



An inconvenient investment

Activists urge Mayor Hales to keep his promise that Portland divest from fossil fuels

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During a speech he delivered on World Environment Day 2013, Portland Mayor Charlie Hales urged the state to stop investing in fossil fuels. One month later, during a visit with environmental journalist Bill McKibben, he reaffirmed his commitment to steering investments away from the fossil fuel industry.

But despite the mayor's lip service to environmental groups and recommendations to the state, the city of Portland has since added \$20 million in Exxon Mobile bonds to its holdings, valued at \$1.57 billion in December.

Local climate activists are hosting a demonstration at noon Feb. 13 in front of City Hall in a "friendly" effort to urge Hales to speed up the process of divesting city funds from fossil fuels, says protest

organizer Sandy Polishuk. Participants will take part in creating a photo petition to the mayor.

The Portland City Hall demonstration is part of 350.org's first global Divestment Day. National Divestment Campaign Manager Jay Carmona says local chapters of 350.org plan to act in solidarity all over the world on Feb. 13 and 14 – from South Africa, Nigeria and Bangladesh to more than 60 cities in the U.S. She expects the largest gathering to take place in Sydney, Australia. The same day, Carmona plans to launch a campaign for statewide divestment in California.

"We're not asking the city to sell the Exxon bonds," says Polishuk, the divestment coordinator for 350PDX, Portland's chapter of 350.org. "We agree it would be foolish to sell them – just don't buy any more. The bonds we have now will all mature within the next couple years," she says. If the city

stops buying fossil fuel bonds now, it could be fully divested by March 2017.

Hales' spokesman Josh Alpert says the mayor plans to use the city's Socially Responsible Investments Committee to "vet the divestment question." He says the committee plans to add fossil fuel companies to the city's do-not-buy list as soon as it's empaneled.

The City Council created a Temporary Socially Responsible Investing

Committee in October 2013. It was tasked with making recommendations about how the city could change its investment policy to be more socially responsible. In July 2014, the committee recommended the city make a permanent committee to manage a do-not-buy list. Critics argue the criteria for such a list could leave the city with zero sound investment options.

"As for Exxon, they have not done a bond issuance in at least 20 years, so they have not been on our do-not-buy list. Out of nowhere they did an issuance, and our treasurer purchased it. That doesn't go through council, so we did not know of it," says Alpert.

But investment reports from the city's treasury show the purchases were made over the course of nine months starting in March 2014. More than half of the \$20 million purchase was made in November.

Oregon cities such as Ashland and Eugene, and larger U.S. cities such as Seattle and San Francisco have already made the commitment to divest from fossil fuels. Multnomah County has also divested, although not officially. John Wasiutynski, director of the Office of Sustainability, says the county decided not to reinvest in fossil fuels when its previously purchased fossil fuel bonds expired in March 2014.

In addition, the University of Oregon Senate voted unanimously to divest from fossil fuels on Jan. 14, urging the UO Foundation and president to divest within six months. Oregon State University rejected similar requests from students.

In a July interview with Street Roots, Oregon State Treasurer Ted Wheeler called the Oregon Treasury "return focused," and while he wants to accelerate the transition away from fossil fuels, he said wholesale divestment in the near future is not a smart move for a public employee pension system.

Public Employee Retirement Systems, or PERS, usually contain a 10 percent portfolio investment in energy, including fossil fuels. HIP Investor Inc., an investment adviser to the states of California, Washington and Illinois, released a report in 2013 that

includes a five-year plan state and city governments could implement to divest from fossil fuels without losing portfolio diversity or increasing investment risk.

"Climate change and the increasing scarcity of natural resources requires an investment strategy and policy that accounts for this transformation," states the report: "A fossil-free approach to investing can

help to mitigate the increasing risks associated with fossil fuel investments."

To date, no state in the U.S. has fully divested from fossil fuels.

While 350PDX has been urging Multnomah County to make its divestment official, and asking the state of Oregon to divest as well, the focus of the Feb. 13 gathering is to encourage City Hall to commit to not buying any more fossil fuel bonds.

"Portland needs to live up to its award for being a climate leader and divest," says Adriana Voss-Andraea, chair of 350PDX. Portland received two awards from the White House in 2014 for its efforts to combat climate change.

The name 350.org refers to the amount of carbon dioxide in the atmosphere scientists say we must achieve to maintain livability on Earth: 350 parts per million. CO₂ in the atmosphere is currently at 400 parts per million.

Polishuk says divestment is necessary both for the planet and for reducing financial risk in the city's portfolio. She says if the all the reserves owned by the 100 largest oil and gas companies are extracted and burned, it will put five times more carbon in the air than the atmosphere can absorb without global temperatures rising more than 2 degrees.

"These companies know this – the government, activists, IPCC (Intergovernmental Panel on Climate Change) all know that roughly 80 percent of the reserves need to stay in the ground. The reserves are going to become stranded assets," says Polishuk, making investing in fossil fuels increasingly risky. Or, the reserves get burned and we destroy the planet, she says.

While 350.org doesn't keep track of active members, it has received e-mail list requests from more than 800,000 people globally – about half are in the U.S. In Portland, Polishuk estimates there are about 300 active and semi-active members, with 6,000 people receiving emails.

Locally, 350PDX has teams that work with different aspects of the climate movement and require varying levels of involvement.

"We're really about growing the movement," says 350PDX chair Voss-Andraea. "A lot of people feel like climate change is such a big issue that there's nothing they can do about it – but there's a lot they can do."