Industry Group Asks SEC to Investigate Cities With Climate Lawsuits

The National Association of Manufacturers has launched a new effort to oppose cities filing climate lawsuits. Photo credit: Getty Images
An industry trade group waging a campaign against communities pursuing climate lawsuits against oil companies said Thursday it has asked the Securities and Exchange Commission to investigate those municipalities.

In a letter to the SEC (http://mfaccountabilityproject.org/wp-content/uploads/2018/04/SEC-Letter_3.27.18-3.pdf), the National Association of Manufacturers (NAM) said those cities and counties might be misleading investors when they stated in bond offerings that they couldn't predict the impacts of climate change. In their lawsuits against the fossil fuel industry, the group said, those communities included projections of some of the potential impacts, such as the frequency of severe flooding, and the rising costs to adapt to them.

The complaint targets eight municipalities in California that have filed lawsuits, as well as New York City. The tactics are similar to those industry used against legal campaigns to hold companies accountable for the health impacts of tobacco, asbestos and lead paint. This time the industry group is claiming the cities pursuing the suits are the ones hiding or misrepresenting facts about climate change, not oil companies.

"These claims have no merit," said Matthew Edling, a partner at Sher Edling, the law firm representing several California communities. "If NAM were honest about its interest in accuracy and truth, it would be asking the SEC to investigate fossil fuel companies for suppressing what they knew about climate risks for nearly 30 years. But instead it continues to do the fossil fuel industry's dirty work."

A spokesman for New York City said the city stands by the statements it made in bond offerings. He added, "This is yet another bogus attempt to mislead the public about Big Oil's responsibility for climate change. We are continuing to take climate action to protect New Yorkers from the risks of rising seas, stronger storms, and hotter temperatures, and that includes holding Big Oil accountable for its role in causing climate change while hiding behind a decades-long campaign of deception and denial."

The letter to the SEC reflects the deepening worry by the group and other supporters of fossil fuel companies over the growing number of climate lawsuits. NAM announced last late last year (https://www.climateliabilitynews.org/2017/12/15/nam-climate-liability-industry/) it had launched an initiative called the Manufacturers' Accountability Project (MAP) specifically to oppose the lawsuits and the investigations of ExxonMobil by the attorneys general of New York and Massachusetts. It claims the lawsuits and investigations are politically motivated and seek to enrich lawyers at the expense of American business.


In February, NAM said (http://mfaccountabilityproject.org/category/press-statements/) it was submitting public records requests to the cities and counties to seek documents, including contracts with law firms and correspondences, that involved the lawsuits.

NAM's letter to the SEC followed a similar effort by the Competitive Enterprise Institute (https://www.bloomberg.com/news/articles/2018-02-06/sec-urged-to-investigate-california-officials-over-climate-risk) in February. ExxonMobil made the same claims in a January petition (https://www.documentcloud.org/documents/4345487-Exxon-Texas-Petition-Jan-2018.html) to a state court in Texas. That was part of Exxon’s larger effort to fight the climate lawsuits as well as the state investigations. In the petition, Exxon is seeking to depose California city and county officials.


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