

Submitter: Gary Willmark
On Behalf Of: self
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB681

I am a retired attorney, career retired PERS member/recipient, and Eugene resident. I am strongly in favor of SB 681, the Pause Act.

The prior treasurer proposed a Net Zero Plan to move state investments away from fossil fuels. The current treasurer also supports the Net Zero Plan in concept although it has not yet been formally adopted by the Oregon Investment Council. The net zero investment goal simply makes good sense. The Pause Act directs specific actions consistent with this goal.

The state is grossly over invested (60%!) in private equities. These are years-long contractual investments — we can't simply cancel these investments when better options become available (as they are now). They are secretive "back boxes" — we can't identify the exact investments in them, we just know how much the state receives from the private investment firms after they get their take. Private equity investment packages are traditionally heavy in fossil fuel investments. Fossil fuel investments have been under performing the general market for years and long term prospects are not good. The world economy is diversifying AWAY from fossil fuels at an unprecedented rate. And this is for good reason — fossil fuels are the driver of climate warming and climate warming is the driver of increased temperatures, drought, wild fires and storms. Oregonians are at particular risk of wildfires and drought — warming temperatures mean a gradual rising of snow elevations which affects our river flows and drought makes our lush forests susceptible to infestation and fire. Oregon should not invest in things that hurt Oregonians.

Although I would personally prefer that the state immediately and totally divest from ALL fossil fuel investments, this bill does not go that far. But it does take an important step in line with the Net Zero Plan. It calls for the state to stop "digging the hole" of private equity fossil fuel investments deeper by taking a five year moratorium on new fossil fuel-heavy private investments. Let's move away from our over investment in private equities and increase our flexibility to invest long term in clean, sustainable, environmental friendly investments.

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