

Corporate Political Responsibility Taskforce

Expert Dialogue with Amy Meyer & Eliot Metzger

Meyer & Metzger - Module #3

Elizabeth Doty: Welcome to the Corporate Political Responsibility Task [05:43:00] Force Expert Dialogue. My name is Elizabeth Doty and I'm the Director of the CPRT, Erb Institute's Corporate Political Responsibility Task Force. At the University of Michigan, I'm delighted to be moderating today's conversation with Amy Meyer and Eliot Metzger of the World Resources Institute, Center for Sustainable Business.

Thank you for joining us today. The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute, a 25-year-long partnership between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by Managing Director Terry Nelodov and Faculty Director Tom Lyon, the Erb Institute is known for its leadership in three areas.

Teaching and Learning. Business engagement with groups like the CPRT and scholarly and applied research. The CPRT's mission is to help companies better align their approach to political influence with their commitments to purpose and values, sustainability, and stakeholders. As we're seeing, corporate political [05:44:00] responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues, and rebuilding public trust in institutions.

I'm very excited to be talking to two incredible Today we are just going to scratch the surface. I can tell already. Amy Meyer is the program manager for corporate climate advocacy at the WRI Center for Sustainable Business. She leads their efforts to mobilize positive business influence on climate legislation at the state and federal levels.

She has a master's in urban planning from MIT and has served as a senior consultant with Navigant, providing energy efficiency consulting to utilities, state and local governments, and private industry, and has done some incredible research on barriers companies face when trying to act on climate policy.

Eliott Metzger is the Director of Sustainable Business and Innovation at the WRI Center, and he's partnered with Fortune 500 companies in a range of industries to develop and test innovations from disruptive business models to internal carbon [05:45:00] pricing, climate policy lobbying, clean energy investment thought leadership on the water energy nexus, and, a full range of topics and he tends to focus on urgent sustainability issues that can sometimes be the elephant in the boardroom.

Amy and Eliot, welcome.

I'm going to shift us on to the to the third topic in our conversation here because I think clearly all of us are concerned about the political environment, how well that's working and the fragility of that right now. And also how companies are influencing those ecosystems based on very narrow interests, as you say, confusing the science potentially contributing to gridlock in you know, in our political system.

Tom and I talk often about, you know, delaying on policies because this one's not quite right., so there, I think what you're, what you're pointing to, if we look at a system that's stuck in a dysfunctional trajectory, what are the [05:46:00] resources for change?, one of them would be for the disengaged in your reports terms to realize they have a stake in this.

And as companies are being called on other issues, To play that third side to step forward on behalf of the commons., you know, for the collective action public interest. And that's a that's a step as you say. So let's go to the context., here and and look at some of this external, uh, context., I know you all have been working on this for some time.

I know people on the call have been around this for a long time. Uh, you have three barriers here, and I think these have all three. Okay., you mentioned, uh, I'll just recap the backlash one. You just alluded to Amy, the risk of you'll go into political winds, uh, shifting and difficulty getting stable regulatory environments and then those trade association roles.

So could you speak about these? And I [05:47:00] would like to ask you to focus a little bit on, uh, who could do what to shift these?, where are you seeing resources or energy or perspectives that could be activated? to break through these barriers.

Amy Meyer: These are all interrelated to some extent. You know, the the backlash companies, we find fear a number of different forces.

Whether that's their customers or their consumers, their employees, politicians tend to be the big one. And we certainly saw when our former president was in. Office most most recently, you know, 11 tweet from Tr p was you know, able to move markets temporarily. It turned out, you know, but the fear is is still there.

And there is There is a real, a real threat and a real existence of backlash., and that kind of, you know, that timidity definitely ties into the political winds of what's [05:48:00] happening in Congress right now and companies feeling that if it's not their most existential issue, they're going to stay out of it.

You know, they don't want to be wasting their political capital or risking backlash by engaging in these issues. And I think that's. You know, it's understandable. Of course, all of these barriers are understandable, but solvable., but I think we, you know, there needs to be a new understanding from companies.

And this is something we're working on 2 of just the straight business case for acting., and there's a lot around climate, but. The regulatory environment, and I think Elizabeth, we talked a little bit about this earlier, but companies can't function in this swinging regulatory environment, not knowing who's going to be in office, not knowing what the rules are going to be.

I mean, with vehicle emission standards, we've, we've seen this pretty starkly of, you know, Obama era rules, raising the standards and. [05:49:00] The Trump administration suing to lower those and now it's kind of back where it was and even more ambitious., that's no way to plan. You know, that's it. It's just a real issue for companies and I think there needs to be an understanding that when they're staying out of the fray there.

They need to start opening themselves up to, you know, to that uncertainty and to the risk involved there. And that by getting involved, they can, they can help bring about the, you know, the future they want, so to, so to speak, they can look at who they're supporting in Congress, they can look at pushing through the bills that are needed and just say, you know, like enough with their trade associations, they need to speak up and stop letting fossil fuel

industries hijack the conversation, because fossil fuel industries are going to have to change no matter what.

But the rest of the companies, the majority of the companies in the meantime, are kind of getting tossed, tossed back and forth here, not able to set the policies needed to meet their goals and to [05:50:00] plan for the future. And I think there just needs to be a recognition, almost a bravery that needs to, that needs to come over them to, to step up and do the right thing for, you know, for their business.

And in addition to the moral imperative. Eliot, I don't know if there's more more you want to add there.

Eliot Metzger: Yeah, I go back to January 2017 I remember having a conversation. This is stuck in my head. Since then, it was with an oil and gas executive, who was one of the few oil and gas executives that was with us.

pushing back against some of the Trump administration's proposals and I asked him I said what makes you step up and speak up and show up for this issue, you could get away with a lot here. And he told me he said, we're very nervous about climate policy whiplash, and when he was describing I think is that is that whiplash you're going.

Back to some other rules, and then you're getting advanced even further. You're seeing that a little bit right now with the Trump administration to the Biden [05:51:00] administration. Like there's a sort of a catch up mode that the Biden administration is playing and that's accelerating things. And companies, I think are really nervous and not knowing how to play, what rules are going to be in place.

And that uncertainty obviously is a big issue for business. So how you how you avoid that whiplash. I think there are a couple strategies that we've seen or observed and learn about over the last several years. One is sticking to a very specific policy position. And for a number of years, I think companies had pretty general policy positions or no policy position at all.

I think you're starting to see companies as well as trade associations, you know, set some of these positions and be more specific about. about their roles. And actually, Jim, in your comments online, you asked about what are the policy priorities., there are a few that are being distilled now. And I'll, I'll fully admit on the NGO side, we've, we've as NGOs, WRI and many others have been pushing companies on many different topics.

We've not really organized ourselves to have a very [05:52:00] specific list. more recently we have, and this is big credit to Amy. Some colleagues at EDF and Ceres and WWF and others have gotten together and we have a more specific call to action for companies on where they can engage. It's the AAA climate leadership framework.

We can talk more about that later. But I think once you have an agenda, That agenda hopefully can last, you know, through internal changes, people taking on new roles that your company still sticks to their agenda., through administration changes, you continue to have that., I think that's a really important consistency factor.

I see Dede's comments in the chat about multiple legs of the stool and how to make sure that withstands big events and big changes. I think, you know, having something on paper, something public, we see a lot of companies set science-based targets. I like to see them set science-based. Policy objectives, policy agendas.

, and stick to that. Maybe Jim, some of the folks you work with, if they really are, you know, science-based companies, they'll [05:53:00] see that connection. And, you know, but beyond the political, is there an objective for them on climate change they can stick to?, but those are some of the things we've seen.

I think that whiplash is a big deal though., there's not much of a business case for going back and forth, back and forth.

Elizabeth Doty: That's right. You can't make investments when you're doing that. And I'm hearing we can gather, you know, some of the avenues for action, maybe with leverage in this complex, interconnected mess.

And that having a consistent science based policy agenda. And I will ask you at the end we'll go into the AAA framework there for NGOs to get together. And align and reconcile, you know the different voices and the different considerations in that I know many of the things we're hearing is companies are overwhelmed by requests from all these different actors.

If you can reconcile that similarly internally. I think, Amy, you're, you're well actually was, I think it was Jim I mentioned [05:54:00] sustainability going to government affairs. To the degree that we can talk to peers to reconcile tradeoffs and come to decision makers with something more organized., I think we reduce some of the overload, you know, still, there are still barriers.

And then the last one around this question of bravery, we had Paul Polman on a couple months ago, and it strikes me that this is a perfect place to apply those moral convictions and to take the long view of what's at stake. And that when we ask companies to Uh, leaders, CEOs to exercise moral leadership, maybe it's not to fight the incentives, but to step up to this, to shift the incentives that everyone, that everyone faces.

So why don't I flag this question, let me call out the one you raised earlier, Tom, and the question about the different trade associations is I've seen this listed as a barrier to effective climate policy action personally for 20 years. What are the [05:55:00] roles of the different trade associations?, in how do they see their roles in mobilizing leaders in a collective action problem?

It's to get together to be brave together., so what do we know about that? And I'll open it also to anyone on the call who would like to weigh in on that., Amy, you had something earlier you mentioned about the differences between some of them.

Amy Meyer: So there's a lot of powerful trade associations in the United States. Not surprisingly, you know, these often top the list of most powerful trade associations in the world., we have a lot of a lot of power over here on, on the American government in particular, given how our political system is set up. And there's a number of different trade associations, styles out there, and some are industries.

You know, you have ones focused on the tech sector, the retail sector, the food and beverage, you know, in our very, very much have had that specificity. And in those cases, [05:56:00] when lobbying occurs, you can make some decent assumptions about who those trade associations are representing. you know, they're representing their, their sector.

You have other trade associations that are multisector. The U. S. Chamber of Commerce is a great example of that where not only do they represent, uh, all the, all the sectors, all the industries, but they, you know, they claim to have over 300, 000 members, which they, which they don't disclose., but it gives them this power to not only say that they're speaking on

behalf of American businesses kind of writ large, but it also is a manner for them to kind of obscure where the money is coming from. We have, you know, again, with the Exxon example, we saw this direct kind of admission of, I believe the quote was using the trade associations as our whipping boys was the, the eloquent way it was put where money is, you know, you can [05:57:00] pay for that influence.

It goes through and. It's, you know, the chamber's claiming, Oh, we're representing business interests when really they're representing maybe a handful of companies, not just one company who's paying for that influence., so we definitely see that occurring and then to what I was speaking about before the call, you have business roundtable, which is technically not a trade association.

They are an association of CEOs and I think a lot of this comes down to just the mechanisms in place when you have CEOs involved in much fewer companies and in publicity around their participants are published on their website. We know exactly who is acting in that capacity, you know, who's running the committees.

We can, we have that transparency. and so they do tend to be out in front on, you know, the trade off there is that they're not lobbying the way these other associations are lobbying. They're kind of A voice in a [05:58:00] thermometer, I would say, indicating where things are heading, indicating the interest of the CEOs, but that doesn't always trickle down to these multisector associations.

And so we, we have this complexity there of who's, who's saying what, who has the power to influence does a statement from Business Roundtable saying that we need a carbon price. Does that outweigh. You know, the chamber coming up and saying, oh, we're not going to endorse the carbon price, but we're going to support market mechanisms, which one means more, which speaks louder.

Who's influencing who? I think there's a lot of questions there that, you know, we're still getting our hands around., I think companies are. are as well., so there's just a lot of complexity here. And when you're trying to, you know, trade association audits are a big thing that we advocate for of actually looking at everyone you belong to and where they stand on climate.

[05:59:00], even doing, you know, doing that's a good, a good first step, but it's more challenging than that of just understanding which associations count, which ones are having which impact., and it's, uh, yeah, there's a lot, a lot to unpack there that we're working on, but it does present a huge challenge.

Elizabeth Doty: I wanted to respond there with one little bit of history that Kevin Moss of your, of WRI there's a, there's leadership change at the U. S. Chamber. And I think it's interesting. And there are also signs of real concern about polarization and, and, uh, breakdowns of civic institutions which are also affected by corporate action.

And so the question arises for me is what would one ask for that is doable? You know, what is it, what is a yes able ask of the U.S. chamber as they're in this, And I was struck by Kevin Moss's article, uh, where he [06:00:00] said he asked four questions for Suzanne Clark., and one of the questions, I think, I don't remember all of them, was, will you represent all your members?

And just historically, just weighing here as, you know, taking off the moderator hat. In the beginning, President Taft asked the U.S. Chamber to A, have a democratic representative

process of arriving at its goals. positions on behalf of the voice as the voice of business and B, have it be a transparent process.

So I wonder if there's an ask there, uh, that, that could be interesting in asking the U.S. Chamber to look at all of its members., and as we continue the conversation, uh, in, well, actually, let me just ask you briefly now, what would you suggest, perhaps even a scenario where the Business Roundtable asks the U.S. Chamber, what would be the ask in your mind?

Eliot Metzger: Well, you know what, if I could jump in, Elizabeth, I think that's exactly it. Every trade association is on a journey. They're going through an evolution, even the chamber's going through an evolution right now [06:01:00] with their new leadership. Question is, how much are they going to learn from their members?

Where do their members stand on these issues? Amy and I were really struck a couple months ago when the American Petroleum Institute came out with a very favorable comment on carbon pricing. You know, it remains to be seen on how they push for that and all that. I'm not going to comment on that, but the fact that they were public about that was, was a big deal.

It showed you where, where certain associations were in that journey. I think what we've seen other associations do is pull their members, you know, do some of that internal engagement do some education with their members, set up webinars, workshops, trainings, et cetera, and see who shows up, see who engages chambers, set up a task force on climate n ber years ago.

I think there's, there's a couple of steps they can take., I would love to see all associations accelerate that because we're, we're, we're on a trajectory now where we need to act yesterday., and there's a business case for acting sooner rather than later because that the cost of an action is real.

[06:02:00] but I think that the, the challenge to associations is find out where your members are, get them to where they need to be, help them get there. I think there's a number of ways to do that. I think I trust those that work with associations to know their members well., I will, I will also just point out on the trade association topic Kevin also tells a great story about what he saw in the UK.

In fact, this is what inspired a lot of the work at WRI when we hired Kevin to lead our business center., he was very engaged in this topic because he saw the confederation of British industry evolve over time. And become, you know, sort of an obstacle into a real advocate for climate action., so he, he saw that happen elsewhere.

This is, you know, we need to have this in the United States too., so it's very possible. I think we just need to be on that journey and pushing faster. There are members within each association that I think can be advocates., we're hearing a story about the lighting industry. But there was one player, just one company that rocked the boat and [06:03:00] started pushing for LEDs.

Well before everyone else was ready., I think even that company wasn't quite ready for it, but there was a couple individuals within the company that were ready to push and they were effective and they pissed off a lot of the other members. but they, they had a strategic game where they played the outside and the inside and they were out there, you know, CEO was getting a lot of credit.

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The other industry, uh, CEOs had to follow that lead. They were forced to follow., so there's a way to do it., and you can work with champions., within an association, you just need to find them.

Elizabeth Doty: Okay, so let me turn it to Amy and Eliot now, if you would, who would you ask to do what, coming out of this conversation?

If you had to net it out, and someone said, I'm ready to be more brave. It's another step of bravery. Uh, who would you ask to do what?

Amy Meyer: Well, I'll mention just sort of acknowledging the, the academic origins of the Erb Institute is I think there's a huge role for universities to play here., not only in the research that comes out, but in their, you know, their, uh, their [06:04:00] work raising up the next generation of business leaders.

So for business schools, all those MBA students you know, my time at MIT Sloan, there was a great focus on sustainability, but I was always At the fact that it wasn't a requirement, you know, sort of an opt in, but everyone wasn't getting that education. And I think there's a real opportunity here to start talking about policy when in the classrooms, you know, make sure that the future leaders of these organizations at all at all levels are coming.

With are coming in with that knowledge of just how to engage in sustainability in the right way and all the different aspects because we find ourselves right now engaging in a reeducation. We talked about the importance of CEOs and leadership and some of that you You know, you have a hard time affecting right now.

So starting, grab on when they're when they're young, so to speak, and also beyond the students I mean [06:05:00] universities business schools have great networks of companies., and I think there's a real opportunity there. You know, we kind of challenge challenge all the universities to host workshops like this and bring up that discussion with the companies they work with on sustainability issues.

And it make this more the whole policy aspect, you know, It's gone pretty mainstream now, but it can go, it can go further beyond beyond this, this sphere. So that's for universities. I think there's a big role there. I'll also mention trade associations and Eliot, I think did a good job of talking about, you know, polling members.

I think it's so important for trade associations to stop taking the view of. We'll do whatever our members say and really take on this task of education and seeing it as their duty to help companies understand the way the world has changed and what's coming down the pipes. And instead of just [06:06:00] allowing you know, the money to speak to actually, you know, talk about why there needs to be certain sustainability measures, why these policies have to change.

Definitely an aspect of bravery there too, but I think there's., a lot more they could they could do in that space.

Eliot Metzger: I'll do three quick ones for other stakeholders we haven't talked about too much. We mentioned investors a little bit. If you're an investor, ask the climate question on an investor call or at an annual meeting, it does have a big impact.

We've seen companies that have gone from zero to 60 on climate policy just because they got the question. So asking that question is a big deal. if you're working within a company I would look for those opportunities where your CEO is meeting with. Either other CEOs or

ideally with the CEO of a trade association, like those annual meetings they have with their trade associations, that's a chance to put climate on the agenda.

Make sure, you know, your CEO, he or she's asking that question of the trade association. Where's my money going? [06:07:00], and how are you representing me on my climate challenge? And then if you're an NGO or a think tank or a uh, consulting firm that has expertise to lend, help those companies fill those knowledge gaps and then find.

Find your champion or champions ideally within the company, find out what barriers are important to them and help them overcome them., sometimes they just need information on who to talk to at their trade association. I mean, that's a big challenge for sustainability professionals haven't really followed this issue in the last couple of years.

So find that person who needs that help and give them those knowledge, uh, and that Intel and I'd highlight those for any of those listening on that.

Elizabeth Doty: Thank you, Eliot. That's fantastic. Adam, I think you've been tracking the chat. I saw there that Scott made an interesting comment along the way. Maybe you could bring in what we're hearing so far in the chat.

This is our chance to kind of say, how is this striking you and what does it mean for you in terms of taking this forward around [06:08:00] climate policy? So Adam, what are you seeing? And then we'll go to Scott. Yeah,

Guest: I guess what I would offer this group is that much of the conversation that I've heard thus far, I feel like, uh, I would have been saying years ago. Up until about five months ago, when everything I thought I knew about trade associations just went out the door.

So what I was understanding and expecting jumping into this new role at a trade association, it's not at all what I found., so what I am in the process of doing is reaching out to others who are in my role. at different associations., and I [06:09:00] found the most interesting conversations with people who were in my role in other trade associations.

So I'm on a, I'm a bit of a learning curve. Tom, this is all your fault that I'm here. So thanks a lot, Tom., but, uh, it, it will be very interesting to kind of see how the trade association world unfolds.

Eliot Metzger: Can you say anything more about what you're learning you know, and how things are different as you see them from the inside?

Guest: I am still learning and processing at this point. So what I can say is, you know, I've been in lots of different spaces over the years. I started studying this stuff in grad school and had it all figured out moved to DC to solve the world's problems as a contractor for EPA. Turned out I hadn't figured it all out.

So I did work at EPA and was like. Went to a non [06:10:00] profit where I had figured it all out. We were going to solve the world's problems in the non profit. Turned out that didn't work. So started doing consulting with some of the world's largest companies. That's going to solve everything. That, that didn't solve it.

So consumer insights, market research, that didn't solve it. So now I'm inside of a trade association trying to put the pieces together. What is interesting to me is that the same players Their voices are heard differently inside of each of those different roles where I've played, but I'm not sure what to do with any of that yet.

The short summary is I am consistently wrong about what the actual issues are and how easy they are to solve.

Elizabeth Doty: Interesting. Do you do you all have theories about if you were to talk about what would it take to shift positions if you were in your Suzanne Clark if you are had a policy for the US [06:11:00] Chamber.

Eliot Metzger: I think Suzanne is a great example right now. I think she's got a very Very challenging, but very exciting role. I mean, Tom Donahue had been the president CEO of the chamber for years, really put a stamp on, on that organization., she, I think she, she was, was brought in back, brought back to the chamber, Donahue brought her back because I, the speculation things I've read.

This is all me, you know, reading into things that I'm not privy to myself, but I think there, there was an expectation that she knows a lot how the chamber works and can continue on into that next generation. But if you see what they've done over the past couple of years to be more bipartisan and reach out to Democrats, et cetera they're, they're evolving.

They're, they're changing. They have to, to be competitive. It's like any other business, you know, uh, would have to change and be innovative. And I think she's going to have to balance what the old chamber was with what the new chamber can be. You see people attacking her a little bit for being too woke and things like that it.

I think it's pretty interesting [06:12:00] if she's pissing off both sides maybe she's doing something right. But she's, she's, she's got a chance to sort of evolve, and this is why I mentioned earlier pulling the members, because there are going to be a number of members. And Scott, I imagine you're starting to see this in your new role, there will be a number of members that are very vocal and sort of like the, that's the saying that squeaky wheel gets the grease sort of thing like they get most attention.

But if you go out and poll them, ask them, some of those quieter members. Who are still very important may have more to say than you imagine, and they may be sort of changing the calculus on what the risks are. You may perceive one risk, but then in reality, you learn more about those views of your members.

Maybe it's less risky. I think if I'm being a little bit pessimistic, I don't like this, this view. I see more and more the money talking. And where, where the members are giving the most money, they're going to get the most attention and sort of the operations of some of these associations suggest that those those members that pay that [06:13:00] the biggest dues sit on the boards, they get more access, they get more attention.

That is a big deal. I think if if you're working within a company, and you have board memberships at certain associations. You have an opportunity to put climate in there. Maybe it's not the reason you're on the board, but you have an opportunity to do that. Amy mentioned audits. That's a great way to learn.

I don't think I'm speaking out of turn, but when, when Kevin Moss, our boss at WRI, before he came to WRI, he was asking for a list of trade associations to know who is doing well, who isn't doing well. He didn't have that information. I don't know that there are a lot of people within a company that have that list.

So there's the knowledge gap there too., but you might perceive a risk and you might find out when you do a little more of the homework that it's not as bad. Bigger risk as you might

think. I think we've seen that in other topics to be on climate., companies have stepped up and, you know, benefited from being brave.

Elizabeth Doty: It's a very interesting one to use the money that you that you have there and to [06:14:00] elevate the voice of the system. Right. I think the B team, we heard on one of the calls the B team has a trade association alignment toolkit. Which gives you a, uh, approach to asking the question, you know, as you say, uh, Eliot, to ask the climate question and also the model code that we went through last time, or two conversations ago from the Center for Political Accountability, item number 11, it requires a report from your trade associations on their policy positions.

So then when it becomes a policy, it's less of an attack, it's more a process. And I love the poll as another vehicle.

I want to thank. Both of you for the thoughtfulness here. I know, as I said, we've just scratched the surface. There is not only this report, which is an excellent conversation starter, it would be great for anyone in an association in a company to bring for conversation with their peers and potentially for companies to bring to [06:15:00] their trade associations about the stakes and the practical barriers in a rigorous, neutral, but very frank way.

There's also your your AAA model. The AAA framework. Advocate, align, and allocate on climate policy. And then you actually go into great detail, kind of, convergence around policies. Those are practical ways people could take the conversation here, either listening to it or joining us today.