



ExxonMobil and Climate Change: A Story of Denial, Delay, and Delusion, Told in Forms 10-K (2009-2015)

September 8, 2016

Earlier this year, CSPW posted the first two parts of this series. This third part of three installments addresses whether or how the Exxon Mobil Corporation has disclosed risks associated with climate change to its shareholders and the public through its 10-K filings to the Securities and Exchange Commission (SEC) from 2009 through 2015. (**Part One** covers the period of time from 1993 – 2000, coinciding with the Clinton-Gore administration; **Part Two** covers 2000 – 2008, coinciding with the Bush-Cheney administration). Part Three (A) covers the latter part of 2008 and 2009; Part Three (B), to be posted shortly, covers 2010 – 2015.) 10-K reports filed before 1993 would also be useful to analyze – especially in light of recent revelations that this company engaged in a robust carbon dioxide research program in the 1970s and corporate scientists warned their bosses of the climate change threat decades ago – but are unavailable online; we are in the process of locating archived copies.

This tedious but insightful exercise is part of a CSPW investigation that parallels important ongoing criminal investigations being conducted by several state attorneys general; and a growing body of reports by universities, investigative journalists, not-for-profit organizations, and others addressing Exxon's internal understanding of the threats to its own operations and profitability relating to a host of global warming impacts now worsening, relative to how it has communicated these threats to its investors and the public over time. If it can be proved that the corporate leadership at Exxon, which merged with the Mobil Corporation in 1998 to become ExxonMobil, committed fraud by deliberately deceiving shareholders and failing to properly disclose risk factors that would materially compromise stock value, then corporate leadership should be held accountable and justice sought. It's that simple.

ExxonMobil and its apologists, including some elected officials and groups that have accepted money from the corporation, posit these legitimate inquiries as infringements on First Amendment rights to free speech. This assertion is contrived and a deliberate distraction

intended to avert attention away from the corporation's alleged culpability. New York Attorney General Eric Schneiderman, conducting a robust investigation into ExxonMobil, **says it right**: "The First Amendment doesn't give you the right to commit fraud." Moreover, infringing on free speech, namely, the accurate communication to Congress and the public of findings in scientific reports warning about climate change impacts, has been one of ExxonMobil's specialties. The role of the fossil fuel industry in general, and ExxonMobil in particular, in the Bush-Cheney White House suppression of the first comprehensive national assessment of climate change impacts produced in 2000 – in a clear attempt to prevent the American people from connecting fossil energy consumption with hardships like droughts, floods, sea level rise and a host of other harmful consequences of human-caused global warming – has been extensively covered by this organization and others.

We pick up where Part Two of this series left off at the end of 2008 with a statement made by President-elect Barack Obama: "All three of us are in agreement that the time for delay is over, the time for denial is over," referring to himself, Vice President-elect Joe Biden, and former Vice President Al Gore. "We all believe what the scientists have been telling us for years now, that this is a matter of urgency and of national security, and it has to be dealt with in a serious way," he continued, then declared: "That is what I intend my administration to do." At the time, Climate Science Watch **editorialized** that "he needs to say why" and responded to Obama's additional comments about "redesign[ing] how we use energy" by increasing efficiency and boosting our energy independence "even as we are saving the planet":

Without a thorough accounting of what is in store for us under a set of climate conditions foreign to anything humans have ever experienced, the political motivation and public support for taking the steps needed to both prepare for a wide-ranging and highly disruptive set of impacts and convert to a low-carbon economy is likely to dissipate. At the level of effort needed to rise to the challenge, it seems to us likely that the support just won't be there—unless people are very clear about why the changes are needed and about the consequences of inaction.

Saying why we need a low-carbon energy future, with all the fundamental changes it entails – including decreasing our consumption of the products the fossil fuel industries sell – was something the Bush-Cheney White House was loathe to do, and something the Obama-Biden White House has done fairly well. President Obama campaigned on clean energy and climate change; these were strong elements of his platform.

At its annual shareholders meeting in the spring of 2008, several resolutions were offered proposing that ExxonMobil should begin taking initial steps to address climate change. (Shareholders **began offering** such resolutions in 1990, and year after year, all have been voted down). In 2008, **Neva Rockefeller Goodwin**, a Tufts University economist and great granddaughter of the oil company's founder John D. Rockefeller, held a **press conference** to express concern about the company's attitudes toward climate change and to announce they were backing several climate resolutions. One of these, asking for targets to be set for greenhouse gas emissions reductions at ExxonMobil facilities, won nearly a third of the shareholder vote.

One might deduce that the Exxon Mobil Corporation would react to these developments by adding new language addressing the climate threat to its 2008 reporting to the Securities and Exchange Commission. One would be mistaken: the failure of ExxonMobil to describe or even mention risks associated with climate change in its **Form 10-K for FY 2008** seems out of touch

with reality. The report simply carries forward the language used in its 2006 and 2007 10-K forms, noting that “weather, including seasonal patterns that affect regional energy demand (such as the demand for heating oil or gas in winter) as well as severe weather events (such as hurricanes) that can disrupt supplies or interrupt the operation of ExxonMobil facilities.” However, linking this “severe weather” that could disrupt operations with global warming was not something this corporation was willing to do, even though it was willing to acknowledge “laws and regulations related to environmental or energy security matters, including those addressing alternative energy sources and the risks of global climate change” as political and legal risk factors. If the U.S. or other nations with oil resources were to adopt policies to address climate change, this was bad for the bottom line, ExxonMobil was telling its shareholders, even though many of those shareholders took issue with this notion. Also missing from the 2008 10-K was any acknowledgment that the motivation for adopting public policies addressing climate change is to avoid or improve resiliency to climate change impacts.

2009: An apparent shift in corporate attitude took place in 2009 at ExxonMobil. Most notably, CEO Rex Tillerson, who had taken the helm in 2006, announced that he supported a Congressionally-mandated tax on carbon dioxide emissions. In the past, CEO Lee Raymond and, to a lesser extent, Tillerson as well, had dismissed the very science of climate change. Articles in the *Wall Street Journal* and *The Guardian* reported that, in a January speech delivered in Washington, D.C., Tillerson characterized a carbon tax as a “more direct, a more transparent and a more effective approach” to reducing carbon dioxide and other greenhouse gases than other policy options being considered, namely, an elaborate cap-and-trade approach that was the centerpiece of a major climate bill being considered in Congress. “My greatest concern is that policy makers will attempt to mandate or ordain solutions that are doomed to fail,” Tillerson said.

Politically-savvy policy analysts saw ExxonMobil’s position as fundamentally dishonest; for example, Daniel Weiss, a fellow at the Center for American Progress, is quoted in the *WSJ* article: “Calling for a carbon tax could be a ploy because few observers believe such a tax is politically feasible in our Congress.” He was right – a tax on carbon was widely rejected in Congress during this period, in fact, anyone supporting a tax increase – on anything for any reason – was immediately a pariah. **Grover Norquist**, founder of Americans for Tax Reform, had convinced all but a handful of mostly Republican Members of Congress to sign his “taxpayer protection pledge” to vote against any tax or tax increase whatsoever. A cap-and-trade regime for reducing carbon dioxide emissions was popular, and the climate proposal featuring it – the so-called Waxman-Markey bill – was moving through Congress. (A similar bill had died in the previous Congress, “America’s Climate Security Act of 2007,” also known as the Warner-Lieberman Act, which provided for a cap-and-trade system to reduce overall carbon emissions by 63 percent by the year 2050). ExxonMobil leadership was afraid the Waxman-Markey bill would pass, so the logic goes, so they came out in favor of an alternate policy option it knew wouldn’t be adopted. Their motive was murky and questioned by many.

One could just as easily take Tillerson at face value when, about a month later, in a **speech delivered at Stanford University**, he said, “Pricing carbon through a direct and transparent tax could incentivize the search for lower-emissions energy solutions while also providing the stability and predictability industrial companies need to make long-term, capital-intensive investments in equipment and research.” The steady predictability that accompanies a carbon tax

has been cited by other carbon-emitters as a preferred alternative to cap-and-trade or other regulation that has less certainty or consistency. Tillerson **reiterated his support** for a carbon tax later, in October 2009.

2009 was a big year for climate change legislation in the U.S. Congress, and the environmental community had high hopes that the Waxman-Markey bill (formally known as the **American Clean Energy and Security Act**, or H.R. 2454) would pass both houses and be signed into law. A direct tax on carbon emissions was not in the bill; rather, the bill required stepwise reductions of greenhouse gas emissions (from 2005 base levels) leading to an 83 percent reduction by 2050 using a cap-and-trade regime. It also included a wide variety of provisions that can be characterized as “adaptation” measures to deal with climate impacts. H.R. 2454 passed the House by a narrow vote of 219-212 in June, but died in the Senate before being sent to the Senate floor. Lobbying, both for and against the bill as a whole and specific components thereof, was intense and frenetic. Nearly 900 businesses and interest groups were registered to lobby on climate change issues in the first quarter of 2009, **it was reported**, and “hundreds of lobbyists” crammed into the Congressional hearing room on May 21 as the bill was brought up for a committee vote. Dead set on defeating proposals such as Waxman-Markey or any plan to add new taxes on oil drilling and transition the nation away from fossil fuels, oil and gas companies **ramped up spending on lobbying faster than any other industry in 2009**, shelling out more than \$44 million in the first quarter.

Some but not all of the oil majors were opposed to the bill, even though it primarily targeted coal-fired power plants, as a price on carbon would also raise prices for natural gas used to generate electricity. ExxonMobil’s **Form 10-K for FY 2009** reflects corporate worry over the distinct possibility of a comprehensive climate change law in a brand new, full paragraph not seen in previous 10-K reports. The paragraph does not address the dangers of climate impacts, *per se*, but focuses exclusively on the dangers of ***regulating*** greenhouse gas emissions, here in the U.S. and abroad:

Climate change and greenhouse gas restrictions. Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These include adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. These requirements could make our products more expensive and reduce demand for hydrocarbons, as well as shifting hydrocarbon demand toward relatively lower-carbon sources such as natural gas. Current and pending greenhouse gas regulations may also increase our compliance costs, such as for monitoring or sequestering emissions.

One of the most pitiful, yet oddly humorous, discoveries in 2009 relating to the prospect of a comprehensive energy bill occurred in August when a leaked memo made its way out of the hands of Jack Gerard, head of the American Petroleum Institute, and into the hands of Greenpeace USA. The memo, which **made national news**, outlined plans for a fake grassroots campaigns similar to those designed to stop national health care legislation: vested interests were tasking volunteers to crash town hall meetings, dubbed “Astroturf campaigns.” Gerard was reaching out to API’s dues-paying members, ExxonMobil included, to recruit employees and their associates to speak out against the Waxman-Markey bill (or any federal climate legislation) at the state and local level all over the nation, and essentially drown out legitimate communications between Members of Congress and their constituents. Marked sensitive, the

memo cautioned recipients that “we don’t want critics to know our game plan.” Greenpeace sent a letter to Gerard requesting verification of the memo, beginning with a jab: “Game plan known.”

Tillerson occasionally gives lip service to the need to cut greenhouse gas emissions. In addition to publicly coming out in favor of a carbon tax, another shift in Exxon’s tone and tenor was evident in statements made by Tillerson at a March 5, 2009 Analyst Meeting at the New York Stock Exchange. Tillerson bragged about corporate-wide gains in energy efficiency and cogeneration; he reported to participants that “[a]ctions like these taken since 2005 resulted in reductions in greenhouse gas emissions of more than 7 million tonnes [metric tons] in the year 2008” and noted that this amount is “equivalent to taking 1.4 million cars off the roads in the United States.” Then came the flowery statements we sometimes hear from major polluters: “In our current operations and in the development of projects for the future, we are working to Protect Tomorrow. Today.” During the Q&A session, one energy analyst asked a two-part question: “Is it possible, given the change of the world’s attitude towards the carbon dioxide or the cap and trade seems like it’s going to get implemented in this country, that the development of the alternative energy source will be far faster than what you currently assume in your base plan? And from a risk management standpoint, does it make sense for you to perhaps deviate from the past, start making some investments, get a foothold in the alternative energy more aggressively than what you previously have been?” Tillerson’s response was the tried-and-true cliché typical of executives in fossil-based industries: the percentage of energy coming from renewable energy is very small, just 0.5 percent Tillerson noted, and even a doubling as called for by President Obama still leaves a starting point of “a very low base.” He drove home the point: “Your ability to ramp that up — you’re talking about enormous, enormous manufacturing capacity that is not there today; and enormous installation and execution capacity that’s not there today; and an enormous conversion of the consumption of the energy which is not there today.”

Later that month, referring to a speech President Obama had made promoting his plan to double reliance on renewable energy, Tillerson repeated a favorite line: oil and gas will continue to supply about 60 percent of the world’s energy needs. “Let’s be realistic,” he said, adding “Let’s don’t fool ourselves.” (Of course, one of the reasons renewable energy struggles for market share is an uneven playing field in the U.S. marketplace; government subsidies and the tax code rig the system and make it difficult for competing technologies, such as renewable energy-powered electric vehicles, to penetrate the market. Recall, ExxonMobil lists the success of “alternative energy” as a risk factor in its 10-K forms, year after year, and occasionally even lobbies against policies promoting renewables).

Tillerson made an odd comment at the same Analyst Meeting regarding existing federal tax subsidies (also known as market incentives intended to level the playing field) for renewable energy such as solar and wind:

If I wanted to kill [tax subsidies], the thing to do is for Exxon Mobil to go and invest heavily in them and then Congress would immediately cancel the tax subsidy. Actually what they would do is they would just cancel it for us. In reality, that is what I fear would happen. So we are not going to go into investments that are dependent on a government providing a tax system to make them viable.

Various interpretations of this theory of Tillerson's can be found in news articles and editorials following the meeting for energy analysts: some called it genius, others couched it as twisted rationalization for turning his company's back on the need to reduce its carbon intensity, still others threw their hands up in confusion.

Besides, Tillerson was more interested in natural gas in 2009. For example, ExxonMobil had entered into a joint venture with ConocoPhillips and Qatar Petroleum to build "Golden Pass," one of the world's largest **liquefied natural gas (LNG) terminals** in Sabine Pass, Texas, located on the coast near the Louisiana state line. The facility had been under construction for several years when Hurricane Ike made landfall on the Texas coast in September 2008, causing a storm surge and flooding in the area. Much of the massive facility was inundated. ExxonMobil kept the damage a secret; the **first reports** about the flooding and resulting delays in the facility's scheduled startup didn't come out until December, three months later. When queried by reporters, the Exxon spokesperson would not provide cost estimates for the damage or indicate when the LNG terminal might open beyond the scheduled mid-2009 commissioning. More details were revealed by the Federal Energy Regulatory Commission (FERC), which has jurisdiction over LNG terminals, and reported that the facility was swamped by 14 feet of seawater. Unfortunately, a 16-foot sea wall that might have protected the facility against such an extreme weather event was still under construction when Ike made landfall. Just assessing the damage took months. Repairs occurred all throughout 2009, and completion of construction was delayed by a full year; the first shipment of LNG arrived in October 2010. The Golden Pass pipeline, delivering LNG to U.S. markets from the terminal, stretches 70 miles across Texas into Louisiana, and is also vulnerable to future storms.

ExxonMobil's **Form 10-K for FY 2009** – its annual report mandated to address risks to corporate operations and the bottom line – was silent on the damage to the Golden Pass LNG terminal from Hurricane Ike. The exact language in the report is in two lines: "Construction of the Golden Pass LNG regasification terminal in Texas continued in 2009" and "the terminal will have the capacity to deliver up to two billion cubic feet of gas per day." One wonders that if ExxonMobil viewed the damage as a 100% "natural" disaster, it might have discussed the facility's demonstrated vulnerability to hurricanes and storm surges. But since these hazards are widely known to be exacerbated by sea level rise occurring in real time, it's likely ExxonMobil management decided it was best to gloss over the problem.

Golden Pass isn't the only ExxonMobil facility at risk: the corporation also faces serious vulnerabilities to sea level rise and storm surges at its refineries in Baytown and Beaumont, Texas. Mapping tools for gauging the effect of rising oceans developed at NOAA can be used to demonstrate the relative vulnerabilities; **a study conducted by EnergyWire** in 2008 using these tools revealed that "Exxon risks seem higher than those of neighboring refineries on the Gulf Coast." *EnergyWire* also reported that "NOAA data show that the water is rising faster on the Texas coastline than in other parts of the country – 2.08 feet in the last century at Galveston, which is about 30 miles from the Baytown refinery, and 1.78 feet at Sabine Pass, about 25 miles downriver from the Beaumont refinery." So, refineries are at risk, but so are the areas that surround them, as a damaged refinery can result in releases of enormous volumes of toxic substances and contaminate large areas. The *EnergyWire* article also noted that these low-lying coastal refineries fail to report the potentially devastating impact to operations from climate change in filings with the SEC. "It was shocking to see just how little companies disclosed about

these risks,” of the Union of Concerned Scientists (UCS), who had also recently conducted a study of vulnerabilities related to sea level rise faced by coastal refineries and other industrial facilities.

In March 2009, Rex Tillerson traveled to Doha, Qatar, to attend an annual natural gas conference and **to sing Qatar’s praises**. In a speech to participants, he made the kind of statement that quickly unnerves all those who recognize the urgent need to ratchet down the carbon-intensity of our energy base, and who therefore reject ramping up reliance on natural gas as a silver-bullet solution to the threat of global climate disruption. The irony of a coastal LNG terminal getting slammed by rising seas and storm surges was evidently completely lost on Tillerson who addressed his audience this way: “To meet energy demands and mitigate greenhouse gas emissions, we must develop and deliver greater supplies of natural gas to markets worldwide.” The argument that natural gas can serve as a bridge to low-carbon energy sources fails, in part, because the investment in natural gas infrastructure – such as tanks and pipelines – creates a long-term need to utilize this infrastructure, which is not suitable to renewable energy production, transportation, use, or storage.

Meanwhile, the “global warming denial machine” that the coal, oil, and gas industries built and cranked up in the late 1980s and 1990s was still humming along smoothly in 2009, greased by a steady stream of donations to “think tanks” and other groups vested in the business of convincing the American people that climate change either wasn’t real at all, or that it was real but uncertain and in the distant future, or that it was a problem among many other more pressing problems and had solutions that were either impossible or too expensive to pursue.

Here is one example: Just as the Obama White House was planning a major summit for April that would bring in world leaders to hammer out a post-Kyoto United Nations agreement on reducing global greenhouse gas emissions, the Cato Institute (a libertarian think tank) went out and got over 100 scientists (many of whom were not climate scientists) to sign a full-page advertisement that ran in four major newspapers taking issue with a statement President-elect Obama had made in November 2008: “Few challenges facing America and the world are more urgent than combating climate change. The science is beyond dispute and the facts are clear.” “Untrue, untrue” was their outcry, claiming Obama’s characterization of the level of certainty in the science was “simply incorrect.” Our new president had gotten it all wrong, was the message, and so, apparently, had the IPCC and the vast majority of actual climate scientists worldwide.

In response, the director of the Center for Media and Democracy, Sheldon Rampton, **cautioned** that “the practice of collecting scientists and putting them in ads should not be viewed as reflecting mainstream views of the scientific community” and stated the obvious: “[T]his should be viewed as a statement by the Cato Institute, who are initiating it, directing it and paying for it” – not by the scientists themselves. Credit also goes to **Politifact** for swiftly debunking the ad, and offering up wise advice from a respected meteorologist at NOAA: “The problem with the assertion in the Cato statement is that it is impossible to make meaningful conclusions about climate trends based on looking at a 10-year window.”

Another respected scientist at NASA quoted by Politifact delivered a line good enough for stand-up comedy: “What if I said that there had been no global warming for an hour? You would rightly tell me that this was too short a period for it to be meaningful.” Of course! Ascertaining a long-term trend (climate) for a phenomenon that has inherent natural variability (weather) is one

of the basic tenets of climate science that, apparently, a lot of “climate deniers” like to forget. The **Cato Institute** has accepted significant donations from ExxonMobil and has strong ties to the Koch family.

Another newsworthy development in the climate denial world for 2009 was the departure of Marc Morano from the office of Senator James Inhofe (R-OK), and his **startup of a new venture and a brand new website**, ClimateDepot.com. (The site is still fully operational and chock-full of sensational misinformation and propaganda). A former executive producer for CNN, Peter Dykstra, has **aptly called Morano** the “drum major of the denial parade.”

Nonetheless, pressure exerted on ExxonMobil to meaningfully address climate change continued to mount. The same Rockefellers who backed climate-related resolutions at the 2008 Annual Shareholders Meeting **backed similar resolutions at the May 2009 meeting**. The same tired dance was repeated: Rex reminded everyone, for the umpteenth time, that fossil fuels meet nearly two-thirds of world energy demand and will continue to do so until 2030 or so, and shareholders present and voting at the meeting defeated each of the climate resolutions offered.

Large ships cannot turn on a dime, the saying goes. Small changes continued to become evident. For example, despite a 2006 promise not to fund so-called “skeptics” or “climate denial” organizations any longer, ExxonMobil continued to write checks to organizations engaged in this behavior. A **July 2009 article** reports that the corporation gave \$50,000 to The Heritage Foundation and \$245,000 to the American Enterprise Institute in 2008, but did cut off funding to two more controversial groups, Frontiers of Freedom, and the George C. Marshall Institute. It also provided contributions to some environmental organizations, such as the Alliance to Save Energy and the Center for Clean Air Policy.

ExxonMobil also **made the news** in July 2009 when it joined up with a biotech company, Synthetic Genomics, in an R&D joint venture to come up with next-generation biofuels, produced photosynthetically by algae from sunlight, water, and waste carbon dioxide. An ExxonMobil VP for R&D expressed optimism and hope that the venture could “produce hydrocarbons that look like today’s refinery products, that can go into a refinery to be processed along with other petroleum streams and then used in the transportation fleet or even jet fuel. And we think we’ve got a good chance of doing that.” ExxonMobil reportedly invested \$600 million into the project, expected to last five or six years. (The idea for bioengineered algae as an energy source **first developed** at the U.S. Department of Energy under President Carter.)

In November, anonymous hackers **broke into email accounts** at the University of East Anglia’s Climatic Research Unit (CRU) in England, and emails were posted on the internet without permission. The climate denier-sphere immediately launched a hyperactive smear campaign, inspired in large part by an email exchange between CRU director Phil Jones and American professor Michael Mann that included technical jargon referring to applying a “trick” to data series “to hide [temperature] declines.” The phraseology is scientist-speak for a legitimate practice of rendering large data sets more accurate, and doesn’t have anything to do with the more conventional definition of the word “trick” or manipulating data inappropriately. The illegal exposure of these communications, some private, went viral and took on the name “ClimateGate.” Climate science deniers and more conservative newspapers like **the Wall Street Journal** have had a field day with this. Even now, every now and then, someone else brings up ClimateGate to try and disparage the climate science community. Neither ExxonMobil nor any

of the groups it was funding then have spoken out against the ClimateGate attack on the victims, internationally respected climate scientists. The hackers have still not been identified.

In mid-December, the U.S. EPA signed and released **two important findings** that served as the basis for developing regulation of GHGs under the Clean Air Act: 1) that carbon dioxide and five other GHGs “threaten the public health and welfare of current and future generations,” and 2) that combined emissions of these GHGs emitted from new motor vehicles also threaten public health and welfare. The findings are published in the **December 15, 2009 Federal Register**. The so-called “endangerment finding” followed the 2007 Supreme Court decision, *Massachusetts v. EPA*, that determined GHGs are pollutants covered under the Clean Air Act, but only if they are a danger to public health. EPA has since issued a number of proposed rulemakings, including the Clean Power Plan for reducing carbon dioxide emissions from power plants.

International climate negotiations resumed in Copenhagen, Denmark in December 2009. The **Copenhagen Climate Change Conference**, although it was widely attended and well-organized, **largely failed** to meet important objectives; BBC journalist Richard Black **offered up a list of good reasons** explaining why. ExxonMobil’s top climate science advisor Brian Flannery **attended the conference**, representing the International Chamber of Commerce; Flannery has been a contributing author to the IPCC.

Mid-December was also when the Exxon Mobil Corporation **announced its intent to purchase** XTO Energy in a \$41 billion deal, a move **characterized as a “big bet”** designed to accelerate ExxonMobil’s intrusion into global natural gas markets and realize the company’s goal to be the top U.S. natural gas producer. At the time of purchase, Fort Worth-based XTO had become a leading developer of so-called “unconventional” fossil fuel resources, such as shale oil and gas occurring in low-permeability sands that require hydrofracturing, or “fracking,” to extract them.

In sum, 2009 was a year action-packed with important climate change developments – the good, the bad, and the ugly. It was also big year for Rex Tillerson personally and professionally. In November, **Forbes magazine named him** one of the world’s most powerful people (ranking number 22), and in the same month, the **Boy Scouts of America honored him** by inducting him into the Eagle Scout Hall of Fame (Tillerson has a long family history with the Boy Scouts). His **2009 compensation package** was valued at more than \$27 million. By any measure, his success and position attest to a certain level of charisma, talent, and intelligence as well as a strong work ethic. So, why, we wonder, does he not “get” the climate change threat nearly as well as he should, given his evident ability to grasp complex matters? And why, we wonder, does ExxonMobil not apply more of its vast financial resources to solving (not pretending to solve) what amounts to **the biggest challenge** ever faced by humanity, global climate change?

Years 2010 – 2015 will be covered in Part Three (B) – stay tuned!