Cornell University
Student Assembly

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S.A. Resolution #56
Support of the Divestment from Fossil Fuels

ABSTRACT: Resolution to divest Cornell University's endowment from all investments in coal, oil, and natural gas.

Sponsored by: Julian Kroll '20, Indigo Pavlov '22

Whereas, many reputable financial publications have suggested that the fossil fuel industry is in the preliminary stages of a significant market decline, while renewable industries such as wind and solar energy promise sustainable, meaningful growth.

Whereas, in August 2019, the Financial Times reported that "Climate Change has been framed as an ethical issue for years now, with mixed success. But now the calls for socially responsible investing to save the planet are increasingly being reinforced by cold economic logic. Mainstream institutional investors are recognising that climate change is not just a threat to the health of the planet, but also a threat to the wealth of their clients".

Whereas, the Financial Times reported on October 1, 2019 that "Investors who bet on a shift from fossil fuels to clean energy are being richly rewarded as solar and wind stocks outperform oil and gas shares by a widening margin this year".

Whereas, Bloomberg's New Energy Outlook (NEO) 2019 reported that solar and wind power have become the most cost effective way to create new energy sources. This report also suggests that wind and solar operations will be able to produce power at lower cost— without subsidy— than existing coal and gas plants across the world by 2030. Since 2010, the cost of solar energy has fallen by 85% and the cost of wind powered energy has dropped by roughly 50%.

Whereas, Deloitte's 2019 Renewable Energy Industry Outlook report states that some of the market and industry phenomena that "drove growth in 2018 were declining costs of wind and solar generation, advances in battery storage technology, and grid operators' growing expertise and expanding toolset for integrating intermittent renewable power into the grid. And, perhaps most significant, was robust demand from most market segments. Utilities demonstrated strong "voluntary demand," as opposed to the demand driven by policy mandates we've seen in the past". In regards to specific drivers of renewable growth, the Deloitte report states that, "while the current US administration is not focused on decarbonization, states, cities, communities, and businesses with increasingly ambitious sustainability goals are driving renewable growth. Market developments such as the entry of smaller corporations into the corporate procurement market, renewed interest from oil and gas players, and greater involvement of asset management companies offer new opportunities for renewable growth".

Whereas, a portfolio manager of the Investec Global Environment fund stated that "Decarbonisation is the largest investment the world has ever had to make in peacetime and the yield curve is giving us an extremely attractive environment in which to make that investment".

Whereas, the global financial community is increasingly averse to oil investments. In late September, for example, the French oil and gas company Total announced an intention to accelerate dividend growth in years to come. Despite this effort to spur interest in Total's stock, the company's shares have nonetheless remained stagnant since the announcement.

Whereas, in both 2017 and 2018, renewable stocks outperformed gas and oil shares.

Whereas, a significant body of market analysts have indicated that as renewable energies become more cost effective, the infrastructure of renewable energy becomes more robust, and industrial actors become more interested in sustainability and more averse to fossil fuels, it is more financially prudent to invest in renewable energies than in the fossil fuel industry.

Whereas, as stated in the 2015 fossil fuel divestment resolution, "there is overwhelming evidence that the use of fossil fuels is disrupting the Earth's climate system and acidifying its oceans, and that such disruptions will significantly challenge the subsistence of human civilization";

Whereas, the metabolism of fossil fuels emits carbon dioxide (CO2) and nitrous oxide (NO) into the global atmosphere. A particle of CO2 spends between 20 and 200 years in the atmosphere. A particle of nitrous oxide has an atmospheric lifetime of 110 years.

Whereas, the presence of greenhouse gases carbon dioxide, nitrous oxide, methane, hydrogen gas, and chlorofluorocarbons raise the specific heat capacity of atmospheric gas, trapping solar rays as they are reflected off of the earth's surface.

Whereas, "Human activities are estimated to have caused approximately 1.0℃ of global warming above pre-industrial levels, with a *likely* range of 0.8℃ to 1.2℃. Global Warming is likely to reach 1.5℃ between 2030 and 2052 if it continues to increase at the current rate" - IPCC 2019 Climate change report

Whereas, "Warming from anthropogenic emissions from the pre-industrial period to the present will persist for centuries to millennia and will continue to cause further long-term changes in the climate system, such as sea level rise, with associated impacts, but these emissions alone are *unlikely* to cause global warming of 1.5℃". - IPCC 2019

Whereas, carbon dioxide, methane, and nitrous oxide remain in the atmosphere for decades to centuries after their original emission and trigger positive reinforcement cycles which both release additional greenhouse gasses and slow their reabsorption or decomposition.

Whereas, climate change's impacts on natural and human systems have already been documented. The nature of future climate-related risks depend on the trajectory of warming and extent of human preparedness.

Whereas, the effects of global warming vary geographically, disproportionately impacting people of greater geographic vulnerability who lack robust economic and/or social resources.

Whereas, the gradual increase of global mean temperatures will correspond to more extreme weather events, more frequent and intense precipitation in several regions, increased frequency of droughts in some regions, marine ice sheet loss, sea level rise, and risks related to sea level rise.

Whereas, Cornell's Board of Trustees issued a statement in 2016 detailing the circumstances under which they would initiate divestment proceedings. The criteria are as follows:

1. A company's actions or inactions are "morally reprehensible," **Additionally, either...**
2. The divestiture will likely have a meaningful impact toward correcting the specified harm and will not result in disproportionate offsetting societal consequences; **or**
3. The company contributes to harm so grave that it would be inconsistent with the goals and principles of the university

Whereas, the operations of the fossil fuel industry are **morally reprehensible**

Whereas, the body of research supporting the fossil fuel industry's moral reprehensibility has grown significantly since the Board of Trustees' 2016 negative fossil fuel divestment decision.

Whereas, the U.S. EPA states on their website that "Climate change is very likely to affect food security at the global, regional, and local level. Climate change can disrupt food availability, reduce access to food, and affect food quality. For example, projected increases in temperatures, changes in precipitation patterns, changes in extreme weather events, and reductions in water availability may all result in reduced agricultural productivity. Increases in the frequency and severity of extreme weather events can also interrupt food delivery, and resulting spikes in food prices after extreme events are expected to be more frequent in the future. Increasing temperatures can contribute to spoilage and contamination".

Whereas, fluctuations in temperature, sea level, precipitation, and the frequency and severity of extreme events will compromise the infrastructure and economy of energy production, delivery, and consumption in the United States.

Whereas, global warming will increase demand for electricity through elevated cooling activity in warmer months, while elevated global average temperatures will reduce the efficiency of fossil fuel, nuclear power plants, and other production facilities that use water as a coolant.

Whereas, as efficiency of energy production decreases as a result of decreased factor productivity of water-based coolants, and demand for energy increases in warm months as global average temperatures increase, it is likely that energy shortages will occur. People of lower socioeconomic status who lack the buying power to purchase energy at elevated prices will be most egregiously affected. This will lower quality of life, raise barriers to socioeconomic mobility, and create medical risk, among other negative effects.

Whereas, climate change will cause a reduction in energy production efficiency that will hinder the infrastructure of fresh water transportation. Simultaneously, climate change will reduce many regions' access to fresh water resources by drought. Thus, climate change will create regionally specific elevated demand for fresh water in addition to a weakened freshwater transportation infrastructure that will be less capable of meeting this demand.

Whereas, Climate Change leads to increased salinity in oceans through disruption of otherwise stable patterns of evaporation and precipitation. This disrupts ocean current patterns and reduces freshwater resources. When coastal regions are inundated with this increasingly saline ocean water, the soil is overly salinated and less conducive to agricultural productivity.

Whereas, "Of 105,000 species studied, 6% of insects, 8% of plants, and 4% of vertebrates are projected to lose over half of their climatically determined geographic range for a 1.5℃, increase in global temperatures, compared with 18% of insects, 16% of plants, and 8% of vertebrates for a more extreme global warming of 2℃."

Whereas, many ecosystems are delicate, interconnected, and dynamic. The loss of a relatively small portion of flora or fauna will catalyze significant disruptions.

Whereas, if their emissions of greenhouse gases are not drastically reduced, the fossil fuel industry will play a significant role in precipitating an anthropogenic mass extinction that will threaten human subsistence.

Whereas, phenomena caused by global warming will displace populations located on islands, coasts, and peninsula.

Whereas, the United Nations issued a statement in 2011 urging the island nation of the Maldives to prepare for displacement resulting from rising sea levels, salinization, coastal erosion, declining access to fresh water, and more frequent storms and flooding.

Whereas, it has been estimated that many islands will become uninhabitable within decades due to the destruction or compromise of freshwater resources and an increased frequency of flooding.

Whereas, migration away from these islands— such as the Maldives, the Marshall Islands, and other small Pacific Island nations, as well as coastal regions like the Louisiana coast or southern Florida— will occur as this land becomes uninhabitable.

Whereas, the creation of new refugee populations could incite conflict through the disruption of existing global geopolitical dynamics.

Whereas, negative externalities produced by the fossil fuel industry have been shown to disproportionately impact marginalized communities— particularly communities of color with lower average socioeconomic status.

Whereas, Black Americans are three times more likely to die from exposure to air pollution and twice as likely to lack access to potable water.

Whereas, a study by Lelieveld et al. published by the National Academy of Sciences of the United States of America asserts that "fossil-fuel-related emissions account for about 65% of the excess mortality rate attributable to air pollution".

Whereas, 68% of Black Americans live within 30 miles of a coal-fired power plant.

Whereas, the NAACP published a report in April 2019 entitled *Fossil Fuel Foolery*, detailing the tactics employed by the fossil fuel industry to manipulate and disempower communities of color. These strategies generally involve manipulation of information and public perception. The manner in which the fossil fuel industry treats communities of color is particularly relevant because these communities tend to bear disproportionate amounts of the negative externalities produced through fossil fuel enterprise.

Whereas, 35% of sites of fossil fuel extraction lie either directly on or near Indigenous land.

Whereas, fossil fuel projects have consistently violated indigenous human rights and caused significant long-term damage on indigenous traditional territories. These actions must be contextualized by a history of antagonism and colonialism that has weakened indigenous communities.

Whereas, Cornell University occupies the territory of the Cayuga Nation.

Whereas, for instance, the process of oil extraction and tar sands developments in Canada has created massive waste pools that can be seen from space in the center of Dene people's territory, fracturing and destroying their land.

Whereas, the direct and robust contribution of the fossil fuel industry to climate change, a phenomena which has been proven beyond a reasonable doubt to threaten the production and transportation of food, energy, and freshwater, is morally reprehensible**.** As these resources become more scarce, populations across the world will inevitably lose access to them.

Whereas, the direct and robust contribution of the fossil fuel industry to climate change, a phenomena that threatens to cause an anthropogenic mass extinction, is morally reprehensible. The

impact of collapsing global ecosystems on human subsistence is not negligible; human agricultural processes are often interwoven with local flora and fauna.

Whereas, the direct and robust contribution of the fossil fuel industry to climate change, a phenomena that threatens to displace populations and create a new generation of environmental refugees, is morally reprehensible. The effects of these imminent disruptions to volatile global geopolitical dynamics are unpredictable.

Whereas, the overwhelming amount of human death, suffering, and disruption that climate change threatens to cause is inherently morally reprehensible. The disproportionate impact of climate change upon indigenous communities, communities lacking robust socioeconomic resources, and communities of color bears similarities to an apartheid state, in which operates a system of segregation and violence based on color, ethnicity, or socioeconomic status.

Whereas, the process of fossil fuel divestment has a meaningful impact towards correcting the fossil fuel industry's emissions of carbon dioxide and nitrous oxide through diminishing their external funding, stock value, and legitimacy in the global marketplace.

Whereas, a 2017 study written by Ekwurzel et al. showed that 90 fossil fuel companies account for two thirds of all carbon dioxide and methane emissions produced in the industrial era. Destabilizing the fossil fuel industry is a prudent route to a sustainable and just future.

Whereas, Cornell University's divestment from the fossil fuel industry would follow the UC system's recent decision to divest from fossil fuels, and would set a precedent for the rest of the Ivy League and other peer institutions. As more institutions choose to divest from the fossil fuel industry, the symbolic and material objectives of fossil fuel divestment are more fully realized.

Whereas, if successful, the global drive for fossil fuel divestment will incentivize fossil fuel companies to transition into reliance on renewable technologies.

Whereas, divestment from fossil fuels legitimizes contemporary climate science. This is particularly important in today's context, given the Trump Administration's consistent denial and repression of climate science. The Trump administration's institutionalized climate change denial has manifested itself in the following ways, among others:

1. **Altering economic models of climate change by deliberately miscalculating the social cost of carbon:** The Trump EPA's 'social cost of carbon' is calculated as the social cost of one ton of carbon to the U.S. economy and environment, as opposed to the previous model which calculated the impact of one ton of carbon upon the global environment and economy. As a result, the social cost of one ton of carbon sank from $50 to between $1 and $7. As this data is factored into the formation and implementation of environmental policy, greater amounts of carbon dioxide pollution will be permitted. Additionally, a social cost of

carbon based solely on domestic carbon impact is surely inaccurate given our interconnected global economy, which will encounter higher transportation and energy costs due to greenhouses gases like carbon dioxide.

2. **Removing mention of human-made climate change from research conducted by National Park Service Scientists:** The release of Maria Caffrey's 2013 research on the impact of climate change on 118 coastal parks in the U.S. was delayed until 2017. When the report was released, all mention of human-made climate change was removed. The scientist who published the report was subsequently demoted and dismissed. Documentation of the agency's actions was made available through the Freedom of Information Act.
3. **Direct quotes from the president of the United States endorsing conspiracy theories and misinformation in regards to climate science:** In 2012, Donald Trump tweeted that climate change was a hoax invented by the Chinese government in order to weaken American industry. There is no evidence supporting this claim. On April 2nd, 2019, Donald Trump stated in a speech that noise from wind turbines causes cancer. There is no evidence supporting this claim. During an especially cold November weekend in 2018, Donald Trump tweeted "Whatever happened to Global Warming". This act reflects a deep misunderstanding of the nature of climate change.

Whereas, Cornell University's divestment from fossil fuels will not result in disproportionate offsetting societal consequences. While a degree of structural unemployment may be experienced as primacy in the energy market shifts from fossil fuels to renewable technologies, this negative impact is certainly not disproportionate to the social value generated by the mitigation of climate change.

Whereas, divestment from the fossil fuel industry will have a meaningful impact toward correcting the specified harm of climate change through delegitimizing the fossil fuel industry, stigmatizing their enterprises to potential investors and consumers, and empowering climate science, which clearly indicates that the fossil fuel industry's operations are unsustainable and unjust.

Whereas, A 2019 report from Truzaar Dordi and Olaf Weber asserts that "divestment announcements decrease the share price of the fossil fuel companies," based on "several robustness tests using alternate expected returns models and statistical tests … to ensure the accuracy of the result." As share prices reflect the performance of the firm, this will incentivize fossil fuel companies to shift away from business as usual.

Whereas, the divestment from the fossil fuel industry will have a meaningful impact towards correcting the specified harm of climate change by catalyzing our transition to a livable, just, and sustainable future powered by renewable energy. It will contribute to this transition by creating an economic incentive for fossil fuel companies to transition into reliance on renewable and just technologies and by disincentivizing the fossil fuel industry's stagnation.

Whereas, divestment from the fossil fuel industry will have a meaningful impact toward correcting the specified harm of climate change by reinvesting funds into sustainable and just technologies, enabling them to develop and implement industrial processes that will render fossil fuels obsolete.

Whereas, Cornell University's investment in fossil fuels is dissonant with its Climate Action Plan, which advocates a "low-carbon future" and carbon neutrality on campus by 2035.

Whereas, Cornell University is the leading Ivy League in sustainability rankings and regards itself as "a global leader in sustainability and climate change research."

Whereas, to enthusiastically foster research and teaching aimed to elucidate the global threat of climate change while remaining significantly invested in the fossil fuel industry is irresponsible.

Whereas, Cornell University must be cognizant of its direct contribution to climate change, a phenomena that existentially threatens the society that it prepares students to enter.

Whereas, at Cornell, "academic integrity is expected not only in formal coursework situations, but in all University relationships and interactions connected to the educational process, including the use of University resources." (University code of conduct)

Whereas some of the largest fossil fuel companies (including ExxonMobil, Shell, ConocoPhillips, Chevron, BP, and Peabody) withheld scientific findings asserting the existence of climate change in 1977 and have since continued to fabricate uncertainty about climate science.

Whereas, ExxonMobil has spent $30 million supporting think tanks that produce biased reports fabricating uncertainty about climate science.

Whereas, if Cornell University would not tolerate academic dishonesty in a Cornell researcher or undergraduate, Cornell must not tolerate self-interested dishonesty in the companies that it invests in.

Whereas, the direct and robust contribution of the fossil fuel industry to climate change, a phenomena that poses an existential threat to the world that Cornell University prepares its students to enter, is inconsistent with the goals and principles of the university.

Whereas, the direct and robust contribution of the fossil fuel industry to climate change is inconsistent with Cornell's commitment to sustainability and climate change research. The fossil fuel industry is both deeply unsustainable and has been shown to engage in frequent repression of climate change research.

Whereas, the many cases in which the fossil fuel industry has suppressed climate change research and contributed to the spread of misinformation concerning climate change is inconsistent with Cornell University's Code of Academic Integrity.

Be it therefore resolved, that Cornell divest from all investments in coal, oil, and natural gas in an orderly manner and as rapidly as possible.

Respectfully Submitted,

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(Reviewed by: Environmental Committee, 8-1-0, 03/11/2020)