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**JOINT
STANDING
COMMITTEE
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ANITA SCHEPKER: Okay. Thank you so much.

SENATOR SLOSSBERG: Thank you very much.

Okay. We'll be moving -- that -- that concludes the speakers for House Bill 6272.

We'll be moving on to Item Number 2, which is Senate Bill Number 881, AN ACT CONCERNING THE POWERS OF THE STATE TREASURER AND DIVESTMENT OF STATE FUNDS INVESTED IN COMPANIES DOING BUSINESS IN IRAN, and we are delighted to be welcoming our State Treasurer, Denise Nappier.

Good morning.

TREASURER DENISE NAPIER: Good morning.

I thought I was going to get some relief at the grocery store.

A VOICE: Not.

TREASURER DENISE NAPIER: Everybody wants money these days.

Senator Slossberg, Representative Morin, and members of the distinguished Committee on Government Administration and Elections. Thank you for the opportunity to offer testimony in support of Raised Bill -- Senate Raised Bill 881, AN ACT CONCERNING THE POWERS OF THE STATE TREASURER AND DIVESTMENT OF STATE FUNDS INVESTED IN COMPANIES DOING BUSINESS IN IRAN.

I have submitted an electronic version of the full testimony so, in the interest of time, I will highlight the salient provisions of two of the three distinct components of the bill, and then offer full testimony on that

component of the bill concerning pension fund investments in companies doing business in Iran.

The first component of the bill as set forth in Sections 1 and 2 are administrative in nature. Section 1 would clarify the Treasurer's authority to retain in-house investment personnel to assist in carrying out the constitutional and statutory duties . related to investment activity that goes beyond pension fund investing. Examples of such activities can be found in the Treasurer's Cash Management and Unclaimed Properties Divisions.

The auditors of public accounts have taken the position that more explicit statutory authority than is found in the current statute is required. And these positions would be subject to approval of -- by the Department of Administrative Services and the Office of Policy and Management.

Section 2 would clarify the ambiguity in statutory language passed in 2009 that relates to the appointment of personnel within the pension fund's management division. The 2009 amendment, or the 2009 amendment, allowed for appointment of a Deputy Chief Investment Officer, but it was amended in such a way as to create grounds for the auditors of public accounts to believe that the advice and consent of the State's Independent Investment Advisory Council was required for all personnel hired within Pension Fund Management Division. Not just the Chief Investment Officer and the Deputy Investment Officer as intended.

Now the second component of the bill that I

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will speak to briefly on -- concerns the oversight of the largest pension plan sponsored by the State, the Teachers' Retirement Fund. Section 5 would grant the Treasurer ex officio membership on the governing board of the Teachers' Retirement Fund, and I respectfully offer this committee additional language, inadvertently left out of my initial request, that would likewise grant a seat to the Treasurer on the governing board of the State Employees Retirement Fund.

The Treasurer, as you know, is the principal fiduciary of the Connecticut Retirement Plans and Trust Fund, and that includes the Teachers' Retirement Fund, now valued at 13.7 billion, and the State Employees Retirement Fund at 8.8 billion, and that, by the way, is as of December 30, 2010. We may have a few more dollars right now.

I am obligated to manage these funds in such a way as to maximize return within acceptable levels of risk and that is in order to help the state meet its financial obligations to its pension beneficiaries.

Critical decisions about each plan, including assumptions about how much investment income each plan will earn, are made by the governing board of the Teachers' Retirement Fund and the State Employees Retirement Fund.

Now there have been legitimate grounds for serious concerns over the long-term health of our state's pension plans, and I believe that it's important to recognize the interrelatedness of assets and liabilities, and bring together the policy-related functions of both investment and pension administration of each of these plans. This

will help to facilitate more timely and informed decisions about each plan's long-term objectives. So again, the -- the bill here would give the Treasurer's office a seat on the Teachers' Retirement Board and the State Employees Retirement Board.

The final component of the bill that I will speak on as set forth in Sections 3 and 4, would expand current state law and related investment policy governing the manner in which pension fund assets are managed. Section 3 is closely modeled after a bill cosponsored by Senator Slossberg in 2006, now codified in Connecticut statute, that allows for divestment from companies doing business in Sudan.

In the face of extraordinarily egregious human rights abuses being perpetuated by the government of Sudan, this General Assembly affirmed my authority as State Treasurer to begin a process of divestment of state funds from companies doing business in Sudan. That is, when deemed appropriate, in accordance with statutory language governing the exercise of such action.

The proposal before you would reaffirm that power, in this case to divest from companies doing business with the Republic of Iran, a country that continues to defy United Nations sanctions concerning the development of nuclear capabilities. Now this legislation would both serve the exercise of our shareholder interest in companies to ensure that the long-term value of our holdings is not compromised by the actions of a rogue nation.

At last count, 19 states have been -- have

passed laws regarding divestment of state pension assets from companies that invest directly in Iran, and several more are considering similar action. Connecticut ought to be among those taking definitive action.

This Iran proposal is the result of collaboration with Robert Fishman of the Jewish Federation Association of Connecticut, as well as Benjamin Krasna, Deputy Consul General of Israel in New York, among a host of others.

For more than a decade, my administration has worked to engage companies in which we invest to do better as good corporate citizens and to protect our shareholder value. We have followed that approach on a range of corporate governance issues, from the risk associated with climate change, to executive compensation, from board independence and diversity, to corporate accounting practices. These are all issues that are gaining support from shareholders worldwide.

As a state, Connecticut has, at the forefront -- has been at the forefront of efforts, decades ago, to end apartheid in South Africa. And we continue to be at the forefront ensuring compliance with the MacBride Principles in Northern Ireland.

And our efforts with respect to companies doing business in Sudan have yielded measurable results. We monitor well over 100 companies doing business in Sudan, and along or in concert with other institutional investors, we have directly engaged with upwards of 44 companies. And as a result of our engagement efforts, we have divested from or prohibited investments in 13 companies.

The value of that divestment stands at roughly \$15.5 million.

Of equal importance, we have affected the conduct of 31 companies doing business in Sudan. Some have ceased doing business there, and others have increased their humanitarian activities or improved their business practices to the benefit of local populations.

This past year, we directly engaged, along with other institutional investors, with companies in the telecommunications and energy sectors, in connection with the independent referendum in South Sudan. We urged these companies to use their efforts to ensure that voting was allowed to proceed peacefully, to prevent their companies from being used as a means to disrupt the voting by, for example, interrupting satellite and mobile phone communication. And I'm happy to report that the voting was conducted peacefully and without interruption.

Now with respect to Iran, we have reviewed our portfolio's exposure to companies doing business there, and at the end of January, 2011, our holdings had a market value of approximately \$310 million, which represents roughly 4 percent of our international portfolio.

As with other corporate policy issues, I have maintained from the outset that divestment is a last resort. It will be preceded by efforts to engage constructively with companies whose practices or investments we question. And by "engagement" I mean contacting the company directly to open a substantive and sustained dialogue that exceeds or extends beyond one exchange. In my view, this approach gives

Connecticut more leverage than simply selling our stock.

Sometimes discussion, engagement and dialogue may not be enough and that may well be the case here. In my view, public companies that ignore worldwide opinion, that refuse to put pressure on the Republic of Iran, and who are viewed as engaged in profiteering at the expense of our national interests, run the risk of becoming incapable of sustaining the value of Connecticut's investments. That is why I'm prepared to begin the process of divestment of those companies whose business ties in Iran have the net effect of supporting Iran's nuclear capabilities.

Specifically, this legislation would repeal Section 3-13g of the General Statutes, a section that dates back to the American hostage crisis in 1980. And it required then that the Treasurer ensure that state funds were not invested in companies doing business in Iran.

In its place, this legislation would authorize the Treasurer to divest, decide not to divest further, or not enter into any further investment in any company doing business in Iran.

This bill also makes clear that in making this decision, the Treasurer shall consider relevant factors and circumstances, such as whether a company's actions are related to humanitarian activities, or whether a company is acting at the behest of the United States government.

Finally, Section 4 of the raised bill includes language that would amend the Sudan statute to

refine the definitions of "company" and "doing business" so that the activities of partially-owned subsidiaries would fall within the law's reach.

With all that said, I will close by noting that no aspect of this bill would have a general fund impact. I urge your favorable consideration of Raised Bill 881, and would be pleased to entertain any questions that you may have at this time.

SENATOR SLOSSBERG: Thank you, Madam Treasurer, and thank you for the good work that you're doing for us in the state with regard to, you know, our investments. And I appreciate, in particular, the discussion of divestment and how your policies have affected change and we're basically putting our money where our mouths are in terms of the values that are important to us. So we appreciate that. It's not an easy thing.

I'm just -- with regard to the change on the language with -- with Sudan, did that arise out of a particular issue? Did you have a particular challenge that, you know, or a subsidiary that you were looking at and the language just didn't cover them, or what was the genesis of that language?

TREASURER DENISE NAPPIER: Yes, as we started to follow the money and do research on companies where we expected, or where we thought there -- there could be inappropriate dealings with a, you know, a terrorist state, it was clear that there -- that company, that parent company, did have subsidiaries that were not clearly identified or recognized in the state statute.

Now I do have someone here that is working

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day-to-day on this issue and she may be able to provide a more robust response.

Shelagh McClure is our Compliance Officer.

SHELAGH MCCLURE: I -- what we did learn was that the statute defined the businesses to be only wholly-owned subsidiaries, and there are a number of companies that have partially majority-owned subsidiaries that are publicly traded, and this is really a matter of, sort of a -- administrative ease for us as well because we can do our engagement with the company as a whole, rather than have to do it individually with each -- you know, with each entity. So that was the reason that we are proposing this change.

SENATOR SLOSSBERG: In terms of, then, the language that we're looking for on -- on potential divestment from Iran or in the future -- you know, hopefully we won't have to be dealing with other nations, that we'll be moving in the right direction. But would you suggest then that language be consistent across the board with --

SHELAGH MCCLURE: Yeah.

SENATOR SLOSSBERG: -- you know, to the extent that we do any of these sorts of statutory changes, that we make that language consistent?

SHELAGH MCCLURE: Yes. And, in fact, the language that's proposed is consistent in the two statutes -- in the two bills.

SENATOR SLOSSBERG: Okay.

SHELAGH MCCLURE: Thank you.

SENATOR SLOSSBERG: I -- I believe that there are other questions from the committee members. I see a lot of hands going up. So we'll go down this -- down this aisle here, and then we'll go down the other aisle.

So, Senator Meyer.

SENATOR MEYER: Thank you, Madam Chair.

Nice to see you, Denise.

TREASURER DENISE NAPPIER: Good to see you, too, Senator Meyer.

SENATOR MEYER: I'd like to chat with you about the portion of your -- of the bill that relates to divesting from companies that do business with Iran, and just ask if whether -- it's a wonderful purpose. But I want to ask you, from the standpoint of fully understanding it, have you done any analysis to see whether or not that would prevent Connecticut from investing with major energy companies in the world? For example, Exxon Mobil, British Petroleum, Marathon Oil, you know the list. Are they all doing business in Iran, and therefore we would be taking them out of our investments?

TREASURER DENISE NAPPIER: Most of them are doing business in -- in Iran, but our objective is to try to convince companies to be good actors, and many have -- many of them have done that. So the -- the law -- the bill before you is not a legislative mandated divestment policy.

Can I -- can I refer your question, again, to our Investment Compliance Officer for a more fuller response?

SHELAGH MCCLURE: The Treasurer's response is -- is essentially the response I would have given though. They -- the -- what other states have done is undertaken engagement with companies. Exxon Mobil, as an example, you know, they're not doing business there, but it -- what does -- what has occurred is that states, that large institutional invest -- investors have, in fact, gone to companies that are considering doing business there or that are doing business there, and in many cases have succeeded in getting them to take actions within the country, that are positive for the local population. And at times, they've convinced companies to leave. I mean, our examples in Sudan are -- are pretty substantial, and companies that have actual -- that actually left because of what was going on there, so...

SENATOR MEYER: Okay. I understand the persuasion part. I admire that very much. But I just want to be sure that our investments are -- are not going to be negatively affected by not being able to invest in major energy companies of the world which are often very good investments, that pay a good dividend, that have a capital appreciation. And it sounds to me as though we're not invested now in -- with Exxon Mobil anyway. Is that what you're saying?

TREASURER DENISE NAPPIER: No, we are invested in -- in Exxon Mobil.

SENATOR MEYER: But was that -- is that a company that we'll have to divest?

TREASURER DENISE NAPPIER: Well, even -- the corp -- the company's not there, you know, but we

will follow the money. There could be a partial subsidiary. But let me just say this: We're prepared to give you a list of those companies that we currently have exposure to in Iran and -- and their subsidiaries. You can take a look at that.

And I would -- I would -- I would say that a majority of them, majority of these companies are foreign companies, and if they have exposure, it -- it's minimal and it's probably through a subsidiary. Because in most cases, the United States' sanctions against Iran would prohibit a company that's headquartered in the United States from doing -- having any business dealings.

So we're talking about our international portfolio, so most of them are international companies.

SHELAGH MCCLURE: That's correct.

SENATOR SLOSSBERG: Just -- just to clarify, I think, what Senator Meyer, if I may, was getting at. Do you expect that this legislation would have any effect on the performance of our investments (inaudible)?

TREASURER DENISE NAPPIER: Absolutely not. And let me also add that we've been working with the Sudan Divestment Act for several years now, and I believe we do submit periodic reports as required by the -- by the law, to the Legislature, on the status of that. And the energy sector was one area that we zoomed in on, and there were no -- there were no major companies that you've identified that were affected by the Sudan Divestment Act at all.

SENATOR SLOSSBERG: Okay. Thank you.

Representative Floren, followed by
Representative Hetherington.

REP. FLOREN: Thank you. Thank you for being here.

We -- we now have divested with Darfur, right?
In Sudan?

TREASURER DENISE NAPPIER: The Darfur region of
Sudan, yes.

REP. FLOREN: Okay. And South Africa? Are we
still -- have we still have that on our --

TREASURER DENISE NAPPIER: No.

REP. FLOREN: That came back? What about North
Ireland?

TREASURER DENISE NAPPIER: Divestment law was
lifted.

REP. FLOREN: So the only two then would be Iran
and the Sudan.

TREASURER DENISE NAPPIER: And Northern Ireland.

REP. FLOREN: Northern Ireland, I thought, too.
Those would be the three.

TREASURER DENISE NAPPIER: Yes.

REP. FLOREN: And will Northern Ireland be made
consistent in statute to the other two?

SHELAGH MCCLURE: The MacBride statute actually has
a very different statutory framework and it --
we have not proposed any changes to that at
this point. That -- that law is not set up
really along the same lines. The Iran and the

Sudan statutes, I think our thinking was that it made sense to align these two with kind of recent enactments with similar purposes, anti-terrorism purposes.

REP. FLOREN: Thank you.

SENATOR SLOSSBERG: Okay. Representative Hetherington.

REP. HETHERINGTON: Thank you.

Thank you Madam Treasurer for being here. I certainly applaud you efforts in this area.

This bill would appear to give your office more discretion, more in terms of how, and whom you select for divestment. Is that -- is that a fair statement?

TREASURER DENISE NAPPIER: No, it's not -- it's a fair statement. It's preservation of the Treasurer's principal fiduciary responsibility --

REP. HETHERINGTON: Right.

TREASURER DENISE NAPPIER: -- and to make decisions that are in the best interest of the -- of our pension funds. And so when we -- when we do decide to divest, we have reached the conclusion that it would harm our shareholder value. And to the extent that there is no harm to our value, then we're not going to divest.

REP. HETHERINGTON: That -- that's what I was intending to suggest, that it's no -- it's not an arbitrary rule.

TREASURER DENISE NAPPIER: Right.

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REP. HETHERINGTON: You have the ability --

TREASURER DENISE NAPPIER: I have a fiduciary responsibility --

REP. HETHERINGTON: Yes.

TREASURER DENISE NAPPIER: -- here.

REP. HETHERINGTON: And that approach would be consistent in both of these laws with respect to Sudan and Iran. Correct?

TREASURER DENISE NAPPIER: Right, absolutely.

REP. HETHERINGTON: What was -- what was the experience, from an investment point of view, in divesting from the Sudan? Did we lose money divesting from the Sudan?

TREASURER DENISE NAPPIER: We -- we divested from 19 companies, and the value was -- of those investments was \$15.5 million. Now that's 19 out of 44. So the 31 other companies that we engage in constructive dialogue, we were quite successful in either getting them to leave the Darfur region of Sudan or to engage in humanitarian activities.

REP. HETHERINGTON: Uh-huh. When we sold those investments though, did we -- did we have a gain or a loss?

TREASURER DENISE NAPPIER: I don't have that information before me. I can get it for you if you'd like.

SHELAGH MCCLURE: Treasurer, just one point. The law -- the law -- pardon me -- talks about divestment, but it also includes the power not

to invest going forward. And so, in fact, what -- what occurred in this case was we actually ended up divesting. It's -- it's really been for a handful of companies.

REP. HETHERINGTON: Uh-huh.

SHELAGH MCCLURE: But there have been others where we made the decision going forward, we would not invest with them because of their either decision not to engage with us, or because they -- in engaging with us, they indicated they were not willing to change their conduct.

So, the amount of money is actually relatively small because a number of the companies that are on our so-called prohibited list, are companies that we did not have investments in at the time of the engagement.

REP. HETHERINGTON: Okay.

TREASURER DENISE NAPPIER: Whatever the transaction costs, if we did incur transaction costs, we'll make sure you have that information.

REP. HETHERINGTON: Okay, well, thank you. I certainly applaud your efforts in this area. I think -- it seems to me you've got a good initiative here. Thank you.

SENATOR SLOSSBERG: Representative Lesser, followed by Representative Fleischmann.

REP. LESSER: Thank you, Madam Chair.

And Madam Treasurer, it's great to see you before this committee.

I did have a -- questions about the first two sections of the bill relating to investment

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officers. I certainly support the parts related to Sudan and Iran. But I guess a question I would like is more information for the committee about what -- what's animating the need to add, you know, more staff, particularly the Deputy Chief Investment Officer, and to see if there's a need arising out of your office. Or is that related to the divestment? Or --

TREASURER DENISE NAPPIER: Section 1 or Section 2?

REP. LESSER: I'm sorry, Section 2 particularly, related to the Deputy Chief Investment Officer. Is that -- is that related to the Sudan and Iran --

TREASURER DENISE NAPPIER: No, no. No, it isn't.

REP. LESSER: -- investment?

TREASURER DENISE NAPPIER: No, no. Several years ago, this body approved the establishment of a Chief Investment Officer, and it was put -- put under the oversight of both the treasurer and the -- well actually the Investment Advisory Council. So the retention of a Chief Investment Officer has to be done in -- in concurrence with the -- the Treasurer's hiring has to be done in concurrence with the Investment Advisory Council. Then we came back and said we'd also like a Deputy Chief Investment Officer, and that -- that position is also subject to approval by the Independent Investment Advisory Council.

When they codified the language, they took -- they put all employees of the Pension Fund Management Division under the Investment Advisory Council, so that no one can be hired in the Pension Fund Management Division

without concurrence by the -- you know, with the Investment Advisory Council. So that was never the intention.

And the reason why the Chief Investment Officer and the Deputy Chief Investment Officer are put under the Investment Advisory Council is because they have the authority to approve the -- the compensation range as recommended by the Treasurer. That's not true with these other positions. They're subject to the Department of Administrative Services and the salary, you know, as -- as proscribed by DAS. The compensation is proscribed by DAS.

So we're just looking to clean up this language.

REP. LESSER: No -- I guess with respect to the Deputy Chief Investment Officer, with these non -- with these separate salary ranges that are non -- with the DAS, is that -- you'd said earlier, I believe, that you did not expect this to have a fiscal impact.

TREASURER DENISE NAPPIER: No.

REP. LESSER: Would that be because you would offset that by additional -- by additional returns or how would that not be up?

TREASURER DENISE NAPPIER: Well, these positions are already filled, okay, and there -- and we don't have a problem with those positions.

The problem we have is that this -- the current law, the way it's worded, also requires that anybody that's hired by the Pension Fund Management Division be subject to the Investment Advisory Council's approval.

So we would eliminate that.

REP. LESSER: I see. Well, I thank you for clarifying that.

And then, just my only last question is -- is on the Section 5, relating to the ex officio position on the Teachers' Retirement Board and also your suggested amendment to that. What -- what was the reason for not including you in that capacity in the first place? It seems surprising.

TREASURER DENISE NAPPIER: Your guess is as good as mine. I -- I don't know. I don't know, but -- but I think it's important as we move forward, that the Treasurer -- and it may very well be the Chief Investment Officer who, by the way, also is current Chief Investment Officer, is also an actuary, and an investment official, that we have a seat on that board because we play such a vital role in helping the State generate the funds it needs to meet its pension obligations.

REP. LESSER: Thank you very much.

SENATOR SLOSSBERG: Okay. Representative Fleischmann, followed by Representative Luxenberg.

REP. FLEISCHMANN: Thank you, Madam Chair.

Thank you very much for your testimony and your helpful answers.

With regard to Section 2 -- so it makes sense to me that in Section 1, you're trying to take all these employees who go through a whole DAS process and say they don't need to be getting also the approval of the Investment Council.

That's just unnecessary. It makes perfect sense to me.

The Deputy Chief Investment Officer, it would seem to me, has major responsibilities --

TREASURER DENISE NAPPIER: Right.

REP. FLEISCHMANN: -- that involve placement of millions of dollars of State funds in different investment vehicles. So it seems to me that there is a certain logic to the Investment Advisory Council having some input or just review of that appointment. Why would you object to that?

TREASURER DENISE NAPPIER: I'm not. The -- the Deputy Chief Investment Officer filling that position would be subject to approval by the Investment Advisory Council. Both positions.

REP. FLEISCHMANN: So then, I guess I missed something. What is it that Section 2 changes?

TREASURER DENISE NAPPIER: It takes out all other personnel, excluding the CIO and the Deputy CIO.

REP. FLEISCHMANN: So the Deputy CIO would still be --

TREASURER DENISE NAPPIER: Yes.

REP. FLEISCHMANN: -- subject to such approval? Perfect.

TREASURER DENISE NAPPIER: Which was -- which was the intent of the law from the beginning.

REP. FLEISCHMANN: Gotcha. Okay, thank you. I had -- I had misread the language slightly. I

appreciate the clarification and apologize for my misreading.

Section 3 -- so I applaud you. It makes perfect sense for us to be divesting from companies doing business with Iran. It shocks me to think that there are companies that have American employees that would even consider such commerce.

The question that comes to mind for me, as someone who's been in this Assembly for a number of years is, might it make sense for us, rather than simply doing a bill that focuses this year on Iran -- and a few years back, we had done one on Burma, and then we had done one on Sudan -- might it make sense for us to look at how the State Department classifies certain other states in the world and use a State Department classification as a standard for Connecticut divesting?

TREASURER DENISE NAPPIER: Uh-huh.

REP. FLEISCHMANN: So that instead of you and other treasurers coming back to the Assembly year after year, say, you know, this country is a rogue state, is involved in development of weapons of mass destruction or nuclear proliferation, or other problems, we would instead simply have a reference to something that's either in federal statute or in State Department regulations and standards, so that automatically, when a state achieved the status that Iran has achieved, which is -- you know, I can't imagine all the different warnings that the State Department now has about Iran -- we, as Connecticut, would automatically divest, and there would be no need for you to come to us with special legislation.

TREASURER DENISE NAPPIER: Well, at a policy level within the Treasurer's office, we do have what we refer to as a global risk assessment function, and our external money managers are obligated to give -- to review the potential terrorist activities of a country before they -- they make those investment decisions. So some of that is already ongoing.

The difference is, is that when the -- the country becomes so atrocious in its violations against human rights, I believe that this body has an important role to -- to play, the state does, in -- in taking a policy position.

And not only that, but now we're talking about the potential to divest; and, you know, the -- we've got a rich tradition of going to the legislative body when we're at a point and we think that we should have divestment authority by country. I'm -- I'm not sure -- I think that the way we're functioning now under our global risk assessment function, that we're doing the best we can. And if we get to a situation where there's another country and we think that we need to look at actual divestment legislation, then, you know, we would certainly bring it before your committee.

So that's our position, and it's not as if we turned our head against other terrorist countries.

REP. FLEISCHMANN: Right, I hear you. I do think we've talked past each other a little bit on this because the fact is that Iran has achieved a status with the U.S. State Department that few countries achieve, based on all of its violations of various

international accords. And I do think that it may be possible to go ahead and statutorily set up a framework that allows us as a Legislature to say, when any nation achieves that level of atrocious behavior and disregard for international norms and threatening of the international peace, they're automatically a company from which we shall divest. I'm sorry, a country from which we shall divest, and will divest from all the companies involved with commerce with them.

And so I'll talk to folks at the Office of Legislative Research and so forth and see. And I may be mistaken. It may be that there isn't the kind of clear line that I'm looking for, but if there is, I think this General Assembly is in tune enough with the federal government that if our U.S. State Department has said the following state is a rogue state, involved with the support of terrorism, and development of weapons of mass destruction, divestment is an obvious next step and we need not go each time to deal with it independently when, in fact, we might be able to automatically do it.

But that being said, I do appreciate your drawing attention to this issue. I -- you know, it's just troublesome that we would have a penny involved with any company involved with Iran and so, one way or another, we'll get to this -- this goal together. Thank you.

SENATOR SLOSSBERG: Thank you, Representative.

Representative Luxenberg, followed by Representative O'Brien.

REP. LUXENBERG: Thank you, Madame Chair. I'm laughing as I'm sitting here because my good

friend, Representative Fleischmann, essentially has the same line of questioning that I was going to ask you.

I actually introduced a -- a bill in front of GAE that set up something similar to what Representative Fleischmann was talking about in terms of creating a framework for divestment of all countries on the State Department's list of, sort of, bad actors. They have a list. They have a process by which countries go on and off their State Department list of, you know, terror-sponsoring countries. And I think there's something like, maybe as high as 20 nations on that list right now.

And so, my question to you was actually the same question that Representative Fleischmann asked, which was just, what was the policy rationale in zeroing in on Iran -- in the past Sudan or Northern Ireland, as opposed to just sort of a more comprehensive approach?

And I listened to your answer, and I think I'm glad to hear that we're looking at those things before making investments in some of these other countries, and in certain cases, if there's terrorism there, we're not making the investment.

But I do commend Representative Fleischmann on his line of questioning because I do think it would make sense for us to have a comprehensive approach. And if the framework is in place, it may actually dramatically strengthen our role in creating incentive for countries to actually not become bad actors. Because if the framework is in place where, when a country moves on to that State Department list, they know Connecticut is

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going to automatically divest, or perhaps less aggressive fashion, automatically give you the authority to consider divestment, that strikes me as a -- as something that could provide an incentive for nations around the world to frankly be better actors.

So, I'm hoping maybe in the future we can -- that's an issue that we can work together on. I've heard from a lot of folks that are so thrilled that you have taken a great leadership role on divestment from Darfur, Northern Ireland, and, in this case, Iran. And I certainly support your bill, and looking forward to maybe working with you in the future, and perhaps Representative Fleischmann, on broadening the scope a little bit. So, thanks.

SENATOR SLOSSBERG: Representative O'Brien.

REP. O'BRIEN: Thank you. I'm sure you get the statement all the time that investment policy will put people to sleep. But -- that's a late -- people got that late.

You know, what these laws are all about is -- is really about the moral dimension to -- to our investments. And it's a statement that it's not just about how much money we can make from -- from our investments, but -- but an understanding that as moral people, that we're concerned about where the money is coming from and we don't want money, no matter how good an investment it is, to be coming from bad things.

So the question I have is: Is it your considered opinion that we can still have very good investments and make a lot of money and still be behaving morally?

TREASURER DENISE NAPPIER: Absolutely.

REP. O'BRIEN: Thank you.

TREASURER DENISE NAPPIER: Can I -- can I give the floor to Shelagh McClure to respond to your question about a more comprehensive framework?

REP. O'BRIEN: Sure.

SHELAGH MCCLURE: (Inaudible). Sorry.

We have tried to draw a very delicate balance, and other institutional investors, particularly states, would say the same thing in passing these laws that we don't intrude too much on the foreign policy powers of the -- which are exclusive -- which exclusively reside in the federal government. And in fact, there have been cases about whether state divestment laws are constitutional under the federal foreign policy powers.

So, in -- there are currently now two federal laws that authorize state laws, in which, you know, permit divestment from Iran and from Sudan. They don't cover the entire gamut of countries on the State Department list.

Now certainly, we have looked at those federal cases, and we -- and our Sudan law preceded the federal law which now has said, okay states, you can pass these laws. But we did it, we wrote it in a way that we felt would pass muster under those laws, under those cases.

So it's a delicate balance is all I'm saying, and it's not that it's not worth exploring, but it's -- it's, you know, it is something

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that you have to be somewhat careful in how you approach it.

SENATOR SLOSSBERG: Thank you very much for your testimony.

Representative O'Brien.

REP. O'BRIEN: Just a follow up, and I understand there's that legal balance that needs to be -- to be put into the equation. But there's also the general 10th Amendment precept that -- that state government policy, in particular, what we do in the functions of state government is the state's decision, that the federal government is not supposed to intrude on that for any reason. Correct?

SHELAGH MCCLURE: Well, and in fact, depending on how these statutes are drafted --

REP. O'BRIEN: Not for any reason, but in general.

SHELAGH MCCLURE: Right. But depending on how the statutes are drafted, some have been upheld and others have not been. And it has something to do, for example in our particular case, where the -- where the law is a permissive rather than a mandatory framework, that that is something that carried weight with the court.

So again, yeah, the states have powers, but it's, as I say, it's sort of this balancing act in -- when you get into areas that, you know, at least potentially intrude on areas that are exclusively reserved to the federal government. You just have to be careful in how things are drafted in taking those matters into account.

REP. O'BRIEN: , But there are things -- the things I'm thinking of, there's like, for example, labor law as it applies to State employees is under state law, that's understood federally, that the balance in the federal constitution is that the federal government can't pass a law the governs that. The state has to take care of that.

The states, likewise with international trade, the state can choose to voluntarily participate in the procurement policies that the federal government sets up under free trade agreements, but that the -- that the state chooses whether or not to participate in those as a matter of state policy.

And so, there's -- it strikes me as a lot of -- a lot of authority to pass laws like that under that precept.

TREASURER DENISE NAPPIER: Just to -- to expand on what Shelagh said. She mentioned that our Sudan law preceded the federal government taking action. There were -- there were states that, at the same time that we passed our Sudan law, that passed a mandatory divestment law that was challenged in court. And so there was a very significant legal challenge. I don't know how it ended or -- was it --

SHELAGH MCCLURE: Well, what ended up happening is that Congress authorized the laws.

REP. O'BRIEN: So they split the difference and made it so that, yeah.

TREASURER DENISE NAPPIER: Yeah, so, right.

REP. O'BRIEN: Thank you.

SENATOR SLOSSBERG: Okay. Thank you very much for your testimony.

Seeing no further questions, I thank you for being here. We look forward to continuing to work with you on this legislation.

TREASURER DENISE NAPPIER: Thank you, Senator Slossberg --

SENATOR SLOSSBERG: Okay.

TREASURER DENISE NAPPIER: -- and Representative Morin.

SENATOR SLOSSBERG: Our next speaker on this bill, Senate Bill 881, is Dr. Leonard Eisenfeld.

Good afternoon, sir, and thank you for being here today.

LEONARD EISENFELD: Thank you for allowing me to speak. I speak quite softly, so if you have trouble hearing me, you know, please let me know.

I'm here today to support and speak in favor of this Senate Bill 881.

As some of you may know, I'm a pediatrician, and I specialize in newborn intensive care, and I work downtown, right here at the Connecticut Children's Medical Center, John Dempsey Hospital, and Manchester Memorial Hospital in the newborn intensive care units.

My family and I have been residents of Connecticut for most of our lives, in fact, my son, Matthew, was born in New Haven, when I was a medical student at Yale. And it's a

little bit about Matthew, particularly, that I want to talk to you and tell you about today, and it's in relationship to Iran and why we should divest. And it's a personal story of our personal family tragedy.

Matt himself went through Yale as an undergraduate student, and then he winds up in graduate school in Jerusalem, in Israel. And he boards a bus, a city bus, in 1996, and an Arab terrorist from Hamas, supported by Iran, gets on the bus, is strapped with 10 kilos of a bomb, and explodes the bomb and Matthew dies.

That really devastated our family. And, you know, we've tried to, over the years, just besides living daily life, to try to help protect other families from similar kinds of situations. So we've spent quite a bit of time and effort in Congress, and in the court system, in trying to get financial deterrents for terrorism, particularly from Iran.

We knew from the letter that was given to us in our meeting with the State Department, and I provided that for you, and also our letter that I wrote for this committee, that Iran had substantially contributed to my son's death. How did we know that?

Well, in federal district court, we proved that the mastermind of this bombing had trained in Iran, had gotten materials to accomplish this bombing. And from the discussions with the Prime Minister of Israel at the time, he told me Iran had actually given the order.

I think it's important to divest because financial deterrence makes a difference. I

was very pleased to hear our Treasurer, and the discussion of this committee, and I think I'll stop at this point and try to answer any questions that you might have.

SENATOR SLOSSBERG: Dr. Eisenfeld, thank you so much for being here this afternoon, and for your testimony. And, you know, as a parent of a child who's currently studying in Jerusalem, it's very frightening to hear about, but certainly we know that this goes on all across the world. And we thank you for your commitment and for your advocacy to try to make sure that we do the right thing, and that we encourage other people to be doing the right thing.

So, I don't have any questions for you, but I know that my Cochairman does.

REP. MORIN: Thank you, Madam Chair.

And Dr. Eisenfeld, thank you very much for coming today.

More just a comment. I can't imagine your pain and suffering, nor do I ever want to have to deal with it myself, so I thank you very much.

It must be difficult to some degree for you to come here, but the -- the message is strong. You -- you're bringing to us -- obviously this is an important issue to a lot of us, but you're bringing a real element of why it needs to be done, and it's very powerful testimony, and it's very helpful. So thank you very much for coming.

LEONARD EISENFELD: Thank you, Representative and Senator.

SENATOR SLOSSBERG: Representative Fleischmann.

REP. FLEISCHMANN: Thank you, Madam Chair.

Dr. Eisenfeld, I also just wanted to extend my thank you. I'm aware of the fact that you've taken the grievous harm that your family suffered and turned it into such an incredible set of efforts to protect others from going through what you've been through. Whether it involved using the international courts, speaking to people in the U.S. Congress, and I just commend you for that, and I appreciate it.

I -- I still remember your son's funeral, the thousands of people there, and I think this is an appropriate tribute. Thank you.

SENATOR SLOSSBERG: Representative Hwang.

REP. HWANG: Thank you, Madam Chair.

Dr. Eisenfeld, I thank you for your courage in being here, and my sincerest condolences on your loss. I don't think it ever gets any easier, but I appreciate you being here and educating us on the impact of -- of legislation and -- and actions from across the globe, and how it could impact us here. It teaches us how to take those matters very seriously. And I hope that in your being here, and you being an advocate of educating people, that other children are safe, and that we never suffer this kind of tragedy for any child of any race and any religion. So thank you for being here.

LEONARD EISENFELD: Thank you.

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SENATOR SLOSSBERG: Representative Hetherington.

REP. HETHERINGTON: Thank you, Madam Chair.

Doctor, I'm probably being redundant, but thank you for being here. It must be very difficult for you to come and -- and recount this terrible experience and the loss of your son again. But I can assure you, it does help us do the right thing, and we will do the right thing. So, thank you.

SENATOR SLOSSBERG: Okay. Thank you very much.

Our next speaker is Lauri Lowell.

Good afternoon.

LAURI LOWELL: Good afternoon.

I'm here representing the Jewish Community Relations Council of Greater New Haven. Thank you for the opportunity to address the members of this committee.

The Jewish Community Relations Council of Greater New Haven strongly supports Raised Bill Number 881, which is the subject of -- of our discussion here today.

The JCRC is part of a movement of concerned citizens across the United States seeking to curb investment of public funds in companies that do business with Iran's energy sector. State divestment of pension funds is a critical part of this policy.

In January, 2010, the JCRC of New Haven passed a resolution supporting United States and international diplomatic and economic measures to pressure Iran to stop development of

nuclear weapons. Tehran has ignored numerous U.N. Security Council resolutions, and has refused to cooperate with the world's top nuclear watchdog, the International Atomic Energy Agency.

The danger to regional and world security posed by a nuclear-armed Iran has never been greater. Should nuclear weapons get into the hands of terrorist groups sponsored and supported by Iran, such as Hamas, mentioned by the doctor, or Hezbollah, in Lebanon, or other groups that are functioning in cells throughout the world. Should that happen, no country on earth would be safe.

Iran's regime relies heavily on international investment in its oil and gas infrastructure. Billions of dollars of U.S. public employee pension funds are invested in corporations that are heavily engaged in Iran's energy sector. These companies are subject to extraordinary legal and financial risks. State governments that choose to divest from these companies are acting, we believe, with prudence and exercising their legitimate authority to protect the assets under their stewardship.

I have some statistics about which states have passed legislation, but since we've heard -- heard a number of numbers today, I will pass over that.

And finally, I just wish to express my appreciation on behalf of my board, for the opportunity to testify before this committee on this critical matter. Thank you.

SENATOR SLOSSBERG: Thank you for your testimony, Lauri.

And if you do have statistics, even if you don't want to submit, you know, to read them out loud, we're certainly happy to have them. The more information that we have is always useful.

I don't have any questions.

Does any -- Representative Lesser.

REP. LESSER: Yes, thank you, Madam Chair.

Just a real quick question. In your testimony you talk about the importance of nuclear security with relation to Iran. And a question that -- regarding that is that the State Department's list of state sponsors of terrorism, also includes the country of Syria, which in 2007 was revealed to have a covert nuclear weapons program. And I didn't know if you had any thoughts on applying it specifically to Iran -- to -- our divestment program to Iran, as opposed to any state-sponsored terrorism.

LAURI LOWELL: I think the difference -- that's a -- that's an excellent question. Thank you.

I think the difference is that, in the case of Iran, we know that that government is -- is a sponsor of terrorist organizations throughout the world. It's -- it's been -- they've been explicit about it. It's really not a secret that Iran is funding and supporting, as I said, both Hamas and Hezbollah, but also other organizations.

Last spring, the Israeli Consul General from New York, from the New York office, came to New Haven to address a group of Jewish

leaders. And one of the things he told us was that there were known to be Hezbollah groups, cells as he referred to them, in South America, and moving north into Mexico, which is right across the border from our country. And this is very disturbing information and I think it's something we all need to take very seriously.

Frankly, we're not getting reports like that from Syria. It may have to do with the government there, or the way that -- that their radical Islamist groups are functioning. I don't know. I don't know. But I do know that nationally, the focus right now is on Iran.

And just one other thought, which is that the President of Iran, Mahmoud Ahmadinejad, has made public statements threatening the security of the State of Israel, threatening countries in the West. He's made statements that are really outrageous. He's done this before the Security Council of the United Nations, he's done it in front of college campuses. For instance he spoke at Columbia in 2009 and made these statements.

It would be easy for us to dismiss them because some of the things he says are just beyond reason. But I think history shows us that we need to take such threats seriously, especially when we have proof that his government is seeking to develop nuclear weapons. And since they're already funding weapons for terrorist groups, why would we think that that funding would be limited to conventional weapons? If it were possible to get a small nuclear weapon into the hands of a terrorist group, that may be something that they would consider, and it's something that

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we need to take very seriously.

REP. LESSER: Thank you.

SENATOR SLOSSBERG: Are there further questions?

Okay, thank you very much for your testimony.

LAURI LOWELL: Thank you.

SENATOR SLOSSBERG: Our next speaker is Timothy Oslovich.

Good afternoon, and thank you for your -- for being here today.

TIMOTHY OSLOVICH: Good afternoon. Thank you, Chairperson Slossberg, Chairperson Morin, and members of the committee. I deeply appreciate the opportunity to be able to testify today.

My name is Timothy Oslovich, I live in Vernon, and I currently serve as the Chairperson of the Connecticut Coalition to Save Darfur, which is a group that works to end genocide, and I'm here to speak, obviously, in favor of raised bill number 881.

I also want to express my gratitude to the state Treasurer and her staff for the outstanding work that they've done on the issue of divestment over the years. And my appreciation for the Connecticut General Assembly for the leadership that they've exercised as well.

As you know, divestment has been an effective tool that governments and private investors and universities have used to effect social change. It's well-known that divestment played a small, but significant role in

bringing down Apartheid in South Africa. And the State Treasurer talked about the effects in Sudan. Although the effects there have not been as dramatic, clearly divestment has had an influence on the behavior of corporations. For example, we know that CHC Helicopter Corporation and Rolls Royce have completely removed themselves from the country of Sudan because of divestment pressure, and of course there's no better way to get back at a dictator than to take away his Rolls Royce. So that says a little bit of something.

Raised bill 881 all -- updates the Sudan statute, which would help the Treasurer effectively pursue that, and also, obviously addresses Iran. And this is one small step that the State of Connecticut can take to help promote positive change in Iran.

As you all know, the United States Congress passed a comprehensive Iran Sanctions, Accountability and Divestment Act of 2010, to pressure Iran to cease its drive to acquire nuclear weapons, and that bill has extensive provisions against the petroleum industry in Sudan, so that would address Senator Meyer's concerns about investing in the energy sector since this -- since the federal legislation pretty much exits U.S. energy companies from doing business in Iran.

In addition to illegally seeking nuclear weapons, we know the government of Iran, as others have made clear, sponsors terrorist activities, including Hamas and Hezbollah, and the current President of Iran, Mahmoud Ahmadinejad, has questioned the historicity of the Holocaust and called for the State of Israel to, quote, vanish from the pages of time.

Connecticut's divestment, or pressuring companies to change their behavior in Iran is obviously just one small thing that we can do to help effect a positive change and perhaps prevent more mass killing and more genocide in the world, but that is the power that you have and I encourage you to exercise it. Thank you very much.

SENATOR SLOSSBERG: Okay. Thank you very much for your testimony.

Are there questions?

Okay, thank you very much.

I believe our final speaker signed up on this particular bill is Bob Fishman, from JFACT.

SENATOR SLOSSBERG: Good afternoon.

ROBERT FISHMAN: Good afternoon, Senator Slossberg, Representative Morin, and distinguished members of the Government Administration and Elections Committee.

My name is Robert Fishman. I'm Executive Director of Jewish Federation Association of Connecticut and I also serve as the Treasurer of the Connecticut Coalition to Save Darfur, and my modest colleague and friend, just did not identify himself as Reverend Tim Oslovich, who is also Pastor of the church in Vernon, Lutheran church in Vernon. I just wanted to mention that.

I want to thank the committee and our state Treasurer for raising bill 881. I do want to remind you that a similar bill passed unanimously in the House last year, and due to

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time constraints, it did not get a vote in the Senate, although we do believe it would have passed. And I hope with the support of this committee, the critical legislation that we're talking about today, and it's been a very good and useful discussion, will be approved this session of chambers.

Since last year, Iran has continued to dismiss all international efforts to cease its program to develop nuclear bombs. The U.S. government in past legislation, signed by President Obama, placing harsh sanctions on Iran. And let's not forget that the legislation was spearheaded by our own, and this is kind of hard to say, former Senator Chris Dodd, and Representative Barney Frank, through the Banking Committee, which does call on states to pass their own legislation to divest pension funds from those companies who are involved in trade with Iran.

What my research tells me, is that we now have 22 states that have passed such legislation, the most recent being in August, our neighbor, Massachusetts, passed this legislation requiring their state pension management board to divest from companies involved in Iran's oil industry. And prior to that, in July of 2010, Pennsylvania passed legislation prohibiting state pension funds, or annuities, in foreign companies doing business in Iran, and requires Pennsylvania's two largest pension funds, and the Pennsylvania Treasury, to divest from investment in both Iran and Sudan.

In fact, when you take both countries, we now have 29 states that have legislation calling for divestment in companies doing business with either Iran or Sudan. And we're hoping,

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of course, that list continues to grow and that Connecticut will proudly be next on the list.

And I thank you very much for your testimony -- for your time.

SENATOR SLOSSBERG: Okay, are there any questions?

You gave good -- you provided good testimony, as well as good questions, so we're all set. All right, well, thank you very much, Bob. We appreciate all the efforts and the good work that you do.

ROBERT FISHMAN: Thank you so much.

SENATOR SLOSSBERG: Okay, that concludes Senate Bill 881. And I believe we are on to the final bill on our agenda for today's public hearing, and that is Item Number 5, House Bill 6 -- number 6273, AN ACT CONCERNING THE OFFICE OF STATE ETHICS.

I don't know whether, Carol, if you wanted to come up and briefly explain the bill?

CAROL CARSON: I do.

SENATOR SLOSSBERG: Okay, so we invite the Director of the Office of State Ethics back to the hot seat to explain this very basic bill.

CAROL CARSON: Good afternoon. Thank you, once again, for allowing me this opportunity to provide testimony.

I'm Carol Carson, for the record --

SENATOR SLOSSBERG: Carol, speak up.

**Testimony On Behalf Of The
Connecticut Regional Office of the
Anti-Defamation League**

**IN SUPPORT OF SB 881
AN ACT CONCERNING THE POWERS OF THE STATE
TREASURER AND DIVESTMENT OF STATE FUNDS
INVESTED IN COMPANIES DOING BUSINESS IN IRAN**

February 7, 2011

The Anti-Defamation League (ADL) was founded in 1913 with a mandate to fight the defamation of the Jewish people and secure justice and fair treatment for all. Today the ADL is one of the country's leading civil rights and human services organizations combating anti-Semitism and bigotry of all kinds. The Connecticut Regional Office of ADL is based in Hamden and serves the entire state of Connecticut.

We submit this testimony today to express our strong support for SB 881, An Act Concerning The Powers Of The State Treasurer And Divestment Of State Funds Invested In Companies Doing Business In Iran.

ADL believes that Iran – through its nuclear weapons program, extremism, and state-sponsorship of terrorism – is a grave threat not only to the United States but also to the rest of the world. Additionally, the anti-Semitic and anti-Israeli sentiments expressed by Iranian President Ahmadinejad have placed him and his regime among the foremost threats to Jews and Israel.

Iran has rebuffed international efforts to ascertain the extent and purpose of its nuclear program. By stonewalling the International Atomic Energy Agency for years and rejecting a series of United Nations Security Council resolutions ordering it to suspend its uranium enrichment program, Iran has indicated its blatant disregard for the will of the international community. A nuclear-armed Iran poses a threat to America's closest allies in the Middle East. Israel is most at risk as Iran's leaders have repeatedly declared that Israel should "be wiped from the map." America's Arab allies, such as Saudi Arabia, Egypt, the United Arab Emirates, and Bahrain, are already alarmed at Iran's aggressive regional policy and would feel increasingly threatened by a nuclear-armed Iran.

A nuclear-armed Iran would likely embolden Iran's already aggressive foreign policy, resulting in greater confrontations with the international community and support for extremists. Iran's nuclear program would likely spark a nuclear arms race in the Middle East that would further destabilize this volatile and vital region. Such a development would dramatically affect American interests.

Moreover, Iran continues to be the world's leading state sponsor of terrorism – providing arms, financial support, and training to terror groups such as Hezbollah and Hamas. Iran could

potentially share its nuclear technology and know-how with extremist groups hostile to the United States and our allies.

At present, a national campaign is underway in cities, states, and universities calling for a targeted divestment of funds from companies doing business with Iran. Already, several states, including Arizona, California, Colorado, Florida, Georgia, Illinois, Louisiana, Maryland, Michigan, Missouri, and New Jersey, have divested from Iran using this approach. On January 28, 2010, the U.S. Senate passed the Comprehensive Iran Sanctions, Accountability and Divestment Act, echoing the Iran Refined Petroleum Sanctions Act that passed the House by a wide margin in December. In October 2009, the House passed the Iran Sanctions Enabling Act, whose language authorizes states' divestment efforts and provides a safe harbor from lawsuit for asset managers that create losses due to divestment.

SB 881 sends a strong message that Connecticut does not endorse regimes that will not cooperate with the international community's efforts to reduce nuclear threats and that sanction state-sponsored terrorism. Furthermore, SB 881 protects state investments and Connecticut can feel secure knowing that their investment portfolios are safer by not funding business in Iran. On behalf of ADL, we urge you to act favorably on SB 881.

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**STATEMENT IN SUPPORT OF RAISED BILL No. 881:
DIVESTMENT OF STATE FUNDS IN COMPANIES DOING BUSINESS IN IRAN**

Submitted by JCRC Director Lauri Lowell on February 7, 2011

**The Jewish Community Relations Council of Greater New Haven strongly supports
Raised Bill No. 881, Divestment of State Funds in Companies Doing Business in Iran.**

The JCRC is part of a movement of concerned citizens across the United States seeking to curb investment of public funds in companies that do business with Iran's energy sector. State divestment of pension funds is a critical part of this policy.

In January 2010, the JCRC passed a resolution supporting United States and international diplomatic and economic measures to pressure Iran to stop development of nuclear weapons. Teheran has ignored numerous UN Security Council resolutions, and has refused to cooperate with the world's top nuclear watchdog, the International Atomic Energy Agency.

The danger to regional and world security posed by a nuclear-armed Iran has never been greater. Should nuclear weapons get into the hands of terrorist groups sponsored and supported by Iran, no country on earth would be safe.

Iran's regime relies heavily on international investment in its oil and gas infrastructure. Billions of dollars of US public employee pension funds are invested in corporations that are heavily engaged in Iran's energy sector. These companies are subject to extraordinary legal and financial risk.

State governments that choose to divest from these companies are acting with prudence and exercising their legitimate authority to protect the assets under their stewardship.

At this time, at least 17 states have passed divestment legislation. Six more have adopted divestment policies. Many more, like Connecticut, are considering divestment legislation or policies.

The Jewish Community Relations Council of Greater New Haven wishes to express our appreciation for the opportunity to testify before the Government Administration and Elections Committee on this critical matter.

Jewish Federation/Jewish Community Center of Greater New Haven
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Testimony Concerning Raised Bill No. 881

"An Act Concerning the Powers of the State Treasurer and Divestment of State Funds Invested in Companies Doing Business in Iran"

The Rev. Timothy Oslovich, Chairperson, Connecticut Coalition to Save Darfur
February 7, 2011

Chairperson Slossberg, Chairperson Morin and members of the Committee: Thank you for the opportunity to testify today. My name is Timothy Oslovich. I live in Vernon, Connecticut and currently serve as the Chairperson of the Connecticut Coalition to Save Darfur, a group that works to end genocide. I am here today to speak in favor of Raised Bill No. 881.

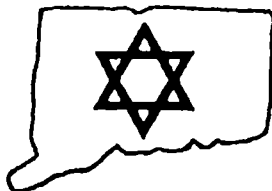
As all of you know, divestment has been a tool that governments, universities, and private investors have used to pressure companies to cease doing business in countries that have been gross violators of human rights. As more companies cease to do business in a country, that economic pressure can bring about positive changes. For example, in the 1980s and early 1990s many state and municipal governments, including the State of Connecticut, divested from companies doing business in South Africa. That divestment campaign is credited with playing a small but significant role in ending apartheid.

In 2006, the Connecticut General Assembly passed legislation which authorized the State Treasurer to "divest, decide to not further invest state funds or not enter into any future investment in any company doing business in Sudan" (State of Connecticut Public Act 06-51). Although the Sudan divestment campaign has not yet yielded concrete results in terms of change in Sudan, there are indications that divestment is a useful tool to exert pressure on the regime in Khartoum. Fifteen countries have initiated targeted Sudan divestment campaigns. International divestment campaigns currently include Australia, Belgium, Canada, Germany, Japan, Norway, Netherlands, New Zealand, Ireland, Italy, Sweden, Switzerland, South Africa, the US, and the UK. This has resulted in several major companies ceasing operations in Sudan or significantly changing their behavior in the country. Large companies such as CHC Helicopter Corporation and Rolls Royce have completely withdrawn from Sudan as a result of the divestment movement. Although this alone will not force the government in Khartoum to change its behavior, it does have an effect on business and on the international reputation of the regime. For that reason, I urge you to pass Raised Bill No. 881 which updates our state's Sudan divestment statute.

Raised Bill No. 881 also empowers the State Treasurer to divest from companies doing business with Iran, one of four countries that are currently on the U. S. State Department's list of State Sponsors of terrorism. This is one small step that the State of Connecticut can take to help promote positive change in Iran. As you know, the United States Congress passed the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 in order to pressure Iran to cease in its drive to acquire nuclear weapons. Passage of Bill No. 881 would enable the Treasurer to monitor Connecticut's investments so that our State's funds are not supporting companies that are helping Iran acquire nuclear weapons or fund terrorist activities. In addition to illegally seeking nuclear weapons, the government of Iran has repeatedly threatened its neighbors and supports numerous terrorist organizations such as Hezbollah. The current President of Iran, Mahmoud Ahmadinejad, has questioned the historicity of the Holocaust and called for the State of Israel to "vanish from the pages of time." Connecticut's divestment from companies doing business in Iran is one small way that our State can work against the threat of mass killing and genocide. Thank you very much for your time. I am prepared to answer any questions you may have.

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Robert J. Fishman
Executive Director

**Constituent
Jewish Federations:**
Greater Danbury
Eastern Connecticut
Eastern Fairfield
Greenwich
Greater Hartford
Greater New Haven
Greater Stamford-
New Canaan- Darien
Western Connecticut
Westport-Weston-
Wilton-Norwalk

TO: Committee on Government Administration and Elections

FROM: Robert J. Fishman, Executive Director, Jewish Federation Association of Connecticut

Testimony in Support of Raised Bill No. 881

AN ACT CONCERNING THE POWERS OF THE STATE TREASURER AND DIVESTMENT OF STATE FUNDS INVESTED IN COMPANIES DOING BUSINESS IN IRAN.

Senator Slossberg and Representative Morin, Co-Chairs, and Distinguished Members of the Government Administration and Elections Committee:

My name is Robert Fishman and I am the Excc. Director of the Jewish Federation Association of Connecticut (JFACT) and also the treasurer of the Ct. Coalition to Save Darfur. I first want to thank both the Committee and our State Treasurer for raising SB. 881. Last year a similar bill passed unanimously in the House and due to time constraints it did not have a vote in the Senate although we believe it would have passed. I hope with the support of the GAE Committee this critical legislation will be approved this session in both chambers.

Since last year, Iran has continued to dismiss all international efforts to cease its program to develop nuclear bombs. The U.S. government passed legislation signed by President Obama placing harsh sanctions on Iran. The legislation spearheaded by our own former Senator Chris Dodd and Rep. Barney Frank in the Banking committee does call on states to pass their own legislation to divest pensions funds from those companies who are involved in trade with Iran. 22 States now have such legislation and the most recent one is our neighbor Massachusetts.

In Aug. of 2010 Massachusetts passed an act requiring their state pension management board to divest from companies involved in Iran's oil industry.

The Jewish Federation Association of Connecticut (JFACT) is a statewide Association serving as a legislative representative for the nine Connecticut Jewish Federations and their associated agencies, an advocate for the Jewish Community, a public affairs spokesperson and coordinator on statewide programs on issues of mutual interest and concern in the state of Connecticut and Israel.

In July of 2010, Pennsylvania passed legislation signed into law prohibiting state pension funds or annuities in foreign companies doing business in Iran and requires that Pennsylvania's 2 largest pension funds and the Penn. Treasury to divest from investments in both Iran and Sudan.

In summary, we urge the GAE committee to support SB 881 and make Connecticut the 29th state with legislation divesting in companies who do business with Iran and Sudan.

I thank you very much for your time.

Robert J. Fishman
Jewish Federation Association of Connecticut (JFACT)
Executive Director
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Hartford, CT 06105
(860) 727-5701
(860) 916-5869 Cell
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www.jfact.org

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Testimony of Denise L. Nappier
Treasurer of the State of Connecticut

SUBMITTED TO THE COMMITTEE ON GOVERNMENT ADMINISTRATION & ELECTIONS
FEBRUARY 7, 2011

Senator Slossberg, Representative Morin, and members of the Committee on Government Administration and Elections, thank you for the opportunity to offer testimony in support of Raised Bill No. 881, *An Act Concerning the Powers of the State Treasurer and Divestment of State Funds Invested in Companies Doing Business in Iran*.

There are three, distinct components of this bill. The first component is administrative in nature, and is set forth in sections 1 and 2 of the bill.

Section 1 would clarify the Treasurer's authority to retain investment personnel to assist in carrying out the constitutional and statutory duties related to investment activity beyond pension funds. These positions would be subject to approval by the Department of Administrative Services and the Office of Policy and Management.

Current law grants the Treasurer authority to appoint investment officers and other personnel to assist the chief investment officer for the State's pension funds. Whenever there has been a need for personnel with necessary investment skill sets in other divisions of the Treasury, the statutory authority required to make an appointment has to be, in the opinion of the Auditors of Public Accounts, explicit.

Other divisions where these skills are currently utilized include Cash Management and the Unclaimed Property Division of the Treasury. At one time, our Short Term Investment Fund was under the purview of the Pension Funds Management Division, but was transferred years before I became State Treasurer. Additionally, as the Unclaimed Property Division spent more time reconciling securities held by the State on behalf of others, it was determined that investment related competencies, such as securities valuation and accounting, was necessary. All of the positions in question were established by approval of the Department of Administrative Services and the Office of Policy and Management. The positions are also recognized in the Legislative Budget document.

Notwithstanding the fact that all of these positions have been established through the State personnel process, the Auditors have taken the position that more explicit statutory authority than is found in current statute is required. The bill before you seeks to reflect more clearly how the Treasury is organized today. Passage of this bill would in no way give the Treasurer any more discretion in hiring employees than currently exists and would not authorize the addition of any positions.

Section 2 of the bill would clarify an ambiguity in statutory language passed in 2009 that relates to the appointment of personnel within the pension funds management division of the Treasury. The 2009 amendment allowed for appointment of a deputy chief investment officer; but it was amended in such a way as to create grounds for the Auditors of Public Accounts to

believe that the advice and consent of the IAC was required for all personnel appointments within PFM – not just the chief investment officer and deputy chief investment officer, as intended.

The second component of the bill is more expansive in terms of its policy implications for the manner in which pension fund assets are managed by the State.

Section 3 is closely modeled after a bill co-sponsored by Senator Slossberg in 2006 – now codified in Connecticut statute -- that allows for divestment from companies doing business in Sudan. In the face of extraordinarily egregious human rights abuses being perpetuated by the Government of Sudan, this General Assembly affirmed my authority as State Treasurer to begin a process of divestment of state funds from companies doing business in Sudan when deemed appropriate in accordance with statutory language governing the exercise of such action

The proposal before you would reaffirm that power, in this case to divest from companies doing business with the Republic of Iran – a country that continues to defy United Nations' sanctions concerning the development of nuclear capabilities. This legislation would bolster the exercise of our shareholder interests in companies to ensure that the long-term value of our holdings is not compromised by the actions of a rogue nation. At last count, nineteen states have passed laws regarding divestment of state pension assets from companies that invest directly in Iran, and several more are considering similar action. Connecticut ought to be among those taking definitive action.

This Iran proposal is the result of collaboration with Robert Fishman of the Jewish Federation Association of Connecticut, as well as Benjamin Krasna, Deputy Consul General of Israel in New York, among others.

As principal fiduciary of our state's \$24 billion pension and trust funds, I have worked diligently, and successfully, to engage companies in which we invest to do better. We have followed that approach on a range of corporate governance issues, from the risks associated with climate change to executive compensation, from board independence and diversity to corporate accounting practices -- issues that are gaining support from shareholders worldwide.

As a state, Connecticut was at the forefront of efforts, decades ago, to end apartheid in South Africa. We continue to be at the forefront ensuring compliance with the MacBride Principles in Northern Ireland. And our efforts with respect to companies doing business in Sudan have yielded measurable results. We monitor well over one hundred companies doing business in Sudan, and alone or in concert with other institutional investors, we have directly engaged with upwards of 44 companies. As a result of our engagement efforts, we have divested from, or prohibited investment in, 13 companies. The value of that divestment stands at roughly \$15.5 million.

Of equal importance, we have affected the conduct of 31 companies doing business in Sudan -- some have ceased doing business there, and others have increased their humanitarian activities or improved their business practices to the benefit of local populations. This past year, we directly engaged, along with other institutional investors, with companies in the telecommunications and energy sectors in connection with the independence referendum in South Sudan. We urged these companies to use their efforts to ensure that voting was allowed to proceed peacefully; to prevent their companies from being used as a means to disrupt the voting by, for example, interrupting satellite and mobile phone communications. I am happy to report that the voting was conducted peacefully and without interruption.

With respect to Iran, we have reviewed our portfolio's exposure to companies doing business there and at the end of January 2011, our holdings had a market value of approximately \$310 million -- which represents roughly 4 percent of our international portfolio.

With respect to both Iran and Sudan, as with other corporate policy issues, I have maintained from the outset that divestment is a last resort. It will be preceded by efforts to engage constructively with companies whose practices or investments we question. And by engagement, I mean contacting the company directly to open a substantive and sustained dialogue that extends beyond one exchange. In my view, this approach gives Connecticut more leverage than simply selling its stock.

But sometimes discussion, engagement and dialogue may not be enough, and that may well be the case here.

In my view, public companies that ignore world opinion, that refuse to put pressure on the Republic of Iran and who are viewed as engaged in profiteering at the expense of our national interests, run the risk of becoming incapable of sustaining the value of Connecticut's investment.

That is why I am prepared to begin the process of divestment of those companies whose business ties in Iran have the net effect of supporting Iran's nuclear capabilities.

Specifically, this legislation would repeal section 3-13g of the general statutes -- a section that dates back to the American hostage crisis in 1980 -- which required the Treasurer to ensure that State funds were not invested in companies doing business in Iran. In its place, this legislation would authorize the Treasurer to divest, decide not to invest further, or not enter into any future investment, in any company doing business in Iran. This bill also makes clear that in making this decision, the Treasurer shall consider relevant facts and circumstances, such as whether a company's actions are related to humanitarian activities, or whether a company is acting at the behest of the United States government.

Section 4 of the raised bill includes language that would amend the Sudan statute to refine the definitions of "company" and "doing business" so that the activities of partially-owned subsidiaries would fall within the law's reach.

And lastly, the third component of the bill deals with the oversight of the largest pension plan sponsored by the State – the Teachers' Retirement Fund (TRF).

Section 5 would grant the Treasurer ex officio membership on the governing board of TRF. I respectfully offer this Committee additional language – inadvertently left out of our initial request – that would likewise grant a seat on to the Treasurer on the board governing the State Employees Retirement Fund (SERF).

The Treasurer, as you know, is principal fiduciary of the Connecticut Retirement Plans and Trust Funds – of which TRF is the largest at \$13.7 billion, followed by SERF at \$8.8 billion). I am obligated to manage these funds in such a way as to maximize return within acceptable levels of risk in order to help the State meet its obligations to its pension beneficiaries. Critical decisions about each plan -- including assumptions about how much investment income each plan will earn – are made by the governing boards of TRF and SERF. There have been legitimate grounds for serious concerns over the health of our State's pension plans, and I believe it is important to recognize the interrelatedness of assets and liabilities and bring together the policy-related functions of investment and benefits administration of each of these plans. This will help to facilitate more timely and informed decisions about each plans' long-term objectives.

With all of that said, I will close by noting that no aspect of this bill would have a general fund impact.

For all of these reasons, I urge your favorable consideration of Raised Bill 881.

ADDITIONAL LANGUAGE FOR S.B. 881
Submitted by the Office of the State Treasurer
February 7, 2011

SUMMARY OF PROPOSAL: This proposal would add the Treasurer as an *ex officio* member of the Connecticut State Employees Retirement Commission.

PROPOSED LANGUAGE: Subsection (a) of section 5-155a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*): (a) Members. The general administration and responsibility for the proper operation of the state employees retirement system is vested in a single board of trustees to be known as the Connecticut State Employees Retirement Commission. Notwithstanding the provisions of section 4-9a, the Retirement Commission shall consist of the following: (1) Six trustees representing employees who shall be appointed by the bargaining agents in accordance with the provisions of applicable collective bargaining agreements. The trustees representing employees shall not be members of the same bargaining unit. The trustees representing employees shall serve three-year terms; (2) six management trustees who are members of the state employees retirement system, who shall serve three-year terms. The management trustees shall be appointed by the Governor; (3) two actuarial trustees who are enrolled actuaries and Fellows of the Society of Actuaries. One actuarial trustee shall be nominated by the management trustees and one shall be nominated by the trustees representing employees. The Governor shall appoint the actuarial trustees for three-year terms; (4) one neutral trustee who shall be chairman of the State Employees Retirement Commission, and (5) the Treasurer or her designee, who shall be members of the board, ex officio. Such neutral trustee shall be enrolled in the National Academy of Arbitrators and shall be nominated by the employee and management trustees and appointed by the Governor. The neutral trustee shall serve a two-year term. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled. The trustees, with the exception of the chairman and the actuarial trustees, shall serve without compensation but shall be reimbursed in accordance with the standard travel regulations for all necessary expenses that they may incur through service on the commission. The chairman and the actuarial trustees shall be compensated at their normal and usual per diem fee, plus travel expenses, from the funds of the retirement system for each day of service to the commission. Each trustee shall, within ten days after appointment or election, take an oath of office that so far as it devolves upon the trustee, the trustee will diligently and honestly administer the affairs of the commission, and will not knowingly violate or willingly permit to be

violated any of the provisions of law applicable to the state retirement system. Each trustee's term shall begin from the date the trustee takes such an oath. The trustees shall appoint a representative from among the municipalities that have accepted the provisions of part II of chapter 113, who shall serve as a municipal liaison to the commission, at the commission's pleasure and under such terms and conditions as the commission may prescribe. Each trustee shall be entitled to one vote on the commission. A majority of the commission shall constitute a quorum for the transaction of any business, the exercise of any power or the performance of any duty authorized or imposed by law. The Retirement Commission shall be within the Retirement Division of the office of the Comptroller for administrative purposes only. The Comptroller, ex officio, shall be the nonvoting secretary of the commission and shall provide secretariat support to the commission.



University of Connecticut Health Center
Department of Pediatrics

February 5, 2011

Division of Neonatology

My name is Leonard Eisenfeld. I submit this testimony today to the Committee for Government Administration and Elections in support SB 881 concerning Divestment of State Funds Invested in Companies Doing Business in Iran and Sudan.

I am a pediatrician here at Connecticut Childrens', Three weeks from now, February 25 marks 15 years since my son Matthew was murdered by a Palestinian suicide bomber on a city bus in Jerusalem, Israel. The bombing claimed 26 lives including Matthew and his girlfriend, Sara Duker, a brilliant, young woman from New Jersey. The bombing was carried out by Hamas. The orders for this act of terrorism, training, and funding, came from Iran. This information was given to us originally by the State Department of the United States. It was confirmed proudly and unapologetically in a confession by Hassan Salameh, the mastermind behind this particular mission. Salameh is serving multiple life sentences in an Israeli prison since his arrest and conviction of crimes committed.

Matthew had recently graduated from Yale University, and Sara from Barnard. Both were graduate students studying in Israel. In the 14 years since Matthew's and Sara's deaths, our families have experienced a gamut of emotions. But the answer to our loss, the way in which we have chosen to commit ourselves to keeping Matthew and Sara's memory alive, and to ensure that their lives continue to make a difference, has been through action. Matthew did not believe in moments of silence.

We have committed untold hours and resources towards working with Congress to ensure punishing legislation that stops Iran from acting as a state sponsor of terrorism. We have taken our case to U.S. Federal court and successfully sued Iran for damages as we were able to prove their culpability. Currently, Iran continues to bankroll the terrorists who have killed our children and gives support and sanction to those who continue to threaten the future of all of our children. Cutting off funds to regimes that sponsor terrorism is an important tool in the fight against them.

When I ponder the devastation of Matt's and Sara's murder to our family, and the bereavement of the families of others' sons and daughters studying abroad or serving in our armed forces, I understand the devastation terrorism or a nuclear holocaust would mean.

Bill No. 881 is a critical step in the right direction. It allows the State of Connecticut to make the important statement that it will not support, finance, or in any way aid a country that endangers or threatens our citizens. It says that Connecticut will not support or help finance a country that sponsors or incites terrorism against citizens anywhere in the world. We urge you to join us in this critical work by supporting Bill No. 881.

An Equal Opportunity Employer

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Farmington, Connecticut 06030-2918

Telephone: (860) 679-3103
Facsimile: (860) 679-1403

Leonard Eisenfeld M.D.
Attending Neonatologist
Connecticut Childrens' Medical Center
Associate Prof/Pediatrics, University of Connecticut



United States Department of State

Washington, D.C. 20520

December 22, 1997

Mr. Lenny Eisenfeld
18 Faxon Drive
West Hartford, CT 06117

Dear Mr. Eisenfeld:

Please accept again my sincere condolences on the loss of your son in the horrific terrorist bombing attack in Jerusalem. Thank you for your recent phone call and the kind words you expressed about our meeting on December 3. I, too, was very pleased with our meeting and hope that our conversation and the information we provided will assist you in making decisions on your next steps.

Per your request, I am including in this letter some thoughts on responsibility for the bombing which killed your son and Sara Duker in Jerusalem on February 25, 1996. As the State Department wrote in our publication "Patterns of Global Terrorism 1996:

On 25 February a suicide bomber blew up a commuter bus in Jerusalem, killing 26 including three US citizens, and injuring 80 others, including another three US citizens. The Islamic Resistance Movement (HAMAS) claimed responsibility for the bombing.

The Department of State believes that the Izz al-Din al-Qassem Brigades, the military arm of HAMAS, carried out this bombing.

We also believe that Iran provides training and financial assistance to HAMAS. As we wrote in a March 1997 white paper on Iranian terrorism:

Tehran currently provides HAMAS with weapons and explosives training and occasional financial assistance. Tehran also provides the group with monetary assistance, which we estimate averages \$2-3 million per year.

I hope you find this information useful. If you have any questions, please do not hesitate to contact me or a member of my staff. Please pass my regards to the Duker family. I look forward to hearing from you again.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth R. McKune".

Kenneth R. McKune
Acting Coordinator for
Counterterrorism

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SPEAKER DONOVAN:

Any objection? Hearing none, it's on the Consent
Calendar.

Will the Clerk please call Calendar 595.

THE CLERK:

On page 33, Calendar 595, Substitute for Senate Bill
Number 881, AN ACT CONCERNING THE POWERS OF THE STATE
TREASURER, DIVESTMENT OF STATE FUNDS INVESTED IN COMPANIES
DOING BUSINESS IN IRAN AND SUDAN AND THE MEMBERSHIP OF THE
TEACHERS RETIRING BOARD AND THE CONNECTICUT STATE
EMPLOYEES RETIREMENT COMMISSION, favorable report of the
Committee on Human Services.

SPEAKER DONOVAN:

That's too long, Mr. Clerk. Representative
Luxenberg.

REP. LUXENBERG (12th):

Mr. Speaker, I move for acceptance of the Joint
Committee's favorable -- favorable report and passage of
the bill.

SPEAKER DONOVAN:

The question is on acceptance of passage. Please
proceed.

REP. LUXENBERG (12th):

Yes, Mr. Speaker.

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The Clerk has in its possession Amendment LCO 7891. I would ask the Clerk to please call the amendment and I be granted leave of the Chamber to summarize.

SPEAKER DONOVAN:

Clerk, please call LCO 7891, designated Senate "A".

THE CLERK:

LCO Number 7891, Senate "A" offered by Senator Slossberg and Representative Morin.

SPEAKER DONOVAN:

Any objection to summarization? Representative, you may proceed.

REP. ROY (119th):

The bill makes various changes concerning the Office of the State Treasurer, including personnel appointments, appointments to the Investment Advisory Counsel, and investment policies in companies doing business Iran or Sudan. I move we place it on the Consent Calendar.

SPEAKER DONOVAN:

Representative Roy, I think you need to move adoption of the amendment, sir.

REP. ROY (119th):

I move adoption.

SPEAKER DONOVAN:

The question is on adoption. Remark further?

Representative Phil Miller, care to remark on the amendment? All right. Patricia Miller? No? No Millers. Larry Miller, no. Care to remark further on the amendment? If not, let me try your minds. All those in favor please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER DONOVAN:

Opposed nay. The amendment is adopted.

Representative Luxenburg.

REP. LUXENBERG (12th):

I move it to Consent.

SPEAKER DONOVAN:

All right. Any objection to motion to Consent? If not, the bill is placed on Consent without objection.

Will the Clerk please call Calendar 554.

THE CLERK:

On page 25, Calendar 554, Substitute for Senate Bill Number 1076, AN ACT CONCERNING RESIDENT PARTICIPATION IN THE REVITALIZATION OF PUBLIC HOUSING, favorable report of the Committee on Housing.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

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THE CLERK:

What page is it on?

SPEAKER DONOVAN:

Clerk, please call Calendar 592 which is the
beginning of the Consent Calendar.

SB 863 SB 1201

SB 852 SB 888

SB 377 SB 1216

SB 1003 SB 371

THE CLERK:

On page 32, Calendar 592, Substitute for Senate Bill
Number 858, AN ACT CONCERNING REVISIONS TO THE HIGHER
EDUCATION STATUTES.

SB 1112

SB 881 SB 1076

SB 518 SB 1098

A VOICE:

Mr. Speaker, this represents the Consent Calendar,
and I would move that we vote on it as such.

SPEAKER DONOVAN:

There's a Consent Calendar. Staff and guests,
please come to the well of the House. Members take their
seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll call.
Members to the Chamber. The House is voting the Consent
Calendar by roll call. Members to the Chamber.

SPEAKER DONOVAN:

Have all the members voted? Have all the members
voted? Please check the roll call board. Make sure your
vote's been properly cast. If all the members have voted,

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the machine will be locked. The clerk will please take a tally. Clerk please announce the tally.

THE CLERK:

On today's Consent Calendar:

Total number voting 139

Necessary for passage 70

Those voting Yea 139

Those voting Nay 0

Those absent and not voting 12

SPEAKER DONOVAN:

The Consent Calendar's passed.

Any announcements or introductions?

Representative Piscopo.

REP. PISCOPO (78th):

Good morning, Mr. Speaker. For a general rotation.

SPEAKER DONOVAN:

Please proceed, sir.

REP. PISCOPO (78th):

Will the general please notes that Representatives Kokoruda and Noujaim missed votes ue to you illness in the family. Representative Rigby missed votes due to business in the district. Will the transcript please note that Representatives Candelora, Wood and Williams

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If there isn't anything else and no one objects, I'd like to ask to place this on the Consent Calendar.

THE CHAIR:

So ordered.

Mr. Clerk.

THE CLERK:

Calendar page 31, Calendar Number 114, File Number 113, substitute of The State Treasurer, Divestment of State or Senate Bill 881, AN ACT CONCERNING THE POWERS OF FUNDS INVESTED IN COMPANIES DOING BUSINESS IN IRAN AND SUDAN AND THE MEMBERSHIP OF THE TEACHER'S RETIREMENT BOARD AND THE CONNECTICUT STATE EMPLOYEES RETIREMENT COMMISSION, Favorable Reporting Committee on Government Administrations and Elections and Human Services. The Clerk is in possession of amendments.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Yes. Thank you, Mr. President. Good evening to you.

THE CHAIR:

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Good evening.

SENATOR SLOSSBERG:

I move the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

On acceptance of passage, will you remark?

SENATOR SLOSSBERG:

Yes. Mr. President, the Clerk has in his possession, LCO Number 7891. This is a strike-all amendment. And I would ask that it be called and I'd be granted leave to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO 7891, should be designated Senate Amendment Schedule "A" is offered by Senator Slossberg of the 14th District.

THE CHAIR:

Senator Slossberg.

SENATOR SLOSSBERG:

Yes. Thank you, Mr. President.

I move adoption.

THE CHAIR:

On adoption, will you remark?

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SENATOR SLOSSBERG:

Yes. Mr. President, this bill very simply conforms the Treasurer's hiring authority to the auditors' recommendations. It gives our Treasurer the discretion to divest from certain holdings in Iran. It expands the definition of a company, with regard to our divestment policy in Sudan. It caps -- it places a cap on the short-term borrowing power of the Treasurer. And it expands the potential person who would be able to serve on the Medical Examining Board.

THE CHAIR:

Thank you, Senator.

Will you remark further on the amendment?
Will you remark further on the amendment? If not, I'll try your minds. All those in favor, please signify by saying, aye.

SENATORS:

Aye.

THE CHAIR:

All those opposed, nay. The ayes have it.
The amendment's adopted.

Remark further on the bill as amended?

Remark further on the bill as amended?

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Senator Slossberg.

SENATOR SLOSSBERG:

Thank you, Mr. President.

If there is no objection, I would ask that this item be placed on the Consent Calendar.

THE CHAIR:

Senator Boucher, do you object?

SENATOR BOUCHER:

No, Mr. President.

Actually, I was going to state for the record that we did have questions regarding this bill that were amply answered by our Deputy Treasurer this afternoon, and we have no objection to putting this on Consent. Thank you.

THE CHAIR:

Thank you, Senator.

There's no objections. This item will be placed on the Consent Calendar.

Mr. Clerk.

THE CLERK:

Calendar page 41, Calendar Number 368, File Number 599, substitute for Senate Bill 882, AN ACT CONCERNING THE STATE SET-ASIDE PROGRAM FILING REQUIREMENTS OF STATE CONTRACTORS AND EVALUATION

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Thank you, Madam President.

THE CHAIR:

And at this time, I'd ask if there's --
seeing no objection, the bill will be put on
Consent.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Good evening,
again, Madam President.

THE CHAIR:

Good evening, sir.

SENATOR LOONEY:

Madam President would like to have the Clerk
call the items on the Consent Calendar, so that
we might move to a vote on that Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

An immediate roll call has been ordered in
the Senate on the First Consent Calendar. Will
all Senators please return to the Chamber?

Immediate roll call has been ordered in the
Senate on the Consent Calendar. Will all
Senators please return to the Chamber?

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Madam President, the items placed on the First Consent Calendar begin on Calendar page 1, Calendar 571, House Joint Resolution Number 122; Calendar 593, Senate Joint Resolution Number 52; Calendar page 3, Calendar Number 130, substitute for Senate Bill 999; Calendar page 5, Calendar Number 221, substitute for Senate Bill 858; Calendar 222, substitute for Senate Bill 973; Calendar page 7, Calendar Number 270, substitute for Senate Bill 212; Calendar 299, substitute for Senate Bill 139; Calendar 304, substitute for Senate Bill 860; Calendar page 10, Calendar Number 439, substitute for Senate Bill 1216; Calendar page 11, Calendar 456, substitute for Senate Bill 927; Calendar page 29, Calendar Number 41, substitute for Senate Bill 98; Calendar page 31, Calendar Number 114, substitute for Senate Bill 881; Calendar page 32, Calendar 140, substitute for Senate Bill 863; Calendar page 34, Calendar Number 201, substitute for Senate Bill 1038; Calendar page 35, Calendar 215, Senate Bill 227; Calendar 236, Senate Bill 371; Calendar page 37, Calendar Number 271, substitute for Senate Bill 1111, Calendar page 38, Calendar

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293, substitute for Senate Bill 1103; Calendar page 39, Calendar 303, substitute for Senate Bill 764; Calendar page 40, Calendar 342, Senate Bill 843; Calendar page 41, Calendar 362, substitute for Senate Bill 1217; Calendar 368, substitute for Senate Bill 882; Calendar 369, substitute for Senate Bill 939; Calendar page 43, Calendar 382, substitute for Senate Bill 1224; Calendar page 44, Calendar 398, substitute for Senate Bill 1044; Calendar page 45, Calendar 410, House Bill 5021; Calendar page 46, Calendar 434, substitute for Senate Bill 1219.

Madam President, that completes the items placed on the First Consent Calendar.

THE CHAIR:

We'll wait a moment. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, there is one item that we will need to remove from the Consent Calendar, because it needs to be amended and be reconsidered and then amended, and that is Calendar page 5, Calendar 222, Senate Bill 973. If that item might be removed from the Consent

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Calendar and called after the Consent Calendar,
so it can be corrected?

THE CHAIR:

The bill is removed from the Consent
Calendar. At this time, Mr. Clerk, will you re-
announce the roll call vote and the machine will
be open?

THE CLERK:

Immediate roll call has been ordered in the
Senate on the Consent Calendar. Will all
Senators please return to the Chamber? Immediate
roll call has been ordered in the Senate on the
Consent Calendar. Will all Senators please
return to the Chamber?

THE CHAIR:

All members voted? All members have noted.
The machine will be closed. Mr. Clerk, will you
call the tally?

THE CLERK:

Motions on adoption and Consent Calendar

Number 1:

Total number voting	36
Those voting Yea	36
Those voting Nay	0

pab/cd/gbr
SENATE

333
June 2, 2011

Those absent, not voting 0

THE CHAIR:

The Consent Calendar passed. Mr. Clerk, do you want to recall that bill? Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Madam President.

Madam President, if that item might -- might be passed temporarily, I believe the amendment that would be a strike-all that we needed is not -- not here yet. So we will pass that item.

SB913

Madam President would yield the floor for Members for purposes of announcements or points of personal privilege.

THE CHAIR:

Are there any announcements or points of personal privilege? Any point of personal privilege or announcements? Seeing none.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, it's our intention to convene tomorrow at 11:00. Also, advise Members that you should make the weekend, especially Saturday, available for possible session, as