

**CALLING ON THE UNIVERSITY OF PITTSBURGH TO DIVEST FROM FOSSIL  
FUELS**

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**STUDENT GOVERNMENT BOARD**

*University of Pittsburgh*

**AUTHORED BY: SGB Executive VP Anaïs Peterson, Annalise Abraham, Maura Deely,  
Isabelle Ouyang, Hannah Richardson Bailey**

- WHEREAS,** Chancellor Patrick Gallagher stated in the 2018 Sustainability Plan, “Long-term sustainability extends beyond environmental practices. It requires deep and lasting changes that will enable future generations to thrive in a world that is environmentally responsible, socially equitable and economically robust”; (1)
- WHEREAS,** the University’s investments in the fossil-fuel industry stand diametrically opposed to the mission of its Sustainability Plan;
- WHEREAS,** the “fossil-fuel industry” is defined as the nexus of corporations and other institutions that organize or participate in the extraction, processing, transportation, or storage of any type of fossil fuel used for manufacturing or energy production purposes;
- WHEREAS,** a group of 100 emissions producers are responsible for 71 percent of carbon emissions released into the Earth’s atmosphere, implicating the fossil-fuel industry as a primary cause of increasing global greenhouse gas emissions, and consequently, anthropogenic climate change; (2, 3)
- WHEREAS,** human activities, namely the combustion of fossil fuels and the subsequent release of greenhouse gases, are the primary causes of the global climate crisis, according to the overwhelming consensus of climate scientists. This crisis is the largest threat to our generation and the ability of Earth's ecosystem to sustain life as we know it; (4)
- WHEREAS,** the Intergovernmental Panel on Climate Change (IPCC) in its Special Report stated, “Global net human-caused emissions of carbon dioxide (CO<sub>2</sub>) [will] need to fall by about 45 percent from 2010 levels by 2030, reaching ‘net zero’ around 2050” in order to keep warming below 1.5 degrees, which is essential to preventing the worst possible effects of the climate crisis. Such a reduction requires broad restructuring of all sectors of society and a swift transition away from fossil fuels; (5)
- WHEREAS,** the consequences of the climate crisis disproportionately harm marginalized groups such as low-income people and people of color, as well as communities and ecosystems in the Global South, resulting in large scale climate migrations and an emerging class of citizens categorized as *climate refugees*; (6, 7)

**WHEREAS,** the grave health impacts from the extraction and burning of fossil fuels affect the South Western Pennsylvania community that the University of Pittsburgh is inextricably tied to with fracking operations of Marcellus Shale being linked to a wide range of negative impacts, such as the release of toxic chemicals and waste into the air, rivers, drinking water, and land; (8, 9, 10)

**WHEREAS,** the University of Pittsburgh invests a portion of its endowment through EnCap, "The Leading Provider of Venture Capital to Independent Oil & Gas Companies." This investment is directly affecting Western Pennsylvania as EnCap is an investor in Penn Energy, LLC. Penn Energy is a supplier of ethane to the Shell Ethane Cracker plant which will be the largest source of VOC emissions in Western Pennsylvania, leading to an increase in fracking in and around Allegheny County, and it is the first plant built in a proposed pollution-heavy petrochemical buildout; (11, 12)

**WHEREAS,** in April 2019, The University of Pittsburgh's Socially Responsible Investing Committee found that "a compelling case can be made for the inclusion of SRI considerations into the portfolio allocation decisions of the University's endowment." Further, the Committee found that Socially Responsible Investing is consistent with the University's values, stated mission, and practices of the Investment Committee's policies. ("SRI investing takes into account both financial and non-financial criteria in the process of allocating investment funds and managing an investment portfolio over time." Examples of non-financial criteria include factors affecting climate change, specifically fossil fuels, in addition to human rights issues and weapons manufacturing); (13)

**WHEREAS,** The urgency of institutions of higher education to divest from fossil fuels continues to grow, therefore given that the University prides itself on being a leader in higher education, sustainability, and the Commonwealth of Pennsylvania, it risks falling behind the lead of the many universities that have already divested;

**WHEREAS,** failure to divest may adversely affect the university's ability to raise money from alumni and donors, who may note that current investments are inconsistent with university values. Meanwhile, socially responsible investing may positively affect student enrollment, faculty and staff recruiting, and fundraising efforts; (14)

**WHEREAS,** the fossil fuel divestment movement is a successful international movement to stigmatize the fossil fuel industries and to end the funding of the destruction of the planet's only habitable ecosystem - with over \$11 trillion USD pledged to be divested; (15, 16)

**WHEREAS,** divestment effectively undermines harmful industries by targeting public discourse and finances, thereby reducing the lobbying power of fossil fuel companies, exposing them

for the high-risk investments they are, and shifting the public consciousness in favor of cleaner sources of energy; (17, 18, 19)

- WHEREAS,** the divestment movement is credited with direct financial impacts on the coal sector, including the coal sector's 60% derating in the past five years; (20, 21)
- WHEREAS,** the University of Pittsburgh has previously divested for moral reasons, as seen in 1988 when the Board of Trustees voted to divest from the South African apartheid regime; (22)
- WHEREAS,** there is a moral and economic imperative for immediate divestment of the fossil-fuel industry;
- WHEREAS,** the fossil fuel industry receives large subsidies, 6.5 percent of the global GDP in 2017, to remain a functioning economic sector. These subsidies face an uncertain future in a political environment increasingly concerned about the role of fossil fuels in exacerbating anthropogenic climate change; (23)
- WHEREAS,** divesting from fossil fuel industries does not harm endowment returns, and in fact, universities with a divested portfolio yield greater returns than the overall market specifically due to the poor performance of the fossil fuel sector; (24, 25, 26, 27, 28, 29)
- WHEREAS,** the financial risks of continuing to stay invested in fossil-fuel industries are significant and imminent - including but not limited to impact risk, carbon-asset risk, transition risk, and most importantly - litigation risk; (30)
- WHEREAS,** the University of California system is set to divest from fossil fuels by the end of September 2019 with the Chief Investment Officer & Treasurer stating, "The reason we sold some \$150 million in fossil fuel assets from our endowment was the reason we sell other assets: They posed a long-term risk to generating strong returns for UC's diversified portfolios;" (31)
- WHEREAS,** "the University of Pittsburgh Board of Trustees is responsible for advancing the purposes of the University; ... preserving its assets for the benefit of future generations of students and society at large." The Board violates its fiduciary responsibility to the endowment by continued investments in the fossil fuel industry;
- WHEREAS,** fossil fuel divestment reduces portfolio risks as stated by the Corporate Knights, "Divestment is good for reducing portfolio risk. It's also a powerful way of sending a message about the expectations investors have of companies and governments to be rational about accelerating the energy transition in a timely manner so that we avoid scenarios of climate chaos, which would make it difficult for anybody to earn returns." Funds that do not divest from fossil fuels are at a higher risk of falling returns, recently

exemplified by the New York Common Retirement fund, which lost an estimated \$5.3bn after failing to divest from fossil fuels; (32)

**WHEREAS,** 91 percent of University of Pittsburgh undergraduate students who voted, voted that the University should divest from fossil fuels as part of a 2019 referendum vote *now, therefore, be it;* (33)

**RESOLVED,** on this day \_\_\_\_\_ The University of Pittsburgh Student Government board calls on the University of Pittsburgh to divest all its holdings from the fossil fuel industry by April 2020 *and be it further*

**RESOLVED,** the University of Pittsburgh must release updates at the beginning of each academic term detailing the progress made towards full divestment from the fossil fuel industry *and be it further*

**RESOLVED,** any reinvestment must be limited to institutions whose mission is to contribute to a just transition to a regenerative economy as defined by the Climate Justice Alliance and that have been screened by a task force comprised of representatives from the student body, faculty, staff, and administration *and be it further* (34)

**RESOLVED,** that the University of Pittsburgh Student Government Board will continue to thoroughly and wholeheartedly stand in solidarity with the marginalized communities who have been worst affected by the climate and ecological crisis, and who have played the smallest role in causing it.

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