



To: Subcommittee on Oversight and Investigations Republican Members
From: Subcommittee on Oversight and Investigations Republican Staff,
Sang Yi (Sang.Yi@mail.house.gov) (202-892-9930) and
Meghan Holland (Meghan.Holland@mail.house.gov) (202-897-7480)
Date: September 12, 2022
Subject: Hybrid Oversight Hearing on “*The Role of Public Relations Firms in Preventing Action on Climate Change*”

The Subcommittee on Oversight and Investigation will hold a hybrid oversight hearing titled “*The Role of Public Relations Firms in Preventing Action on Climate Change*,” on **Wednesday, September 14, 2022, at 10:00 a.m.** in room 1324 Longworth House Office Building and via Cisco WebEx.

Republican Members are encouraged to take advantage of the opportunity to participate in person from the hearing room.

Member offices are requested to notify Sang Yi (Sang.Yi@mail.house.gov) **no later than Tuesday, September 13, 2022, at 4:30 p.m. EDT** if their Member intends to participate in the hearing room or remotely via his/her laptop from another location. Submissions for the hearing record must be submitted through the Committee’s electronic repository at HNRCDocs@mail.house.gov. Please contact David DeMarco (David.DeMarco@mail.house.gov) should any technical difficulties arise.

I. KEY MESSAGES

- Democrats are using this hearing in an attempt to bolster an unsuccessful investigation into public relations (PR) firms’ work for oil and gas clients.
 - All Republican Members of the Natural Resources Committee opposed Chair Grijalva’s proposed subpoena to one of the PR firms.
 - Natural Resources Republicans sent a letter to Chair Grijalva on September 1, 2022, recommending that Chair Grijalva not issue his proposed subpoena, which Republicans believe to be over broad and poorly timed, as the PR firm is still cooperating with the Committee.
- Instead of focusing on our nation’s rising cost of energy, this hearing is another attack on the industry responsible for providing affordable and reliable energy to American households.



- By targeting PR firms for working on behalf of an industry Democrats repeatedly vilify, the Majority could create a chilling effect on the ability of private businesses to exercise their First Amendment rights.
- Republican Members may use this opportunity to highlight the consequences of Democrat initiatives, including sacrificing our nation's energy independence, raising costs for American families, and the threat of blackouts.

II. WITNESSES

- Ms. Amy O. Cooke, CEO, John Locke Foundation, Raleigh, NC [*Republican Witness*]
- Ms. Christine Arena, Founder and CEO, Generous Ventures, Inc., San Francisco, CA
- Dr. Melissa Aronczyk, Associate Professor, School of Communication and Information, Rutgers University, Brooklyn, NY
- Ms. Anne Lee Foster, Former Director of Communication and Community Engagement, Colorado Rising, Paonia, CO

III. BACKGROUND

This hearing follows a series of letters sent by Chairs Grijalva and Porter demanding information related to PR firm's work for the oil and gas industry. On February 9, 2022, the Majority requested information regarding six organizations' that issue awards in the PR industry.¹ The letters asserted that companies utilized PR firms to create campaigns downplaying the effects of climate change.² Chairs Grijalva and Porter made broad requests seeking all nominations, applications, and petitions related to campaigns tied to natural gas, coal, and oil for the past 14 years.³

On June 12, 2022, Chairs Grijalva and Porter shifted tactics, targeting five PR firms, as well as the American Petroleum Institute, a trade association that represents America's natural gas and oil industry.⁴ The Chairs' letters continued the Majority's narrative that PR

¹ See Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Ms. Eva McCloskey, Managing Dir., Academy of Interactive and Visual Arts, (Feb. 9, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Ed Dalheim, Exec. Dir., Assoc'n of Marketing and Communication Professionals, (Feb. 9, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. John Crewe, CEO, Haymarket Media, (Feb. 9, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Ms. Anne Lancher, Office Manager & Membership Coordinator, Minn. Public Relations Society of America, (Feb. 9, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Ms. Erika Bradbury, Editorial Dir., PR News, (Feb. 9, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Paul Holmes, Founder & Chair, Provoke Media, (Feb. 9, 2022) (on file with Comm.).

² *Id.*

³ *Id.*

⁴ See Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Steven Gunby, Pres. and CEO, FTI Consulting, (June

firms played a role in delaying “environmental initiatives.”⁵ Additionally, Chairs Grijalva and Porter made broad requests, asking for all documents and communications related to “public relations, marketing, and/or influence campaigns” for the natural gas, coal, and oil sectors, over the past nine years.⁶

In particular, Chairs Grijalva and Porter escalated their requests with one PR firm. FTI Consulting (FTI) was threatened with a subpoena for documents.⁷ In response, FTI expressed surprise to the Majority’s characterization of their ongoing conversations with the Majority.⁸ FTI noted their meetings with Majority Committee staff on June 16, June 27, July 11, and August 2 of 2022 to discuss the document requests.⁹ Further, FTI explained that the documents being sought were subject to confidentiality agreements, and therefore, could not be disclosed without their client’s permission.¹⁰

Per the Committee’s rules, Chair Grijalva initiated the consultation process with Ranking Member Westerman on August 25, 2022, conveying his intention to issue FTI a subpoena on September 1, 2022.¹¹ In response, the entire Republican dais urged Chair Grijalva not to issue the subpoena.¹² In part, Committee Republicans expressed concerns doing so would violate Chair Grijalva’s commitment not to “harass anybody.”¹³ At the time of drafting this memorandum, Chair Grijalva has not issued his proposed subpoena originally drafted with a September 1, 2022, issue date.

Initially, the Majority invited three PR firms to participate in this hearing. The PR firms declined to attend, likely constrained by similar confidentiality agreements as those FTI has

12, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Ms. Debra Cabral, Pres. and CEO, Story Partners, (June 12, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. B.R. McConnon, III, Chairman and CEO, DDC Advocacy, (June 12, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Bob McKernan, Pres., Blue Advertising, (June 12, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Sam Singer, Pres., Singer Associates, (June 12, 2022) (on file with Comm.), Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Mike Sommers, Pres. and COO, American Petroleum Institute, (June 12, 2022) (on file with Comm.).

⁵ *Id.*

⁶ *Id.*

⁷ Letter from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. to Mr. Steven Gunby, Pres. and CEO, FTI Consulting, (Aug. 17, 2022) (on file with Comm.).

⁸ Letter from Curtis P. Lu, General Counsel, FTI Consulting to Raúl Grijalva, Chair, H. Comm. on Nat. Res. and Rep. Katie Porter, Chair, Subcomm. on Oversight and Investigations, H. Comm. on Nat. Res. (Aug. 24, 2022) (on file with Comm.).

⁹ *Id.*

¹⁰ *Id.*

¹¹ Memorandum from Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. to Rep. Bruce Westerman, Ranking Member, H. Comm. on Nat. Res. (Aug. 25, 2022) (on file with Comm.).

¹² Letter from Rep. Bruce Westerman, Ranking Member, H. Comm. on Nat. Res. et al. to Rep. Raúl Grijalva, Chair, H. Comm. on Nat. Res. (Sept. 1, 2022) (on file with Comm.).

¹³ *Id.*

described. Despite the subpoena threat for documents, the Majority never invited FTI as a witness to this hearing.

IV. REPUBLICAN APPROACH

As we face an ongoing energy crisis, the Majority is pursuing another attack on the American oil and gas industry. In this instance, Democrats are attacking PR firms which retain clients in the oil and gas industry. The Majority may hope that the threat of congressional investigation will deter PR firms from engaging with oil and gas companies in the future and, therefore, limit those companies' abilities to communicate with the public. In this case, the Majority is simply conducting oversight of PR firms' work as a means to attack an industry which they dislike.

Interestingly, as Committee Democrats continuously seek to villainize the oil and gas industry, this summer, President Biden invited oil and gas industry representatives to the White House to discuss potential solutions to the ongoing energy crisis.¹⁴ The White House meeting further calls into question the Committee Democrats' assertion of "disinformation" campaigns in the oil and gas industry. Presumably, the President would not invite representatives on an industry he believes is engaged in "disinformation" to discuss solutions to the ongoing energy crisis.

This hearing presents Republican Members with an opportunity to highlight the consequences of Democrat initiatives. Americans are paying the price for the Biden administration's poor energy decisions. This Committee should focus on implementing solutions that will lower costs for families and ensure access to affordable and reliable energy.

President Biden began his administration with attacks on the oil and gas industry. He canceled the Keystone Pipeline and placed a moratorium on oil and gas development on federal lands and waters.¹⁵ The Biden administration has failed to hold an onshore lease sale for 17 months, and has yet to complete a sale for offshore drilling.¹⁶ President Biden appears to be fulfilling campaign promise that there would be "no more drilling on federal lands."¹⁷ The decrease in leasing threatens our nation's future potential to produce enough energy to combat future shortages and prices surges.¹⁸

Not only are Democrats sacrificing our nation's future energy stability, but they are also forcing American families to face rising costs. In June of 2022, the American Automobile

¹⁴ Scott Waldman, *White House Meeting Lowers Tension Between Biden, Oil Execs*, E&E NEWS, (June 24, 2022) <https://www.eenews.net/articles/white-house-meeting-lowers-tension-between-biden-oil-execs/>.

¹⁵ Exec. Order No. 13990, 86 Fed. Reg. 14, 7037 (Jan 20, 2021), Exec. Order No. 14008, 86 Fed. Reg. 19, 7619 (Jan. 27, 2021).

¹⁶ Timothy Puko, *Federal Oil Leases Slow to a Trickle Under Biden*, The Wall St. J., (Sept. 4, 2022), <https://www.wsj.com/articles/federal-oil-leases-slow-to-a-trickle-under-biden-11662230816?st=46k1w2nrvpl3jii>.

¹⁷ *Id.*

¹⁸ *Id.*

Association (AAA) reported the highest recorded average price for gasoline.¹⁹ As of Sept. 9, 2022, AAA is reporting a current average price of \$3.738 for regular gasoline, a 17 percent increase over prices a year ago.²⁰

Additionally, Democrat policies are sacrificing access to energy. For example, California faced the risk of widespread blackouts earlier this month.²¹ After California announced policies to end the use of gas-powered vehicles on their roads, state officials asked electric vehicle owners to limit charging their cars.²² However, California continues to push green energy initiatives, despite Governor Newsom's recognition of renewable energies' inability to satisfy electric needs in the event a nuclear plant was taken offline.²³ Ironically, as Subcommittee Chair Porter continues attacks on an industry that provides reliable, affordable baseload energy, her constituents are facing the possibility of losing power.

Amy Cooke, the Republican witness, is an advocate of free-market energy policies.²⁴ She will speak to the consequences of misguided green initiatives, as well as the benefits of an all-the-above energy strategy. Her prior experience with ballot measure initiatives allows her to provide first-hand experience about messaging campaigns. Despite the Majority's disagreement with the message, voters and consumers deserve to be informed. Campaigns, like the ones targeted by the Democrats' investigation, serve an important role in sharing the local and economic benefits of oil and gas production. Ultimately, the power lies with Americans to weigh the information and decide on a course of action.

V. ISSUES DEMOCRATS MAY RAISE

The hearing is an attempt to salvage the Majority's unsuccessful investigation into PR firms' work for oil and gas clients. Democrat witnesses are expected to offer arguments bolstering claims that PR firms are at fault for the perceived failure to implement climate initiatives. First, Dr. Melissa Aronczyk may advocate for increased regulations for the PR industry due to the spread of "disinformation."²⁵ As a former executive of a large PR firm, Ms. Christine Arena is expected to criticize the PR industry having resigned from her firm based on her disagreement with the firm's stance on climate change.²⁶ She will likely echo

¹⁹ AAA, *Gas Prices*, <https://gasprices.aaa.com/> (last visited Sept. 9, 2022) (Current average = \$3.738, Year ago average = \$3.181).

²⁰ *Id.*

²¹ Evan Halper & Erica Werner, *California Scrambles to Avoid Blackouts As It Pursues A Green Energy Future*, THE WASHINGTON POST, Sept. 7, 2022, <https://www.washingtonpost.com/business/2022/09/07/california-heat-wave-climate-electricity/>

²² *Id.*

²³ *Id.*

²⁴ The John Locke Foundation, *Our Team – Amy O. Cooke*, <https://www.johnlocke.org/about/team/amy-o-cooke/> (last visited Sept. 9, 2022).

²⁵ Amy Westervelt, *Democrats Are Coming After Big Oil Over the Industry's Endless Climate Bullshit*, THE ROLLINGSTONE, Oct. 27, 2021, <https://www.rollingstone.com/politics/politics-features/climate-change-fossil-fuel-propaganda-congress-tobacco-1244991/>.

²⁶ Sam Meredith, *PR Firms Are Facing A Backlash For 'Greenwashing' Big Oil – and the Pressure on Them is Growing*, CNBC, Aug. 11, 2022, <https://www.cnbc.com/2022/02/16/big-oil-and-the-climate-crisis-the-fight-to-hold-pr-firms-accountable.html>.

previous assertions that PR firms played a central role in contributing to the climate crisis.²⁷ Finally, Ms. Anne Lee Foster will likely recount her experience as an activist who advocated for anti-fracking measures in Colorado.²⁸

Democrats will likely assert that fossil fuel companies, through the work of PR firms, ignore the risks of climate change.²⁹ Further, a false analogy may be drawn between this asserted failure of fossil fuel companies and the tobacco industry's failure to disclose the risks of smoking.³⁰ The comparison rests on the Majority's pre-determined and accusatory conclusion that messaging from PR firms facilitates the spread of "disinformation." When Democrats' views on oil and gas are challenged, different views are met with allegations of climate change denial, and thus, disinformation.³¹ In order to continue the comparison with the tobacco industry, we expect Democrat witnesses to try to draw a parallel between the health consequences of smoking and the purported consequences of delaying action to address climate change.³²

Republican Response: Concerningly, the term "disinformation" continues to be used casually. This hearing represents a failure to appropriately respect fundamental First Amendment rights. Speech is protected in categories, including political speech and commercial speech.³³ The U.S. Supreme Court recognized that, "speech on public issues occupies the highest rung of the hierarchy of First Amendment values, and is entitled to special protection."³⁴ Understanding the benefits of affordable and reliable energy are public issues, impacting the pocketbooks of Americans.

Although commercial speech is subject to reasonable regulations, the appropriate venue for asserting fraudulent or deceptive advertising is the legal system. In fact, cases are currently before courts to determine whether the arguments presented by the Majority have any merit.³⁵ In the ongoing investigation, however, Democrats made overbroad requests and failed to acknowledge companies' rights to political speech.

Additionally, Democrats are expected to criticize oil and gas companies spending on public communications, as well as PR firms for participating in messaging on their behalf. One environmental sociologist concluded that over 30 years, five oil companies spent \$3.6

²⁷ *Id.*

²⁸ See Greg Avery, *Despite Colorado Rising Backing Away From the Fall Ballot, These Activists Plan to Forge Ahead*, Denver Business J., June 11, 2022, <https://www.bizjournals.com/denver/news/2020/06/11/colorado-rising-fracking-activists-oil-ballot.html>.

²⁹ See *supra* note 25; John Cook et. al, GEORGE MASON UNIV. CENTER FOR CLIMATE CHANGE COMMUNICATION, *America Misled: How the Fossil Fuel Industry Deliberately Misled Americans About Climate Change*, (Oct. 2019), at 4, available at <https://www.climatechangecommunication.org/america-misled/>.

³⁰ *Id.*

³¹ See *America Misled: How the Fossil Fuel Industry Deliberately Misled Americans About Climate Change* at 12.

³² *Id.*

³³ CONGRESSIONAL RESEARCH SERVICE, *The First Amendment: Categories of Speech*, Jan. 16, 2019, available at <https://www.crs.gov/Reports/IF11072?source=search&guid=90fcf9fc79a8411983cacd707cc9dc8d&index=0>.

³⁴ *Snyder v. Phelps*, 562 U.S. 443, 452 (2011) (internal quotation marks omitted).

³⁵ See e.g. Bruce Fil, *U.S. Cities and States Are Suing Big Oil Over Climate Change. Here's What the Claims Say and Where They Stand*, PBS, Aug. 1, 2022, <https://www.pbs.org/wgbh/frontline/article/us-cities-states-sue-big-oil-climate-change-lawsuits/>.

billion on “greenwashing” and pro-fossil fuel messaging.³⁶ Additionally, Democrats may scrutinize oil and gas companies, due to a recent study analyzing their spending to educate the public on companies’ environmental work.³⁷ The study insinuated spending on communications about their environmental work was disproportionately more than spending on the initiatives themselves.³⁸ Democrats will likely assert that by engaging with oil and gas companies as clients, PR firms impact the public’s views of climate change.³⁹ Relying on witness assertions that this kind of messaging is disinformation, the Majority is expected to conclude PR firms should also be held accountable. Specifically, Democrats may assert PR firms are responsible for the delay in addressing climate change.⁴⁰

Republican Response: It is important to note that messaging does not occur in a vacuum. As one of the many freedoms in the United States, a variety of viewpoints can be shared with the public. In fact, both left- and right-leaning organizations utilize campaigns to spread their messages to voters. This hearing simply serves to attack PR firms for working with clients the Democrats dislike. It is commonsense that companies would make a business decision to allocate funds to message on topics of interest to the American public. Given the Democrat-controlled Congress and White House, and the push for climate initiatives, it is reasonably expected that companies would highlight their work in this sphere.

³⁶ *Supra* note 25.

³⁷ Damien Gayle, *Oil and Gas Firms’ Green Investments Fail to Match Promise of Publicity-Study*, THE GUARDIAN, Sept. 8, 2022, <https://www.theguardian.com/environment/2022/sep/08/oil-and-gas-firms-green-investments-fail-to-match-promise-of-adverts-study>.

³⁸ *Id.*

³⁹ *Supra* note 25.

⁴⁰ *Id.*