



Peace and Justice Commission

CONSENT CALENDAR
APRIL 11, 2023

To: Honorable Mayor and Members of the City Council

From: Peace and Justice Commission

Submitted by: Grace Morizawa, Chairperson, Peace and Justice Commission

Subject: Support March 21, 2023 Day of Action Urging Banks to Divest from Fossil Fuel Businesses

RECOMMENDATION:

Adopt a resolution that the City of Berkeley Council support the Tuesday March 21, 2023 nation-wide day of action to tell banks to divest from fossil fuel projects, and encourage Berkeley's residents to support and participate in local actions on that date.

CURRENT SITUATION AND ITS EFFECTS:

The national group, Third Act, founded by activist Bill McKibben to rally older Americans against climate change, will hold a series of intergenerational rallies on Tuesday, March 21, 2023 to which the general public is invited, with the following purpose: to "make visible the invisible connection between cash and carbon. We will pressure the big, dirty fossil-fueled banks – Bank of America, Chase, Citibank, and Wells Fargo – to move their investments out of fossil fuels by moving our money out of their banks;" and nearby rallies will take place at Piedmont Avenue and 41st Street in Oakland at 9:30 AM and in Albany, San Francisco, Sacramento, San Rafael, Sebastopol, and other locations.

1000 Grandmothers for Future Generations is among the groups participating in the March 21 rallies, and the Grandmothers state: "We are elder women and allies stepping up to the urgency of the climate crisis. We act in support of the rights of Native Americans and other frontline communities. We believe that we cannot address the climate crisis without addressing systemic racism. That is what climate justice means to us."

At its regular meeting February 6, 2023, the Peace and Justice Commission adopted the following recommendation proposing City Council support the Day of Action on March 21 and encourage Berkeley's residents to participate in local actions.

M/S/C: Jaquin, Lippman.

Ayes: Jacquin, Lippman, Lee, Leon-Maldonado, Morizawa.

Noes: None.

Abstain: Gussmann, Maran.

Absent: Bohn.

FISCAL IMPACTS OF RECOMMENDATION

None

ENVIRONMENTAL SUSTAINABILITY

According to the Environmental and Energy Study Institute, “Air pollution from burning fossil fuels can cause multiple health issues, including asthma, cancer, heart disease, and premature death. Globally, fossil fuel pollution is responsible for one in five deaths. In the United States, 350,000 premature deaths in 2018 were attributed to fossil fuel-related pollution. The annual cost of the health impacts of fossil fuel-generated electricity in the United States is estimated to be up to \$886.5 billion....

“The environmental and health impacts of fossil fuels disproportionately harm communities of color and low-income communities. Black and Latinx Americans are exposed to 56 and 63 percent more particulate matter pollution, respectively, than they produce.”

BACKGROUND

On May 30, 2017, after revelations about illegal behavior by Wells Fargo, today one of the major investors in climate-destroying loans, the Berkeley City Council resolved to divest from Wells Fargo and to re-invest in financial institutions that “adhere to fair, socially and environmentally responsible banking.”

RATIONALE FOR RECOMMENDATION

The National Whistleblower Campaign states that “while fossil fuel companies and deforestation-linked companies are the primary drivers of climate change, most companies in these industries could not operate without support from major financial institutions. Banks provide loans that allow these companies to expand, and investment banks also provide underwriting services that help companies to issue new stocks and obtain debt financing through corporate bonds.

“In the five years since the Paris Agreement was signed, the world’s 60 largest commercial banks have provided more than USD 3.8 trillion for fossil fuels through lending and underwriting. Since the Paris Agreement was signed, financial institutions have also increased their funding for commodities linked to deforestation by 40%, providing USD 153.9 billion in financing for forest-risk commodities.”

ALTERNATIVE ACTIONS CONSIDERED

None

Support March 21, 2023 Day of Action Urging Banks to Divest from Fossil Fuel Businesses

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CITY MANAGER

The City Manager takes no position on this recommendation.

CONTACT PERSON

Grace Morizawa, Chairperson, Peace and Justice Commission

Okeya Vance-Dozier Commission Secretary, (510) 981-7239

Attachment 1: Resolution

RESOLUTION NO. ##,###-N.S.

Resolution Supporting March 21, 2023 Day of Action Urging Banks to Divest from Fossil Fuel Businesses

WHEREAS, the Peace and Justice Commission advises the City Council on all matters relating to the City of Berkeley's role in issues of peace and social justice (Berkeley Municipal Code Chapter 3.68.070); and

WHEREAS, according to the Environmental and Energy Study Institute,¹ "Air pollution from burning fossil fuels can cause multiple health issues, including asthma, cancer, heart disease, and premature death. Globally, fossil fuel pollution is responsible for one in five deaths. In the United States, 350,000 premature deaths in 2018 were attributed to fossil fuel-related pollution.² The annual cost of the health impacts of fossil fuel-generated electricity in the United States is estimated to be up to \$886.5 billion....³

"The environmental and health impacts of fossil fuels disproportionately harm communities of color and low-income communities. Black and Latinx Americans are exposed to 56 and 63 percent more particulate matter pollution, respectively, than they produce;"⁴ and

WHEREAS, the National Whistleblower Campaign states that "while fossil fuel companies and deforestation-linked companies are the primary drivers of climate change, most companies in these industries could not operate without support from major financial institutions.⁵ Banks provide loans that allow these companies to expand, and investment banks also provide underwriting services that help companies to issue new stocks and obtain debt financing through corporate bonds....

"In the five years since the Paris Agreement was signed, the world's 60 largest commercial banks have provided more than USD 3.8 trillion for fossil fuels through

¹ "Fact Sheet | Climate, Environmental, and Health Impacts of Fossil Fuels," Dec. 17, 2021, <https://www.eesi.org/papers/view/fact-sheet-climate-environmental-and-health-impacts-of-fossil-fuels-2021>

² "Fossil fuel air pollution responsible for 1 in 5 deaths worldwide," Harvard T.H. Chan School of Public Health, Center for Climate Change and the Global Environment, Feb. 9, 2021, <https://www.hsph.harvard.edu/c-change/news/fossil-fuel-air-pollution-responsible-for-1-in-5-deaths-worldwide/>

³ "Economic value of U.S. fossil fuel electricity health impacts," NIH National Library of Medicine, Feb. 2013, <https://pubmed.ncbi.nlm.nih.gov/23246069/>

⁴ "Inequity in consumption of goods and services adds to racial-ethnic disparities in air pollution exposure," National Academy of Sciences, March 11, 2029 <https://www.pnas.org/doi/10.1073/pnas.1818859116>

⁴ <https://www.clientearth.org/media/w1qdlnmk/clientearth-position-paper-to-the-ec-deforestation-public-consultation.pdf>

⁵ <https://www.whistleblowers.org/the-role-of-banking-in-climate-change/>

lending and underwriting.⁶ Since the Paris Agreement was signed, financial institutions have also increased their funding for commodities linked to deforestation by 40%, providing USD 153.9 billion in financing for forest-risk commodities;⁷ and

WHEREAS, on May 30, 2017, after revelations about illegal behavior by Wells Fargo, today one of the major investors in climate-destroying loans, the Berkeley City Council resolved to divest from Wells Fargo and to re-invest in financial institutions that “adhere to fair, socially and environmentally responsible banking;”⁸ and

WHEREAS, the national group Third Act, founded by activist Bill McKibben to rally older Americans against climate change, will hold a series of intergenerational rallies on Tuesday, March 21, 2023 to which the general public is invited, with the following purpose: to “make visible the invisible connection between cash and carbon. We will pressure the big, dirty fossil-fueled banks – Bank of America, Chase, Citibank, and Wells Fargo – to move their investments out of fossil fuels by moving our money out of their banks;”⁹ and nearby rallies will take place at Piedmont Avenue and 41st Street in Oakland at 9:30 AM and in Albany, San Francisco, Sacramento, San Rafael, Sebastopol, and other locations;¹⁰ and

WHEREAS, 1000 Grandmothers for Future Generations is among the groups participating in the March 21 rallies, and the Grandmothers state: “We are elder women and allies stepping up to the urgency of the climate crisis. We act in support of the rights of Native Americans and other frontline communities. We believe that we cannot address the climate crisis without addressing systemic racism. That is what climate justice means to us.”¹¹

⁶ “The Role of Banking in Climate Change,” Published by a consortium of environmental groups including the Sierra Club, Indigenous Environmental Network and Rainforest Action among others. March 24, 2021. <https://www.bankingonclimatechaos.org/bankingonclimatechaos2021/>

⁷ <https://www.clientearth.org/media/w1qdlnmk/clientearth-position-paper-to-the-ec-deforestation-public-consultation.pdf>

⁸ “Policy not to do business with financial institutions that employ unethical practices, invest in environmentally unsustainable endeavors and practices that undermine the health and rights of Indigenous people and those of disadvantaged populations, and to end all financial relationships with Wells Fargo,” May 30, 2017, Berkeley City Council, <https://records.cityofberkeley.info/PublicAccess/paFiles/cqFiles/index.html>; search fields: Search Type: “Resolution Query”; Search Terms: “Fargo”; Search Start and End dates: 5-30-2017

⁹ <https://thirdact.org/>

and

<https://vtdigger.org/2021/09/02/bill-mckibben-launches-third-act-to-rally-older-americans-around-climate-change/>

¹⁰ <https://thirdact.org/national-day-of-action/>

¹¹ 1000 Grandmothers for Future Generations,

<https://www.1000grandmothers.com/#:~:text=1000%20Grandmothers%20for%20Future%20Generations&text=We%20are%20elder%20women%20and,crisis%20without%20addressing%20systemic%20racism>

Support March 21, 2023 Day of Action Urging Banks to Divest from Fossil Fuel Businesses

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NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley supports the Tuesday March 21, 2023 nation-wide day of action to tell banks to divest from fossil fuel projects, and encourages Berkeley's residents to support and participate in local actions.