

J. Michael Goodwin
President and CEO
OSU Foundation

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President Goodwin,

In 2013 the OSU Faculty Senate passed the “*Oregon State University Faculty Senate Resolution Calling Upon OSU Foundation to Divest Fossil Fuel Companies from its Investment Portfolio.*” The enacted stipulations of this resolution are;

“1. to immediately cease all new investment in any of the top 200 fossil fuel companies;
2. to ensure that within five years none of its assets include holdings in such companies;
3. to release quarterly updates to the public detailing progress made toward complete divestment.”¹

2018 is year five since the resolution passed and as OSU Faculty Senate President I have the responsibility to report to the Senate as per stipulation 2 of the resolution. This letter is a request for an updated response from the OSU Foundation with respect to the Foundation’s 2014 divestment decision and in specific regard to current factors relevant to that decision as provided below.

In August 2014 Ruth A. Beyer, Chair of the OSU Foundation Board of Trustees, issued the *Fossil Fuel Divestment Statement*. That statement outlined reasons for not divesting and concluded;

“*While we have decided against fossil fuel divestment at this point, we will monitor the issue going forward as the debate will certainly continue.*”²

OSU Foundation’s commitment to monitor the climate change and fossil fuel divestment issues combined with the five-year reporting window of the OSU Faculty Senate for these issues results in the follow-up request for information that this letter comprises.

Conditions relevant to fossil fuel divestment have changed since 2013 in two significant ways.

1. The OSU Board of Trustees called upon the Public University Fund to divest from fossil fuel industry funds.

In 2017 the OSU Board of Trustees voted to amend the Public University Investment Fund Policy to call on the fund to divest its current intermediate and long-term assets in fossil fuel-related investment securities and restrict future investment of Public University Fund assets in fossil fuel-related securities.³

2. The fossil fuel investment and divestment climate has changed.

Since 2013 major foundations world-wide have divested from fossil fuel holdings. These divestment decisions are based on financial soundness and also social responsibility. As examples;

2014: Stanford University divested from publicly traded coal mining companies.⁴ This decision was based on both financial and societal considerations as consistent with the *Stanford Statement on Investment Responsibility*.⁵

2016: The Bill and Melinda Gates Foundation divested its stake in oil companies Exxon and BP, more than one billion dollars.⁶

2016: the Rockefeller Family Fund, a fortune built on oil consumption, announced its intent to fully divest from fossil fuels including oil, coal, and tar sands.⁷

2017: The Norwegian Government Pension Fund Global (GPF) announced plans to shift from investments in oil companies to investments in renewable energy companies. This divestment decision is justified by financial interests such as concerns about the stability of fossil fuel funds;

“Last year (2016) was the first time in almost 20 years that revenues from oil sales and from the Fund’s investment proceeds were not big enough to close an annual budget gap.”⁸

2017: Harvard Management Company (HMC) announced a pause in Harvard’s investment in fossil fuel funds.⁹ This is a change from the HMC’s 2013 decision to reject university divestment from the fossil fuel industry.¹⁰

Request

Changes at OSU and the recent responses to fossil fuel investment by other foundations countenance re-addressing the OSU Foundation’s position on fossil fuel divestment.

This letter is a request for an updated response from the OSU Foundation with respect to the 2014 divestment decision and in specific regard to current factors such that I may report the five year outcome of the 2013 resolution to the Faculty Senate.

I look forward to your response, am always available for continued discussion, and appreciate your openness respecting this request.

In good spirit,

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Sources

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