US SIF

The Forum for Sustainable and Responsible Investment

March 9, 2018

The Honorable Ryan Zinke
Secretary
US Department of the Interior
Washington, DC 20240

RE: Docket ID No. BOEM-2017-0074-0001

Dear Secretary Zinke:

US SIF: The Forum for Sustainable and Responsible Investment welcomes the opportunity to submit this letter on behalf of firms with $31 billion in assets under management. They are committed to a clean energy future and shape investment decisions to achieve this goal. Therefore, we are deeply concerned about the Draft Proposed Program (DPP) for the 2019-2024 Outer Continental Shelf Oil and Gas Leasing Program.

The Draft Proposed Program would greatly expand offshore drilling in US waters known as the National Outer Continental Shelf (OCS). It proposes to make over 90 percent of the total OCS acreage and more than 98 percent of undiscovered, technically recoverable oil and gas resources, available for future exploration and development. Currently, under the approved 2017–2022 Outer Continental Shelf Oil and Gas Leasing Program, only 6 percent of the OCS is open to exploration and drilling. Increasing the OCS available to oil and gas development from 6 percent to 90 percent does not reflect a strategy that considers the economic, social and environmental imperative to mitigate climate change and safeguard our coastlines.

The global investor community recognizes that in order to prevent average global temperatures from rising to more than two degrees Celsius above pre-industrial levels, roughly 80 percent of proven fossil fuel reserves must remain unburned.[1] It is therefore reckless to invite oil and gas companies to increase their sunk costs in what are likely to be stranded assets.

Because of these business and environmental risks, investors increasingly are reducing their exposure to fossil fuels, and pressuring the largest polluting corporations to reduce their carbon emissions. At the start of 2016, US investment managers considered environmental criteria across $7.79 trillion in assets under management. Money managers and institutional asset owners specifically reported in 2016 that they consider climate change risk across $1.42 trillion and $2.15 trillion in assets, respectively, a threefold increase since 2014.[2]

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[1] Mcglade, Christophe, and Paul Ekins. "The geographical distribution of fossil fuels unused when limiting global warming to 2 °C." Nature 517, no. 7533 (2015)
[2] Report on US *Sustainable, Responsible and Impact Investing Trends* 2016, US SIF Foundation. www.ussif.org/trends

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Massively increasing the offshore territory for exploration and drilling magnifies the chances of disasters that kill workers, poison ecosystems and harm local economies. Consider the 2010 Deepwater Horizon accident in the Gulf of Mexico. That accident contaminated more than 1,100 miles of coastline and harmed key industries such as fishing and tourism. The total cost to BP is estimated to be $62 billion, accounting for clean-up costs, payments to affected communities and industries, and fines. The Administration's rollback of two safety regulations for drilling operations that were put in place after the Deepwater Horizon disaster magnifies the risks still further.[3]

The DPP thus threatens 2.2 million American jobs and $108.4 billion in GDP that are associated with ocean-based fishing, tourism and recreation.[4] Not surprisingly, governors from 10 of the 17 coastal states, over 150 municipalities in east and west coast states, approximately 41,000 businesses and 500,000 fishing families oppose the DPP to expand off shore drilling.[5]

As investors and financial professionals and organizations, we believe the DPP should not move forward and ask that it be withdrawn. Expanding offshore drilling is bad for our economy and bad for the environment. The rules for the current 2017–2022 Outer Continental Shelf Oil and Gas Leasing Program should remain in place.

Sincerely,

US SIF: The Forum for Sustainable and Responsible Investment, Washington, DC

On behalf of 31 signatories representing $30.7 billion in assets under management:

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| 3Sisters Sustainable Management, LLC | Philadelphia, PA |
| Adrian Dominican Sisters Portfolio Advisory Board | Adrian, MI |
| Cascade Financial Strategies | Bend, OR |
| Congregation of St. Joseph | Wheeling, WV |
| Dana Investment Advisors | Milwaukee, WI |
| Daughters of Charity, Province of St. Louise | St Louis, MO |
| Dignity Health | San Francisco, CA |
| Dominican Sisters ~ Grand Rapids | Grand Rapids, MI |
| Epic Capital Wealth Management | Charlotte, NC |

[3] https://www.washingtonpost.com/national/health-science/trump-administration-to-overhaul-safety-monitoring-rules-for-offshore-drilling/2017/12/28/37cb40bc-ec20-11e7-9f92-10a2203f6c8d_story.html
[4] "State of the U.S. Ocean and Coastal Economies, 2016 Update" National Ocean Economics Program's 2016 report. http://midatlanticocean.org/wp-content/uploads/2016/03/NOEP_National_Report_2016.pdf
[5] Ibid.

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|---|---|
| Figure 8 Investment Strategies | Boise, ID |
| Friends Fiduciary Corporation | Pennsylvania |
| Green Century Capital Management | Boston, MA |
| Impact Investors | San Diego, CA |
| JSA Financial Group | Rhinebeck, NY |
| Maryknoll Sisters | Maryknoll, NY |
| Mercy Investment Services | St Louis, MO |
| NorthStar Asset Management, Inc. | Boston, MA |
| Region VI Coalition for Responsible Investment | Cleveland, OH |
| Responsible Sourcing Network | Oakland, CA |
| SharePower Responsible Investing, Inc. | Westminster, MD |
| Sisters of Charity of Nazareth | Nazareth, KY |
| Sisters of Mary Reparatrix | Allen Park, Michigan |
| Sisters of Saint Joseph of Chestnut Hill, Philadelphia | Philadelphia, PA |
| Sisters of St. Francis Charitable Trust, Dubuque | Dubuque, IA |
| Sisters of the Precious Blood | Dayton, Ohio |
| Stance Capital | Boston, MA |
| The Sustainability Group of Loring, Wolcott & Coolidge | Boston, MA |
| Trillium Asset Management | Boston, MA |
| Unitarian Universalists Association | Tulsa OK |
| Walden Asset Management | Boston, MA |
| Zevin Asset Management | Boston, MA |