

Pause Act Testimony 3/18/25 SB 681: The Pause Act, submitted by Michael Reed, Bend, OR resident

I support the Pause Act - SB 681.

I care how the Oregon PERS funds are invested. No NEW private investments in fossil fuels

I have been listening to the latest findings of Oregon's climate assessment commission and our comments from Oregon's State Resiliency office. The impact of fossil fuel's continuing contribution of greenhouse gasses, leading to global warming and climate change presents a dire picture and expensive picture for Oregon's future taxpayers.

Some on the Senate Finance and Revenue Committee may say the need to find the best financial returns for Oregon's Pension Fund is a sacrosanct mantra! In theory, this belief has merit as long it is not carried to the extremes. There are moral boundaries, especially for institutions obligated to serve the public.

Everyday investing involves, at some level, moral decisions. History is full of immoral investments. For example, private equity health offerings for the purpose of raising health product prices to enrich their Boards but put the health product beyond the reach of many consumers. Tobacco products continue to be a burden on taxpayers. For your information, there is evidence from scientists that some fossil fuel pollutants are now the equivalent to "second hand smoke." Even though these companies may offer better financial returns, my view is that if Oregon pensioners knew their investment managers were making investments that will hurt their grandchildren and cause a burden to future taxpayers, they would opt for cleaner, healthier, and safer investments.

For those of us that believe in SCIENCE, care for our grandchildren, and witness that fossil fuel companies are taking little to no responsibility for the real costs of changing our environment with its negative impact on Oregon citizens, my moral attitude tells me to shy away from these bad actors. 97% of the WORLD's scientists agree that our world is warming due to fossil fuels. Investment managers that put on blinders and say we don't need to consider the harm we are causing by investing in fossil fuels are not upholding their fiduciary responsibility to Oregon pensioners and citizens. I think Oregon Pensioners may feel the same way. When one starts to factor in the loss of Oregon timber resources, the loss of tourist and hospitality revenues, the general drain on our Oregon treasury due to helping socially vulnerable populations cope with wildfires, smoky poor air quality, sheltering from heat domes, respiratory and cancer health burdens due to fossil fuel pollutants, flooding and other extreme weather events, I don't think Oregon Pensioners want their investment managers being complicit with financial capital nurturing fossil fuel companies and their products..

Secondly, I am surprised that the Oregon Pension fund is so heavily invested in private equity investments. My general view is that private equity investments are organized to shield the managers from being open and transparent about their economic transactions. Often Private Equity offerings employ tactics like: wringing as much money out of acquired companies as possible: aggressive cost-cutting through mass layoffs, charging excessive fees for questionable services, and taking on additional debt to pay dividends to themselves—which often leads to further cost reductions. These are not the goals for long-term growth and stability. Again Oregon pensioners and Oregon citizens would not support this investment management strategy.