



The Office Of State Treasurer
Denise L. Nappier

News

STATEMENT
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STATEMENT OF STATE TREASURER DENISE L. NAPIER IN SUPPORT OF TIER 3 MOTOR VEHICLE EMISSION AND FUEL STANDARDS

As Treasurer of the State of Connecticut and principal fiduciary of the Connecticut Retirement Plans and Trust Funds (CRPTF), I was pleased to join other institutional investors, representing more than \$11 trillion in assets, in urging the U.S. Environmental Protection Agency (EPA) to adopt Tier 3 Motor Vehicle Emission and Fuel Standards. (The text of the joint letter can be found [here](#).)

The macroeconomic impact of the adoption of Tier 3 standards is potentially significant. These standards are aimed at reducing harmful emissions of carbon monoxide, nitrogen oxide, and volatile organic compounds which contribute to pollutants that adversely affect air quality. With roughly half of the U.S. population residing in areas which fail to meet national air quality standards, now is the time to implement stricter controls over harmful emissions. By the EPA's own estimate, adoption of Tier 3 standards could generate economic gains ranging from \$8 billion to \$23 billion – largely from reducing health care expenses for pollution-related illnesses. In addition, there is the potential to create tens of thousands of jobs with refineries and in the auto and emission control industries. Given the Connecticut pension funds' investments across every industry sector, I believe that adoption of Tier 3 standards will be beneficial to our long-term interests.

As a founding member of the Investor Network on Climate Risk (INCR) more than a decade ago, I understand the importance of preserving and enhancing the long-term value of Connecticut's assets through disclosure of climate change-related exposure. Identifying the risks posed by climate change and taking action to mitigate those risks are important aspects of my duty as principal fiduciary of the CRPTF. For several years, we have advocated for stronger, robust emission standards:

- We engaged Ford Motor Company in 2005 and General Motors Company in 2006 and challenged them to report on their efforts to reduce emissions. Since then, both companies now generate Corporate Social Responsibility annual reports that address climate change issues for disclosure to the public and investors.

- In 2008, I signed a letter with other investors to Congressional leaders recommending that any federal bailout of the auto industry require effective compliance with California's greenhouse gas emissions requirement for vehicles. This initiative was a success, as automakers agreed to California's requirement in negotiations with the Obama Administration.
- And in 2009, as a member of INCR, I urged the EPA to support California's effort to adopt its own standards for greenhouse gas emissions under the Clean Air Act. The waiver was subsequently granted.
- Connecticut is a member of The Regional Greenhouse Gas Initiative, the first market-based regulatory effort in the nation dedicated to reducing greenhouse gas emission. In 2013, I urged Governor Malloy to join other states in adopting a lower emissions cap in order to account for regional electric sector trends that have decreased emissions significantly.

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