BARBARA LEE
9TH DISTRICT, CALIFORNIA

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Subcommittee on
Domestic and International Monetary
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INTERNATIONAL RELATIONS
Subcommittee on Africa, Global
Human Rights and International Operations
Subcommittee on the Western Hemisphere

Congress of the United States
House of Representatives
Washington, D.C. 20515-0509

REPLY TO OFFICE CHECKED

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April 6, 2006

Mr. Fred Buenrostro
Chief Executive Officer
California Public Employees' Retirement System
Lincoln Plaza North
400 Q Street
Sacramento, CA 95814

Dear Mr. Buenrostro:

We are writing to request that you follow the lead of the University of California, several other university endowments, and state pension plans to develop a plan for Sudan divestment.

The numbers from Darfur are staggering: over 400,000 Darfurians have been murdered, over 2.5 million have been displaced, and nearly 70 percent of Darfur's villages have been razed. The Khartoum government's systematic policies of rape and denial of humanitarian aid serve as gruesomely effective tools in this genocidal campaign. Unfortunately, the situation in Darfur is not improving. The violence and killing continues unabated.

As you know, over a year and a half ago, on July 22, 2004, Congress first declared that the atrocities occurring in the Darfur region of Sudan constitute genocide. Several months later, the White House followed Congress' lead. In September of 2004, President Bush affirmed the position when he stated in an address before the United Nations General Assembly, `[a]t this hour, the world is witnessing terrible suffering and horrible crimes in the Darfur region of Sudan, crimes my government has concluded are genocide'.

In response to the recognized government-sponsored genocide, several respected universities, including the University of California, Harvard, Stanford, and Dartmouth and several states, including New Jersey, Oregon, and Illinois, have imposed varying restrictions on Sudan-related investments; numerous universities and more states have taken divestment under consideration. The state of Illinois' recent implementation of its comprehensive divestment legislation, carried out in partnership with at least a hundred asset management companies, serves as a clear reminder that substantive divestment from Sudan is possible.

CalPERS has already acknowledged the financial and moral risk in Sudan-related investments, selling the fund's stock in Talisman energy in 1999 and refusing to participate in the 2000 initial public offering by the Chinese petroleum company, PetroChina, which has ties to the Sudanese government. Over the past 6 months, as the crisis in Darfur has escalated, the nation's largest public pension fund has been presented with a number of opportunities to emerge as the nation's

most powerful voice for fiscal and moral investor responsibility, three times considering actions that would move the fund closer to Sudan divestment. The time has come now for CalPERS to pull its considerable investments from companies with ties to the genocidal Khartoum regime. In doing so, CalPERS will not only affect the pocketbooks of this brutal regime, but also will send a powerful message to corporations around the world that investors care about their ethics as well as the bottom line.

We fully recognize your obligation to sound investment of state pension funds and believe that California's pensioners want and deserve genocide-free pension plans. In November 2004, several of us (Reps. Lee, Waters, Watson, Millender-McDonald, Lofgren) wrote to CalPERS requesting identification of companies doing business in Sudan and encouraging divestment from those companies. Since then, over 120,000 people have died of famine alone. We can not stand by any longer and allow Khartoum to continue to act with impunity.

We therefore urge you to take immediate action to develop and implement a plan to substantially divest from holdings in Sudan.

We look forward to your response and to working with you to ensure California's pension plans are not passively supporting the genocide in Sudan.

Sincerely,

Barbara Lee

Nancy Pelosi

Tom Lantos

George Miller

Maxine Waters

Zoe Lofgren

Howard Berman

Diane Watson

Linda Sanchez

Sam Farr

Adam Schiff

Hilda Solis

Mike Honda

Pete Stark

cc: CalSTRS board members