

Interoffice Memorandum

Ken Lay

Rob Bradley

Subject: White/Karas Memos

Department: Policy Analysis

June 22, 1998

The article in the May 1998 USA Today magazine that Ken Karas contacted you about is much like the other piece he contacted Tom White about (and Tom contacted you about) several months ago. It is an excerpt from the Cato paper of a year ago that the editors of the magazine essentially reprinted with a new title and a few other embellishments. They must have found the picture of the dead golden eagle at Altamont Pass—I didn't know such pictures existed. Attached is a memo from January 15th where I mentioned the USA Today magazine piece specifically.

I didn't care to rebut Mr. Karas' characterization of the excerpt as "yellow journalism" last time, but since the piece and topic are back in play, I should note that the longer the mess at Altamont Pass is left essentially unchecked, the more it is going to give the whole wind industry (including Enron's operations in low or zero impact bird areas) a black environmental eye. The California Energy Commission is continuing to report that the golden eagle situation has not improved at Altamont since the problem first surfaced some years ago. The American Wind Energy Association should monitor the situation closely. I may have heard that one of the largest wind farms in Europe was shut down or reconfigured due to a bird problem (Tarifa, Spain?), and Altamont might need the same medicine to protect the innocent, including Enron.

On the global warming issue, the e:mail exchange that was brought to your attention was the result of an analogy made by an Enron employee between critics of the Kyoto Protocol and tobacco scientists. I corrected the writer on some of his facts quoting directly from the IPCC-1995 report, and the exchange escalated from there. The most interesting part of the exchange was not sent to you by Ken and Tom, but it caught the eye of others. Steve Kean and Terry Thorn have a good plan in place to better understand the science behind the issue that I have been researching rather diligently recently. It has been a great experience—some of the world's top scientists on both sides of the debate have been very open with me (Enron), and I am getting deeper toward understanding what is really going on. Tobacco science analogies are way out of place to say the least, and the Pew Center on Global Climate Change will have to do a good job on the science as well as the economics to use Enron's good name.