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FOR IMMEDIATE RELEASE:
FEBRUARY 2, 2005

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CalSTRS Approves Westly's Global Warming Watch

Nation's Top Three Pension Funds Now Press to End Lawsuit Against Emission Standards

SACRAMENTO – CalSTRS unanimously voted today to endorse Controller Steve Westly's call for the pension fund to engage the world's nine major auto companies in an effort to get them to accept California's landmark regulations to curb greenhouse gas emissions.

The vote makes CalSTRS the third public pension fund to formally embrace Westly's Global Warming Watch, an effort he launched to pressure automakers to comply with California's new standards rather than challenging them in court.

"Cleaner cars won't make it down the assembly line when lawyers are throwing wrenches in the works," Westly said. "Shareholders are making a clear statement that its time to listen to the changing global market demand."

California is the first state in the country to regulate greenhouse gas emissions. Air Resources Board regulations require new cars to meet the standards starting in 2009. The rules provide for a 30 percent reduction in greenhouse gases by 2016.

New York, New Jersey, Connecticut, Massachusetts, Maine, Vermont and Rhode Island have adopted or are in the process of adopting California's emission regulations. Combined with California, these states make up approximately 25 percent of new U.S. vehicle sales. These states, along with Canada, are also considering adopting the new greenhouse gas standards.

Experts also believe that the Kyoto Protocol, which will take effect this month, will increase demand for cars using clean technology. Countries ratifying the protocol account for more than 60 percent of worldwide vehicle sales.

Westly, who serves on the CalSTRS board, began recruiting public pension funds to join the effort in November after automakers threatened legal action to block the regulations rather than developing cars to meet the growing demand for clean technology. Automakers filed their suit in December 2004.

CalPERS formally adopted Westly's similar request. New York Comptroller Alan Hevesi, who is the sole trustee of that state's public pension fund, signed on as well. CalSTRS owns more than \$716 million in auto holdings. CalPERS's auto holdings are worth more than \$838 million.

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