



July 21, 2016

The Honorable Sheldon Whitehouse
United States Senate
530 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Whitehouse:

I am writing in response to comments you recently made on the Senate floor about ExxonMobil and our position on climate change and felt it important to better inform you of our position. ExxonMobil shares the same concerns as people everywhere — how to provide the world with the energy it needs to support economic growth and improve living standards, while reducing greenhouse gas (GHG) emissions. It is a dual challenge. Technological advancements in the ways in which we produce, deliver, and use energy are critical to our ability to meet this challenge.

ExxonMobil believes the risks of climate change are real and warrant thoughtful action.

As a global issue, addressing the risks of climate change requires broad-based, practical solutions around the world. ExxonMobil believes that effective policies to address climate change should:

- Ensure a uniform and predictable cost of carbon across the economy;
- Be global in application;
- Allow market prices to drive the selection of solutions;
- Minimize complexity and administrative costs;
- Maximize transparency; and
- Provide flexibility for future adjustments to react to developments in climate science and the economic impacts of climate policies.

As policymakers develop mechanisms to address climate change risk, they should focus on reducing the greatest amount of emissions at the lowest cost to society. Of the policy options being considered by governments, we believe a revenue-neutral carbon tax is the best — a position we first took more than seven years ago.

We are actively working to reduce greenhouse gas emissions in our own operations and to help our customers reduce their emissions as well. That means developing technologies that reduce emissions, including working to improve energy efficiency and advance cogeneration. In fact, our cogeneration facilities alone enable the avoidance of approximately 6 million metric tons of greenhouse gas emissions each year, and allow us to feed power back to the grid in certain instances.

Since 2000, ExxonMobil has spent approximately \$7 billion to develop lower-emission energy solutions. That figure does not include the fact that as the nation's leading producer of natural gas, ExxonMobil has contributed substantially to the overall drop in U.S. energy-related CO2 emissions over the past decade.

We are also advancing conventional carbon-capture-and-storage technology while at the same time pursuing innovative carbon-capture solutions involving carbonate fuel cells. This far-sighted research aims to reduce the cost of carbon capture to keep CO2 out of the atmosphere. Advancing economic and scalable technologies to capture carbon dioxide from large emitters, such as power plants, is an important part of ExxonMobil's suite of research into lower-emissions solutions to mitigate the risk of climate change.

And we are pioneering development of next-generation biofuels from algae that could reduce emissions without competing with food and water resources.

We reject long-discredited efforts to portray legitimate scientific inquiry and dialogue and differences on policy approaches as "climate denial." We rejected them when they were made a decade ago and we reject them today.

To advance the quality of analysis and discussion of leading public policy challenges, we provide funding to a broad range of non-profit organizations that engage in the development and consideration of options to address them responsibly and effectively. Often these organizations support free market solutions and expanded economic growth. We consider our support for such organizations from year to year to assess their continuing contribution to the public discussion of social, environmental, and economic issues. As you know, several years ago, we discontinued funding several non-profit organizations when we determined that our support for them was unfortunately becoming a distraction from the important public discussion over practical efforts to mitigate the risks of climate change.

If you, or your staff, would like to discuss this or any other matter, please let me know and, as always, we would be pleased to meet.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Danaher". The signature is fluid and cursive, with a large initial "J" and "D".

CC: Senate Majority Leader Mitch McConnell
Senate Minority Leader Harry Reid