energy research.

Our Response: GCEP's research is focused on making fossil fuels burn cleaner and dealing with carbon after it has been released, which are useful endeavors but do little to advance renewable energy technologies and significantly cut global warming pollution *before* it is released. In addition, the technology developed may not be available for commercial application for at least a decade. GCEP also has no quantifiable goals in terms of reducing global warming pollution and includes no guarantee that ExxonMobil or any of the sponsoring companies will apply the technologies developed.

The company is quick to note the size of its contribution to Stanford. To put ExxonMobil's financial contribution in perspective:

- The company's \$100 million pledge represents just two days of its 2004 profits and is dwarfed by ExxonMobil's annual expenditures for oil and gas exploration, totaling more than \$1 billion in 2004 alone.¹¹
- ExxonMobil CEO Lee Raymond made almost four times as much in salary and exercised stock options in 2004 as the company gave to GCEP that year (\$38 million).¹²
- Shell has spent about \$1.5 billion since 1999 building a business in renewable energy, mostly solar and wind power.¹³ BP has spent about \$500 million on solar since 2000 and about \$30 million on wind over the past three years.¹⁴

Exxon Valdez

EXXON: With regard to the Valdez punitive damages, the award has twice been thrown out by the Ninth Circuit Court of Appeals, which is a strong indication that there is a sound basis to ExxonMobil's arguments that the amount of punitive damages is excessive.

⁹ Bermuda Biological Station for Research, Risk Prediction Initiative, <http://www.bbsr.edu/rpi/>.

¹⁰ Stanford University, Energy Modeling Forum, <http://www.stanford.edu/group/EMF/home/index.htm>.

¹¹ ExxonMobil, 2004 Summary Statement of Income, accessed July 4, 2005 at http://www.exxonmobil.com/corporate/files/corporate/AR_2004_statementincome.pdf.

¹² "Exxon CEO's 2004 paycheck: \$38 million," *Associated Press*, April 14, 2005.

¹³ Jeffrey Ball, "Exxon Chief Makes A Cold Calculation On Global Warming," *Wall Street Journal*, June 14, 2005.

¹⁴ Jeffrey Ball, "Exxon Chief Makes A Cold Calculation On Global Warming," *Wall Street Journal*, June 14, 2005.

Our Response: Legalistic arguments aside, the *Exxon Valdez* oil spill has had a lingering effect on the economy, environment and quality of life in Prince William Sound. In 2002, the *Exxon Valdez* Trustee Council (formed to oversee restoration of the injured ecosystem) reported that populations of six different animals—the common loon, cormorants (three species), harbor seal, harlequin duck, pacific herring, and pigeon guillemot—had shown little or no improvement since the spill injuries occurred. In addition, the Council concluded that as of 2002 “residents, fishermen, and the tourism/recreation industry have not fully recovered” from the oil spill.¹⁵ The punitive damages amount to only five percent of ExxonMobil’s net income since 2000.¹⁶

Political Contributions

EXXON: The sponsors of the boycott say that ExxonMobil is a major contributor to presidential campaigns and that their own efforts to lobby in Washington are dwarfed by the money we contribute to political candidates. The facts simply do not support their claims. Firstly, Exxon Mobil Corporation did not contribute to any federal candidate according to applicable law. It is interesting however, that in the last election cycle the ExxonMobil Political Action Committee (PAC) ranked #204 (\$861,000) in contributions to political candidates, while two of the boycott's leading sponsors contributed more. According to PoliticalMoneyLine.com, The Sierra Club PAC ranked above the ExxonMobil PAC at #199 (\$882,000) and the MoveOn.org PAC ranked #4 overall with political contributions in excess of \$30 million.

Our Response: First, ExxonMobil’s figures are inaccurate. According to the Center for Responsive Politics, ExxonMobil PAC gave approximately \$728,000 to federal candidates in 2004 (\$861,000 is the total the PAC spent in that election cycle). MoveOn.org Political Action only gave \$203,000 to federal candidates in 2004, with the bulk of its spending going to other activities.¹⁷

Secondly, MoveOn.org Political Action’s active participation in the 2004 elections demonstrates the breadth of support for the organization and its mission. MoveOn.org Political Action is mostly funded by people who give less than \$100 – folks who don’t have a lot of money but want to see a change. Through 2004, MoveOn.org Political Action raised approximately \$11 million for 81 candidates from more than 300,000 donors.¹⁸

Moreover, PAC money is just part of the story, even though ExxonMobil PAC and ExxonMobil employees gave more to federal candidates and parties than any other oil company in the 2004 election cycle.¹⁹ Since 2000, the company has spent almost \$37 million on lobbyists to push its agenda on Capitol Hill, including \$7.7 million in 2004 alone.²⁰ Since 1998, this company has hired 13 firms to lobby the federal government on its behalf. It has employed 105 lobbyists itself or through a firm since 1998, of whom 27 formerly worked for Congress or the federal government.²¹

¹⁵ *Exxon Valdez* Oil Spill Trustee Council, *Exxon Valdez Oil Spill Restoration Plan, Update on Injured Resources and Services*, August 2002, accessed July 5, 2005 at <http://www.evostc.state.ak.us/pdf/restoration/injupdate02.pdf>.

¹⁶ Total net income since 2000 obtained from ExxonMobil, “2004 Financial and Operating Review,” accessed July 14, 2005 at http://www2.exxonmobil.com/corporate/Newsroom/Publications/Corp_P_FO2004.asp.

¹⁷ Center for Responsive Politics, accessed July 14, 2005 at <http://www.opensecrets.org/pacs/index.asp>.

¹⁸ MoveOn.org Political Action, accessed July 14, 2005 at <http://www.moveon.org/about.html#political>.

¹⁹ Center for Responsive Politics, “Oil & Gas: Top Contributors to Federal Candidates and Parties,” accessed July 14, 2005 at <http://www.opensecrets.org/industries/contrib.asp?Ind=E01&Cycle=2004>.

²⁰ Senate Office of Public Records, <http://sopr.senate.gov/>, accessed June 12, 2005.

²¹ Center for Public Integrity, Lobby Watch, ExxonMobil Corp., at <http://www.publicintegrity.org/lobby/profile.aspx?act=clients&year=2003&cl=L001656&sub=1>. Accessed April 18, 2005.