

TROY AREA LABOR COUNCIL



Troy Area Labor Council Resolution for NYS Pension Funds Divestment from Fossil Fuel Companies Passed Unanimously on January 17, 2018

Whereas, the Troy Area Labor Council recognizes the need for immediate action regarding the climate crisis, evidenced by recent events like Hurricanes Harvey, Irma and Maria, massive fires in northern California, Superstorm Sandy, the melting of polar ice, and other extreme weather events including unprecedented floods, droughts, and storms in many parts of the world; and

Whereas, the earth's atmosphere has already exceeded the 350 ppm limit of safe carbon dioxide levels (James Hansen, Columbia University climatologist); and unless there is major policy change the earth's temperature will increase more than 2 degrees Celsius in the next 15 years (Intergovernmental Panel on Climate Change), a devastating level which the 2009 Copenhagen Accord agreed to stay under; and

Whereas, according to the Intergovernmental Panel on Climate Change's 2007 report, the overreliance on fossil fuels has a disproportionate impact on the developing world, with hundreds of millions of people in the Global South confronting reduced water supplies, decreased agricultural productivity, and increased risks of floods, droughts and cholera; and

Whereas, the 2006 report, "Stern Review: The Economics of Climate Change," shows that the cost of climate change is equivalent to a loss of 5% of Global Gross Domestic Product (GDP) every year, now and forever, and could be as much as 20% of Global GDP annually, while the costs of solutions to climate change could be as little as 1% of Global GDP annually— an amount roughly equal to the \$674 billion that fossil fuel companies spent on exploration in 2012; and

Whereas, the NYSPublic Pension Funds have a fiduciary responsibility to invest in corporations that offer reasonable returns and fossil fuels offer only declining returns; and

Whereas, if the planet is to continue to be habitable for human life, scientists indicate that most of the fossil fuel reserves will need to be kept in the ground; and

Whereas, the value of fossil fuel companies is directly related to the extent of their reserves and thus are vastly overvalued; and with inevitable increased regulation of carbon emissions and will result in a massive devaluation of fossil fuel stocks due to "stranded assets"; already the fossil fuel industry is already showing significant signs of decline, with record levels of debt, doubling down on expensive (and dangerous) extraction projects and more oil and

gas in production than can be safely burned to avoid the worst impacts of climate change and thus financially harm public pension funds investments in this sector; and

Whereas, Fossil Free funds have outperformed funds invested in fossil fuels over the last two years (Newlands, C, Sept 301%) and whereas the NYS pension funds would be worth \$5 billion more today if it had divested from fossil fuels when first requested 4 years ago; and

Whereas, the New York State and Local Retirement System has approximately \$160 billion in assets, with more than \$5 billion in fossil fuel investments, and by such investment supports continued degradation and destruction of the planet; and

Whereas, the NYS pension fund has \$1 billion invested in ExxonMobil at a time when ExxonMobil has been exposed as fraudulently denying to the public the connection between fossil fuels and climate change when it knew the science behind this connection for over 20 years and is under investigation by NYS Attorney general Eric Schneiderman, as well as the AGs of Massachusetts and California and the Securities and Exchange Commission, for potential fraud and misreporting related to climate change; as well, ExxonMobil has experienced a 45% drop in revenue over the past five years, increased debt and declines in capital expenditures as well as other signs of corporate decline (Carroll, J., Loder, A (April 2016); and

Whereas, Bevis Longstreth, former SEC Commissioner has described shareholder engagement "gives the fossil fuel giants the protective cover they need to stretch out the transition process to renewables for as long as they can. It legitimizes talk over action." (Longstreth, B. (Dec. 2014); and

Whereas, the current President of the United States has pulled our nation out of the Paris Climate Accords that would have directed federal policy away from fossil fuels and toward renewable energy and thus, it is now up to the states and cities, such as New York, to lead the way in decreasing green house gases; and

Whereas, the April 2014 UN Intergovernmental Panel on Climate Change says, we only have a 15 year window of opportunity to reduce greenhouse gas emissions in order to prevent catastrophic climate change; and

Whereas, divestment from fossil fuels will align the NYS pension funds with the policies and investments required to guarantee us a future; and

Whereas, fossil fuel divestment is now the fastest growing global movement the world has ever seen with more than 700 institutions with assets worth over \$5 trillion have made fossil fuel divestment commitment, including the California State Teachers' Retirement System, Washington DC's largest pension fund, Rockefeller Brothers Fund, World Council of Churches, City of Paris and others (<http://gofossilfree.org/commitments/>) and over 350 US colleges and universities, nine of which have committed to divestment (among them Green Mountain College, Hampshire College, San Francisco State University Foundation, and Unity College); and at CUNY the Professional Staff Congress (AFT local 2334), has passed divestment resolutions; and

Whereas legislation has been introduced in both the NYS Assembly (A3712) and Senate (S4596) to divest the state pension funds from fossil fuels;

Be it resolved, that the Troy Area Labor Council request that Tom DiNapoli and New York State Public Pension Funds to:

- Immediately stop any new investments in the top 200 fossil fuel companies
- Complete divestment from coal within one year
- Drop oil and gas assets from the funds' investment portfolio by divesting from the top 200 fossil fuel companies by 2021, and
- Commit to and prioritize reinvesting at least 5 percent of portfolio into climate solutions define as, but not limited to public transit, renewable energy, energy efficiency, clean technology, community adaptation funds, transit and clean energy access.