

Unreliable Sources 3: How the Media Help the Kochs & ExxonMobil Spread Climate Disinformation

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This six-part series, "Unreliable Sources: How the Media Help the Kochs and ExxonMobil Spread Climate Disinformation," documents that the press routinely cites climate contrarian think tanks without reporting their ties to the fossil fuel industry. You can find part 1 [here](#) and part 2 [here](#).

Part 3: Public Interest Groups Exxpose Exxon—Temporarily

Until just a few years ago, ExxonMobil was without a doubt the Daddy Warbucks of climate contrarian philanthropy. While most oil and auto companies stopped funding contrarians by the time the U.N. Intergovernmental Panel on Climate Change (IPCC) issued its 2001 "Third Assessment Report" underscoring the severity of the global warming threat, ExxonMobil opened the spigot.

The oil giant's behind-the-scenes role in underwriting contrarian think tanks, however, went largely unnoticed. When journalists cited these think tanks, they most often labeled them "conservative," "libertarian" or "free market" if they defined them at all, and--more important--they consistently failed to explain that these seemingly independent groups were in essence acting as PR agents for ExxonMobil in particular and the fossil fuel industry writ large.

It took a nudge from public interest groups to get the mainstream press to take a closer look. Although one of the first articles on ExxonMobil's role appeared in the *New York Times* back in May 2003, it was a one-off story. The paper didn't mention the company's funding agenda again until July 2005 when a coalition of a dozen groups launched the Exxpose Exxon campaign to protest the company's attacks on climate science and its support for drilling in Alaska's Arctic National Wildlife Reserve.

Two years later, a January 2007 report by an Exxpose Exxon coalition member, the Union of Concerned Scientists (UCS), pushed the company further into the media spotlight. "Smoke, Mirrors and Hot Air: How ExxonMobil Uses Big Tobacco's Tactics to Manufacture Uncertainty on Climate Science" revealed that between 1998 and 2005, the oil giant had lavished \$16 million on a network of more than 40 anti-regulation think tanks to launder its message. Many of the company's grantees, which together function as a climate disinformation "echo chamber," were veterans of the tobacco industry's war against tighter government regulation in the mid-1990s.

Widely covered by wire services, television networks and leading newspapers, the UCS report drew blood. A week after its release, Rex Tillerson, who took over as ExxonMobil's CEO just a year before, conceded that his company had a PR problem. "We recognize that we need to soften our public image," he said, according to a January 10 story in *Greenwire*, a trade publication. "It is something we are working on."

A month later, just after the release of the IPCC's "Fourth Assessment Report," the company made what appeared to be an about-face. "There is no question that human activity is the source of carbon dioxide emissions," said Kenneth Cohen, ExxonMobil's vice president of public affairs, as reported by *Greenwire* on February 9. "The appropriate debate isn't on whether climate is changing, but rather should be on what we should be doing about it." But what about the ExxonMobil grantees UCS identified in its report? Cohen told *Greenwire* that the company had stopped funding them. Well, not quite.

It is true that ExxonMobil's annual payout to contrarian groups peaked at \$3.48 million in 2005 and the company began to drop grantees. That year the company severed ties with the Competitive Enterprise Institute, and over the next two years it cut off a number of others, including the Cato Institute, Frontiers of Freedom, George C. Marshall Institute, Heartland Institute and Institute for Energy Research.

That said, ExxonMobil's contrarian funding dipped only 25 percent after Tillerson took over in 2006. It spent \$16 million from 1998 through 2005--an average of \$2 million a year--and \$8.83 million from 2006 through 2011--an average of \$1.47 million a year. In 2011, the company doled out \$1.08 million to 17 contrarian groups, including seven named in the 2007 UCS report.

Journalists Continue to Ignore the Money Behind Climate Contrarians

Despite the fact that ExxonMobil is still a significant contrarian funder, the flurry of media interest in the company's funding agenda sparked by UCS's exposé died down soon after its release and remains feeble to this day. What happened?

First, ExxonMobil's new CEO, Rex Tillerson, sounded a lot more reasonable than his predecessor Lee Raymond, who had denied the reality of climate change and called environmental advocates "extremists." Right off the bat, Tillerson acknowledged that climate change is a serious issue. Second, as I mentioned above, just a month after UCS released its report, ExxonMobil's VP for public affairs stated unambiguously that the company had pulled the plug on its contrarian network.

Journalists apparently took that misleading statement at face value, and so did advocates. By the end of the 2007, the Exxpose Exxon campaign--which noticed a 33 percent drop in the company's contrarian funding between 2005 and 2006--declared victory and closed up shop. Meanwhile, the kinder, gentler Tillerson hued to the same path as his predecessor and, with much less fanfare, the company continued to ply contrarian think tanks with grants, as did a small number of other fossil fuel and auto industry benefactors.

How well has the press explained the link between these special interests and these think tanks over the last few years? Not very.

I recently sifted through the coverage of climate and energy issues from January 2011

through December 2012 by eight top news organizations to see how they identified key think tanks and advocacy groups funded by the fossil fuel industry. My sample included stories, editorials, opinion pieces and interviews from the Associated Press, NPR, the political trade journal *Politico*, and six leading newspapers: the *Los Angeles Times*, *New York Times*, *USA Today*, *Washington Post* and *Wall Street Journal*.

I focused at how these media outlets described eight leading fossil fuel industry-backed policy groups I call the "Oil Eight": the American Enterprise Institute, Americans for Prosperity, Cato Institute, Competitive Enterprise Institute, Heartland Institute, Heritage Foundation, Institute for Energy Research (and its political arm, American Energy Alliance), and Manhattan Institute for Policy Research.

Overall, the news organizations mentioned the Oil Eight's funding in only a third of the nearly 360 relevant pieces I found. If that sounds bad, it was considerably worse when it comes to how they covered the three Oil Eight think tanks that were still receiving grants from ExxonMobil between 2006 and 2011--the Manhattan Institute, Heritage Foundation and American Enterprise Institute. The news outlets referenced their funding in only two of 89 pieces that mentioned the think tanks, and one was a column by the *New York Times*' public editor--what other papers call an ombudsman--responding to complaints that the *Times* does not disclose its outside op-ed writers' financial conflicts of interest. (For more information about my findings, [click here](#).) Let's take a look at some of the coverage.

Manhattan Institute Fellow Attacks Renewables

The Manhattan Institute for Policy Research is a multi-issue, pro-market, anti-government think tank based in New York City. Between 2001 and 2011, ExxonMobil and Charles Koch's Claude R. Lambe Charitable Foundation gave the institute \$460,000 and \$1.9 million respectively.

Ten of the Manhattan Institute's 24 citations over the two years I surveyed were opinion pieces in the *Wall Street Journal* by Robert Bryce, an institute fellow. Before joining the Manhattan Institute, Bryce, a former newspaper reporter, worked for the Institute for Energy Research, which over the years has been funded by the American Petroleum Institute, ExxonMobil and the Claude R. Lambe Charitable Foundation.

Most of Bryce's *Wall Street Journal* columns sang the praises of oil and coal and denigrated the potential of wind and other renewable energy technologies. For example, his May 4, 2012, column, "Gouged by the Wind," claimed that state standards requiring utilities to ramp up their use of renewables would significantly raise electricity rates--despite evidence to the contrary. Bryce rested his argument on his own, thoroughly debunked February 2012 Manhattan Institute study and an equally flawed Koch-funded study by the Beacon Hill Institute at Suffolk University.

None of the author bios at the end of Bryce's *Journal* columns disclosed the institute's fossil fuel industry ties. To be fair, however, the *Journal* is not alone. None of the newspapers in my survey provided that kind of information.

The *New York Times*, for example, published a Bryce op-ed in June 2011 titled "The Gas is Greener." In the piece, Bryce overstated how much land large-scale renewable energy projects would need to buttress his argument that natural gas and nuclear power make more sense, ignoring the fact that they come with their own set of land-use issues. The

author's bio at the end of the column identified him as a senior fellow at the Manhattan Institute and the author of *Power Hungry: The Myths of "Green" Energy and the Real Fuels of the Future*. Here again, readers deserved to know that two key Manhattan Institute funders--ExxonMobil and Charles Koch--are in the natural gas business.

Heritage Fellow Disputes Carbon Dioxide-Global Warming Link

The eight news organizations did a similarly poor job identifying the Heritage Foundation, the multi-issue, anti-regulation behemoth founded in 1973 to counter the raft of environmental, consumer and workplace protections signed into law during the Nixon administration. The news outlets mentioned funding sources in only one of 39 stories citing Heritage during the two years I checked. During the last decade, Heritage has received \$535,000 from ExxonMobil (2001-11), \$100,000 from General Motors (2003-07), and \$3.69 million from Charles Koch's Claude R. Lambe Charitable Foundation (2001-10).

Heritage is not known for its climate work, but that didn't matter. Reporters still called Heritage fellows for the "other side" of the story.

Heritage was cited in seven articles and one op-ed in the *Washington Post*, for example. The lone op-ed--by Mike Tidwell of the Chesapeake Climate Action Network--did refer to the climate "disinformers" at the think tank, but Tidwell doesn't work for the paper. Meanwhile, two of the articles merely labeled the Heritage Foundation "conservative" and the other five didn't bother to describe it at all. None of the stories informed readers that ExxonMobil and Charles Koch support Heritage. Equally egregious, *Post* reporters provided Heritage spokespeople space to make false assertions and failed to refute them.

Three of the articles quoted Diane Katz, a Heritage research fellow. In one of the stories, which ran in March 2011, Katz told *Post* reporter Darryl Fears: "There's no strong consensus on whether carbon dioxide causes global warming or climate change." In fact, there is an overwhelming consensus among scientific institutions worldwide. Later that year, longtime *Post* environment reporter Juliet Eilperin asked Katz for her reaction to the Obama administration placing limits on carbon emissions from new power plants and strengthening vehicle fuel efficiency standards. "Environmental regulation should be about protecting public health," Katz said, "and not about creating green jobs and mitigating hypothetical risk." In fact, there is nothing hypothetical about global warming, and it poses a serious threat to public health.

Who is Diane Katz? Like a number of her Heritage colleagues, Katz spent some time at smaller Koch-funded organizations before joining the think tank in 2010. After a stint at the Detroit News as a reporter and editorial writer, she worked for the Koch- and ExxonMobil-funded Fraser Institute, a libertarian think tank in British Columbia; and the Koch-funded Mackinac Center for Public Policy, a Michigan-based libertarian think tank.

USA Today also sporadically labeled Heritage "conservative" and, like the *Post*, the paper didn't mention where Heritage gets its funding. David Kreutzer was *USA Today's* favorite Heritage talking head. The paper quoted him in 11 of the 13 stories that cited the think tank over the two-year period I reviewed.

USA Today energy and environment reporter Wendy Koch (pronounced "Kotch" and no relation to the Koch brothers) cited Kreutzer in an August 16, 2011, story on how cities are preparing for global warming-induced sea level rise, calling him a "climate change skeptic." Koch wrote that Kreutzer told her "there have always been 'variations in weather' so it makes sense to prepare for storms," but he warned "cities may waste money if their regulations are based on 'hysterical' projections of sea level rise."

Two months later, on October 4, Koch wrote a story about federal subsidies to the solar industry and again called Kreutzer, who, in her words, told her "the government has no business subsidizing the industry." Never mind that the federal government has been giving the oil and gas industry significantly more in subsidies and tax breaks for a much longer time--an average of \$4.86 billion annually in today's dollars for the last 95 years, in fact.

Who is David Kreutzer? Before joining Heritage in 2008, he worked for Richard Berman, whose PR firm, Berman and Company, runs two-dozen industry front groups whose *raison d'être* is to block or weaken consumer, environmental and workplace safeguards. Like Katz, Kreutzer also has a previous Koch network connection. He got his doctorate in economics from George Mason University's economics department, which currently shares roughly half its faculty with the Koch-founded and Koch-funded Mercatus Center, an anti-regulation, climate contrarian think tank housed on the GMU campus. Over the last decade, the center received \$25,000 from the American Petroleum Institute (2008), \$240,000 from ExxonMobil (2003-09), and \$5.7 million from the Charles G. Koch Charitable Foundation (2002-08).

AEI Scholar Calls for Ending Federal Subsidies for Solar, But Not for Oil

The American Enterprise Institute for Public Policy Research (its official name) has played a relatively bit part in the climate and energy debate. Even so, the think tank, which was founded in 1938, was cited in 26 climate and energy stories and op-eds over the two years I reviewed. None of the pieces mentioned that AEI is partly supported by the fossil fuel industry, let alone that it was the beneficiary of \$60,000 from the American Petroleum Institute, \$3.04 million from ExxonMobil, and \$1.1 million from three main Koch family foundations between 2001 and 2011.

AEI's two main climate and energy spokesmen during the period I reviewed were Steven Hayward and Kenneth Green. Like Diane Katz and David Kreutzer at Heritage, Hayward's and Green's résumés illustrate how fossil fuel industry network experts move from one contrarian echo chamber institution to another.

Hayward--who called for expanding domestic oil production in an April 2011 *Wall Street Journal* op-ed and predicted California's carbon emission cap-and-trade program "will wither and die an ignominious death" in an October 2011 *New York Times* story--has a doctorate in American studies. Before joining AEI, he was a contributing editor at the ExxonMobil-, Koch-funded Reason Foundation's monthly magazine and a fellow at the ExxonMobil-, Koch-funded Heritage Foundation. He is now a visiting scholar at the University of Colorado in Boulder and has been a senior fellow with the ExxonMobil-, Koch-funded Pacific Research Institute for Public Policy for a number of years.

Green--who denounced federal subsidies for solar power--but not for oil--in a March 2011 *Wall Street Journal* story--has a doctorate in environmental science and engineering, but has never published any peer-reviewed articles on climate. Over the

years, he has made the rounds on the fossil fuel industry-funded circuit. Before joining AEI, he was the director of the ExxonMobil-, Koch-funded Environment Literacy Council, an education project of the ExxonMobil-, Koch-funded George C. Marshall Institute that stressed the uncertainties of climate science and published a report in 2007 that questioned whether global warming is occurring. Prior to his two-year stint at the Environment Literacy Council, Green was chief scientist at the ExxonMobil-, Koch-funded Fraser Institute and the ExxonMobil-, Koch-funded Reason Foundation. He also has served as a Heartland Institute expert. He is now back at the Fraser Institute, serving as a senior director.

Do Robert Bryce, Diane Katz, David Kreutzer, Steven Hayward and Kenneth Green have a right to express their opinions on climate and energy issues? Certainly. But at the same time the public has a right to know how shallow their scientific expertise might be, if what they are saying is indeed correct, and what interested parties are underwriting their think tanks.

Collectively, the elite eight news organizations I reviewed cited funding sources for the Manhattan Institute, Heritage Foundation and American Enterprise Institute in only 2 percent of the relevant pieces they ran during the two years I surveyed. The public deserves more, especially when we're talking about such a critically important issue as climate change. #

Next week, this six-part series, "Unreliable Sources: How the Media Help the Kochs and ExxonMobil Spread Climate Disinformation," will continue on Monday with a look at how top news organizations covered Americans for Prosperity and American Energy Alliance.

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