

R F2020.12

A Resolution Calling on the University of Michigan to Divest its Fossil Fuel Investments

A bill for the consideration of the College of Literature, Science, and the Arts Student Government

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Whereas, the mission of the College of Literature, Science, and the Arts Student Government (hereafter LSA SG) is to “actively seek the voices of LSA students and advocate their interests to improve academic and non-academic life”;¹ and,

Whereas, the Intergovernmental Panel on Climate Change (IPCC) released a special report in 2018 stating that the international community has until 2030 to drastically reduce global emissions in order to prevent catastrophic damage to the environment;² and,

Whereas, fossil fuel companies as referred to in this resolution are defined as publicly traded companies which engage in the extraction, refinement, and sale of fossil fuels, including but not limited to, oil, natural gas, and coal, and fossil fuel stocks are defined as the investments in said fossil fuel companies; and,

Whereas, fossil fuel companies are responsible for a vast portion of global greenhouse gas emissions, as evidenced by the fact that the top twenty greenhouse gas emitting fossil fuel companies account for 35% of all energy-related carbon dioxide and methane emissions worldwide;³ and,

¹The Constitution of the College of Literature, Science, and the Arts Student Government. Article II

²https://www.ipcc.ch/site/assets/uploads/2018/11/pr_181008_P48_spm_en.pdf

³<https://www.theguardian.com/environment/2019/oct/09/revealed-20-firms-third-carbon-emissions>

Whereas, according to the 2018 Report of Investment, the University of Michigan held \$1.12 billion in investments classified as ‘Natural Resources’, which comprises investments in part fossil fuel companies and companies which service them;⁴ and,

Whereas, the nature of fossil fuel companies is fundamentally antithetical the University’s core value of sustainability, and the documented actions of fossil fuel companies in undermining the scientifically proven link between greenhouse gas emissions and climate change⁵⁶⁷ for the purpose of economic gain is antithetical to the University’s core academic mission; and,

Whereas, the University has twice before deemed a set of investments to be immoral and irresponsible, first in 1978 with companies doing business in apartheid South Africa,⁸ and second in 2000 with tobacco companies,⁹ a judgement which led the University to divest from these companies and suspend further investments in companies of this nature; and,

Whereas, the University’s divestment from these socially irresponsible companies set a precedent which should also be applied to fossil fuel companies, because they engage in socially irresponsible business practices; and,

Whereas, since 2015, several student-led movements have been active on campus calling for the divestment of university funds from fossil fuel stocks, demonstrating the widespread support of this idea among the student body;¹⁰¹¹¹²¹³ and,

Whereas, in 2015, the 4th Assembly of the Central Student Government (CSG) as well as the U-M Faculty Senate both passed resolutions which called for the creation of an ad hoc

⁴<https://www.bf.umich.edu/wp-content/uploads/2018/12/2018-ROI.pdf>

⁵<https://insideclimatenews.org/news/15092015/Exxons-own-research-confirmed-fossil-fuels-role-in-global-warming>

⁶<https://www.scientificamerican.com/article/shell-grappled-with-climate-change-20-years-ago-documents-show/>

⁷<https://www.bbc.com/news/stories-53640382>

⁸https://publicaffairs.vpcomm.umich.edu/wp-content/uploads/sites/19/2015/01/Regents_Proceedings_March_1978.pdf

⁹<https://news.umich.edu/u-m-to-divest-its-holdings-in-tobacco-manufacturing-companies/>

¹⁰<https://www.law.umich.edu/journalsandorgs/Pages/FossilFuelsDivestment.aspx>

¹¹<https://maizepages.umich.edu/organization/divestinvest>

¹²<https://www.michigandaily.com/section/administration/six-months-after-fossil-fuel-freeze-vote-climate-groups-wonder-whether>

¹³<https://www.mlive.com/news/ann-arbor/2019/12/protesters-to-university-of-michigan-commit-to-carbon-neutrality-by-2030.html>

committee to investigate the prospect of divesting University's holdings in oil and coal companies further illustrating the general support for fossil fuel divestment;¹⁴¹⁵ and,

Whereas, no such ad hoc committee was created; and,

Whereas, in February, 2020, the Board of Regents did announce a temporary freeze on new fossil fuel investments while they “study the investment policy of the University of Michigan with regard to all fossil fuel investments in a deliberative, thorough, inclusive, and responsible manner.”¹⁶;

Be it therefore resolved, that LSA Student Government condemns the inaction of the Board of Regents, the Office of the Provost, and the Chief Investment Officer in the face of overwhelming support among the student body and faculty for the divestment of fossil fuel stocks; and,

Be it further resolved, that LSA Student Government approves of the temporary freeze on new investments in fossil fuel companies, and strongly urges the Board of Regents to make this freeze indefinite; and,

Be it further resolved, that LSA Student Government supports the divestment of all direct fossil fuel stocks held by the University of Michigan and the reinvestment of these funds in renewable energy stocks where possible; and,

Be it further resolved, that LSA Student Government strongly encourages the President's Commission on Carbon Neutrality (PCCN)¹⁷ to include the divestment of fossil fuel stocks in its set of recommendations to the University administration; and,

Be it finally resolved, that this resolution be sent to President Mark Schlissel, the Board of Regents, the Office of the Provost, the Chief Investment Officer, as well as to all members of the President's Commission on Carbon Neutrality.

¹⁴<https://drive.google.com/file/d/155n-10E1CTEICUn5XFk4awKGzbvhlKe9/view>

¹⁵<https://record.umich.edu/articles/senate-assembly-resolution-divestment-committee/>

¹⁶<https://record.umich.edu/articles/regents-freeze-new-fossil-fuel-investments-to-review-policies/>

¹⁷<http://sustainability.umich.edu/carbonneutrality>