

From: Springer, Darren [Darren.Springer@vermont.gov]
Sent: Friday, April 15, 2016 3:43 PM
To: Coriell, Scott; Gray, Laura
CC: Trombley, Shana
Subject: For Monday Book and for Handouts
Attachments: UVM Divestment Event FINAL.docx

We'll need to print a couple hundred of these so we can hand out to students and media

UVM Divestment Event

- Climate change is the most important issue facing our planet and that is why I joined Governor Brown of California and Governor Inslee of Washington State to bring a message of hope to Paris in 2015. We talked about how states can lead the way, and how Vermont is making progress on building out renewables. We talked about how we have ten times the number of solar panels than when I first took office, and how we are changing the model for our utilities to do more energy efficiency and invest in new technologies like cold-climate heat pumps.
- In my State of the State address in January, I called for Vermont to continue our leadership on climate change by using a seldom-utilized tool – Divestment.
- **Vermont has a proud history of using divestment for social good.**
 - We divested from companies doing business in South Africa during Apartheid. Former Representative Don Hooper, who was part of that action in the legislature, traveled to South Africa after Apartheid collapsed and was told that divestment is part of what made the difference.
 - We divested from tobacco in the late 1990's and early 2000's under Republican Treasurer Jim Douglas.
 - We divested in 2007 from companies doing business with Sudan because of the atrocities there.
- So in January, I called for Vermont to divest from coal, just like California is doing, and also to divest from ExxonMobil.
- **Coal is a terrible investment for Vermont.**
 - **Coal is terrible for our environment.** We are the tailpipe to the coal-burning plants to our West. They send pollution into our air and water, contribute to acid rain, put toxic mercury into our lakes which lead to advisories for pregnant women not to eat fish, and pump out carbon pollution that contributes to climate change. That is why organizations like Vermont Natural Resources Council, Vermont Conservation Voters, Lake

Champlain International, 350.org, Sierra Club, VPIRG and others support our effort to divest from coal.

- **Coal also happens to be a phenomenally poor investment choice for Vermont pension funds.** The Dow Jones Coal Index is down from 750 eight years ago to the low 30's today. The largest and second largest coal companies, Peabody and Arch, have recently announced bankruptcy, following bankruptcy from Patriot Coal and Alpha Natural Resources previously. Peabody even cited the divestment movement as part of the reason for their bankruptcy. President Obama has halted new coal leases on public lands. Coal's share of our electric generation has fallen from over 50% to only a third today. China is in the process of closing thousands of coal mines. You don't need a study to know from these facts that coal is a bad investment. I have been proud that responsible business leaders like Ben and Jerry's, SunCommon, Seventh Generation, and Vermont Businesses for Social Responsibility have supported our call to divest.

- **Owning ExxonMobil is not a business Vermont should be in.**
 - **Exxon Knew** - Pulitzer Prize winning journalists have discovered that Exxon knew by the early 1980's, and possibly even earlier, about the dangers of greenhouse gas emissions and climate change. Even as they began designing their own offshore oil rigs to be taller to account for sea level rise in the 1990's, they were putting millions into lobbying and public campaigns designed to stop meaningful climate action. These reports are now the subject of investigations by state Attorneys General.

 - **Divest from ExxonMobil** - Neva Rockefeller Goodwin, the great granddaughter of ExxonMobil's founder, donated her shares this year so that the proceeds could be used to support nonprofit work to fight global warming. After 15 years of failed shareholder engagement and meetings between the Rockefeller family and ExxonMobil to encourage diversification, she declared that "I lost faith in ExxonMobil's future value." Let's be clear – if the Rockefeller family cannot convince Exxon to change, Vermont never will. Testimony by former Public Service Board Chair and current Vermont

Law School professor Michael Dworkin before the legislature this year demonstrated that ExxonMobil has significantly underperformed the S&P 500 over the last five years, so owning this morally-bankrupt company is not actually yielding a good return to Vermont pensioners. We should divest from ExxonMobil.

- **Legislative Support** - The good news is that following my call in January, a majority of the Vermont House passed a resolution supporting coal and ExxonMobil divestment, and a majority of the Senate sent a letter to the Treasurer and Chair of Vermont Pension Investment Committee (VPIC) supporting divestment. VPIC and the Treasurer agreed to form a subcommittee to look at divestment again, and they are scheduled to report back to the legislature by May 3 with preliminary recommendations.
- **Concerns and Opportunity for Action** – Now, despite that good news there is some cause for concern. For example the Treasurer and VPIC Chair Tom Golonka both have expressed skepticism about divestment. The Chair of VPIC has openly mused about perhaps buying more energy stocks including fossil fuel stocks, instead of divesting. So I am not 100% confident that we'll get a positive result when they report back to the legislature in early May. In fact, the AP just reported that even though Vermont divested from tobacco in the late 1990's, it turns out VPIC has reinvested in tobacco by purchasing commingled funds, and we now own roughly \$6.8 million in tobacco stocks.

This is where you all come in. I need your help if we are going to make divestment happen. Here's what you can do:

- **Email VPIC and call the Treasurer and let them know you support divestment from coal and ExxonMobil** - TRE.VPICInquiries@vermont.gov or (802) 828-2301.
- **Email or call your legislator and let them know you support divestment and ask them to hold VPIC accountable for creating a plan to divest by May 3rd** - <http://legislature.vermont.gov/people/>