U.S. Corporations Quit Climate-change Lobby

Three major U.S. corporations have withdrawn from a highly influential climate-change lobbying group, and political pundits say their departure sounds the death-knell for cap-and-trade legislation in the Senate.

Over the past two weeks, two oil companies, BP America and ConocoPhillips, and Caterpillar, Inc., a large equipment manufacturer, dropped out of the U.S. Climate Action Partnership (US CAP), one of the strongest advocates of cap-and-trade legislation on Capitol Hill. Withdrawal of the three corporate giants reduces US CAP membership to 28.

ConocoPhillips chairman and CEO, Jim Mulva, explained his company's decision, stating, "House climate legislation and Senate proposals to date have disadvantaged the transportation sector and its consumers, left domestic refineries unfairly penalized versus international competition, and ignored the critical role that natural gas can play in reducing GHG [green-house gas] emissions." The company says it plans to focus its energies on expanding natural-gas production and ensuring legislation does not disadvantage domestic refineries or cost U.S. jobs.

A spokesman for BP America echoed Mulva's criticism. In an interview with the *Washington Post*, Ronnie Chappell said US CAP had accomplished its purpose of establishing a blueprint for climate-change legislation, and it was time for his company to move on. Cappell explained, "We don't think legislation pending in the House or Senate conforms with that blueprint. A disproportionate share of the cost burden falls on the transportation sector and consumers." He predicted current Senate proposals, if passed, will cause refineries to close, thereby increasing U.S. dependence on imports and driving up unemployment rates.

Kate Kenny, a spokesman for Caterpillar, indicated her company's disapproval of cap and trade, as reported by the *Los Angeles Times*. Kenny said Caterpillar remains committed to "policies that do not place the U.S. at a competitive disadvantage to others." She pointed out the company is involved in FutureGen Industrial Alliance, Inc. and its goal to open a coal-fired, low-emissions power plant in Illinois.

Some climate-change skeptic groups, such as Western Tradition Partnership, view these companies' US CAP withdrawal as a sign the "global warming consensus" is breaking up. However, despite their cap-and-trade criticisms, all three corporations declare commitment to reducing so-called greenhouse gas emissions and to promoting federal legislation toward that end. So what prompted them to drop out?

"They pulled out when it became clear that they were not going to get rich off the backs of American consumers if the cap-and-trade bill enacted is anything like the specific bills being considered in Congress." So claims Myron Ebell in a Fox News editorial. He makes the case that current legislation would cause energy prices to skyrocket, but profits will fill the pockets of utilities, not oil companies. As for Caterpillar, Ebell says the coal-mining-equipment manufacturer "must have been asleep when they joined US CAP." Yet according to him companies like these "still hope to make money off the ‘right’ sort of policies to raise energy prices."

In other words, these corporations are up to the same lobbying efforts that spawned the federal bureaucratic labyrinth in the first place. Yet now that it is in place — complete with the Environmental Protection Agency — it may be too late for these companies to cut their losses. In December EPA announced an endangerment finding declaring carbon dioxide and other so-called greenhouse gases a danger to public health, and it plans to regulate "in a command-and-control way" under the Clean Air Act.