

Dear President Paxson,

The Advisory Committee on Corporate Responsibility in Investment Policies (ACCRIP) considers issues of ethical and moral responsibility in the investment policies of Brown University. Committee members include students, faculty, staff and alumni of the University. ACCRIP examines all proxy resolutions concerning issues of social responsibility that are presented to the University as a shareholder, and has developed guidelines for voting on such resolutions. Groups or individual members from the Brown University community – students, faculty, staff, and alumni – are encouraged to bring to the attention of ACCRIP ethical and moral issues or issues of alleged social harm with respect to the activities of corporations that the University is invested in.

The Brown Divest Coal Campaign has approached the committee regarding the University's investment in coal and has presented compelling evidence regarding the social and environmental impacts of coal as a source of energy. They call upon the University to divest any holdings in a list of 15 coal companies that they have identified as causing the most significant harm. Their campaign, which is affiliated with the Energy Action Coalition's national Coal Divestment Campaign, has garnered impressive support, with over 2,000 petition signatures from the Brown community, more than 100 volunteers, and endorsements from seven student groups.

While we acknowledge that coal is but one energy source on the fossil fuel spectrum, and that fossil fuels as a whole are responsible for significant social and environmental harms, we also recognize that fossil fuels will continue to be a source of energy for the foreseeable future. However, given the well-documented human and environmental impacts of the coal industry, the Committee recommends that the University divest from these companies.

Coal is the single largest source of global energy-related carbon dioxide emissions, making it one of the biggest worldwide contributors to climate change.[1] Increasing occurrences of extreme weather events associated with a warming climate are causing hundreds of billions of dollars in damages in the United States alone.[2] Yet these costs pale in comparison to the devastating crop failures, flooding, sea level increases, and droughts that are projected to occur over the next century as a result of climate change.[3] These environmental stresses will create large numbers of environmental refugees, with estimates ranging from 25 million to 1 billion people displaced due to climate change by 2050.[4] Furthermore, scientists are already documenting the alteration of ecosystems and loss of biodiversity associated with climate change; recent estimates suggest that 15-37% of all plants and animals are likely to go extinct as result of global warming.[5]

In addition to coal's relationship to carbon dioxide emissions and climate change, the extractive processes of the coal industry have also been associated with ecological damage and health

issues that has affected communities in the Appalachians and elsewhere. The extraction of coal through mountaintop removal mining devastates Appalachian ecosystems and puts the health of local community members at risk.[6] The burning of coal releases toxic pollutants that exacerbate respiratory illnesses and heart attacks.[7] Around 13,000 people in the United States die each year from illnesses caused by air pollution from coal-fired power plants.[8] This figure does not include persistent losses of life from mining accidents.[9] ACCRIP stresses that these and other externalities of coal mining and coal energy production represent a human rights issue that is inextricably linked to health and community well being.

This Committee believes that Brown's investment in coal contradicts the University's commitment to environmental sustainability, social justice, and global citizenship. The fifteen companies outlined by the Brown Divest Coal Campaign include five coal-mining companies (**Peabody Energy Corporation; Arch Coal, Inc.; Alpha Natural Resources, Inc.; CONSOL Energy, Inc.; and Patriot Coal Corporation**) and ten electric utilities that depend heavily on coal (**American Electric Power Company, Inc.; Ameren Corporation; Dominion Resources, Inc.; Duke Energy Corporation; Edison International; FirstEnergy Corporation; GenOn Energy, Inc.; MidAmerican Energy Company; PPL Corporation; and Southern Company**). These companies have been chosen because they lead the industry in their documented social and environmental harms.

The ten power utilities identified above depend almost entirely on coal. Ameren Corporation depends on coal for 85% of its power generation.[10] American Electric Power Company uses coal for 78% of its needs.[11] PPL Corporation and its subsidiaries depend on coal for the vast majority of their power generation requirements.[12] In fact, these large utilities are among the biggest consumers of the coal in the United States. American Electric Power, for instance, is the country's largest consumer of coal.[13] All ten utility companies rank among the top twenty US utilities for coal consumption; most of the country's other large consumers of coal are privately held corporations or state power authorities.[14]

The National Resources Defense Council, which ranks power producers according to their carbon dioxide emissions each year, ranked all ten of these companies among the top twenty carbon dioxide polluters nationally. These companies emit truly staggering quantities of carbon dioxide. Ameren alone emitted more than 66,000,000 metric tons of carbon dioxide in 2010[15] – more than Finland, Portugal, or Bangladesh.[16] All ten companies also made it onto the list of the top twenty emitters of nitrogen oxide, sulfur dioxide and mercury.[17] Finally, the NAACP recently published a list of what it identified as the twelve coal-fired power plants in the US that most disproportionately harm communities of color. Six of these twelve plants are owned by companies on the proposed divestment list.[18]

The five mining companies, meanwhile, are responsible for 52% of all US coal production.[19] They represent some of the largest companies in coal mining; in fact, Peabody Coal is the largest private sector coal company in the world.[20] Again and again, all of these companies have shown a callous disregard for human health and the environment. Only two months ago, a sludge impoundment in West Virginia operated by Consol Energy collapsed, killing one worker and seriously injuring two others.[21]

Due to their role in perpetuating the harms outlined above, ACCRIP has concluded that these companies fall short of the University's standards for ethical investing. Therefore, ACCRIP recommends that the University publicly divest from the fifteen coal companies as suggested by Brown Divest Coal. This should include divestment from any direct holdings in these companies, issuance of a public statement of divestment from the President's Office to the broader community that outlines the reasons for divestment, and communication by the relevant parties with the University's external fund managers to request their immediate compliance.

Brown University has an influential voice throughout the world and amongst our peer institutions. ACCRIP sees this as an opportunity to be a leader in the coal divestment movement that is currently accelerating around the country. Just as Brown showed leadership in its divestments from South African apartheid and the tobacco industry, Brown can inspire other institutions to respond to the harms associated with the coal industry.

[1] US Energy Information Agency (2011). "International Energy Outlook 2011."

[2] Munich RE (2012). "Severe weather in North America."

[3] IPCC (2007). "IPCC Fourth Assessment Report".

[4] Brown (2008). "Migration and Climate Change." International Organization for Migration.

[5] Thomas et al (2004). "Extinction risk from climate change." *Nature* (427): 145-148.

[6] Zullig (2009). "Health Related Quality of Life Among Central Appalachian Residents in Mountain-top Mining Counties". *American Journal of Public Health* (101): 848 - 853; Ruhl (2012). "The Impact of Coal Combustion Residue Effluent on Water Resources: A North Carolina Example". *Environmental Science and Technology*; Palmer (2012). "Mountaintop Mining Consequences." *Science* (327): 148-149.

[7] Clean Air Task Force (2009). "The Toll from Coal".

[8] Clean Air Task Force (2009). "The Toll from Coal".

[9] Mine Safety and Health Administration (2007). "Fact Sheet: Injury Trends in Mining."

[10] Ameren 2010 10-K.

[11] American Electric Power 2011 10-K.

[12] PPL 2010 10-K.

[13] Investor Responsibility Research Center (2004), "Profile on American Electric Power."
Accessed via the AEP website

(http://www.aep.com/environment/reports/docs/AEP_IRRC_Profile.pdf)

[14] Data tables from a 2010 report, "Benchmarking Air Emissions of the 100 Largest Power Electric Utilites", prepared by the NRDC, Bank of America, Ceres, and a group of energy companies. The data can be accessed here:

https://www.mjbradley.net/_benchmarking/benchmarking_table2.asp?sort=CoaGenUp

[15] Ameren 2012 filing with the Carbon Disclosure Project, accessed here:

<http://www.ameren.com/Hold/ClimateChange/Documents/CarbonDisclosureProject.pdf>

[16] UN data for 2008 carbon dioxide emissions. Does not include forestry or land-use change.

[17] Data tables from a 2010 report prepared by the NRDC, Bank of America, Ceres, and a group of energy companies. The data can be accessed here:

https://www.mjbradley.net/_benchmarking/benchmarking_table2.asp?sort=CoaGenUp

[18] NAACP (2012) "Coal-Blooded: Putting Profits Before People".

[19] Data tables from the Energy Information Agency, "Annual Coal Report 2011".

[20] Peabody Coal official website, <http://www.peabodyenergy.com/>, accessed 12/10/12.

[21] Associated Press, "Critic questions the way that coal firms build slurry ponds", accessed 12/7/2012.