

PENSION UPDATE

OTF HOLDS MEETING WITH MAUDE BARLOW AND COUNCIL OF CANADIANS

Last week, representatives of the Ontario Teachers' Federation met with Maude Barlow and four members of the Council of Canadians to discuss the Ontario Teachers' Pension Plan's investment in water and sewage systems in Chile. The Council's clear goal was to get a commitment from the Ontario Teachers' Federation that it would pressure the OTPP to divest. The Ontario Teachers' Federation was unwilling to give that commitment.

The investment in the water and sewage systems in Chile was made in 2007. The OTPP purchased companies which had been privatized by the early 1990s. The system is highly regulated by the government. Representatives of the OTF asked the Council why there was such a sudden interest in this investment. We asked whether there were specific problems they wanted to bring to our attention and assured them that, if there were, we would pursue them with the Plan. No specifics were provided. We were told that, in general, rates had increased over time. We were told that some unionized employees had had benefits cut. We were told we would be getting a letter from the union and we committed to looking into it when received. We left an open invitation with the Council to provide more specifics but, to date, have received nothing.

At the meeting, OTF shared some statistics with the Council that were positive with respect to water provision in Chile – very high rates of access, subsidized rates for lower incomes, reduced water-borne diseases, and a 2% drop in infant mortality in the last decade. The Council did not dispute any of these facts. A UN report on water holds Chile as a model for other Latin American countries in terms of safe, clean water provision and access.

Pension plan managers and sponsors have fiduciary responsibilities; the government and teacher partners and the Plan administrators work to ensure pension security for the active and retired teachers of Ontario. While not all teachers, nor all OTF leadership for that matter, may support water or sewage treatment being provided by private interests, the fact is that a democratically elected government in Chile made that decision prior to the investment by the OTPP. The OTPP assures the OTF that due diligence, as in all investments, was done and that the investment continues to be monitored. The investment was chosen because it met the investment criteria of the Plan and the Plan's overall financial goals.

Teachers may be contacted by the Council of Canadians and urged to pressure divestment of the Plan in Chile, through their Affiliates or through OTF. We suggest that members first contact OTF for further information.