



Resolution No. 012-99-COE - November 15, 1999

URGING SAN FRANCISCO'S RETIREMENT BOARD TO DIVEST FROM OCCIDENTAL PETROLEUM

WHEREAS, Occidental Petroleum Corporation is the largest producer of PVC-plastic in North America, and the third largest in the world; and,

WHEREAS, The manufacture and incineration of PVC-plastic has been identified as one of the largest sources of dioxin pollution; and

WHEREAS, dioxin exposure has been linked to endometriosis, immune system impairment, diabetes, neurotoxicity, birth defects, decreased fertility, testicular atrophy, and reproductive dysfunction in both men and women; and,

WHEREAS, The City and County of San Francisco adopted Resolution No. 246-99 establishing dioxin pollution as a high priority for immediate action in order to restore water, air, and total environmental quality; and,

WHEREAS, in addition to producing PVC-plastic, Occidental Petroleum Corporation produces fossil fuels; and,

WHEREAS, the burning of fossil fuels and the emission of other greenhouse gases contribute to global warming and climate change; and,

WHEREAS, global warming is expected to increase the frequency and severity of extreme weather events; and,

WHEREAS, scientists have concluded that stabilizing the climate will require reducing global carbon dioxide emissions by 50% to 70%; and,

WHEREAS, scientists have projected a one-meter (approximately three feet) rise in global sea levels as a result of global warming and the melting of the polar ice caps; and,

WHEREAS, a one-meter rise would cause a huge expansion of San Francisco Bay, flooding property worth \$48 billion and covering 100 square miles and turning the Sacramento-San Joaquin River Delta into a vast inland sea; and,

WHEREAS, such a sea-level rise will partially or totally submerge airports in Oakland and San Francisco, Treasure Island, the new Mission Bay development and Giants' Pac Bell Park, stretches of Interstate 80 and Highway 101, railroad tracks and sewage treatment plants, and existing harbors and marinas ; and,

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SFEnvironment is a department of the City & County of San Francisco.

WHEREAS, Mayor Willie L. Brown, Jr., in his Earth Day 1999 Breakfast declared reducing global warming to be a top environmental priority of his administration; and,

WHEREAS, Occidental Petroleum has been granted an oil drilling permit for an area which lies entirely within the indigenous U'wa people's traditional territory in Colombia; and,

WHEREAS, The U'wa are adamantly opposed to this project and have vowed to commit collective suicide if the project goes forward; and,

WHEREAS, Under Section 12.100 of the San Francisco Charter, the Retirement Board "shall have plenary authority and fiduciary responsibility for investment of monies and administration of the Retirement System"; and,

WHEREAS, The City and County of San Francisco's Employees' Retirement System Board's Social Investment Policies state that, "The relationship of the corporation to the communities in which it operates shall be maintained as a good corporate citizen through observing proper environmental standards, supporting the local economic, social and cultural climate, conducting acquisitions and reorganizations to minimize adverse effects"; and,

WHEREAS, Occidental Petroleum Corporation is one of the City and County of San Francisco Retirement System's investment holdings and The San Francisco Employees' Retirement System's holding of Occidental Petroleum is 234,060 shares at a September 27, 1999 value of \$5,383,380 (\$23.00 per share); and,

WHEREAS, Under Section 4.118 of the San Francisco City Charter, the Commission on the Environment "may investigate and make recommendations to all City agencies related to operations and functions"; and,

WHEREAS, in a time when it is clear that a) toxic chemicals are replete in our society, b) global warming and climate change are a serious threat, and c) investment in a company that contributes substantially to global warming and toxic pollution is unacceptable to the City and County of San Francisco; now, therefore, be it

RESOLVED, That the Commission on the Environment recommends that in carrying out its fiduciary duties and social investment policies the Retirement Board of the City and County of San Francisco Employees' Retirement System divest its holdings from Occidental Petroleum and demonstrate leadership in its socially responsible investing; and be it

FURTHER RESOLVED, That the Commission on the Environment urges the Board of Supervisors and the Mayor of the City and County of San Francisco to write a letter to the Retirement Board of the City and County of San Francisco Employees' Retirement System urging it to divest from Occidental Petroleum.

I hereby certify that this resolution was adopted by the Commission on the Environment at its special regular meeting in the Mission District on November 15, 1999.

Christopher Chow
Commission Secretary

Ayes: Commissioners Bingham, Bradford-Bell, Evans, Hayes, and Shah.
Noes: None.

Absent: Commissioners Chang and Werbe.