FACES BEHIND A GLOBAL CRISIS

US CARBON BILLIONAIRES
AND THE
UN CLIMATE DEADLOCK

A Special Report by the
International Forum on Globalization
FACES BEHIND A GLOBAL CRISIS

US CLIMATE BILLIONAIRES
AND THE
UN CLIMATE DEADLOCK

Prepared for UNFCCC’s COP 18, Doha, Qatar

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Joakim Hellberg
Victor Menotti
Anjulie Palta
Michael Pineschi

International Forum on Globalization
1009 General Kennedy Avenue, #2
San Francisco, CA 94129
www.ifg.org
Faces Behind a Global Crisis
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EXECUTIVE SUMMARY

The purpose of this report is to explain the role of the world’s two wealthiest men—carbon billionaires, Charles and David Koch—in paralyzing United States climate policy that underpins the international impasse at the United Nations Framework Convention on Climate Change (UNFCCC). Our objective is to inform more global awareness and increase public pressure on the US actors stopping solutions to today’s climate crisis. This report follows from another IFG report, *Outing the Oligarchy: Billionaires Who Benefit from Today’s Climate Crisis*, published in December 2011 as global climate talks were held in Durban, South Africa.

Bloomberg’s Billionaire Index recently ranked the two brothers’ combined net worth as greater than the world’s wealthiest man, Carlos Slim. They have outspent all other oil companies—including Exxon—to kill US climate legislation by campaign contributions, lobbying of legislators, funding denial science, attacking clean air laws, stopping the shift in subsidies, and other activities aimed at influencing policy outcomes (see Figure 1). Their aggressive funding for an extreme faction of conservatives polarized the climate policy debate in the US, making impossible any meaningful movement towards science-based emissions targets to enable an equitable global agreement.

<table>
<thead>
<tr>
<th>Figure 1. Charles &amp; David Koch in Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Net Worth</td>
</tr>
<tr>
<td>Koch Industries’ Annual Corporate Revenues</td>
</tr>
<tr>
<td>Lobbying Expenditures (since 1998)</td>
</tr>
<tr>
<td>Funding of Climate Science Denial (1997-2010)</td>
</tr>
<tr>
<td>Campaign Contributions (since 1998)</td>
</tr>
<tr>
<td>Koch-Related Orgs’ Spending for 2012 Elections</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Forbes, Greenpeace, Center for Responsive Politics, Politico.

While they have come under increasing scrutiny in the US for their influence on the domestic US debate, little attention has focused on their international impacts from ever-increasing greenhouse gas emissions that are intensifying today’s droughts, floods, fires, and famine, as well as the epic damage being done directly to the natural world. The Kochs cashed in by polluting our planet—economists would call them free-riders—and now they wield their wealth to rig the rules in their own favor, making them classic rent-seekers. Leading an epic propaganda effort by the broader fossil fuels industry, global climate cooperation may face no bigger barrier blocking progress today than these two individuals of undue influence.

IFG’s report draws clear links between the Kochs’ cash and today’s US policy paralysis holding hostage any global deal. US authorities must steadfastly defend against the Kochs’ attempts to fast-track permitting of tar sands infrastructure, attacks on EPA’s right to regulate carbon, and efforts to stop stronger standards for power plants, among other climate policy priorities outlined herein. Serious steps to reduce the role of private money corrupting US policy outcomes is also a matter of global urgency to be addressed, ultimately by a constitutional amendment to clarify that money is not equal to speech and corporations are not people¹, as well as publicly funded elections.

International support for US efforts is also proposed in order to create global pressure for change.
I. THE DOHA DEADLOCK

Figure 2. The World’s Wealthiest Individuals

<table>
<thead>
<tr>
<th>RANK</th>
<th>NAME</th>
<th>NET WORTH</th>
<th>COUNTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Charles &amp; David Koch</td>
<td>$80.2 billion</td>
<td>USA</td>
</tr>
<tr>
<td>2</td>
<td>Carlos Slim Helú</td>
<td>$71.8 billion</td>
<td>MEX</td>
</tr>
<tr>
<td>3</td>
<td>Bill Gates</td>
<td>$61.1 billion</td>
<td>USA</td>
</tr>
<tr>
<td>4</td>
<td>Amancio Ortega</td>
<td>$53.5 billion</td>
<td>SPN</td>
</tr>
<tr>
<td>5</td>
<td>Warren Buffett</td>
<td>$46.5 billion</td>
<td>USA</td>
</tr>
<tr>
<td>6</td>
<td>Ingvar Kamprad</td>
<td>$41.2 billion</td>
<td>SWE</td>
</tr>
<tr>
<td>7</td>
<td>Larry Ellison</td>
<td>$35.8 billion</td>
<td>USA</td>
</tr>
<tr>
<td>8</td>
<td>Christy Walton</td>
<td>$28.4 billion</td>
<td>USA</td>
</tr>
<tr>
<td>9</td>
<td>Jim Walton</td>
<td>$27.0 billion</td>
<td>USA</td>
</tr>
<tr>
<td>10</td>
<td>Li Ka-Shing</td>
<td>$26.5 billion</td>
<td>HKG</td>
</tr>
</tbody>
</table>

Source: Adopted from Bloomberg Billionaires Index (11/26/12)

Of all the powerful actors causing the international impasse in current global climate talks, there may be no bigger barrier blocking progress today than US carbon billionaires Charles and David Koch. Their combined net worth ($80.2 billion) was recently ranked by Bloomberg’s Billionaire Index (See Figure 2) as more than that of the world’s wealthiest man, Carlos Slim ($71.8 billion).

Acting as a single financial and political entity, the two oil barons from Wichita are today’s top spenders on efforts to stop climate policy solutions in the planet’s most polluting nation, and hold hostage any progress in Washington that underpins the deadlock at COP 18 in Doha. Advancing constructive UN climate negotiations requires urgent and substantial changes in domestic US dynamics to reduce the role of the Kochs specifically—and private money generally—corrupting policy outcomes.

The International Forum on Globalization (IFG) 2011 report, *Outing the Oligarchy: Billionaires Who Benefit from Today’s Climate Crisis*, identified fifty of the world’s wealthiest individuals who hold overwhelming influence over today’s global climate crises.²

Even though the current US policy paralysis has left the UN in the lurch, there is little international awareness about the ultra-wealthy individuals who increasingly exert extraordinary political powers to block progress on climate policy in Washington. There is also an absence of understanding among Americans of the global impacts felt from the Kochs’ corrupting domestic US policy processes, particularly the devastating droughts, floods, fires, higher food prices, displacement of vulnerable populations, destroyed property, and deteriorating ecological conditions resulting from ever-increasing greenhouse gas emissions.

To inform global climate policy discussion about the individuals who are blocking US climate policy action at the scale and speed that science says is necessary, we hope this report helps to develop democratic responses to the “dark and dirty money” that pollutes US policy outcomes.
The Growing Gap between Evidence and Action

At UNFCCC’s COP 17 in Durban, South Africa, the U.S. was called out as the spoiler of progress in the negotiations by a number of large environmental groups, activists and elected officials. Washington’s attitude is seen by many as ‘incomprehensible,’ and its concerns more in line with the interests of elites rather than that of its people.

Global climate talks re-convened in May 2012 in Bonn, and again in August in Bangkok, against a backdrop of rapidly rising global emissions and a higher incidence of extreme weather events. As the US suffered historic heat, deepening drought, epic floods, and new “Superstorms,” such as Sandy, Koch-funded climate skeptics declared in July 2012 that human-caused carbon emissions are indeed warming the Earth. Yet action to curb climate disruptions is not corresponding to changes in the scientific consensus, with commitments to reduce emissions from major industrialized countries are all but absent, setting the world on track towards a 4 to 5 degree Celsius warming within a century.

After securing a second term in the White House in the aftermath Superstorm Sandy, President Obama stated that he will make climate change a personal mission of his second term, and attempt at “…getting Republicans and Democrats to agree on a course of action.” Reasonable Republicans know that climate action must happen yet they face enormous pressure from the Koch-funded faction of their party. Post-election reactions by ascendant GOP governors make clear there are no plans to moderate the politics of the party. Louisiana Governor Bobby Jindal and Wisconsin Governor Scott Walker insisted that they believe there was nothing wrong with the beliefs and positions of the party, but rather that the party messaging needs some modernization and improved articulation to win over more voters.

Two Billionaires Block a Global Breakthrough

With an extremely polarized Congress and too few significant signs of the parties’ moving towards each other, progress on climate change will be a big challenge for US President Obama. Nevertheless, Obama managed to pass deeply divisive health care reform and has shown leadership on environmental issues by empowering the EPA to roll out greenhouse gas regulation and setting new important fuel efficiency standards.

While talks about a carbon tax have resurfaced, and the American Enterprise Institute, an influential pro-business conservative think-tank has been exploring proposals, industry experts express doubt that conditions are ripe. At an international level, even the World Bank and the International Energy Agency have raised concerns about global warming stating that: “The projected 4 °C warming simply must not be allowed to occur—the heat must be turned down,” and that “No
more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2 °C goal”...11

At the same time, there has been a boom in U.S. oil production and investment worldwide, which may expand world oil production capacity significantly by 2020. The additional capacity would come not only from conventional, but also from more polluting unconventional sources such as Canadian tar sands and U.S. shale oils making up 28.3% of projected growth.12 The Kochs have considerable investments in both of these growing sectors of the energy industry. Contrasting this growing supply scenario with the International Energy Agency’s 2 degree Celsius energy demand forecast, Oil Change International suggests that 79% of planned capacity is above safe demand levels.13

Despite Obama’s commitment to address climate change and calls by influential international organizations to address global warming, they face highly organized and very well-funded opponents in the fossil fuel industry—epitomized by the Kochs—contributing to worsening political polarization and a poor record of U.S. participation in multilateral environmental agreements (MEAs). Any short-to-medium term progress will be moderate at best unless the balance of forces currently in place shifts significantly.

Only then can the Obama administration keep its promise to “protect a planet in peril” by rethinking his UNFCCC team’s irresponsible initiative to torpedo the multilateral mitigation regime, proposing instead to replace it with a voluntary ‘pledge and review’ paradigm that sets the planet on course for a 4-5 °C increase in average global temperature.

II. THE RAPID RISE AND POLARIZING ROLE OF THE KOCHS

The U.S. is an increasingly unequal society with extreme income disparities between the rich and poor. Government policy has played a large part in creating a winner-take-all economy,14 and has inspired academics to explore defining the U.S. political system as oligarchic.15

Oligarchic systems of government is characterized by large political and material inequalities with a few actors commanding vast amounts of wealth that can be transformed into political influence through funding think-tanks, foundations, consultancies, law firms, lobbying organizations, and to some extent politicians - all with a purpose of advancing the interest of the already affluent by adding to their material wealth.16

The pattern of behavior described above is clearly discernible from IFG’s comprehensive “mapping” of the money, structure, and unprecedented scale of the Kochs’ influence network, see IFG’s “The Kochtopus” online at www.KochCash.org.

The most egregious example of extreme wealth exerting such undue influence is the Kochs as we elaborate in this report. As Figure 3 shows, the share of income to the top 1%, and the smaller fraction of 0.01%, has more than doubled since 1980, indicating not just a shift in income to the top, but a massive disproportional shift towards the ultra-rich, who are currently collecting 25% of the top 1% income share. Today, income inequality is back to the pre-depression levels of the 1920’s.
In addition to their vast personal wealth based on fossil fuels, the annual revenue of Koch Industries was estimated to reach $100 billion in 2011. Their wealth quintupled in six years (2005-2011) following the creation of unregulated oil derivatives markets that made room for speculation and insider trading.

Given the close correlation between the brothers’ net worth, rising oil prices, and a surge in speculative activities there are reasons to believe that the three are inextricably linked. It is no coincidence that the world’s wealthiest men also have its largest carbon footprint, and have initiated an ideological campaign to advance the myth that an economy of endless material expansion is possible on planet that has already gone beyond any respect for ecological limits.

Nevertheless the Kochs appear unable or unwilling to “innovate” their way out of inevitable carbon limits that threaten the very basis of their current claims to wealth, as is the fossil fuels infrastructure their family helped to create. That’s why the brothers opt to spend millions of dollars to keep rules on carbon emissions to a minimum by manipulating US policymaking processes via a very sophisticated influence network that has put the Kochs “at the center” of conservative power in 2010, according to the Washington Post. Economists call this “rent seeking”.

2012 election results are still being assessed as far as how the party will adjust their approach, if at all. True, they candidates gained few new seats in Congress, but one of their leading ideologues, Paul Ryan of Wisconsin, has now risen to party leader and is a top contender for presidential candidate in 2016. While some say the Kochs got nothing for all their money spent, one must also consider that these enormous amounts of money is what it cost them to maintain the status quo and, and one must ask how well they would have done if the role of private money had been radically reduced.
III. KOCH SPENDING TO STOP SOLUTIONS

Contributing to Congressional Campaigns

Since 1998, Koch Industries has spent $12.6 million on campaign contributions to both houses of Congress including contributions to non-incumbents. The Koch PAC spent over $1.6 million in the 2012 election cycle, according to the Center for Responsive Politics.

Figure 5. Oil & Gas Industry PAC Contributions to Political Candidates

Source: Center for Responsive Politics (11/20/2012)
Koch Industries alone has given over $6 million in ‘dirty energy money’ to representatives in Congress since 1999\textsuperscript{21}, including contributions to members of the key Senate committees listed in Figure 6a and 6b as well as to members of key House committees.\textsuperscript{22} Of the top 25 recipients of contributions from Koch Industries, seven can be found on these committees including prominent representatives such as Joe Barton, Mike Pompeo, and James Inhofe - all voting for fossil-fuel interests at least 93% of the time.\textsuperscript{23} Inhofe is a famous denier of global warming and has even written a book arguing that global warming is a hoax.\textsuperscript{24} Pompeo (R-KA), who has taken over $100,000 from the Kochs in this current (2010-2012) Congress alone,\textsuperscript{25} is backing fossil fuel subsidies and resisting financial support for wind energy.\textsuperscript{26} Pompeo has even tried to eliminate six EPA internship slots each accompanied by a $6000 stipend.\textsuperscript{27} Representative Gerry Connolly (D-VA) suggested renaming a House bill that would block EPA climate regulations to the ‘Koch Brothers Appreciation Act’ in 2011.\textsuperscript{28}

The connections between contributions to elected officials were apparent in the vote for the latest House bill, ‘the Strategic Energy Production Act’, which aimed to limit public influence and environmental review of agency action on leasing public lands for fossil-fuel production. Those voting in favor of the bill have taken almost five times more from fossil-fuel interests over the last thirteen years than those voting against the bill had.\textsuperscript{29} A closer look at the correlation between politicians’ voting patterns and the money they receive from the fossil-fuel industry (coal, oil and gas) with data from Oil Change International reveals similar voting patterns on bills where the public interest has been pitted against fossil-fuel interests.\textsuperscript{30}

The Senate’s Energy and Natural Resources Committee and Environment and Public Works Committee (currently under Democratic majority control) have jurisdiction over EPA issues\textsuperscript{31} as well as other energy policy, climate change, oil, gas and coal production and distribution,\textsuperscript{32} air pollution, and environmental policy.\textsuperscript{33}

Figure 6 shows the average contribution per Congress, the percentage of votes in favor of fossil-fuel interests on selected bills, and party affiliation of representatives on two key Senate committees with jurisdiction over energy and environmental areas. The correlation between party affiliation and votes in favor of fossil-fuel interests demonstrates a high degree of polarization. It is also observable that those not voting for fossil-fuel interest as frequently also receive little in contributions from the fossil-fuel industry. The data reveals a clear pattern: Party affiliation and money from fossil-fuel interests strongly correlates with voting patterns. What stands out is the relatively expensive Democratic votes of Joe Manchin, Mary Landrieu, and Max Baucus indicating the higher cost of going against the party line.
### Figure 6a. Senate Environment and Public Works Committee

<table>
<thead>
<tr>
<th>Representative</th>
<th>($) Average contribution/congress</th>
<th>(%) Votes in favor of fossil-fuel interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Barrasso (R-WY)</td>
<td>246,366</td>
<td>90</td>
</tr>
<tr>
<td>James M. Inhofe (R-OK)</td>
<td>189,764</td>
<td>94</td>
</tr>
<tr>
<td>David Vitter (R-LA)</td>
<td>172,732</td>
<td>88</td>
</tr>
<tr>
<td>Max Baucus (D-MT)</td>
<td>95,318</td>
<td>40</td>
</tr>
<tr>
<td>Lamar Alexander (R-TN)</td>
<td>75,800</td>
<td>94</td>
</tr>
<tr>
<td>Jeff Sessions (R-AL)</td>
<td>69,252</td>
<td>94</td>
</tr>
<tr>
<td>Mike Johanns (R-NE)</td>
<td>58,750</td>
<td>89</td>
</tr>
<tr>
<td>Kirsten Gillibrand (D-NY)</td>
<td>54,517</td>
<td>13</td>
</tr>
<tr>
<td>Mike Crapo (R-ID)</td>
<td>45,206</td>
<td>94</td>
</tr>
<tr>
<td>John Boozman (R-AR)</td>
<td>35,246</td>
<td>88</td>
</tr>
<tr>
<td>Mark Udall (D-CO)</td>
<td>35,198</td>
<td>11</td>
</tr>
<tr>
<td>Thomas R. Carper (D-DE)</td>
<td>32,766</td>
<td>13</td>
</tr>
<tr>
<td>Benjamin L. Cardin (D-DE)</td>
<td>31,207</td>
<td>13</td>
</tr>
<tr>
<td>Sheldon Whitehouse (D-RI)</td>
<td>16,139</td>
<td>8</td>
</tr>
<tr>
<td>Frank R. Lautenberg (D-NJ)</td>
<td>14,058</td>
<td>13</td>
</tr>
<tr>
<td>Barbara Boxer (D-CA)</td>
<td>12,336</td>
<td>6</td>
</tr>
<tr>
<td>Jeff Merkley (D-OR)</td>
<td>4,650</td>
<td>11</td>
</tr>
<tr>
<td>Bernard Sanders (D-VT)</td>
<td>1,557</td>
<td>7</td>
</tr>
</tbody>
</table>

*Source: Calculated with data from: Oil Change International (07/23/2012)*

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### Figure 6b. Senate Energy and Natural Resources Committee

<table>
<thead>
<tr>
<th>Representative</th>
<th>($) Average contribution/congress</th>
<th>(%) Votes in favor of fossil-fuel interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Manchin (D-WV)</td>
<td>448,924</td>
<td>50</td>
</tr>
<tr>
<td>John Hoeven (R-ND)</td>
<td>402,695</td>
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</tr>
<tr>
<td>John Barrasso (R-WY)</td>
<td>246,366</td>
<td>90</td>
</tr>
<tr>
<td>Daniel Coats (R-IN)</td>
<td>229,018</td>
<td>88</td>
</tr>
<tr>
<td>Rand Paul (R-KY)</td>
<td>225,203</td>
<td>88</td>
</tr>
<tr>
<td>Bob Corker (R-TN)</td>
<td>211,097</td>
<td>83</td>
</tr>
<tr>
<td>Mary L. Landrieu (D-LA)</td>
<td>170,153</td>
<td>63</td>
</tr>
<tr>
<td>Lisa Murkowski (R-AK)</td>
<td>164,122</td>
<td>81</td>
</tr>
<tr>
<td>Rob Portman (R-OH)</td>
<td>126,815</td>
<td>89</td>
</tr>
<tr>
<td>Dean Heller (R-NV)</td>
<td>100,393</td>
<td>91</td>
</tr>
<tr>
<td>Mike Lee (R-UT)</td>
<td>89,289</td>
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<tr>
<td>Jeff Bingaman (D-NM)</td>
<td>87,060</td>
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</tr>
<tr>
<td>James E. Risch (R-ID)</td>
<td>74,190</td>
<td>89</td>
</tr>
<tr>
<td>Debbie Stabenow (D-MI)</td>
<td>38,952</td>
<td>25</td>
</tr>
<tr>
<td>Tim Johnson (D-SD)</td>
<td>36,307</td>
<td>14</td>
</tr>
<tr>
<td>Mark Udall (D-CO)</td>
<td>35,198</td>
<td>11</td>
</tr>
<tr>
<td>Jeanne Shaheen (D-NH)</td>
<td>27,713</td>
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</tr>
<tr>
<td>Maria Cantwell (D-WA)</td>
<td>21,482</td>
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</tr>
<tr>
<td>Christopher A. Coons (D-DE)</td>
<td>19,262</td>
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</tr>
<tr>
<td>Al Franken (D-MN)</td>
<td>19,150</td>
<td>11</td>
</tr>
<tr>
<td>Ron Wyden (D-OR)</td>
<td>18,798</td>
<td>6</td>
</tr>
<tr>
<td>Bernard Sanders (D-VT)</td>
<td>1,557</td>
<td>7</td>
</tr>
</tbody>
</table>

*Source: Calculated with data from: Oil Change International (07/23/2012)*
On top of the spending to influence Congress, the Kochs are organizing secretive meetings with influential conservatives including Supreme Court Justices Scalia and Thomas.\(^{34}\)

For the 2012 elections, Koch related organizations planned to spend about $400 million toward a staggering $1 billion blitz in outside spending from conservative groups.\(^{35}\)

**Leading Lobbyist of Legislators**

Data from the Center for Responsive Politics show that over the ten-year period of 1998-2008, fossil fuel interests spent about half the amount of the financial industry\(^{36}\) on lobbying Congress, and have been given substantial returns on their investment. The energy and natural resources sector’s spending on lobbying jumped one third to almost $300 million between 2007 and 2008 and remained at a significant $293 million in 2011, down from $337 million in 2010.\(^{37}\) Of the total energy and natural resources sector’s $2.3 billion in lobbying expenditures, the oil & gas industry together with electric utilities spent $1.8 billion (78%) of the total over the same time period (1998-2008) in which the financial industry spent $5 billion.\(^{38}\) During the Congressional debate on global warming in 2009, environmental groups spent a record $22.4 million. Although this was an impressive number, they were outspent by a single oil company - ExxonMobil - and dwarfed by the combined oil and gas industry’s $175 million lobbying offensive.\(^{39}\)

The Koch PAC, despite the estimated revenue of Koch Industries being only a third of the largest oil company ExxonMobil, outspent Valero, ExxonMobil, BP, ConocoPhillips and Chevron between 2006 and 2010.\(^{40}\) Spending some $69 million on lobbying efforts,\(^{41}\) Koch funded lobbyists worked against EPA regulation of greenhouse gases and EPA efforts that sought to reduce energy market speculation. Koch lobbyists also pushed for keeping subsidies and tax breaks for the oil industry,\(^{42}\) including promotion of the ‘Energy Tax Prevention Act’ aimed at stripping the EPA of the right to regulate greenhouse gases.\(^{43}\)

![Figure 7. Oil & Gas Industry: Lobbying Expenditures](image)

Source: Center for Responsive Politics
Attacking the Clean Air Act

The Clean Air Act (CAA)...“is arguably the most successful piece of environmental legislation ever drafted” and it has been estimated that the first 20 years of the CAA produced $21.7 trillion in benefits over costs. Despite its record of success, there has been a surge of litigation in the courts since 2006, as well as legislative attacks to gut clean air laws led by Koch-funded Congressmen.

This wave is lead by lawsuits from environmental organizations, but industry organizations and companies are a not far behind. Cases aiming to lessen regulation or liability - so called ‘anti’ cases - have been increasing (See figure 8) since climate change became an issue in the courts and is expected to rise further once more permits and regulations are being issued. This prediction is confirmed by looking at industry lawsuits challenging federal action during 2011 and 2012. Lawsuits spiked in 2011 at 19 cases and to date in 2012 9 cases have been filed.

Figure 8. Anti-Climate Litigation Claims 2006-2012

While EPA regulations under the Obama Administration has been challenged in courts, the Administration’s climate policies were backed by the D.C. Circuit Court of Appeals in its June 2012 ruling in Coalition for Responsible Regulations v. EPA, upholding all of the EPA’s new regulation on greenhouse gases and the legal authority of the Agency over the field.

Apart from legal challenges to climate change regulation, there have been numerous attempts to prevent EPA from regulating greenhouse gases through legislative action since the Supreme Court 2007 ruling in Massachusetts v. EPA and the subsequent “endangerment” finding and rule-making under the Obama Administration.
In the current (2010-2012) Congress alone, 247 anti-environment votes were recorded in the House of Representatives amounting to a remarkable 19% of total votes. These measures were primarily aimed at the EPA, but also at the Department of the Interior and the Department of Energy. A convincing 94% of the majority Republicans took the anti-environment position and 87% of the minority Democrats took the pro-position (See Figure 9). Thirty-seven of the votes were directly aimed at blocking action on climate change. The primary benefactor was the oil and gas industry, receiving benefits from more than 44% of total anti-environment votes.

To mention a few, the House of Representatives passed the ‘Energy Tax Prevention Act’ in April of 2011, to nullify the EPA’s endangerment finding, with unanimous support from the House Republican majority party on the heels of the 2010 Tea Party takeover. In an earlier vote the same year, near unanimous support was given to pass an EPA budget that prohibited spending on enforcement or promulgation of any climate change related regulations. The House has even passed bills to defund the IPCC and the U.S. Special Envoy for Climate Change, Todd Stern.

Perceptions among the American public concerning the threat to themselves, their families, and community from global warming have risen significantly since 2008 and a majority is convinced that global warming is human caused. The public support for Environmental Protection Agency regulation of carbon dioxide is very strong with 77% of voters supporting stricter Clean Air Act limits. 64% believes that Congress should not stop the EPA from regulating carbon dioxide and 69% prefer EPA scientists to set air pollution standards over Congress. On top of the high approval for EPA action, most voters believe that more jobs will be created as a result of updated CAA standards.
Financing for Climate Denialists

The Kochs have provided over $60 million to groups denying climate science over the period of 1997-2010.\(^{57}\)

Greenpeace keeps close track of the various climate denial efforts that the Kochs are engaged in, and regularly reports on their activities.\(^ {58}\)

Among the strongest skeptics has been Dr. Robert Muller from the University of California Professor of Physics and the Founder and Scientific Director of the Berkeley Earth Surface Temperature. Muller completed a Koch-funded study during the drought of summer 2012 that unequivocally concluded that human-caused carbon emissions are indeed warming the planet.\(^ {59}\) Similar to the ways in which Big Tobacco executives cast doubt for decades on studies of the health impacts of cigarettes only to be caught manipulating scientific research, the Kochs may be entering a new landscape of legal responsibilities now that their own researchers are finding and informing them that the impacts of the greenhouse gas emissions are indeed impacting our planet.

Stopping the Shift in Subsidies

Different reports vary regarding their assessments of the size of total subsidies, but it is clear that returns on lobbying expenditures are substantial.\(^ {60}\) According to an OECD report, the US fossil fuels industry receives a variety of producer and consumer subsidies that together with research and development amounted to $12.5 billion in 2009 and $15 billion in 2010.\(^ {61}\) A study from the Environmental Law Institute found that between 2002 and 2008, subsidies to fossil fuels totaled an impressive $72 billion, with ‘foregone revenues’ (foreign tax credits and credit for production of nonconventional fuels) as the largest tax break. Renewables only received $29 billion, more than half of which went to corn ethanol,\(^ {62}\) a fuel with negative net climate effects.\(^ {63}\)

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure11.png}
\caption{Fossil Fuel Subsidies vs. Renewables 2002-2008}
\end{figure}

\textit{Source: Environmental Law Institute, 2009.}

Despite recent calls from the President to end an annual $4 billion in tax subsidies for oil and gas companies, whose profits reached $80 billion in 2011, a Senate bill to cut only $2.5 billion from them failed in late March by a marginal vote.\(^ {64}\) To put this in context, the big five oil companies, BP, Conoco Philips, ExxonMobil, Chevron, and Royal Dutch Shell, made a combined $1 trillion in profits over the last decade.\(^ {65}\) Although fossil-fuels have dominated subsidies, American Recovery and Reinvestment Act has provided has provided a significant boost to renewables with climate-energy tax incentives estimated at $21 Billion (citation needed). However, the greatest subsidy of all for the oil industry came through the war on terror and the invasion of Iraq, which sent prices through the roof and produced unprecedented relative gains for big oil.\(^ {66}\)
Given the major role the U.S. plays in global climate change due to its high historical emissions, no significant international effort to curb warming could be effective without American participation. The U.S. has the financial and technological capability to mitigate climate change and if it was to lead it is likely that other countries would follow. The U.S. is carrying the largest historical burden of all countries and is soon set to become the world’s top oil producer, according to recent projections by the International Energy Agency. Emissions projections show that the U.S. along with the EU will remain on a stable level over the coming twenty years while large high growth economies will more than double their emissions. This trend should inspire the U.S. to follow the most ambitious route possible.

IV. TEA PARTY POLARIZATION AND U.S. POLICY PARALYSIS

For a long time the U.S. was a leader in domestic environmental legislation as well as in international environmental politics, but in the new millennium it has lost much of its momentum and fallen behind other nations and the EU and even China.

In the early 70’s, pro-environmental forces were strong in the U.S and a range of ambitious environmental policies were passed. Since the 1990s though, the strength of U.S. environmentalists have waned and their counterparts in Western Europe have gained relative influence. This shift is, according to Kelemen and Vogel, part of the explanation of why ratification of international agreements has failed.

Since the landmark environmental laws of the 1970’s, U.S. environmental ambitions have come and gone with the shift of presidents. While the Reagan and GW Bush Administrations were the greatest opponents of environmental legislation and internationally binding treaties, the Clinton Administration’s ambition to have the Kyoto Protocol ratified in the Senate was stymied by the
Byrd-Hagel Resolution\textsuperscript{72}, the non-binding resolution instructing the Senate not to approve an international climate treaty that did not include developing countries or [allegedly] harmed the US economy. The US still insists today that it will not join Kyoto.

Obama has tried to build up the regulatory apparatus of the state by appointing leaders loyal to the notion of scientific administration, by proposing to increase agencies’ funding (including the EPA), and by shifting the focus of cost-benefit analysis away from the conservative cost-heavy bias.\textsuperscript{73} Obama’s initial action was seen in appointments of prominent names to lead the work on the environment, energy, and climate change, and initial policy changes, but despite the Democratic majority in both houses from 2008 to 2010, Congress failed to move legislation.\textsuperscript{74}

The Senate’s Shift Toward Selective Isolationism

Political polarization in both houses was low in the post-WWII period indicating a period of bipartisanship that started to deteriorate in the mid-to-late 70’s. Today, political polarization is at an all time high since 1879\textsuperscript{75} indicating a never before seen level of political gridlock. One reason for the Senate’s shift toward “selective isolationism” is the increasing ease for super-wealthy individuals to make undisclosed and unlimited donations to extremist candidates running for elected office. The Kochs organized $400 million in the 2012 elections through various groups, and the candidates they supported were in alignment with their “shrink government” message.

Environmental protection and climate change are deeply polarizing issues as indicated by voting records. Given that a two-third supermajority is required in the Senate for treaty approval, and also as a House majority is required for any budgetary allowances supporting implementation measures, polarization is a real issue for U.S. participation in a future climate agreement. The Kochs’ founding
and funding of the Tea Party, the extreme faction of the conservative Republican Party that demands “small government,” has further polarized the climate policy debate.

V. CONCLUSIONS AND RECOMMENDATIONS

For the international climate negotiations to move forward, U.S. domestic political dynamics need to change. The disparate influence of large corporations and wealthy individuals in contrast to the sway of the bottom 90% of Americans needs to be addressed for meaningful change in environmental policy to materialize. While the U.S. climate community is to some degree engaged in activities aimed at linking the issue of climate change with extreme concentrations of wealth and legal corruption, we presume that these efforts are not nearly enough to counter the growing power of interests exacerbating global warming and promoting “business-as-usual.”

In the U.S., money is power, especially after the Supreme Court’s 2010 ruling in the case called *Citizens United v. FEC*, which resulted in allowing more money to be used by those opposing climate action and advancing clean energy policies. This is an enormous problem for the climate community. IFG informally surveyed US climate campaigners to map out the current and future activities of the community. The results showed that organizations are predominantly engaged in efforts to delegitimize the current corrupt arrangements but none were directly dealing with proposals to reduce the role of private money corrupting policy outcomes.

Too few organizations with large memberships are currently considering directly addressing the issue of “money in politics” and many more need to have the issue introduced formally before they can take action.

Two developments in US domestic dynamics are emerging: 1) The Kochs and other wealthy individuals of undue influence—as well as the broader fossil fuels industry—become politically isolated and incremental efforts at emissions reductions advance; and/or 2) climate campaigners collaborate across social sectors to reduce the overall role of private money plays in driving policy outcomes. IFG intends to be involved in both of these ongoing efforts, using the former to leverage the latter, with initial emphasis on the role of the Kochs—and their supporters in elected office—in stopping stronger standards on power plants, rolling back EPA’s right to regulate carbon, fastracking tarsands infrastructure, stalling the shift in fossil fuels subsidies to efficiency and renewables, and financing climate denialists.

At the international level, climate advocates can assist US efforts toward more democratic climate policy making:

- Government can investigate the Kochs’ activities outside the US, where they operate;
- NGOs can urge their US counterparts to prioritize efforts to reduce the role of private money polluting politics;
- Businesses can suggest to any Koch-associated businesses in your country to contact their headquarters in Wichita, Kansas, to reconsider their stance on cutting greenhouse gases and interfering with democratic processes;
- Anyone can sign-up at [www.KochCash.org](http://www.KochCash.org) to get involved in efforts to put more pressure on the Kochs.
ENDNOTES

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48 Data for years 2006-2010 from Markell and Ruhl, for years 2011-2012 Gerrard and Howe. 2011-2012 cases are classified as ‘anti-mitigation’ if plaintiffs are solely companies and/or industry organizations.


51 Minority Staff, p. 59.

52 Minority Staff, p. 25.

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54 Minority Staff, p. 32.


59 http://berkeleyearth.org/

60 Reports vary in their accounting practices, leading them to somewhat different aggregate numbers.


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75 See Howard Rosenthal and Keith Poole’s research and data available at: <http://pooleandrosenthal.com>