Thomas DiNapoli
Comptroller, New York State
110 State Street
Albany, NY 12236

Scott Stringer
Comptroller, New York City
1 Centre Street
New York, NY 10007

October 14, 2016

Dear Comptroller DiNapoli and Comptroller Stringer,

We are writing to request that the New York State and New York City pension funds fully divest from fossil fuels. Over 600 institutions across the globe representing more than $3.4 trillion in assets have committed to some level of fossil fuel divestment. We hope you will agree with us that it is time for the City and State of New York to do the same.

This past summer, New Yorkers experienced record heat, with extreme heat warnings issued on numerous days. Both NASA and the NOAA have confirmed August and July as well as the last sixteen consecutive months have been the hottest in history. 2016 is set to be the hottest year on record, a title we are getting far too accustomed to applying year after year.

Nearly four years ago, on October 29, 2012, New York and surrounding areas were hit with one of the most devastating storms of the century, marking a destructive high note in the increasing number of extreme weather events New Yorkers have recently endured due to climate change. It is New Yorkers who bear the financial cost of Superstorm Sandy's damage -- to the tune of a staggering $63 billion dollars, as homes, businesses, transit and entire communities continue to be rebuilt.[1]

We believe New York State and New York City have the responsibility to assume further leadership in transitioning away from the fossil fuel economy and towards a renewable energy economy. The City and State Comptrollers' offices must do more than engage with fossil fuel companies on climate. Unless our institutions divest from coal, oil, and gas companies, and stop propping up the industry perpetuating climate change, we will be unable to address the undue influence that this industry has on our economy and our democracy.

For us to advance policies that both tackle climate change and build healthier communities, this power dynamic must change. The burden of climate impacts caused by the fossil fuel industry falls disproportionately on working class New Yorkers, low-income and Indigenous communities, and communities of color who have contributed the least to the crisis. City and state employees who have worked, or are working, to secure a safe and happy retirement unknowingly have their pensions invested in the same companies that are responsible for the current hardships facing the people of New York.

We thank you both for publicly speaking on the need for climate action. We, who represent a broad spectrum of New York society, urge you, the City and State Comptrollers, to take further, decisive action to tackle climate change.

We are specifically calling on all of the New York State and New York City pension funds to:

(1) Immediately stop any new investments in the top 200 fossil fuel companies,[2]

(2) Drop coal, oil and gas from your investment portfolio by divesting from the top 200 fossil fuel companies by 2020, and

(3) Commit to and prioritize reinvesting at least 5 percent of your portfolio into climate solutions defined as, but not limited to, renewable energy, energy efficiency, clean technology, community adaptation funds, transit, and clean energy access.

Your own experience proves that shareholder engagement, with companies like ExxonMobil, fails to modify those companies' practices, as evidenced this past spring when the company's executives recommended rejection of New York State's resolution that called for reporting on the potential business impact of climate change policy, regulations and laws.

As has been reported widely, as far back as the 1970s, ExxonMobil's own scientists warned company executives about the grave impacts of fossil fuel use on our climate and our communities.[3] New York's own attorney general Eric Schneiderman, as well as the attorneys general of Massachusetts and California and the Securities and Exchange Commission, are currently investigating ExxonMobil's potential fraud and misreporting related to climate change.[4]

ExxonMobil leads the world in high-volume hydraulic fracturing, a practice that New York State banned after nearly a decade of community organizing around health and climate impacts. For these reasons and more, we believe it to be risky and disingenuous for the City and State pension funds to remain invested in fossil fuel companies.

Just as fossil fuel companies are falsifying their accounting practices when they fail to incorporate stranded assets and climate impacts, New York fails to factor in the risk of climate change into its pensions when it invests in the fossil fuel industry. The New York State Common Retirement Fund, for example, lost $5.3 billion over the last three years from its holdings in fossil fuel companies.[5]

Financial leaders around the world are warning of an imminent burst of the fossil fuel asset bubble — putting New York State and City investments, taxpayers and retirees immediately at risk.[6,7] Mark Carney, the Governor of the Bank of England, said, “If [the carbon budget] estimate is even approximately correct it would render the vast majority of [fossil fuel] reserves stranded.”[8] Companies whose value is based on unburnable carbon and methane risk rapid devaluation as a result of these stranded assets. The fossil fuel industry is already showing significant signs of decline, with record levels of debt, doubling down on expensive extraction projects, and more coal, oil and gas in production than we can burn safely.[9] Concurrently, there has been incredible financial growth opportunities for investments in clean energy and technologies. Further investments would bolster the job growth that we are already seeing in these two sectors. It is your fiduciary duty to avoid these clear risks and decarbonize New York’s pension funds.

Prominent pension funds, faith groups, foundations, cultural and educational institutions around the world have committed to -- and begun to implement -- divestment of fossil fuel companies in their portfolios. We respectfully urge you to join these climate leaders and commit to divesting the New York City and New York State pension funds from fossil fuels assets, and to reinvest in an economy that prioritizes our communities and our climate.

Sincerely,

May Boeve
Executive Director, 350.org

Bill McKibben
Author & Founder, 350.org

Lyna Hinkel
Founding Member, 350NYC

David Levine
CEO, American Sustainable Business Council

Vanessa Green
Campaign Director, Divest-Invest Individual

Clara Vondrich
Global Director, Divest-Invest Philanthropy

Greta Neubauer
Director, Divestment Student Network

Dr. Michael E. Mann
Director, Earth System Science Center (ESSC), Pennsylvania State University

Alex Beauchamp
Northeast Region Director, Food & Water Watch

The Rev. Fletcher Harper
Executive Director, GreenFaith

Eric Lerner
Director Climate and Health, Healthcare Without Harm

Reverend Lennox Yearwood
President and CEO, Hip Hop Caucus

McGregor Smyth
Executive Director, New York Lawyers for the Public Interest

Bob Rossi
Director, New York State Sustainable Business Council

Chad Davis
Legislator, Oneida County Legislature

Rebecca Foon
Co-founder, Pathway to Paris

Jesse Paris Smith
Co-founder, Pathway to Paris

Zakaria Kronemer
National Organizer, Responsible Endowments Coalition

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