

July 10, 2013

Mr. Charles M. Peccolo
Treasurer, Chief Investment Officer and Chief Financial Officer
University of Tennessee System
709A Andy Holt Tower
1331 Circle Park Drive
CAMPUS – 0174

Dear Butch:

As you may know, the University of Tennessee, Knoxville is a signatory to the American College and University President's Climate Commitment. We are proud of our collective efforts in that regard, and our ongoing work in this area has led to many constructive conversations about campus operations and how best to achieve our goal of becoming a climate-neutral campus by 2061.

Last spring in the Student Government election, the student body voted to approve the attached SGA Referendum for Responsible Investment. Because the Office of the Treasurer oversees the University's investments as a system-wide function, by this letter, I am forwarding the referendum for your consideration.

Thank you for your consideration and for your leadership of the University of Tennessee System. If you have any questions, please feel free to contact me.

Sincerely



Jimmy G. Cheek
Chancellor

Cc: Dr. Joseph A. DiPietro
Mr. Rip Mecherle
Chancellor's Cabinet
Mr. Jake Baker
Mr. Dante Arnwine
Mr. Adam Roddy
Mr. Terry Nowell
Mr. David Hayes
Mr. Paul Troy
Mr. David Lawhon
Mr. Eric Dixon

Attachment

RES# **SEN-01-13**

TITLE **Resolution for Responsible Investment (This Resolution calls for the University of Tennessee to reflect its established commitments to sustainability and civility, as well as the values of its students, in its investment portfolio.)**

SPONSOR: **David Hayes, Reece Senator (dhayes10@utk.edu)**
Paul Troy, Hess Senator (jmr574@utk.edu)

DATE: **April 2, 2013**

Whereas, The University of Tennessee has made explicit commitments to the principles of sustainability and civility, and

Whereas, The University of Tennessee, Knoxville has signed the President's Climate Commitment and developed a Climate Action Plan to be climate-neutral by 2061, and

Whereas, Studies[1] have shown that the practices of fossil fuel companies have directly contributed to tens of thousands of deaths per year, and

Whereas, At least 42 U.S. colleges and universities, 10 of which are among the top 25 schools in the nation according to U.S. News and World Report [2], currently have a committee on responsible investment to review the investment portfolio of their respective college or university on a regular basis, and

Whereas, A number of studies[3], including those conducted by the United Nations, have indicated that responsible investments have been shown to financially match or outperform traditional investments, and

Whereas, According to the FY2012 Report of the Treasurer, Supplemental Schedules and Appendices[4], the University of Tennessee has holdings in a number of socially irresponsible and environmentally harmful companies, including but not limited to Duke Energy Corporation and American Electric Power, and

Whereas, As students of the University of Tennessee we are stakeholders in UT's investment portfolio, and

Whereas, The investment portfolio of the University of Tennessee is the economic expression of the thoughts and values of this university and its stakeholders, and currently UT's investment portfolio does not reflect the university's explicit commitments to sustainability and civility.

Be It Hereby Resolved, That the University of Tennessee divest all of its holdings from at least one fossil fuel company from the Top 200 Fossil Fuel Company List [5] by January 1, 2018, and

Be It Hereby Further Resolved, That the University of Tennessee Board of Trustees establish a Subcommittee on Responsible Investment under the Investment Advisory Committee to review UT's investment portfolio on the basis of environmental and social responsibility on a regular basis, and

Be It Hereby Further Resolved, That the University of Tennessee make a public commitment not to invest any future holdings in coal, natural gas, or oil companies, and completely divest from the previously listed companies by 2014

[1] C. Schneider and J. Banks, "Toll from Coal," Clean Air Task Force, September 2010, http://www.catf.us/resources/publications/files/The_Toll_from_Coal.pdf; http://www.catf.us/fossil/problems/power_plants/existing/; A. Lockwood et al, "Coal's Assault on Human Health," Physicians for Social Responsibility, November 2009; M. Hendryx and M. M. Ahern, "Relations Between Health Indicators and Residential Proximity to Coal Mining in West Virginia," American Journal of Public Health, April 2008; 98(4): 669-671, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2376994>; American Electric Power Company, "2010 Form 10-K," p 36. See also: American Electric Power Company, "Power Plants and Other Assets," <http://www.aep.com/about/powerplants/>.

[2] <http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities>

[3] United Nations Environment Programme Finance Initiative and Mercer, "Demystifying Responsible Investment Performance: A review of key academic and broker research on ESG factors," October 2007; Studies of Socially Responsible Investing, "Key Studies," accessed August 2011, <http://www.sristudies.org/Key+Studies>; US SIF, "Performance and Socially Responsible Investments," accessed August 2011, <http://ussif.org/resources/performance.cfm>; Social Investment Forum, "Performance of Social Investment Forum Member Mutual Funds as of December 31, 2009," accessed August 2011, http://ussif.org/resources/factsheets_resources/documents/123109SIFFundPerformance.pdf.

[4] <http://controller.tennessee.edu>

[5] <http://www.carbontracker.org/wp-content/uploads/downloads/2012/08/Unburnable-Carbon-Full1.pdf>

ACTION TAKEN BY THE STUDENT SENATE

Seconded by

Chelsea Milligan

VOTE for 34 against 16 abstentions 4 Pass by Majority Fail by Majority

Date

4/2/13

ACTION TAKEN BY THE PRESIDENT OF THE SENATE

Signature

Lang C. O'Connell

Date

4/2/13

ACTION TAKEN BY THE STUDENT GOVERNMENT ASSOCIATION PRESIDENT

Signature

Adam Rodden

Date

4/5/13