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Changing alliances shape climate-change debate

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(10-07) 18:15 PDT -- The high-stakes fight over global warming legislation in Congress has forced American businesses to pick sides. And some old alliances are breaking as a result.

Big-name companies such as Apple Inc. have resigned from the U.S. Chamber of Commerce, dismayed by the group's efforts to block greenhouse gas regulations. Nike gave up its seat on the chamber's board. PG&E Corp. quit the group after a chamber executive suggested holding a "Scopes monkey trial" on the validity of global warming.

Dissention has hit the other side of the debate as well, although not to the same degree.

This summer the United States Climate Action Partnership, an alliance of businesses and environmental groups pushing for greenhouse gas limits, saw some of its members participate in an oil-industry campaign against a federal climate change bill. Many observers credit the partnership with laying the groundwork for the bill that some of its members opposed.

The shifting allegiances illustrate the intensity and importance of the fight.

"The ball's in play in Congress, so companies have to decide where to place their stakes," said Pete Altman, climate campaign director for the Natural Resources Defense Council, which belongs to the Climate Action Partnership.

He sees the defections from the chamber, a powerful lobbying force representing 3 million businesses and organizations, as particularly significant.

"It really changes the landscape, because the chamber is really an influential and high-profile voice on this subject," Altman said. "But the defections and the questions about the directions it's taking have really eroded its credibility."

Improved chances

Even some opponents of the climate-change bills in Congress think resignations from the chamber could improve the legislation's chances. But only to a point.

"It's a help, but I'm not sure it's anywhere near enough to get a substantial piece of legislation

passed," said Jerry Taylor, senior analyst with the Cato Institute, a libertarian think tank. "The real problem for the environmental lobby is that we've got 10 percent unemployment right now, and anything like a tax increase is politically toxic. If the economy were doing well right now, this would be an easier sell."

The chamber insists that the departing companies have misunderstood its position.

"While we do support legislation to address climate change, we oppose legislation such as the Waxman-Markey bill (in the House of Representatives) that numerous studies show will cause Americans to lose their jobs and shift greenhouse gas emissions overseas, negating potential climate benefits," chamber President Thomas Donohue wrote in a letter Tuesday to Apple CEO Steve Jobs.

In part, each company is following its own economic interest.

Cap and trade

The legislation under debate in Washington would create a cap-and-trade system for cutting greenhouse gas emissions. Such a system would set an overall limit on emissions and let companies buy and sell the right to emit specific amounts. The limit would decline over time.

PG&E's electric utility division, Pacific Gas and Electric Co., could benefit from such a system, because it derives much of its power from large hydroelectric dams and nuclear plants that don't emit carbon dioxide. Depending on how the cap-and-trade system is set up, the company could sell emission credits to other utilities that depend more on coal to generate power.

"You've got people who want to make money from the change, and they're sick and tired of people who don't want action calling the tune," said David Hamilton, director of the global warming and energy program for the Sierra Club.

Other companies consider global warming legislation inevitable and want a hand in shaping it.

"It's about engaging the political powers that be, rather than sitting on the sidelines," said Tyson Slocum, director of the energy program at the Public Citizen watchdog group, which supports reining in greenhouse gas emissions.

Other rifts

Global warming has created rifts in other business groups outside the Chamber of Commerce. Duke Energy, a large utility company, announced in May that it would leave the National Association of Manufacturers over the issue. Duke and several other companies, including aluminum-maker Alcoa, dropped out of American Coalition for Clean Coal Electricity, which promotes building coal-

fired power plants.

Proponents of climate-change legislation hope the changing alliances will build momentum for their cause, although they don't consider the trend a guarantee of success.

"In any political process, the point where one of the sides starts to splinter is usually a watershed event," Hamilton said.

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