

## **“Green firms balk at coalition's lobbying effort”**

**Ali Winston, California Watch - Monday, January 18, 2010**

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### **SAN FRANCISCO CHRONICLE**

An organization representing some of California's biggest carbon polluters is working to alter the state's landmark law to curb global warming, while claiming to represent several "green" environmental companies that have since left the coalition after learning of its recent actions.

The coalition, calling itself the AB32 Implementation Group, says it represents a broad section of California interests focused on global-warming regulations. The group, which is being managed by a large public relations firm, Woodward & McDowell, features photographs of white clouds and a field of flowers on its Web site.

But the organization includes 22 of the state's biggest carbon polluters as ranked by the California Air Resources Board. Oil refiners, cement manufacturers, chemical companies and trucking firms figure prominently.

According to environmentalists and lawmakers, the Implementation Group has engaged in a steady campaign to undermine the Global Warming Solutions Act of 2006, which mandates a 25 percent reduction in the state's emissions by 2020.

California Watch found companies on the Implementation Group's membership list that no longer exist or whose executives were surprised to learn of the group's efforts to alter the global-warming law.

Many of the companies are environmental-technology firms that had added a green luster to the Implementation Group's big-business coalition, which includes more than 180 companies and associations.

The public relations firm running the group has a history of clashing with environmentalists. In the 1990s, Woodward & McDowell of Burlingame helped defeat Proposition 128, dubbed "Big Green," which mandated sweeping changes to environmental laws.

### **Building a juggernaut?**

Company associate Dave Fogarty said that his firm helped the Implementation Group draft its mission statement and manages its public image but that the firm has promoted a variety of issues, from school bonds to transportation funding, over the years.

Environmentalists say the Implementation Group has yet to make major inroads into changing the law. But V. John White, the executive director of the Center for Energy Efficiency and Renewable Technologies and a

lobbyist for the Sierra Club, said the Implementation Group and its allies are "trying to create a political juggernaut they can use to beat CARB into the ground."

For the past several months, the powerful state air board has been writing detailed regulations that will set into motion the state's global-warming law, signed with fanfare by Gov. Arnold Schwarzenegger in 2006.

The law leaves many important decisions to the board, including the details of a first-in-the-nation "cap-and-trade" system that would require big polluters to limit their emissions while giving financial incentives to companies that make improvements.

The Air Resources Board's final product could dramatically alter the bottom line for businesses in the state and spur new industries designed to "capture," or clean up, global-warming emissions.

### **A pleasing public face**

While the board is writing these regulations, the Implementation Group has acted as the public face for its members while pressuring the board to lessen the burden on businesses. The board has multiple deadlines through 2011 to finalize the regulations.

Although the AB32 Implementation Group says it wants "regulatory certainty" and wants to "ensure greenhouse-gas-emission reductions are achieved," a top official with the group has publicly supported legislative proposals that would delay the rollout of AB32, citing potential harm to the economy.

In April 2008, Dorothy Rothrock, who is the co-chair of the Implementation Group and vice president of government affairs for the California Manufacturing and Technology Association, told a legislative hearing she favored a plan that involved suspending AB32 for a year.

"We appreciate the Senate Republicans putting forth these ideas to help stimulate the economy," she said. "AB32 in particular will add significant costs to manufacturing, particularly in the electricity side."

### **Heavy hitters**

In an interview, Rothrock said her support for the suspension of AB32 stemmed from her role as the vice president of the manufacturers' association, not her position with the Implementation Group. "There's a real difference between what I say as the vice president of CMTA and the co-chair of the Implementation Group,"

she said.

The chief sponsors of the Implementation Group are the California Manufacturers and Technology Association and the California Chamber of Commerce. One prominent member, the Western States Petroleum Association, is a trade organization for companies such as BP, Chevron, ExxonMobil, Shell, Tesoro and Valero.

Few groups are more active in monitoring the global-warming regulations than the Implementation Group. Since 2007, it has sent 41 letters to the Air Resources Board, the governor's office and local air quality districts. The most recent missive, sent Jan. 11, complained about the board's proposed cap-and-trade system.

The group and its sponsors have questioned an economic-impact study downplaying the financial effect on businesses, complained about the fairness of \$63 million in new fees imposed on large polluters, challenged the resources board in court for documentation of the board's spending and questioned the board's authority to conduct a carbon-offset program.

Despite the organization's name, at least one member of the AB32 Implementation Group said that "implementing" the global-warming law was not the group's actual goal.

"The title may be misleading," acknowledged James Duran, the legislative action chairman for the California Hispanic Chambers of Commerce and a member of the Implementation Group. The role of the group, Duran said, is "to provide a focused voice on how to ensure that business economic impact is quantified and minimized."

### **'Green' members balk**

California Watch found five businesses listed as Implementation Group members that were unaware that a high-ranking member of the group had called for suspending AB32. All five are "green" enterprises that would benefit directly from AB32's emphasis on clean energy and sustainable practices.

"I knew that they had an agenda, but I didn't realize they were using people like me to further their goals," said Steve Coyle, principal of Town-Green, a sustainable architecture firm in Oakland.

Coyle's firm joined the group in hopes of bringing a "progressive voice" to its debate. He said he was dismayed that Rothrock, the group's co-chair and chief public representative, had called for suspending the law. He has since notified the group that he wants out.

Other companies were similarly surprised by the Implementation Group's connections to major polluters.

"I was completely unaware of that," said Jeff Cox, a senior policy adviser at FuelCell Energy, a Connecticut company that makes zero-emissions energy equipment. "We were of the belief that it was an ad hoc group of business interests - but it appears that the group has been shanghaied by a group of well-connected interests."

Another company listed as an Implementation Group member, Planktos, was sold in 2008 to a firm from Cyprus that plans to operate copper mines in British Columbia. Planktos once proposed creating algae blooms in the ocean to absorb carbon dioxide. Its phone number now connects to a Farmers Insurance office.

### **Carbon producers map**

See a map locating the 100 largest carbon producers in the state. [www.californiawatch.org](http://www.californiawatch.org).

California Watch is a project of the Center for Investigative Reporting with offices in the Bay Area and Sacramento.

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