

Business group loses ‘green’ members in global-warming fight

Ali Winston, California Watch, 1-16-10

An organization representing some of California’s biggest carbon polluters is working to alter the state’s global-warming law, 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 AB 32 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 itself includes 22 of the state's biggest carbon polluters as ranked by the state Air Resources Board. Oil refiners, cement manufacturers, chemical companies, and trucking firms figure prominently. And, 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 these 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 PR firm running the group has a history of clashing with environmentalists. In the 1990s, Burlingame-based Woodward & McDowell helped defeat Proposition 128, dubbed “Big Green,” which mandated sweeping changes to environmental laws. Company associate Dave Fogarty said his firm helped the Implementation Group draft its mission statement and manages its public image, but they have 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 California Air Resources 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 numerous 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. 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.

Top officials’ comments at odds with group’s name

The AB 32 Implementation Group says it wants “regulatory certainty” and to “ensure greenhouse-gas-emission reductions are achieved.”

Meanwhile, the group’s top official has publicly supported legislative proposals that would delay the rollout of AB 32, 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 AB 32 for a year.

“We appreciate the Senate Republicans putting forth these ideas to help stimulate the economy,” she said. “AB 32 in particular will add significant costs to manufacturing, particularly in the electricity side.”

In an interview, Rothrock said her support for the suspension of AB 32 stemmed from her role as the vice president of the manufacturer’s 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 was sent Jan. 11, and 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 AB 32 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.”

Barry Rosengrant, founder of Aquatech Ecologics, a Los Angeles company focused on capturing carbon with clean technologies, believed the Implementation Group was a neutral party when he signed up for weekly updates from the organization, which then listed him as a member. He was surprised to learn of its links to oil companies and other big industrial polluters.

“I suspect that we are a pimple on an elephant’s behind, and the elephant is the oil companies,” Rosengrant said.

Some of the group’s members no longer exist

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 AB 32. All five are “green” enterprises that would benefit directly from AB 32’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-based 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.”

Sidel Systems, an Atascadero company that builds energy-efficient natural-gas boilers, decided to withdraw from the group because of its ties to major polluters. Owner Sid Abma said he initially hoped the group would speed the bill’s implementation and bring his business more revenue.

“At first,” he said, “I liked what I was reading.” But in a Sept. 17 e-mail to Implementation Group employee Rebecca Travis, Abma said, “I am not sure what industries are convincing you now that AB 32 is not good for California, but it appears to be industries that ‘like things the way they are’ and do not want to be pushed around to become cleaner and more efficient.”

Another company listed as an Implementation Group member, Planktos, was sold in 2008 to a Cyprus-based firm 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 leads to a Farmer's Insurance office.

Rothrock described the Implementation Group’s recruitment efforts as “fluid,” or viral, and largely Web-based. However, Rothrock did say the Implementation Group does not consult its members on the content of the letters it sends to the Air Resources Board or other public officials.

“People can take our information and do what they will with it,” she said. “We want all groups to be aware of it and participate.”

Rothrock maintains that oil industries do not have an outsized influence in the organization and that the coalition has broad financial support, although she would not provide details. She claims the Implementation Group is intent on fulfilling the requirements of AB 32, rather than weakening it, and doesn’t think the coalition’s name is confusing.

“I can’t think of a better name,” she said.