

Congress of the United States
House of Representatives
Washington, DC 20515-0533

October 30, 2015

The Honorable Mary Jo White
Chair
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Dear Chair White,

As Members of the House Oversight and Government Reform Committee, we are deeply troubled by recent media reports alleging that ExxonMobil intentionally obfuscated the role of fossil fuels in influencing climate change. Investigations by the *Los Angeles Times* and *Inside Climate News* suggest that top executives at Exxon embarked on a massive campaign of denial and disinformation after company scientists connected the burning of fossil fuels with global warming.^[1] We request your agency investigate ExxonMobil's past filings to determine if securities laws were violated by failing to appropriately disclose material risks related to climate change.

As a publicly traded company, ExxonMobil has a duty to follow U.S. securities law and Securities and Exchange Commission (SEC) regulations for the benefit of investors, including disclosure requirements as they apply to business or legal developments relating to the issue of climate change. Unfortunately, it appears that ExxonMobil may have omitted or misrepresented material information in official filings.

According to recent media reports, as far back as 1977, senior Exxon (becoming ExxonMobil in 1999) scientists highlighted for company management that "carbon dioxide from the world's use of fossil fuels would warm the planet and could eventually endanger humanity."^[2] Furthermore, Exxon continued its research into carbon dioxide from fossil fuels and its impact on the earth, and "assembled a brain trust that would spend more than a decade deepening the company's understanding" of global warming.^[4]

Included in an Exxon memo from 1982, the company suggests that addressing the negative consequences of global warming "would require major reductions in fossil fuel combustion," and that "there are some potentially catastrophic events that must be considered."^[5] However, it

^[1] See Sara Jerving *et al.*, "What Exxon Knew About the Earth's Melting Arctic," *Los Angeles Times*, Oct. 9, 2015; Neela Banerjee *et al.*, "Exxon: The Road Not Taken," *Inside Climate News*, Sep. 16, 2015; "How Exxon Went From Leader to Skeptic on Climate Change Research," *Los Angeles Times*, Oct 23, 2015.

^[2] Neela Banerjee *et al.*, "Exxon: The Road Not Taken," *Inside Climate News*, Sep. 16, 2015.

^[3] *Id.*

^[4] *Id.*

appears that Exxon did not elaborate on these issues in annual reports filed with securities regulators nor did Exxon report that their concerns were beginning to influence business decisions.

Additionally, a *Los Angeles Times* investigation^[5] indicates that Exxon's internal approach to climate change varied substantially to its external actions. The investigation suggests that Exxon reportedly incorporated climate change projections into planning efforts as far back as 1990, including how to adapt the company's Arctic operations despite ongoing efforts to obscure public perception of climate change.

Based on the allegations above, we are deeply concerned that U.S. securities laws may have been violated, and we encourage your agency to thoroughly investigate the facts to determine if ExxonMobil misrepresented or omitted material facts in past securities filings. If you determine that violations did occur, we respectfully request the SEC to seek appropriate equitable remedies against ExxonMobil.

Thank you for your attention to this important matter, and we look forward to your response.

Sincerely,



Ted W. Lieu
Member of Congress



Mark DeSaulnier
Member of Congress



Peter Welch
Member of Congress



Matthew Cartwright
Member of Congress

^[5] Sara Jerving *et al.*, "What Exxon Knew About the Earth's Melting Arctic," *Los Angeles Times*, Oct. 9, 2015.

^[6] *Id.*