

Submitter: Gary Wallmark

On Behalf
Of: Divest Oregon

Committee: House Committee On Emergency Management, General
Government, and Veterans

Measure: HB4083

My name is Gary Wallmark. I'm a retired attorney living in Eugene. I spent my entire 34 year career in PERS employment. My wife, Linda, is a retired Oregon educator and PERS member. My son is a faculty member at the University of Oregon and a current PERS member. I'm writing on behalf of my family as engaged Oregon voters and PERS members to share our support for HB 4083, the COAL Act.

We were shocked to learn that Oregon has over ONE BILLION DOLLARS in publicly traded coal investments. That's One BILLION DOLLARS with a B. These are largely investments to support the PERS fund.

Coal is not a vibrant, forward looking investment. It is a declining industry that will continue to slide. It is what we think of as a "buggy whip industry". Oregon public policy supports decreasing carbon emissions. The Boardman Coal Power plant was closed for good reason.

Had our personal financial advisors recommended that we invest in coal, we would have sought other advisors. But this is merely hypothetical — our advisors have never recommended we invest in coal and never would. It makes sense that Oregon stop making new coal investments and divest from the BILLION DOLLARS in coal investments we already have.

We can divest without jeopardizing our PERS fund. Divesting from coal does not mean we sell "hot" coal investments with a great upside for returns. They aren't. Nor does it mean we throw away the money the state has invested. We don't — unless coal becomes a stranded asset and we divest too late, being forced to liquidate at fire-sale prices after the coal market has crashed. If we divest NOW we can prevent future losses and merely reinvest in other productive and beneficial ways.

HB 4083 recognizes the Treasury's duty to make prudent investments. It calls for divestment and reinvestment of monies, "without monetary loss to the funds through reasonable, prudent and productive investments in companies generating returns that are comparable to the returns generated by the companies subject to divestment."

This is a win-win — we win by halting the purchase of public coal investments and selling current coal investments, and we win by avoiding the future losses of held coal investments.

The value of “buggy whip” coal is declining and is in danger of becoming a stranded asset with the bottom of the market falling out. We could then be left HOLDING THE BAG — holding a big BILLION DOLLAR (current value) bag of nearly worthless dirty coal assets which are hard to sell except at tremendous loss. Don’t leave PERS holding the bag. Support HB 4083.