To: Dawne S. Hickton, Chair, Ad-Hoc Committee on Fossil Fuels

Dear Ms. Hickton

I am writing on behalf of the Steering Committee of 350 Pittsburgh, a local affiliate of the national climate action organization 350.org.

Being familiar with the lengthy campaign of Pitt students to persuade the Board to divest the University's Endowment Fund from fossil fuels, we are pleased with the formation of the Ad-Hoc Committee on Fossil Fuels and the request for public comment.

We understand that your Committee is charged with a financial responsibility, but we hope that Committee will recognize the moral imperative to stem the deterioration of our climate. That deterioration is accelerating around the globe, from the warming of the Arctic and the Siberian tundra, drought and wildfires in the American West, flooding in the Midwest and around the world, decreased glaciers and runoff water in the world's mountain ranges, to the warming of the oceans and the increased strength and frequency of hurricanes in the Atlantic and Pacific.

For decades scientists have know that changes of our climate are caused by the increased burning of fossil fuels and the consequent emission of greenhouse gases (GHG). In 2015 the Paris Agreement set a goal of limiting the rise of the global average temperature to 1.5 dec.C. This year the World Meteorological Organization predicted a 20 pct chance that the 1.5 deg.C limit will be exceeded in the next five years unless we reduce our GHG emissions.

Attending the risk the world faces by the unrestrained production and use of fossil fuels is the risk that investors face as steps are taken to reduce GHG emissions. In July 2018 the Institute for Energy Economics and Fossil Fuel Divestment concluded the "The Fossil Fuel Sector Is Shrinking Financially, and the Rationale for Investing in It Is Untenable". The financial risks can be listed in part as follows: government commitments to reducing GHG emissions, declining demand, insurance, lack of capital, price volatility, stranded assets, and competition from renewables.

The risks of fossil fuel investment are illustrated by the current state of the fossil fuel industry. In 2019 the dominant Murray coal mining company skirted with bankruptcy. Before the COVID pandemic Royal Dutch Shell lost \$7.4B in the third quarter of 2015 and in 2020 it plans to cut spending by \$5B to a maximum of \$20B, and in the second quarter of 2020 both Exxon and Chevron experienced record losses. No doubt the current losses are due in part to the pandemic, but there is underlying uncertainty as the shift away from traditional energy supply gathers momentum.

In addition to the financial risk attached to investment in the fossil fuel and associated industries, we sincerely believe that it is the responsibility of an important university such as Pitt to take a lead in the transition that is required if we are to avert a catastrophic climate crisis.

We respectfully urge the Ad-Hoc Committee to recommend alignment with the City of Pittsburgh as they divest their pension funds, and to join the divestment surge that totaled $11T mid-2019 and this year reached $14T with almost 1,200 institutions and individuals having divested.

Sincerely,
Peter J. Wray
Member, Steering Committee
350 Pittsburgh
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