

February 11, 2015

Good Morning, Jody Timms, Fairfax, MCERA retiree; Chair, 350Marin, Divest-Invest Committee.

In re-reading MCERA's Statement of Investment Policy Regarding Divestment, I was struck by two things.

In the first sentence of the section entitled, Background, the document states, "MCERA wants companies in which it invests to meet high corporate governance and ethical standards of conduct." I have a hard time seeing how MCERA believes that oil and gas giants like ExxonMobil and Chevron meet this primary criterion. These fossil fuel companies have used their tremendous financial resources and their influence over legislation and regulations to block sensible solutions to climate change and to slow the development of cleaner energy sources. They continue to spend enormous amounts of money looking for more oil and gas when what they already have in reserves will become stranded assets.

The next sentence states that, "such standards generally will promote superior long-term investment performance." It is inevitable that the global economy will need to move away from fossil fuels. If one's corporate products and operations are massively contributing to climate change that threatens the future viability of life on Earth, I don't see how the practices and standards of these companies will be capable of promoting superior long-term investment performance.

New employees coming to work for the County of Marin who are in their twenties and thirties, that end up working for thirty to forty years for the County, and then need to be paid pensions for another twenty to forty years, will need those pensions to which they are now contributing, to have performed very well for a long-term. How is it possible for fossil fuels to be a part of that superior long-term performance? Will those young employees ever have a chance to depend on their pensions?

When one has a policy, such as the one MCERA has adopted on divestment, it can be overridden, re-written or followed, which in my mind would lead this pension board to reconsider which companies are

best proactively chosen to be depended on for long-term performance. ExxonMobil and Chevron, among others, are acting unethically and irresponsibly and without a long-term vision, for their companies and for the environment in which they must operate.

MCERA “prefers constructive engagement to divesting as a means of affecting the conduct of entities in which it invests.” Constructive engagement is typically not productive without a goal and without a timeline. Unless the 800 or so scientists currently working with the United Nations are wrong, the final goal for the fossil fuel companies will need to be an end to their industry and the timing to get there imminent.