

GREENPEACE

702 H Street, NW, Suite 300, Washington, DC 20001
Tel: 202-462-1177 • Fax: 202-462-4507

Jack Gerard
President and CEO
American Petroleum Institute
1220 L Street, NW
Washington, DC 20005-4070

August 12, 2009

Dear Mr. Gerard,

Today we obtained a memo (attached below) from one of our supporters detailing your organization's plans for a "Energy Citizen" *astroturf* campaign in the two weeks before Labor Day and continuing into the fall. Can you verify if this email is from your office and to whom it was addressed?

It would logically appear that the "Energy Citizen" campaign's objective is to defeat climate change regulation. This goal runs contrary to several prominent API members' public support for climate action, namely Shell, BP America, ConocoPhillips, General Electric and Siemens. These companies are all a part of the pro cap-and-trade U.S. Climate Action Partnership, which has publicly supported the Waxman-Markey bill. In addition, most members of USCAP are also members of the Chamber of Commerce and National Association of Manufacturers, named partners in your "Energy Citizen" campaign. Can you explain the contradictory objectives of supporting cap-and-trade on one hand and working to defeat it on the other? And also reveal if any API members opted out of the "Energy Citizen" effort?

Furthermore, do you intend to reveal at these rallies which of your members are providing funding for the campaign? – (i.e. ExxonMobil, Shell, BP, ConocoPhillips, and General Electric)

We think it is incumbent upon you to disclose that the Heritage Foundation report cited as your source for \$4-a-gallon gasoline was funded by ExxonMobil and that the Foundation in fact concluded that the Waxman-Markey bill would drive gasoline prices to \$4 before 2035, 25 years from now. In the interest of a factual discussion of climate legislation, will you also be conveying to your rally attendees that the EPA has estimated the overall cost of the climate legislation at only 22-30 cents per day, under \$100 per year, with broad economic benefits for consumers from energy efficiency gains stimulated by the bill.

Finally, it seems that at least one of your members sought to reveal this cynical public relations campaign and did not heed your advice to "Please treat this information as sensitive and ask those in your company to do so as well... we don't want critics to know our game plan."

Game plan known.

Sincerely,

Phil Radford
Executive Director
Greenpeace US

Cc: USCAP Membership, Chamber of Commerce, National Association of Manufacturers

COPY OF EMAIL FROM AMERICAN PETROLEUM INSTITUTE TO ITS
MEMBERSHIP - OBTAINED BY GREENPEACE - AUGUST 2009

Dear API Member Company CEO/Executive,

As I have outlined in the past few editions of the weekly "Executive Update," API is coordinating a series of "Energy Citizen" rallies in about 20 states across the country during the last two weeks of Congress's August recess. Most of these will be held at noontime, though some may be at different times in order to piggyback on other events. Thanks to the leadership of API's Executive Committee, I am pleased to report that we have strong support for this first-ever effort moving ahead. Now we are asking all API members to get involved.

The objective of these rallies is to put a human face on the impacts of unsound energy policy and to aim a loud message at those states' U.S. Senators to avoid the mistakes embodied in the House climate bill and the Obama Administration's tax increases on our industry. Senate Majority Leader Senator Harry Reid reportedly has pushed back consideration of climate legislation to late September to allow Senators time to get their constituents' views during the August recess. It's important that our views be heard.

At the rallies, we will focus our message on two points: the adverse impacts of unsound energy policy (e.g., Waxman-Markey-like legislation, tax increases, and access limitations) on jobs and on consumers' energy costs. And we will call on the Senate to oppose unsound energy policy and "get it right."

Recent opinion research that Harris Interactive conducted for API demonstrates that our messages on Waxman-Markey-like legislation work extremely well and are very persuasive with the general public and policy influentials. After hearing that Waxman-Markey-like legislation could increase the costs of gasoline to around \$4 and lead to significant job losses, these audiences changed their opinions on the bill significantly. Opposition to the bill within the policy influentials cohort grew 23 points, from 40% to 63%; with a 19 point increase in those who now "strongly" oppose the legislation. The data clearly demonstrate the softness of support of the current approach and very strong opposition when people are educated about the potential job losses and energy cost increases. Our expectation is to translate peoples' real concerns for job losses and increased energy costs to all unsound proposals (e.g., Waxman-Markey-like legislation, tax increases, and access limitations).

We have identified 11 states with a significant industry presence and 10 other states where we have assets on the ground. We also have attracted allies from a broad range of interests: the Chamber of Commerce and NAM, the trucking industry, the agricultural sector, small business, and many others, including a significant number of consumer groups, which have pledged to have their membership join in the events in states where they have a strong presence. We also

are collaborating closely with the allied oil and natural gas industry associations on these events.

While such efforts are never easy and the risk of failure is always present, we must move aggressively in preparation for the post-Labor Day debate on energy, climate and taxes.

The measure of success for these events will be the diversity of the participants expressing the same message, as well as turnouts of several hundred attendees. In the 11 states with an industry core, our member company local leadership—including your facility manager's commitment to provide significant attendance—is essential to achieving the participation level that Senators cannot ignore. In addition, please include all vendors, suppliers, contractors, retirees and others who have an interest in our success.

To be clear, API will provide the up-front resources to ensure logistical issues do not become a problem. This includes contracting with a highly experienced events management company that has produced successful rallies for presidential campaigns, corporations and interest groups. It also includes coordination with the other interests who share our views on the issues, providing a field coordinator in each state, conducting a comprehensive communications and advocacy activation plan for each state, and serving as central manager for all events.

We are asking all API members to assist in these August activities. The size of the company does not matter, and every participant adds to the strength of our collective voice. We need two actions from each participating company.

ACTION NEEDED

Please provide us with the name of one central coordinator for your company's involvement in the rallies. (We will look to this person as your representative to assist the overall effort.) If you will let me know ASAP, we can be in touch quickly and provide that person with additional details about the project.

Please indicate to your company leadership your strong support for employee participation in the rallies. (Unfortunately, we are already experiencing some delay from your regional people since they are not yet aware that headquarters supports the effort.) I believe that expression of support to your company leadership is a fundamental predicate to organizing quickly and achieving success in this endeavor.

The list of tentative venues is attached. Please treat this information as sensitive and ask those in your company to do so as well, as some of these places may be subject to change, and we don't want critics to know our game plan. You can assume with confidence that the advocates for Waxman-Markey-like legislation and the critics of oil and gas are

going to be very active, particularly during the August recess.

Once the list of venues and exact rally dates are determined, we will contact your company's coordinator to distribute the information internally and to coordinate transportation to the venues, if required, for your employees. In the meantime, your company's coordinator could assist us by telling us in which of the venues listed below your company has facilities or employees who can participate.

I look forward to working with you to make the August rally project and the other advocacy steps we are undertaking to deliver the policy outcomes we support with measurable results. Don't hesitate to call me with questions.

All the best,

JACK
Jack N. Gerard
President & CEO
API

Tentative Venues

Houston TX
Perry GA
Detroit MI
Roswell NM
Greensboro NC
Farmington NM
Ohio (venue being finalized)
Greeley CO
Nashville TN
Indiana (venue being finalized)
Bismarck ND
Tampa FL
Sioux Falls SD
Greenville SC
Anchorage AK
Joliet IL
Charleston WV
Fairfax VA
Philadelphia PA
Lincoln NE
Missouri TBD
Arkansas TBD