



**STATE OF VERMONT**  
GENERAL ASSEMBLY  
SENATE COMMITTEE ON GOVERNMENT  
OPERATIONS

March 16, 2016

Beth Pearce, State Treasurer  
Office of the State Treasurer  
109 State Street  
Montpelier, Vermont 05609

Dear Treasurer Pearce:

**Re: Divestment from fossil fuel companies**

We appreciate your recent commitment to form a VPIC subcommittee regarding the strategy of divestment from fossil fuels and look forward to VPIC studying the issues through an inclusive, thoughtful, and factual process. Now, in the spirit of cooperation, we ask that you join a broader collaborative effort regarding divestment. We propose the following:

**Inclusion in the VPIC subcommittee process.** We ask that two legislators, one each from the Senate and House Committees on Government Operations join the VPIC subcommittee process and that experts familiar with fossil-fuel-free investing also be included in those discussions.

**Fiduciary responsibility.** Vermont statutes state, “the (VPIC) Committee shall strive to maximize total return on investment, within acceptable levels of risk...in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902.” We agree that the Board shall not take action toward divestment unless it determines in good faith that such action is consistent with its fiduciary responsibilities.

**Goals.** We ask that you pursue: 1) the intent of the House resolution (H.R.13) concerning divestment from coal companies and Exxon Mobil Corporation; and 2) divestment from the top 200 carbon-producing companies in five years after thoughtful consideration if such action is consistent with fiduciary standards. We request that you report to the Senate and House Committees on Government Operations by May 2, 2016, concerning your recommendations and time frame and process to be followed to complete the analysis.

**Tracking investment performance.** The Treasurer’s Office shall track and report annually until 2021 to the House and Senate Committees on Government Operations on the issues of climate change as they relate to State and VPIC investments. The VPIC subcommittee shall

present its findings to the VPIC Board. The VPIC subcommittee shall report its findings to the House and Senate Committees on Government Operations on fund performance and investment outlook as they compare to applicable fossil-fuel-free alternatives.

This approach preserves the VPIC's fiduciary responsibility and provides needed information about the financial viability of fossil-fuel-free funds.

Sincerely,

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Senator Jeanette K. White, Chair

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Senator Anthony Pollina, Vice Chair

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Senator Christopher Bray