TESTIMONIAL: THE QUALITY OF LIFE OF THOSE YOU SERVE including JOB OPPORTUNITIES FOR THEIR KIDS (3min)

My name is Dr. Gary Krane, and I am a resident of Tiburon, a businessman, and the founding CEO of Relationship Technologies, an Internet software startup based in Marin whose purpose is to help couples who cannot afford or won't trust therapists to have long lasting happy committed relationships.

I'd like to start with a quote last fall from someone I hope you will respect, Jack Ehnes, CEO of the California State Teachers' Retirement System with $172 billion in assets under its management:

"We see the world moving toward a low-carbon future in which fossil fuel reserves that companies continue to develop may actually become a liability, which could take a toll on shareholder value,"

I am here now to implore you for the following reasons to immediately divest MCERA's holdings from fossil fuels:

#1 I am well aware of the fiduciary responsibility you are under. But doesn't the underlying rationale for "fiduciary" responsibility come down to the "Quality of life" of those the pensions are to benefit? Would you continue to invest in companies that might in fact shorten or add more suffering to your clients' lives?

What good is it to have a nice pension, if we have no more water, our seas are mostly dead, wars over water are now everywhere, and/or our kids hate us because we did little or too little too late to avoid this catastrophe. The connection between our fossil fuel use and global warming on the one hand and our record setting drought here in CA is accepted by over 97% of scientists. While divestment from fossil fuels today will not help the current drought situation, and hence will not prevent an imminent huge Marin and Mt Tam fire in the next few weeks, or even this year, divesting now will at least enable you to say that in your position you did all you could do to prevent the next huge drought and Marin /MT Tam fire, five or maybe 10 or 2ven 20 years from now.

And how can your clients enjoy their later years if their kids can't find jobs, which lead me to my 2nd point:

#2 With the price of solar energy and Photovoltaics in particular now equally and projected to soon fall below the price per watt of coal, and with Elon Musk now giving away Tesla's patented technology to all car manufacturers, to expedite the move to solar-powered electric cars, it should be clear that simply in the interest of creating more jobs in CA and widening CA's economic base, that
divesting in coal and putting that money instead into well managed and rapidly growing solar companies, which now are one of the fast growing job creators in CA's economy, growing by over 13% in new jobs in just the past year (according to Forbes) is in fact the most sensible strategy for optimizing your fiduciary responsibility.

The US solar industry which provides less than 1% of our energy at the moment has now already surpassed in number of employees (over 142, 000 as of last fall) the numbers who work in the coal industry, which provides one third of our energy. It is the fastest growing job creator in America. So imagine how many jobs it will once we move solar providing 10% of our energy.

US Solar Jobs have been growing Ten Times Faster than National Average for Employment Growth, and this has been even more so in sunny states like California. While job creation might not seem an immediate concern to you, it certainly is a concern of your clients whose off spring now and in the immediate future will be seeking jobs in order to stay in California, and conversely be burdening your pensioners if they are unable to find jobs.

To quote former Mayors Tom Bates (Berkeley), Jean Quan (Oakland) and Gayle McGlaughlin (Richmond), "A growing number of local elected officials and CalPERS beneficiaries say CalPERS should follow the lead of Oakland, Richmond, Berkeley, San Francisco and Santa Monica, and join a fast-growing movement across the country to divest from fossil fuels that includes more than two dozen cities.

FINALLY, as you must well know, just in cold fiduciary terms, Globally, share prices of thermal coal producers have slid over the past two years on declining demand for the fuel and fears of oversupply (Bloomberg, Nov 20, 2013) Bloomberg.com (see specifics below)*

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Two important sources (and one quote) TO BE INCLUDED IN WRITTEN TESTIMONY for MCERA:

* Globally, share prices of thermal coal producers have slid over the past two years on declining demand for the fuel and fears of oversupply. U.S. producer Patriot Coal Corp. filed for bankruptcy last year while Arch Coal Inc. (ACI) has dropped 71 percent and Peabody 44 percent over the past two years. China Shenhua Energy Co., the nation's biggest producer, is down 27 percent over the same period while Indonesia's biggest exporter PT Bumi Resources is off about 80 percent.

Prices for thermal coal shipped from Newcastle in Australia have slumped about 8.9 percent so far this year and are heading for a third straight annual decline.

"There's a pretty plausible case that this is the beginning of the end," Craig Mackenzie, investment director and head of sustainability at Scottish Widows Investment Partnership, which manages 145 billion pounds ($233 billion) in assets, said by phone. Scottish Widows divested from pure-play coal producers last year on the prospect that demand for the fuel will continue to wane amid a booming U.S. natural gas market.

See also: May 8, 2014:

http://www.ieefa.org/press-release-new-york-state-city-pension-funds-have-been-will-keep-losing-money-on-coal-stocks-and-should-sell-them-report-finds/