

No. 19-1818

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**UNITED STATES COURT OF APPEALS  
FOR THE FIRST CIRCUIT**

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STATE OF RHODE ISLAND

*Plaintiff-Appellee,*

v.

SHELL OIL PRODUCTS COMPANY, LLC, *et al.*

*Defendants-Appellants,*

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On Appeal from the United States District Court  
for the District of Rhode Island  
Nos. 1:18-cv-00395-WES (The Honorable Edgar Smith)

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**BRIEF OF FORMER U.S. GOVERNMENT OFFICIALS AS *AMICI  
CURIAE* SUPPORTING AFFIRMANCE OF THE DISTRICT COURT'S  
DECISION**

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## INTEREST OF *AMICI CURIAE*\*

*Amici curiae* Susan Biniaz, Antony Blinken, Carol M. Browner, William J. Burns, Avril D. Haines, John F. Kerry, Gina McCarthy, Jonathan Pershing, John Podesta, Susan E. Rice, Wendy R. Sherman, and Todd D. Stern are former U.S. diplomats or United States government officials who have worked under presidents from both major political parties on diplomatic missions to mitigate the dangers of climate change. The Appendix lists their qualifications.

*Amici* take no position on the merits of this suit. They submit this brief solely to answer Defendants' assertion that Rhode Island's claims will disrupt U.S. climate diplomacy and foreign policy. *Amici* explain why, based on their decades of experience, Defendants' position reflects a factual misunderstanding of U.S. climate diplomacy. This lawsuit, properly managed by a state trial court, can redress the alleged corporate misbehavior and tortious deception without interfering with or disrupting United States foreign policy. Further, even if such disruption were possible, it would provide no basis for removing this case to federal court. Claimed

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\* Pursuant to Federal Rule of Appellate Procedure 29(a)(4)(E), counsel for *amici* certify that no party's counsel authored the brief in whole or in part and that no one other than *amici* and their counsel contributed money that was intended to fund the preparation or submission of this brief. Defendants-Appellants did not object to the filing of this brief and the Plaintiff-Appellee has provided consent.

conflicts between state legal actions and foreign affairs are relevant to the question of federal preemption, not grounds for federal removal.<sup>1</sup>

### SUMMARY OF ARGUMENT

The State of Rhode Island (“Plaintiff”) has sued 21 fossil fuel companies (“Defendants”), bringing claims under the Rhode Island Environmental Rights Act and Rhode Island’s common law of public nuisance, products liability, trespass, public trust. Plaintiff has alleged the following facts, which at this stage of litigation must be accepted as true:

- Defendants’ deceptive promotion and marketing of fossil fuels have caused Rhode Island and its citizens harm.
- In 1990, the United Nations’ assessment body for climate change science, the Intergovernmental Panel on Climate Change (“IPCC”),

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<sup>1</sup> According to the Supreme Court’s doctrine of foreign affairs preemption, a state law that addresses a traditional state responsibility is preempted only if it conflicts with either a comprehensive treaty or an explicit federal policy. *Am. Ins. Ass’n v. Garamendi*, 539 U.S. 396, 420 n.11 (2003) (“Where . . . a State has acted within what Justice Harlan called its ‘traditional competence,’ but in a way that affects foreign relations, it might make good sense [for the doctrine of foreign affairs preemption] to require a conflict, of a clarity or substantiality that would vary with the strength or the traditional importance of the state concern asserted.” (quoting *Zschernig v. Miller*, 389 U.S. 429, 459 (1968) (Harlan, J., concurring))). Under this doctrine, Rhode Island’s lawsuit is not preempted because a State’s action to protect property within its borders represents a traditional state-law responsibility – one that no court has ever deemed preempted by foreign policy concerns.

reported a global scientific consensus that climate change is both dangerous and caused by human activities.<sup>2</sup>

- Aware of this consensus, Defendants nevertheless undercut the IPCC’s findings through a decades-long misinformation campaign to deceive the public about the effects of fossil fuels on the climate.<sup>3</sup>
- Climate change, through its impact on sea-level rise and coastal communities, will cost Rhode Island and its residents billions of dollars.<sup>4</sup>

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<sup>2</sup> Joint Appendix (“JA”) 94 (Compl. ¶ 149.d).

<sup>3</sup> *E.g.*, JA 96 (Compl. ¶ 155) (“A 1994 Shell report entitled ‘The Enhanced Greenhouse Effect: A Review of the Scientific Aspects’ by Royal Dutch Shell environmental advisor Peter Langcake stands in stark contrast to the company’s 1988 report on the same topic. . . . While the report recognized the IPCC conclusions as the mainstream view, Langcake still emphasized scientific uncertainty, noting, for example, that ‘the postulated link between any observed temperature rise and human activities has to be seen in relation to natural variability, which is still largely unpredictable.’”); JA 105 (Compl. ¶ 167) (“The Global Climate Coalition (‘GCC’), on behalf of Defendants and other fossil fuel companies, funded advertising campaigns and distributed material to generate public uncertainty around the climate debate, with the specific purpose of preventing U.S. adoption of the Kyoto Protocol, despite the leading role that the U.S. had played in the Protocol negotiations.”).

<sup>4</sup> *E.g.*, JA 123 (Compl. ¶ 208) (“By the end of the century, 6,660 Rhode Island coastal properties, worth roughly \$3.6 billion, will be at risk under a high-sea level rise scenario, reducing property tax revenue by as much as \$47.8 million.”).

Plaintiff does not seek to regulate Defendants' emissions; instead, it asks for, inter alia, compensatory damages and spending on measures to abate future climate change harms.

*Amici* agree with the district court that “[t]he State’s [claims] are thoroughly state-law claims.”<sup>5</sup> They express no view on whether Plaintiff can or will prove its allegations. *Amici* file this brief instead to disagree with two of Defendants’ arguments: first, that this case can be removed to federal court under *Grable & Sons Metal Products, Inc. v. Darue Engineering & Mfg.*, 545 U.S. 308 (2005) because it will undermine “uniformity in this country’s dealings with foreign nations”;<sup>6</sup> and second, that Plaintiff’s suit can be removed because its claims allegedly arise under federal common law.<sup>7</sup>

Both of Defendants’ arguments for federal jurisdiction rest on the same fundamental mischaracterization of Plaintiff’s claims. As the district court found, “[b]y mentioning foreign affairs . . . Defendants seek to raise issues that they may press in the course of this litigation, but *that are not perforce presented by the State’s claims.*”<sup>8</sup> Plaintiff’s claims are about corporate liability for deceptive conduct. The United States’ international climate negotiations involve neither corporations nor

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<sup>5</sup> JA 431 (Remand Order 12).

<sup>6</sup> Defendants’ Opening Brief at 37.

<sup>7</sup> *Id.* at 24.

<sup>8</sup> JA 432 (Remand Order 13) (emphasis added).



corporate civil liability. Therefore, well-managed state adjudication of lawsuits challenging corporate deception will not disrupt ongoing diplomatic discussions or U.S. foreign policy on climate change. Moreover, such suits are *consistent* with both U.S. foreign policy and the emerging worldwide consensus that legal action is needed on climate change.

In sum, Plaintiff's corporate deception claims do not infringe on any of the federal government's unique foreign policy interests. The district court properly found removal to federal court unjustified.<sup>9</sup>

### **ARGUMENT**

Defendants argue that Plaintiff's suit is removable for two reasons. First, they argue that the suit is removable because its claims arise under federal common law, as they "implicate[] the federal government's unique interests in setting national and international policy on matters involving energy, the environment, the economy, and national security."<sup>10</sup> Second, Defendants argue that the suit is removable under *Grable & Sons Metal Products, Inc. v. Darue Engineering & Mfg.*, 545 U.S. 308 (2005), which "stands for the notion that in rare instances, a state law cause of action (like breach of contract) can form the basis for federal 'arising under' jurisdiction if

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<sup>9</sup> JA 431-33 (Remand Order 12-14).

<sup>10</sup> Defendants' Opening Brief at 24.

the claim necessarily states a federal issue, which is actually disputed and substantial, and if a federal forum may entertain the claim ‘without disturbing any congressionally approved balance of federal and state judicial responsibilities.’”<sup>11</sup> Defendants claim Plaintiff’s suit falls under *Grable* because it “seeks to replace” international negotiations on how to address climate change, and therefore raises “uniquely federal issues . . . involving foreign affairs.”<sup>12</sup>

Both of Defendants’ arguments depend on a false assumption: that Plaintiff’s suit necessarily raises questions about the federal government’s international climate policy. Based on long experience, *amici* note that neither the process of proving Plaintiff’s allegations of corporate liability for deceptive conduct nor of providing the judicial relief requested would disrupt U.S. climate diplomacy or foreign policy. Plaintiff’s claims do not touch upon the subject of international climate change negotiations, so a court can adjudicate them without—as Defendants claim—having to “substitute its own judgment for that of policymakers and second-guess the reasonableness of selected foreign policies.”<sup>13</sup> Plaintiff’s suit therefore does not

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<sup>11</sup> *Narragansett Indian Tribe v. R.I. DOT*, 903 F.3d 26, 31 (1st Cir. 2018) (quoting *Grable*, 545 U.S. at 312-14).

<sup>12</sup> Defendants’ Opening Brief at 31, 37.

<sup>13</sup> *Id.* at 37.

threaten the uniformity of U.S. climate diplomacy in a way that implicates *Grable*,<sup>14</sup> nor does it implicate uniquely federal issues that could support removal under federal common law.<sup>15</sup> If anything, Plaintiff's suit *supports* both U.S. foreign policy and the global consensus regarding the need for legal action on climate change. Accordingly, there are no grounds for federal removal.

**I. Corporate liability for deceptive conduct will not disrupt the United States' international climate negotiations, which involve neither corporations nor corporate civil liability.**

Payments from private companies to subnational governments for climate-related injuries are not addressed by the two agreements at the heart of international climate diplomacy: the United Nations Framework Convention on Climate Change (“UNFCCC”) and the Paris Agreement. In *amici*'s experience, these agreements—

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<sup>14</sup> See *Narragansett*, 903 F.3d at 31 (holding that, in the absence of “apparent and substantial” disputed federal issues, questions of state law are “best left” for the courts of the state and do not give rise to federal removal jurisdiction under *Grable*).

<sup>15</sup> See *O'Melveny & Myers v. FDIC*, 512 U.S. 79, 87 (1994) (observing that cases justifying “judicial creation of a special federal rule” are “few and restricted, limited to situations where there is a significant conflict between some federal policy or interest and the use of state law” (internal citations omitted)); *id.* (“What is fatal to respondent's position in the present case is that it has identified no significant conflict with an identifiable federal policy or interest.”).

which some *amici* helped to negotiate—were expressly designed to apply only to countries and regional economic integration organizations like the European Union.

Neither the UNFCCC nor the Paris Agreement subjects private companies to climate-related obligations. Although the Paris Agreement includes provisions relating to the payment and mobilization of certain financial contributions, these provisions are limited to intergovernmental assistance flowing either directly between countries or through intermediary financial institutions like the World Bank.<sup>16</sup> Furthermore, these provisions funnel assistance almost exclusively from developed countries to developing countries and thus have nothing to do with the claims in this lawsuit, which seek a transfer of funds from a private company to a subnational government located in the United States.

Nor is there any basis to conclude that a judgment here would affect ongoing intergovernmental climate negotiations, which do not address corporate liability. In *amici*'s experience, given the intergovernmental nature of multilateral discussions,

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<sup>16</sup> *E.g.*, Paris Agreement to the United Nations Framework Convention on Climate Change, Dec. 13, 2015, art. 9, *in Rep. of the Conference of the Parties on the Twenty-First Session*, U.N. Doc. FCCC/CP/2015/10/Add.1, annex (2016) [hereinafter Paris Agreement] (“Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.”); *see* Joint Statement, 18 Donor States Determined To Commit 100 Billions for Climate Finance, UNFCCC (Sept. 7, 2015), <https://unfccc.int/news/18-industrial-states-release-climate-finance-statement> (defining “public finance” to include “de-risking instruments” such as loan guarantees for the private sector).

countries involved in international climate negotiations over the last two decades have addressed neither questions of legal blame with regard to corporations nor the narrower issue of whether corporations should be shielded from liability for misleading practices.

Far from addressing corporate liability, the Paris Agreement does not even address intergovernmental liability. In fact, those *amici* who took part in negotiating the Paris Agreement specifically took care to ensure that the Agreement's Article 8, which addresses "loss and damage," was agnostic regarding the issue of legal blame; as such, Article 8 explicitly "does not involve or provide a basis for any liability or compensation."<sup>17</sup> Although the United States would have opposed any provisions establishing the liability of itself or its constitutive state governments to other countries based on historical emissions, Plaintiff's lawsuit raises an entirely different issue, because any payments ordered would flow to, not from, governments in the United States.

Of course, there are well-established international standards for dealing with fraudulent and deceptive commercial practices. For example, the Organisation for Economic Co-operation and Development's ("OECD") guidelines expect member

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<sup>17</sup> Rep. of the Conference of the Parties on the Twenty-First Session ¶ 52, U.N. Doc. FCCC/CP/2015/10/Add.1 (Jan. 29, 2016) [hereinafter Decision Adopting Paris Agreement].

countries (including the United States) to have domestic laws that effectively address fraud.<sup>18</sup> *Amici* know of no aspect of U.S. foreign policy that seeks to exonerate companies for knowingly misleading consumers about the dangers of their products. In fact, federal policy expressly prohibits companies from misleading the public.<sup>19</sup> The Trump Administration’s recent renegotiation of the North American Free Trade Agreement only confirms the continuity of federal policy on this point.<sup>20</sup>

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<sup>18</sup> OECD Guidelines for Protecting Consumers from Fraudulent and Deceptive Commercial Practices Across Borders 11 (2003) (calling for “[e]ffective mechanisms to stop businesses and individuals engaged in fraudulent and deceptive commercial practices” and “mechanisms that provide redress”). Neither past nor ongoing international climate negotiations have ever suggested that countries should depart from these standards in the climate change context.

<sup>19</sup> *E.g.*, Federal Trade Commission Act § 5(a), 15 U.S.C. § 45(a) (2018) (“Unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful.”); Securities and Exchange Act of 1934 § 10(b), 15 U.S.C. § 78j(b) (2018) (“It shall be unlawful for any person . . . [t]o use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, or any securities-based swap agreement any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe . . . .”); 15 U.S.C. § 717c-1 (2018) (“It shall be unlawful for any entity . . . to use or employ, in connection with the purchase or sale of natural gas . . . any manipulative or deceptive device or contrivance . . . in contravention of such rules and regulations as the Commission may prescribe . . . .”); 18 C.F.R. § 1c.1(a) (2018) (“It shall be unlawful for any entity . . . in connection with the . . . sale of natural gas . . . [t]o make any untrue statement . . . or to omit to state a material fact necessary in order to . . . not [be] misleading.”).

<sup>20</sup> United States-Mexico-Canada Agreement art. 21.4 (Sept. 30, 2018) (pending ratification) (“Each Party shall adopt or maintain national consumer protection laws or other laws or regulations that proscribe fraudulent and deceptive commercial activities, recognizing that the enforcement of those laws and regulations is in the

Finally, there is nothing about state tort lawsuits that indicates that they will necessarily interfere with federal negotiations on even closely related subject matters. During the Obama Administration, for example, the United States participated in the negotiation and signature of the Arms Trade Treaty, an international treaty regulating the international trade in conventional arms and seeking to eradicate illicit trade and diversion of conventional arms by establishing international standards governing arms transfers. Yet there was never any basis for suggesting that ongoing treaty negotiations or the final treaty occupied the field, such that state courts needed to dismiss lawsuits against gun manufacturers.<sup>21</sup> In 2006, Congress showed how, when it deems necessary, it can enact legislation to limit state tort actions by passing legislation that immunized firearms manufacturers from most—but not all—state tort claims.<sup>22</sup> If well-managed by state courts, state tort lawsuits would neither require a factfinder to evaluate the reasonableness of U.S. foreign policy nor impair the uniformity of that policy. But where Congress has *not*

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public interest.”).

<sup>21</sup> See, e.g., *Soto v. Bushmaster Firearms Int’l*, 331 Conn. 53, 202 A.3d 262 (2019), *cert. denied sub nom. Remington Arms Co., LLC v. Soto*, No. 19-168, 2019 WL 5875142 (U.S. Nov. 12, 2019) (allowing lawsuit for wrongful marketing and advertising of AR-15 assault rifle to proceed).

<sup>22</sup> See Protection of Lawful Commerce in Arms Act, 15 U.S.C. §§ 7901-03 (2018) (prohibiting “qualified civil liability action[s],” defined as lawsuits against gun manufacturers or sellers for the criminal misuse of their products, but establishing an exception for negligent entrustment tort claims).

expressly chosen to limit the availability of state tort causes of action, the ordinary availability of state tort claims should not be interpreted to implicate uniquely federal interests.

In any event, international negotiations on climate change are substantially grounded in the work of the IPCC.<sup>23</sup> If anything has disrupted America's international climate negotiations, it has not been state tort lawsuits, but rather what Plaintiff charges are Defendants' deceptive attacks on scientific consensus. Thus, far from interfering with diplomacy, prudent adjudication of claims of corporate liability for deception might even enhance U.S. diplomatic efforts by reinforcing U.S. credibility with respect to the climate problem.

### CONCLUSION

For the foregoing reasons, Plaintiff's state law claims create no basis for federal removal under past precedents or federal common law. Accordingly, *amici* urge this Court to affirm the district court's order to remand.

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<sup>23</sup> *See, e.g.*, Decision Adopting Paris Agreement ¶ 21 (inviting the IPCC to publish a special report on the impacts of planetary warming by 1.5 degrees' Celsius); Paris Agreement art. 13 (requiring Parties to inventory greenhouse gas emissions and removals using methodologies accepted by the IPCC, the very international body that Defendants allegedly sought to discredit); JA 105 (Compl. ¶ 168).



Dated: December 19, 2019

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## APPENDIX

### LIST OF *AMICI CURIAE*\*

**Susan Biniatz** served in the Legal Adviser's office at the State Department from 1984 to 2017, was Deputy Legal Adviser, and was the principal U.S. government lawyer on the climate change negotiations from 1989 through early 2017.

**Antony Blinken** served as Deputy Secretary of State from 2015 to 2017. He previously served as Deputy National Security Advisor to the President from 2013 to 2015.

**Carol M. Browner** served as Director of the White House Office of Energy and Climate Change Policy from 2009 to 2011 and previously served as Administrator of the Environmental Protection Agency from 1993 to 2001.

**William J. Burns** served as Deputy Secretary of State from 2011 to 2014. He previously served as Under Secretary of State for Political Affairs from 2008 to 2011, as U.S. Ambassador to Russia from 2005 to 2008, as Assistant Secretary of State for Near Eastern Affairs from 2001 to 2005, and as U.S. Ambassador to Jordan from 1998 to 2001.

**Avril D. Haines** served as Deputy National Security Advisor to the President from 2015 to 2017. From 2013 to 2015, she served as Deputy Director of the Central Intelligence Agency.

**John F. Kerry** served as Secretary of State from 2013 to 2017.

**Gina McCarthy** served as Administrator of the Environmental Protection Agency from 2013 to 2017.

**Jonathan Pershing** served as United States Special Envoy for Climate Change from 2016 to early 2017.

**John Podesta** served as Counselor to the President with respect to matters of climate change from 2014 to 2015 and White House Chief of Staff from 1998 to 2001.

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\* Institutional Affiliations provided for identification purposes only.

**Susan E. Rice** served as U.S. Permanent Representative to the United Nations from 2009 to 2013 and as National Security Advisor to the President from 2013 to 2017.

**Wendy R. Sherman** served as Under Secretary of State for Political Affairs from 2011 to 2015.

**Todd D. Stern** served as United States Special Envoy for Climate Change from 2009 to 2016.

## CERTIFICATE OF COMPLIANCE

This amicus brief complies with the type-volume limitation of Fed. R. App. P. 29(a)(5) because this brief contains 2,911 words, excluding the items excluded by the Fed. R. App. P. 32(f). This brief complies with the typeface and type style requirements of Fed. R. App. P. 32(a)(5) and 32(a)(6) because this brief has been prepared in proportionally spaced typeface using Microsoft Word in 14-point Times New Roman font.

Respectfully submitted,

/s/ Patrick Parenteau

**CERTIFICATE OF SERVICE**

I, Patrick Parenteau, hereby certify that on December 19, 2019, the foregoing document was filed and served through the CM/ECF system.

Respectfully submitted,

/s/ Patrick Parenteau