

From: [Corvallis Divest from War](#)
To: [GORDON Alli](#); [OIC Public Comments](#)
Subject: Adopt policy for human rights screening of OST investments
Date: Wednesday, January 18, 2023 3:49:58 PM

This email is from a party external to Treasury. Use care with links and attachments.

January 18, 2023

Hello members of the Oregon Investment Council,

Since 2014 the Oregon State Treasury has had large (indirect) investments in NSO Group, an Israel-based company, whose Pegasus spyware app can be installed on a cell phone to tap communications to and from the phone.

Authoritarian governments have used the Pegasus spyware to monitor diverse communications, particularly by activists, journalists, and union members abroad. For example, the spyware has been implicated in the murder of Saudi-American journalist Jamal Khashoggi.

In 2014 the Oregon State Treasury started by investing tens of millions of dollars in Francisco Partners, a private equity firm that owned 70 percent of NSO Group. Reports of NSO Group's involvement in human rights violations were published as early as 2016. Nonetheless, in 2019 the Treasury doubled down on the 2014 purchase by investing \$233 million in a second private equity fund Novalpina Capital. The \$233 million investment helped Novalpina Capital acquire a 90% stake in NSO Group and gave Oregon the dubious "honor" of being the largest indirect investor in NSO Group.

Now the Biden administration has blacklisted NSO Group, and Moody's has downgraded the company to "below investment grade". The state of Oregon and its pensioners have not only invested in selling software to tyrants but face the prospect of losing the state's investment in a potentially bankrupt company.

We are outraged at the insensitivity to human rights and the lack of due diligence exhibited by the Oregon Investment Council. The Oregon State Treasury should adopt a rigorous human rights screening process to prevent future investment failures like this. Please take action.

Thank you.

Respectfully, with regret and sorrow,
William Glassmire, Corvallis
Linda M. Richards, Corvallis
Rick Staggenborg, Albany
Members of Corvallis Divest from War

PS For a more thorough explanation of the NSO Group and its Pegasus spyware,

watch this two-part documentary shown by the Public Broadcasting Company's Frontline program:

https://www.youtube.com/watch?v=6ZVj1_SE4Mo

<https://www.youtube.com/watch?v=xYMWTXIkANM>



Stand.earth



My name is Amy Gray and I am the Senior Climate Finance Strategist at Stand.earth (<https://www.stand.earth/>) and I present testimony in support of House Bill 2601, the Treasury Investment and Climate Protection Bill. Stand.earth is an international environmental advocacy group which coordinates the [Climate Safe Pensions Network](#) working to de-risk pension funds and accelerate investments in climate solutions. We urge the Oregon Investment Council (OIC) to support the passage of the bill.

The proposed bill ends new investments in fossil fuels immediately, ends investments in fossil fuels as soon as is allowed by fiduciary duty and statute, enacts a transparent phase out completed by 2035 and reveals private investments (60% of PERS) using aggregated data while respecting the public records statute. It is my position that this bill does far more than Treasurer Read's decarbonization plan. We support House Bill 2601's passage this legislative session and hope the OIC will too.

Treasurer Read's plan allows for continued fossil industry support, a business-as-usual approach through offsets to emissions. In addition, there is no certainty that the plan will happen. The OIC has to receive the plan by 2024 and there is no accountability that you will adopt the plan. He is also terms out in 2024, and future Treasurers may not honor the plan. The legislation effectively ensures that it will happen and that continued fossil fuel industry support is removed from consideration as it does not align with climate targets and is not within fiduciary duty standards. Investments providing equal or better returns are absolutely available. There are already plenty of companies generating green products; investing in their successful ventures is investing in the just and equitable future for all.

With over 80% of the world's population experiencing extreme weather linked to climate change, investments and subsequent divestments have become a focal point for mitigating the financing behind the planet's most destructive industry. [As the Chair of the House Oversight Committee said](#): "Even though Big Oil CEOs admitted to my Committee that their products are causing a climate emergency, today's documents reveal that the industry has no real plans to clean up its act and is barreling ahead with plans to pump more dirty fuels for decades to come."

Further, divestment should be looked at as a responsible fiduciary act. It is legally sound and fiscally right. And it is no longer novel. With a decade of data, [more than 1500 institutions representing over \\$40 trillion in assets](#) have committed to some form of divestment. [A recent report](#) by the Institute for Energy and Economics shows increased support and evidence for the case for fossil fuel divestment. This report addresses the many arguments against fossil fuel divestment and updates a 2018 IEEFA report. The opponents of divestment made a simple case that divestment would lose money. It was not true then, and is less true now as hundreds of funds adopting various paths of divestment have maintained their investment

targets. These include very large, mainstream banks, insurance companies and pension funds. New York State, New York City, Washington DC, Chicago, Baltimore, Minnesota, San Mateo County, Los Angeles are all US examples of public pension funds that have implemented or are pursuing divestment. They have done thorough legal and financial checks. Notably, last year, Maine became the first state in the US to pass comprehensive divestment legislation, directing its state treasury and state pension fund to divest from all fossil fuels, including private equity funds. These examples speak to the mainstream regard of fossil fuels by funds and institutions that have a fiduciary requirement to invest for the long term in a prudent manner.

Oregon finds itself at a key moment, when the economics of the industry are clearly structurally declining in the long term - your investing horizon - not the short term. Climate science has never been clearer; impacts of fossil fuels companies on frontline and BIPOC communities are well-known and documented; viable, investable alternatives exist; and other pensions have already broken the ground.

We urge you to support HB 2601. It is critical that Oregon leads in divesting the state's pension funds and protecting the retirement future for all its first responders, teachers and public employees. They are the backbone of our communities and they deserve the very best we can give them. This is a monumental step in what could surely be a shining example for other states and a legacy you can be proud of.

Respectfully,

Amy Gray
Senior Climate Finance Strategist
Stand.earth

From: [Patty Hine](#)
To: [OIC Public Comments](#)
Subject: Comment on HB 2601
Date: Tuesday, February 28, 2023 3:11:55 PM

This email is from a party external to Treasury. Use care with links and attachments.

Thank you for the opportunity to share my perspective in support of HB 2601. My name is Patricia Hine and I am a retired PERS member and U.S. Navy Commander living in Eugene. I am president of 350 Eugene, a climate justice non-profit organizing efforts to decarbonize our collective lives and support clean energy solutions. Our organization has been involved in the growing and successful international divestment movement for over 10 years, engaging in actions to demand banks that fund climate destruction divest from all fossil fuel projects.

When I retired I learned that Oregon's Treasury is propping up fossil fuel corporations (whose pollution is literally causing the earth to overheat) to the tune of \$5.3 B. I was shocked. Why is Oregon's Treasury not supporting critical state climate goals and instead taking responsible actions to invest in a clean renewable energy future for Oregonians? Our retirement money is invested in companies profiteering from environmental devastation, and we can't even see the extent of it?

This is unacceptable. If the Treasury won't do the right thing, then Oregon's Legislature must step in with HB 2601, The Treasury Investment and Climate Protection Act, to protect PERS and the rest of the Treasury's investments from risky, hidden, business-as-usual practices.

What we need is to immediately end new fossil fuel investments, phase out current investments in fossil fuels by 2035, and increase transparency in the Treasury's private investments. I believe this is just the bill to do this, and with the solid support of co-sponsors Senators Jeff Golden and Michael Dembrow, and Representatives Courtney Neron, Maxine Dexter, Rob Nosse, Khanh Pham, Jules Walters, and Mark Gamba, we can make a long-overdue course correction and restore public trust. Thank you.

From: [Jackie Salzinger](#)
To: [OIC Public Comments](#)
Subject: Fwd: Public Comment for Oregon Investment Council re: Novalpina Capital investment
Date: Friday, January 27, 2023 10:45:02 AM

This email is from a party external to Treasury. Use care with links and attachments.

Good morning,

It appears I may have been mistaken previously about which email address to send this in to. Please see below, and I hope that my Public Comment can be reflected in the official record for the next meeting!

Gratefully,
Jackie Salzinger
Voter in Oregon House District 33

----- Forwarded message -----

From: **Jackie Salzinger** <jackie.salzinger@gmail.com>
Date: Wed, Jan 18, 2023 at 9:21 PM
Subject: Public Comment for Oregon Investment Council re: Novalpina Capital investment
To: <alli.gordon@ost.state.or.us>

Dear members of the Oregon Investment Council,

The Oregon State Treasury has recently invested in funds that have the controlling stake in companies known to be directly enabling human rights abuses. This raises **serious red flags about the representation of Oregonians' interests—present *and* future—in state investment decisions and the apparent lack of due diligence in management of state funds.**

In 2019, \$233 million was committed by the Oregon State Treasury to Novalpina Capital Fund. This Fund has a controlling 90 percent stake in NSO Group, an Israeli spyware company. Since 2016, and with increasing frequency and clarity since then, independent international investigations have reported that the NSO Group's spyware product has been used by governments around the world against unaware civilian victims in a deeply unethical manner that threatens fundamental human rights and democracy. The people targeted by NSO-Group-enabled state-sponsored surveillance have included peaceful political dissidents, human rights activists, union members, and journalists, among perhaps countless unknown others. In short, **the NSO Group has been clearly shown to enable human rights violations, violations committed by authoritarian governments who purchase their unregulated and unethical Pegasus spyware product.** In repeated instances over the last several years, identified victims of NSO's mobile spyware technology have been detained or murdered in dubious circumstances, such as political dissident Jamal Khashoggi. Khashoggi was murdered by the Saudi state in 2018, and his wife and fiancée's phones were both shown by forensic analysis to have been bugged by Pegasus, software which gave the spying entity full access to their mobile devices.

NSO Group, an Israeli company, is also backed by and closely supporting the apartheid Israeli state, which uses these products in violation of international law; the company's very founders emerged from the Israeli national military spy unit, Unit 8200, that is known to repeatedly violate the rights of Palestinians, in part through despicable personalized blackmail against political dissidents. Right now, undoubtedly, NSO Group's Pegasus technology is being used by the Israeli state to undermine the movement for Palestinian human rights and liberation, both within Israel and in the territories illegally occupied by Israel in open violation of international law.

All this is well known, proven and documented, so much so that **the Biden Administration has blacklisted this company on the federal level**, and Senator Ron Wyden has spoken out against it. **Senator Wyden and Oregon's unions, including the AFL-CIO and AFSCME federations, have clearly and directly called for Oregon state funds to disinvest from the NSO Group.** Given that these unions represent the interests of Oregon pensioners, their voices on this issue in particular should be heeded.

Continued investment in NSO Group is a bad investment for Oregonians, on every available metric. Human rights violations are reason enough for the state to disinvest, but we can also acknowledge that any investments in companies with open lawsuits against them by major firms such as Facebook, Apple and Microsoft and blacklisted status by the federal government (U.S. Commerce Department) due to concerns over national security are in and of themselves a bad investment decision for our state. Moody's credit agency recently downgraded the company and labeled it at "severe risk" of defaulting on half a billion in debt. **The Oregon Public Employee Retirement Fund stands to lose millions due to the state treasury not heeding the warning signs that this company could go bankrupt in light of significant worldwide blacklisting, lawsuits, and overall backlash.**

To my knowledge, Oregon first invested in Francisco Partners, which previously had 70% controlling stake in NSO Group, back in 2014. So for over eight years now, the Oregon State Treasury has invested in the unregulated and gravely unethical global spyware industry. *Did the officials responsible for state investments in Salem pay attention to the rise in global reporting on their investees' human rights abuses? Did they at all monitor the global cries against this unregulated product and industry?*

Oregon needs a process in which screening companies for human rights violations becomes a well-monitored, fully transparent commitment enshrined in state law, and the results of such screenings need to be reflected in the actual investment of Oregon public funds. Our state's public employee pensioners have a right to know how their pension fund is being invested. Oregon must disinvest from NSO Group, and failed investments like this should never happen again.

I urge you to read [The Guardian's reporting on this topic](#), as well as pay attention to research and statements by [Jewish Voices for Peace](#), a prominent human rights group in Oregon monitoring this issue and its broad support in our state.

Sincerely,
Jackie Salzinger
Voter in Oregon House District 33

From: [Karen Ashikeh](#)
To: [OIC Public Comments](#)
Subject: HB 2601
Date: Tuesday, February 28, 2023 7:59:16 AM

This email is from a party external to Treasury. Use care with links and attachments.

Support HB2601 for a stable economy. The example that should be set to divest from oil and gas and to make investments of Pension funds and Union Funds both transparent and accountable for long term returns is what will keep our State economy stable for years and decades to come. Billions in stranded assets will NOT.

Banks are divesting from oil and gas and no longer support oil pipelines here and abroad. Why should our pension funds, essentially our future, rely on oil and gas investments that underperform now. Our funds have already lost billions that should have been invested in green technology that HAS a future.

Support transparency, accountability and divestment by starting with HB 2601

Karen Ashikeh


wayscans5@gmail.com

From: [Mike Beilstein](#)
To: [OIC Public Comments](#)
Subject: NSO Investment
Date: Tuesday, January 31, 2023 4:14:46 PM

This email is from a party external to Treasury. Use care with links and attachments.

To the members of the Oregon Investment Council:

As a PERS retiree, I am very concerned about how my PERS funds are invested. Oregon needs a human rights screening process and monitor to ensure that failed investments like the one in the NSO Group never happen again. Oregon's Public Employee Retirement Fund stands to lose its \$233 million investment in NSO due to the possible bankruptcy of NSO.

The Biden administration has blacklisted the NSO Group due to its role in "transnational repression" and the threat its spyware poses to U.S. national security.

I fully support Senator Janeen Sollman's bill, SB 541.

Thank you.

Sincerely,
Mike Beilstein



From: [Gail Sanford](#)
To: [GORDON Alli](#)
Cc: [Rep Hartman](#); [Sen Meek](#)
Subject: OIC
Date: Wednesday, January 18, 2023 10:20:13 PM

This email is from a party external to Treasury. Use care with links and attachments.

Dear members of the Oregon Investment Council,

The Public Broadcasting Company's Frontline program recently aired a two-part documentary on the Israeli spyware company, NSO Group, detailing how its Pegasus spyware was used to spy on journalists, human rights activists, political dissidents, and government officials.

In 2019 the Oregon State Treasury committed \$233 million to the Novalpina Capital Fund, which had a controlling 90 percent stake in the NSO Group. This is a clear failure of due diligence. Reports of NSO Group's involvement in human rights violations were published as early as 2016. If the Treasury was using ESG standards and a human rights screen for its investments, this investment should never have happened. Now Oregon pensioners are faced with the prospect of financial loss in a bankrupt company that has been blacklisted by the U.S. Commerce Department.

As U.S. Senator Ron Wyden of Oregon told Frontline, the NSO Group was selling spyware "to tyrants." The Biden administration accused the NSO Group of engaging in "transnational repression" and threatening U.S. national security.

The Oregon Treasury has a fiscal responsibility to ensure the best possible return on its investments but only within the framework of the law and social responsibility, which includes human rights. Pegasus spyware is a total invasion of an individual's right to privacy, and its use in connection with incidents like the murder of Saudi-American journalist Jamal Kashoggi is a travesty.

Just as serious as the Novalpina investment was the Treasury's 2014 investment in Francisco Partners, another private equity firm that at the time had a 70 percent stake in NSO. Clearly, this raises the question of whether Treasury was familiar with the spyware industry and its human rights implications. The founders of NSO came out of the Israeli spy Unit 8200, which used its surveillance techniques to blackmail Palestinians and help perpetuate an illegal occupation.

Oregonians and PERS recipients (including myself) need a process in which screening companies for human rights violations becomes a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners have a right to know how their pension fund is being invested.

Thank you for your consideration,

Gail M Sanford



From: [Clinton, Richard Lee](#)
To: [OIC Public Comments](#)
Subject: OSU investment in NSO Group
Date: Wednesday, January 18, 2023 4:26:47 PM

This email is from a party external to Treasury. Use care with links and attachments.

Trustees,

I won't restate all the reasons why OSU's investment in this rogue enterprise was a bad idea, as I am sure you are now well aware of them, but I will repeat the message that divestment should be immediate and measures implemented to prevent this sort of thing from occurring in the future.

Sincerely,

Richard L. Clinton
Professor Emeritus

Get [Outlook for iOS](#)

From: [Kristin Edmark](#)
To: [OIC Public Comments](#); [Kristin Edmark](#)
Subject: Public Comment to March 8 Oregon Investment Council Meeting
Date: Tuesday, February 21, 2023 3:01:14 PM
Attachments: [Public Comment to OIC March 2023.docx](#)

This email is from a party external to Treasury. Use care with links and attachments.

Please accept my public comment to the March 8, Oregon Investment Council meeting. Thank you.

Kristin Edmark, concerned citizen

My name is Kristin Edmark. I have children and grandchildren. I consider myself a scientist and believe the science which says that the climate crisis is urgent. My son and daughter-in-law are OPERS members.

Engagement and Proxy voting

Shareholder season is almost here. Proxy voting and engagement can help fossil fuel funders like banks and insurance companies decrease Oregon's exposure to the increasing risk of climate. This shareholder season there are resolutions which will help decrease the risk. Unlike Washington and many other states, Oregon does not readily reveal how the Treasury has voted in the past. Being opaque makes people suspicious and fear the worst. For those companies whose core business is not fossil fuels votes can help. Please support climate resolutions at fossil fuel funders to safeguard funds during the transition to clean energy.

Treasurer Reed's January 18, 2023 letter regarding HB 2601 is misguided

In the letter Treasurer Reed states "Statutorily limiting the investment opportunities of the Oregon Public Employee Retirement Fund (OPERF)—no matter how well-intentioned—will lead to lower returns, higher employer rates, and a less robust retirement for thousands of Oregonians."

This statement is blatantly false with regard to the provisions in HB2601. The Climate Risk Assessment in 2021 shows Fossil fuels create significant risk to PERS and action is required. Please reread the Ortec reports. Many of the major recent studies are listed in the IEEFA report [Two Economies Collide Divestment_October 2022.pdf](#).

Study after study (including by Blackrock, Ortec, Meketa) shows fossil fuels lag the market. Last year a study came out that Maryland State Retirement and Pension System, would have made 15% more in the last 10 years if they had not had their investments in the CU 200. I compared the Maryland CU investments with Oregon; Oregon is surprising close to identical to Maryland in size and investments. Last month, a Corporate Knight study showed that Colorado's pension fund is valued at \$2.7 billion less than it would have been had it divested from fossil fuels a decade ago. That is an opportunity cost of over \$4,100 per member.

Fossil Fuel Investments are increasingly poor investments

The transition to clean energy is here. Heat pumps are competitive with methane heating. Bills

are being passed. Fossil fuel heating has been banned for new construction in many jurisdictions including Seattle and Eugene. Transportation is transitioning. Utilities are mandated to transition. The fossil fuel industry is losing market share and increasingly volatile. It is your responsibility to set policy to protect Oregon State funds. Pensions and endowment funds which have divested from fossil fuels continue to meet or exceed investment return targets.

Companies highly invested in fossil fuels lag the S&P 500 resulting in forfeited profits. In 1980 29% of all stocks held on the SP 500 were connected to the fossil fuel industry but now they represent only 5%. During the now occurring transition to clean energy, fossil fuel investments cannot compete and have switched from reliable to volatile losers of value in the long term. It is your responsibility to Oregonians to safeguard funds.

Recent Private Equity Investments will hurt fund profits

Please, no investments in private equity which is highly invested in fossil fuels

It would be hard to imagine a more risky investment than fossil fuel venture capital in decade long, opaque private equity over which you have no control. I am sorry this happened January 2023. Citizenry throughout Oregon and the world are standing up and preventing the very projects Oregon is investing in because the threat to the future is real. We recently stopped Jordan Cove, Kalama methanol, Port Westward methanol, Tesoro Savage and more. The public is swaying policies and legislation world-wide to prevent the worst consequences.

Private equity investments should be managed by establishing an exclusion list as soon as possible. Fossil fuel exposure must be calculated for each new investment in order to safeguard earnings.

At the January 25th OIC Board meeting investments were announced in private equity highly invested in fossil fuels.

\$150 million and \$50 million side car in Encap Flatrock Midstream V = all midstream venture capital.

\$251 million and \$99 million side car in Global Infrastructure Partners V. Global has about 12 fossil fuel companies in its portfolio and some renewable energy also.

Climate risk is a financial risk. Oregon already uses the Carbon Underground 200 list when managing the Public University Fund. Companies highly invested in fossil fuels are taking risks inappropriate for Oregon and no longer have financial rationale. Fiduciary duty mandates divestment.

Listen to your OPERS members and Oregonians

98 Organizations and many, many individuals feel so strongly that fossil fuels are inappropriate for Oregon that they have joined Divest Oregon.

AAUP Oregon
Active Bethel Community
AFT-Oregon (American Federation of Teachers)
BeachNecessities.com

Beyond Toxics
Black Unity PDX
Breach Collective
Cascadia Climate Action Now
Cascadia High Speed Rail Company
Cedar Action
Church Women United Lane County
City of Milwaukie
Climate Action Cottage Grove
Climate Change Recovery
Climate Justice League
Climate Reality, Portland Chapter
Coast Range Association
CODEPINK
Columbia Riverkeeper
Community Rights Lane County
Consolidated Indivisible Network for Oregon (COIN)
Corvallis Interfaith Climate Justice Committee
Democratic Socialists of America Portland Chapter
Douglas County Global Warming Coalition
Earth Guardians 350 South
EcoFaith Recovery
Ecumenical Ministries of Oregon
Elders Climate Action – Oregon Chapter
Electrify Corvallis
Electrify Now Portland
Environment Oregon
Eugene DSA
Eugene Raging Grannies
Eugene Springfield Interfaith EarthKeepers
Eugene Springfield Solidarity Network
Families for Climate
First Unitarian Church of Portland – Community for Earth
Forest Web
Fridays for Future Portland
Greenpeace Portland Volunteer Action Pod
Human Rights Human Stories
Independent Party of Oregon
Indivisible Cedar Mill
Jewish Federation of Greater Portland
Kalikasan Solidarity Organization
Medford Congregational United Church of Christ
Metro Climate Action Team
Mosquito Fleet
Multnomah County Democratic Committee
NAACP – Corvallis/Albany
NAACP – Eugene/Springfield
NAACP Portland Branch 1120B
No More Freeways
NWGSD.org (Nasty Women Get Shit Done)

Oregon Community Organizers
Oregon Education Association
Oregon Environmental Council
Oregon Interfaith Power and Light
Oregon Just Transition Alliance
Oregon Physicians for Social Responsibility
OSPIRG University of Oregon
Our Children's Trust
Our Climate
Our Revolution Oregon
Pacific Climate Warriors PDX
Pacific Green Party of Oregon
Portland Central America Solidarity Committee
Portland Community College Federation of Faculty and Academic Professionals
Portland Harbor Community Coalition
Portland Jobs with Justice
Portland Raging Grannies
PSU AAUP
Portland State University Faculty Association (PSUFA 3571)
Portland Youth Climate Strike
Prescient Transmission Systems
Rogue Climate
Rural Oregon Climate Political Action Committee
Rural Organizing Project
Salem-Keizer Interfaith Network
Southern Oregon Climate Action Now
Stand.earth
Sunrise Beaverton
Sunrise Eugene
Sunrise Movement PDX
Sunrise Rural Oregon
Sustainable Cottage Grove
Sustainable Economies NW
Third Act Oregon
Unitarian Universalist Fellowship of Corvallis (UUFC)
Washington County Democrats
We All Rise Consulting
XRPDX
350 Corvallis
350 Deschutes
350 Eugene
350 PDX
350 Salem
350.org Washington County

From: [Rory Cowal](#)
To: [OIC Public Comments](#)
Subject: Public statement for the upcoming OIC meeting
Date: Monday, February 27, 2023 10:55:43 AM

This email is from a party external to Treasury. Use care with links and attachments.

Dear Chairperson Samples and Council Members,

My name is Rory Cowal—I'm a teacher at a public university and a member of PSUFA, which is affiliated with AFT Oregon. The Treasurer often speaks about his exclusive obligation to "make participants' money as productive as possible." Naturally, union members expect this and are grateful for the work that is done to that effect. However, numerous union resolutions passed in just the past 12 months have demonstrated that Oregon workers expect more than investment returns.

Last March, the Oregon AFL-CIO resolved to "provide support for initiatives or legislation in the coming years that would require annual Oregon Treasury investment reporting in an accessible format online which would support investment transparency."

In April, OEA's representative assembly carried a motion to "support legislation that increases the transparency of PERS investments."

And in August, the General Council of SEIU 503 resolved that the union "request the State Treasurer and the Oregon Investment Council provide annual reporting of all portfolio holdings in every asset class" and further resolved that the union "provide support for initiatives or legislation in the coming years that would require annual Oregon Treasury investment reporting in an accessible format online or which support related investment transparency."

These unions, together representing over 400,000 Oregon workers, clearly have serious concerns about transparency at the State Treasury.

They have other concerns as well:

The Oregon AFL-CIO resolved to "encourage the implementation of a human rights screening for all future investments" and "advocate for legislation, and to strengthen existing state laws to protect human rights at home and abroad, as related to Oregon's financial investments."

OEA's representative assembly passed a resolution amendment asserting that "the OEA believes there should be ethical, moral, and transparent professional standards of conduct for how Members' retirement money is invested. These standards should not be overshadowed by a desire for a high return on investment."

SEIU 503 resolved to "request that the Oregon Treasury perform a thorough investigation and provide a report of all investments in private equity firms involved in nursing home, in-home healthcare, and hospice services in Oregon."

For union members in Oregon, the Treasurer's responsibilities do not end with achieving higher returns: they also include transparency and ethical investing. It is entirely possible for the Oregon State Treasury to make participants' money as productive as possible and remain

true to our highest values as Oregonians. Addressing climate risk to the portfolio is an opportunity to do just that. I urge you to adopt the course of action offered by the "Treasury Investment and Climate Protection Act" (HB 2601). Those solutions would allow Oregon to protect its investments for the long term while doing its part to meaningfully respond to the global climate crisis.

Thank you,
Rory Cowal

From: [Nancy Yuill](#)
To: [OIC Public Comments](#)
Subject: Re: Public testimony for January OIC meeting
Date: Friday, January 27, 2023 7:35:06 AM

This email is from a party external to Treasury. Use care with links and attachments.

Hi, please confirm receipt. Here, **again**, are my public comments, delivered to the OIC on Wednesday January 25th. Please include these comments in the public record.

January 25, 2023

To Chair Samples and OIC members,

Thank you for your service as members of the Oregon Investment Council. My name is Nancy Yuill and I am a member of PERS.

I have long understood that one of the most effective ways I can promote a more livable world is by putting my money where my values are. I have screened my investments of my retirement savings using environmental, social and governance criteria for 20 years. The returns on my investments have consistently matched or done better than the general stock market. Through Divest Oregon I have learned that PERS funds are exposed to significant risk from fossil fuel investments.

I support HB 2601 because it is a rational and sound strategy to move the investments you oversee from high risk, high-damage fossil fuel industries to investments that are stable, safe and will provide excellent returns for PERS members.

There is no question that PERS must be decarbonized; the Treasurer agrees with Divest Oregon on that point. What is at stake is whether or not Treasury will actually do something with the urgency and foresight needed. Recent evidence makes me think they will not.

Chair Samples, you yourself asked for a report on ESG over one and a half years ago, and your request has not been responded to in public meetings of this council. The climate risk assessment by ORTEC was presented to treasury staff over one and a half years ago. That report calls out the extreme risk in the portfolio due to fossil fuel exposure. Yet treasury has done nothing to respond to that clear call for decarbonization.

Divest Oregon has been an active coalition for about 17 months. We have used public records requests to get information about the portfolio holdings and to get the climate risk assessment report – albeit heavily redacted, we’ve written two deeply researched reports on the fossil fuel investment risks faced by PERS, and we’ve produced two legislative bills to combat this crisis. And, we got the Treasurer to agree with us that PERS must be decarbonized.

We do this work because business as usual in the Oregon Treasury is not working. What the treasurer is spending his time on is campaigning against this bill while promising to make his own plan in two years, and to drop that plan here for your consideration right before he leaves office.

We can take educated guesses about what will be in his plan. We know he believes carbon offsets are a good strategy, despite overwhelming evidence that it is folly and greenwashing. We know he believes shareholder engagement works, although Chairwoman Maloney of U.S. House Committee on Oversight and Reform has pointed out that the fossil fuel industry has NO intention of changing their ways. And we know that Treasurer Read does not understand the urgency of this problem, because if he did, he would be collaborating with us to pass HB 2601 instead of actively lobbying against the bill while promising vague results decades from now.

This is not the time for inaction. Chair Samples, members Arvin, Russell and Wilson-Body, I am asking you to support HB 2601. It will enable you to fulfill your fiduciary responsibilities and ensure that PERS members have a safe, stable, clean fund to rely on with the peace of mind that our money is not destroying the world we love, and is in fact invested in rebuilding the world for the better of all. Thank you.

On Sun, Jan 22, 2023 at 3:28 PM Nancy Yuill <nancyyuill@gmail.com> wrote:

Hello, My public comments are not included in the record for the meeting. As you can see, I submitted them in time. Please correct this error and confirm their inclusion.

Thank you, Nancy Yuill

On Wed, Jan 18, 2023 at 4:47 PM Nancy Yuill <nancyyuill@gmail.com> wrote:

Dear Chair Samples and OIC members,

Thank you for your service as members of the Oregon Investment Council. My name is Nancy Yuill and I am a member of PERS.

I have long understood that one of the most effective ways I can promote a more livable world is by putting my money where my values are. I have screened my investments of my retirement savings using ESG criteria for 20 years. The returns on my investments have consistently matched or done better than the general stock market. Through Divest Oregon I have learned that PERS funds are exposed to significant risk from fossil fuel investments.

I support HB 2601 because it is a rational and sound strategy to move the investments you oversee from high risk, high-damage fossil fuel industries to investments that are stable, safe and will provide excellent returns for PERS members. The HB 2601 details how to decarbonize the public investments using the internationally accepted screens of the Global Oil and Gas Exit List (GOGEL) and the Global Carbon Exit List (GCEL), and in a timeline of two years to acknowledge the need for both expediency and prudence.

There is no question that PERS must be decarbonized; the Treasurer agrees with Divest Oregon on that point. What is at stake is whether or not Treasury will actually do something with the urgency and foresight needed. Recent evidence makes me think they will not.

Chair Samples, you asked for a report on ESG over one and a half years ago, and your request has not been responded to in public meetings of this council. The climate risk assessment by ORTEC was presented to treasury staff over one and a half years ago. That report calls out the extreme risk in the portfolio due to fossil fuel exposure. Yet treasury has done nothing to respond to that clear call for decarbonization.

Divest Oregon has been an active coalition for about 17 months. We have used public records requests to get information about the portfolio holdings and to get the climate risk assessment report – albeit heavily redacted, we've written two deeply researched reports on the fossil fuel investment risks faced by PERS, and we've produced two legislative bills to combat this crisis.

We do this work because business as usual in the Oregon Treasury is not working. The Treasurer says he will develop his own plan in two years, and to drop that plan here for your consideration right before he leaves office. We can take educated guesses about what will be in his plan. We know he believes in carbon offsets, despite overwhelming evidence that it is folly and greenwashing. We know he believes shareholder engagement works, although Chairwoman Maloney of U.S. House Committee on Oversight and Reform has pointed out that the fossil fuel industry has NO intention of changing their ways. And,

60% of PERS is in private investments, so shareholder engagement is not an option for the majority of the investments. And we know that Treasurer Read does not understand the urgency of this problem, because if he did, he would be collaborating with us to pass HB 2601 instead of actively lobbying against the bill while promising vague results decades from now.

This is not the time for inaction. Chair Samples, members Arvin, Russell and Wilson-Body, I am asking you to support HB 2601. It will enable you to fulfill your fiduciary responsibilities and ensure that PERS members have a safe, stable, clean fund to rely on with the peace of mind that our money is not destroying the world we love, and is in fact invested in rebuilding the world for the better of all.

Sincerely yours,

Nancy Yuill

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Nancy Yuill

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Nancy Yuill

Pronouns: She/Her

January 25, 2023

My name is Rick Pope. I am a member of Divest Oregon and a retired member of the Oregon State Bar. I practiced in Oregon from 1980 through 2019. My wife is a retired second grade Oregon teacher. Because I am the designated beneficiary of her pension should she predecease me, I too am a PERS beneficiary.

Thank you, OIC members, for serving in an important voluntary position, and for listening these many months to all kinds of testimony. My testimony of today focuses on a narrow issue:

Your duty to set OPERF investment policy includes a duty to oversee the legislative responses of the Treasury to HB 2601 on fossil fuel divestment.

You did that 15 months ago, when you and the Treasurer all wrote to legislative leaders. You said if the Legislature is interested in divestment, Treasury would need (1) a statute (2) a reasonable timeline and (3) a fiduciary safety valve.

The Legislature is interested. All these stated needs are in HB 2601. Given that, HB 2601 is the bill you and the Treasurer asked for.

The Treasurer's recent letter to all legislators leaves much oversight to be desired. He seems to have forgotten that when he sent that letter, he did so as a trustee of the PERS investment trust.¹

All law students learn about the conduct expected of a trustee, in a famous pronouncement by Justice Cardozo: "A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior."

In the light of that standard, let's look at what the Treasurer told every member of the Oregon Legislature about HB 2601.

The Treasurer told the Legislature that OPERF in 2022 outperformed in a downturn because it was not hampered by divestiture. But you were all told, both in your last meeting and this one, it was an outperformance only on paper. The outperformance arose from delay in devaluing OPERF's many

¹ 46 Op Or Atty Gen 506, 507-08 (1993).

private investments. Treasury’s consultants and employees explicitly called that out as the major reason. Lack of divestment had nothing to do with it.

The Treasurer told the Legislature that enacting HB 2601 would “disregard existing state law about investing for the sole benefit of OPERF beneficiaries.”

But HB 2601 follows **to the letter** decades of existing law. That law says when a preferred policy choice generates equal or greater potential economic value, OPERF investments **are** for the sole benefit of PERS beneficiaries.

HB 2601 follows three opinions over 20 years from the Oregon Attorney General on OPERF investing that considers social or political issues.² The most recent, in 2010, says:

The OIC and the Treasurer may consider statutory social factors in making an investment decision, but the OIC and Treasurer may select or reject an investment based on such factors only if the investment is equal to or superior to alternative investments when judged solely on the basis of its potential economic value.

. . . [T]he consideration of collateral benefits, like social factors, is not inconsistent with the common law fiduciary duty of loyalty so long as the fiduciary determines that the investment offering the collateral benefits is expected to provide an investment return commensurate to alternative investments having similar risks.³

HB 2601 follows four other Oregon statutes⁴ and your own divestment policy.⁵ It follows statutory and trust requirements to invest prudently with risks and returns suitable to a pension fund,⁶ to preserve the corpus of the

² 2010 Oregon Atty Gen Op 3 (8/5/2010); 46 Oregon Atty Gen Op 143 (1989); 46 Oregon Atty Gen Op 506 (1993).

³ 2010 Oregon Atty Gen Op 3 at pp. 1, 12.

⁴ Oregon Anti-Apartheid Act of 1987, ORS 293.830 et seq (repealed); Venture capital investments, ORS 293.733; Investing in Sudan, ORS 293.911; Investing in Iran, ORS 293.837.

⁵ OIC INV 205.

⁶ ORS 293.726(1)-(2).

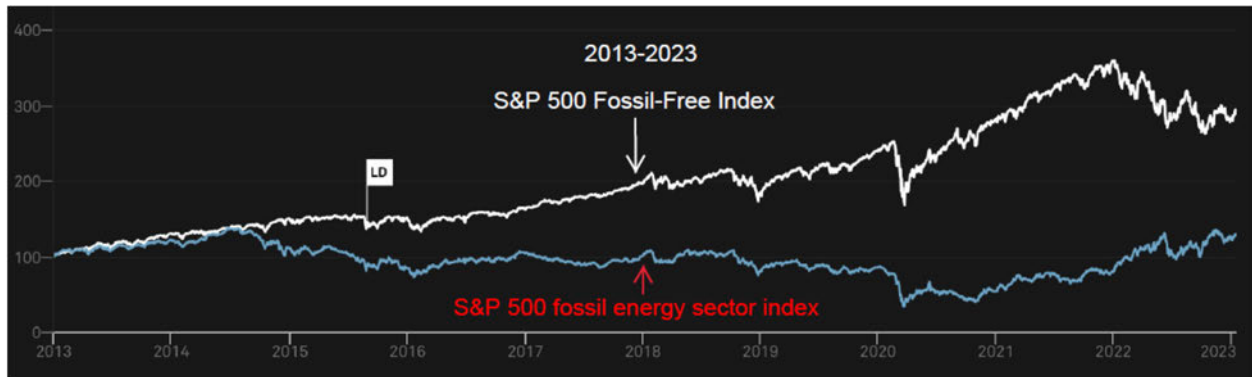
trust,⁷ and to protect the pension fund's long-term stability.⁸ It is consistent with the latest ERISA regulation on how to take collateral benefits into account in private pension investing.⁹

The Treasurer told the Legislature that divestiture would lead to pension benefit reductions, without saying how. But allowing the Treasury investment bureaucracy to maintain public fossil fuel investments in OPERF **has already** led to lower returns.

The past performance of fossil fuel investments has established their imprudence. Their long-term future looks no better. There is an excellent case, ignored by the Treasurer, that divestment financially benefits every PERS beneficiary.

S&P 500 indexes show that even with their Ukraine war runup, **public fossil fuel investments are worth no more today than they were 9 years ago**, while S&P 500 fossil free investments returned **five times more than them**.

The Treasurer omitted any discussion on how this fact has impacted OPERF's \$5 billion in public equity fossil fuel investments.



Divest Oregon's careful study of available information, presented to the Treasury last year, indicated that given these substantial differences, **OPERF underperformed by \$4 to \$10 billion over 10 years**. The Treasury never

⁷ ORS 238.601.

⁸ *White v. PERB*, 351 Or 426, 437, 268 P3d 600, 608 (2011).

⁹ 29 CFR § 2550404a-1, 87 Fed. Reg. No. 230, pp. 73884-86 (December 1, 2022).

refuted this study. The Treasurer never mentioned its existence to the Legislature, or tried to dispute or correct it.

*While telling every legislator that sector divestment is a financially disastrous policy, the Treasurer omitted to say that he, and you, **both** called for geographic sector divestment within the past year—of Russian oil, gas and financing assets—and that you cited your own divestment policy in doing so.*

The Treasurer also omitted to say that by the time he announced his decision, OPERF's Russian assets were worthless. What could have been a success story is instead a lesson on the perils of divestment delay.

All of you, along with the Treasurer and his relevant employees, are investment trustees of OPERF. Legitimate disagreements are one thing. Disagreement and debate on an important matter of controversy is to be expected. But misleading statements and omissions, made by a trustee in order to influence every legislator about trust investment policy and administration, are something else. They are not a light matter. They are a serious one.

I respectfully ask you to act as strong, independent trustees in overseeing the responses of Treasury politicians to HB 2601.

From: [Darcy Miller](#)
To: [OIC Public Comments](#)
Subject: Testimony for 1.25.23
Date: Monday, January 23, 2023 10:44:27 AM

This email is from a party external to Treasury. Use care with links and attachments.

My name is Darcy Miller, and I'm a filmmaker from Milwaukie Oregon.

I'm also a mother of two young girls. They love unicorns and mermaids. And they love playing outside. They'll pretend the tree is a home to fairies. Or go on an easter egg hunt in mid January.

But I can't let them go outside as much as they want to.

They don't know anything about climate change or fossil fuel investments. They don't even get an allowance. But when my daughter stepped outside during 110 degree heat, the look of utter fear on her face as she struggled to get back to my arms was enough to know what was important.



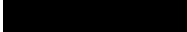


When I was a kid, summers were the best part of life. Those are my memories of fun and friends and feeling free. But that's NOT the world my children are growing up in. And they're only four and six now.

I don't want to wait START working on anything we know can fight climate change. I want to do it NOW. So they have a chance – a good chance – at the kind of childhood all kids should.

I wrote and directed a video that is being shown across the country because its proved relevant to everyone whose pension fund is investing in ways that affect our own children.

It can be found on the Divest Oregon website home page. I'd like to show that to you now.

<https://www.youtube.com/watch?v=LR1RS9PQOq4>

 **Darcy Miller**
see in the dark productions
www.facebook.com/seeinthedarkproductions


w: www.seeinthedarkproductions.com e: darcybmiller@gmail.com
 

From: [Beth Genly](#)
To: [OIC Public Comments](#)
Subject: Testimony for March 8th OIC hearing
Date: Monday, February 27, 2023 9:23:15 AM

This email is from a party external to Treasury. Use care with links and attachments.

Dear Treasurer Read, Chair Samples, Mr. Russell, Ms. Arvin, Ms. Wilson-Body, and Mr. Olineck,

As a PERS member and beneficiary, I care deeply both about the stable future of PERS and the stable future of our climate. Climate chaos from fossil fuels has already created financial and personal mass disasters in Oregon. I do not ever want to be forced to breathe so much smoke again! -- though I thankfully did not lose my home or my life in recent disasters, as, sadly, so many Oregonians have. The destruction of lives, health, and physical assets from future climate disasters is in our power to halt.

Therefore, it is fiscally and morally irresponsible for the Treasury to continue investing our hard-earned incomes in this increasingly risky sector. Treasurer Read, you acknowledged this reality in your recent New York Times editorial, but your plan for a plan is disappointingly weak and lacks urgency. Since your term expires next year there is no guarantee that the Treasury will adopt even your anemic approach.

According to the Risky Business Report, over the past 10 years the Treasury's fossil fuel investments have lost 4-10 billion dollars. The Treasury's own Climate Risk Scenario Modelling Report of February 2022 counsels that holding onto PERS public equity fossil fuel investments is a big financial loser. Inexcusably, the Treasury's response was to make half a billion dollars of NEW investments in fossil fuels in January of 2023.

HB 2601 requires the Treasury to quickly exit from current fossil fuel investments in an orderly manner consistent with their fiduciary duty and contractual obligations, and to immediately stop all new fossil fuel investments.

Further, as public trustees, the Treasury owes both the legislature and the public transparency and accountability. Discrepancies, misleading statements, and omissions from the Treasurer mean that we must legally require this transparency. HB 2601 thus requires the Treasury to regularly inform the public and the legislature about their investment decisions, so that we can evaluate whether they are meeting their obligations to PERS members.

The financial opportunities for lucrative green investments continue to increase: Fossil-free alternatives are growing exponentially with the passage of the IRA at the federal level, while Putin's horrible war in Ukraine is forcing all of Europe to accelerate their turn away from fossil fuels, and all the world is crying out for our public servants to turn us away from more climate disasters. Allowing the Treasury to continue business as usual will expose the portfolio to stranded assets and related losses in value. HB 2601 mandates that the Treasury create a portfolio-wide Climate Resilience Plan using an environmental social justice framework, to protect our pensions and our state.

Please support the passage of HB 2601, to create Treasury transparency and accountability, to protect the continued financial health of our pensions, and to ensure a better future for our state and our planet. Thank you for your service.

Beth Genly
Forest Grove, OR

From: [Adin Becker](#)
To: [OIC Public Comments](#)
Subject: Testimony HB 2601
Date: Tuesday, February 28, 2023 12:36:54 AM

This email is from a party external to Treasury. Use care with links and attachments.

Hello,

I am grateful for the opportunity to comment on HB 2601. This bill reflects an essential step toward combating climate change and protecting people's hard-earned retirement funds. As a current Watson Fellow and international researcher in the domains of sustainable development and climate adaptation, I well understand the importance of reducing emissions in the service of a carbon-neutral future. Throughout the world, global warming-induced crises including drought, extreme floods, fires, and animal extinctions are causing vulnerable communities to suffer from hunger and malnutrition, migrate, and face new violent or dangerous political realities. This is also true in Oregon, where events like heat waves have greater impacts in exploited and largely BIPOC communities.

HB 2061: The Treasury Investment and Climate Protection Act is a necessity. Frankly, it is an embarrassment that the Treasury has yet to budge, especially given that Treasurer Read has acknowledged a high level of climate risk in the Treasury's portfolio. Continued investments in fossil fuels are incongruent with Oregon's environmental and economic ambitions. As an institutional investor, the Treasury must give voice to the concerns shared by most Oregonians and act to reduce its contributions to the climate catastrophe that is impacting all Oregonians.

This bill is likewise essential to protect PERS funds for Oregon's most valuable workers. Regardless of short-term returns, it is unquestionable that fossil fuels represent a risky long-term investment. The shift to fossil fuel alternatives is already occurring, and will continue as they become more cost effective in our attempt to avert the worst impacts of climate change. Why would we gamble away Oregonians' money in a dying industry? More than \$5.3 billion of public money is investment in fossil fuels. This is appalling and the Treasury must take swift action to reduce its exposure. This would not be a groundbreaking policy decision; hundreds of entities throughout the United States and even more abroad have already divested.

I implore the Oregon State Treasury to act responsibly and support the passage of HB 2601, co-sponsored by Senators Michael Dembrow and Jeff Golden, and Representatives Mark Gamba, Jules Walters, Khang Pham, Rob Nosse, Maxine Dexter, and Courtney Neron.

Crucially, the bill will require the Treasury to end all new fossil fuel investments and phase our current investments in fossil fuels by 2035. The bill also mandates increased

transparency, which shouldn't be up for debate with respect to public funds. In most fields, Oregon leads in climate-positive legislation. The Treasury continues to undermine Oregon's green trajectory, and this must stop.

Thank you for your support of HB 2601. Oregon needs to be a leader.

Sincerely,

Adin Becker
Watson Fellow in Lusaka, Zambia
Resident of Portland, OR

From: [Kyle Purdy](#)
To: [OIC Public Comments](#)
Subject: Testimony on HB 2601
Date: Wednesday, March 1, 2023 1:06:51 AM

This email is from a party external to Treasury. Use care with links and attachments.

Dear Treasurer Read, Chair Samples, and Committee Members,

As a recent graduate of the University of Oregon, I am very concerned about our future. The climate crisis is an existential threat. Oregon's Treasury has invested *billions* of dollars in the polluting fossil fuel industry. These investments are a ticking time bomb: they are actively making the problem worse (at a time when we desperately need to reduce our carbon emissions) and they are bad investments that are losing money. Everyone knows that the status quo is not sustainable. By getting our money out of this toxic and risky industry now, we can make smart investments while making our environment cleaner and healthier for us all and for future generations to come.

We are running out of time. Please do the right thing and support HB 2601.

Thank you for your service,
-Kyle Purdy
Eugene, OR

From: [Jenifer Schramm](#)
To: [GORDON Alli](#); [OIC Public Comments](#)
Subject: Testimony to the OIC on 1/25/23
Date: Monday, January 30, 2023 11:13:23 AM

This email is from a party external to Treasury. Use care with links and attachments.

Ms. Gordon,

Please add this written version of my comments to the OIC on March 25 to the Public Comments.

Jenifer Schramm, Co-founder of Divest Oregon, speaking.

In October of 2021 this body wrote to the Oregon Legislature, saying divestment was a personal and political decision inconsistent with Treasury's fiduciary duty. If the legislature wanted divestment, it would need to mandate it.

There has been a radical shift in the energy sector and a climate crisis that is affecting every aspect of the economy. Our Treasury Investment and Climate Protection Act mandates that the Treasury urgently address the current reality and protect PERS retirees.

Last week, the Treasurer wrote to the legislature, copied to you. The Treasury's wildly unsubstantiated position: "Statutorily limiting the investment opportunities of the Oregon Public Employee Retirement Fund—no matter how well-intentioned—**will lead** to lower returns."

Yet Treasurer Read's November 2022 press release acknowledged climate risk creating economic risk and the need for "decarbonization". His sketch of a plan to be released in 2024 includes:

- continued fossil-fuel investment,
- a highly staff-intensive accommodation of the oil industry

- through offsets,
- and an unenforceable net zero outcome by 2050.

The Treasury Investment and Climate Protection Act is a realistic alternative to the Treasury's plan for a plan. TICPA is supported by the 98 organizational members of Divest Oregon, including the 66,000 PERS members of Oregon teacher unions. It directs the Treasury to:

1. Put an immediate moratorium on new public and private carbon-intensive investments
2. For publicly traded carbon-intensive investments:
 - a) Exit within 6 months from the companies on the Carbon Underground 200 list
 - b) Exit within 2 years from the coal, oil and natural gas producers and developers on the GOGEL and GCEL lists of companies
3. Exit from existing carbon-intensive private investments as each contract allows it and by 2035
4. Establish a portfolio-wide Climate Resilience Plan
5. Require Treasury transparency and reporting to the public and legislature, consistent with state statute

We urge the OIC to set policy to steer Treasury staff, such as Mr. Kim and Mr. Langdon, along with outside asset managers, toward a realistic solution to a current urgent **financial** and climate crisis, with our legislation as a helpful component.

Jenifer Schramm
Co-Founder [Divest Oregon](#)