

January 21, 2026

The Honorable Joseph Baldacci, Chair  
The Honorable Suzanne Salisbury, Chair  
Maine Joint Committee on State and Local Government  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

## **Written Testimony in Opposition to LD 1383 / HP 905**

**"An Act to Require the State to Divest Itself of Assets Invested in Arms Manufacturers That Contribute to Genocide"**

**(Formerly: "An Act to Require State Divestment from Perpetrators of International Human Rights Violations")**

### **Introduction**

My name is Joshua Rosenberg. I'm from Cape Elizabeth, Maine. I respectfully submit this testimony in opposition to LD 1383 / HP 905.

While this bill is presented as a human-rights initiative, its practical effect would be to impose vague, politically driven divestment mandates on Maine's public pension system in ways that conflict with constitutional fiduciary duties, undermine sound investment governance, expose the State to legal and financial risk, and risk deepening community division within Maine. Maine can and should support human rights through constructive, lawful, and effective means. LD 1383 does not meet that standard.

### **The Scope and Responsibility of MainePERS**

Under the Maine Constitution and Maine Public Employees Retirement System (MainePERS) governance rules, pension assets must be managed solely in the financial interest of beneficiaries. This requires prioritizing diversification, risk-adjusted returns, cost efficiency, and long-term stability. Even modest increases in costs, volatility, or tracking error can have meaningful consequences for retirees' benefits, cost-of-living adjustments, and contribution rates for workers and employers.

### **Conflict with Fiduciary Duty**

The US government, not the state of Maine, has the responsibility and means to assess which countries or other actors may be guilty of serious human rights violations. And the US government already implements sanctions and other measures to prohibit companies from doing business with those committing these acts. Companies within the investment portfolio of the Maine Public Employees Retirement System must already abide by these requirements.

LD 1383 would require divestment based on accusation-driven and politically contested standards rather than on US law, federal sanctions, or judicial findings. This bill relies on undefined terms such as “credibly accused,” “material support,” “gross violations of human rights,” and “military-grade surveillance technologies.” These terms provide no clear legal thresholds and leave significant room for subjective interpretation.

This approach creates legal uncertainty, compliance challenges, reputational risk, and potential litigation exposure for the State and for MainePERS trustees. Most importantly, it conflicts with the exclusive-benefit rule that requires pension assets to be managed solely for the financial benefit of retirees, not to advance foreign policy objectives.

### **Vagueness, Overbreadth, and Legal Risk**

As proposed, the language of this bill is broad enough to extend well beyond traditional arms manufacturers into sectors such as artificial intelligence, semiconductors, cloud computing, communications, logistics, and energy. These industries form the backbone of diversified index portfolios and modern pension investment strategies. This overbreadth increases compliance uncertainty and exposes Maine to heightened legal and reputational risk, while offering no clear, enforceable standards.

### **Economic and Workforce Impacts**

Maine is home to General Dynamics Bath Iron Works, a major unionized defense employer, as well as numerous defense-adjacent suppliers. In addition, the Maine National Guard relies on equipment produced by the same contractors that could be implicated under LD 1383, including aircraft used for disaster response, emergency operations, and public safety. This bill would require the State to divest from companies such as BIW that it simultaneously depends on for jobs, economic stability, defense readiness, and emergency preparedness. This contradiction undermines Maine’s workforce and economic interests.

### **Alignment with BDS and Community Division**

Although LD 1383 does not explicitly name Israel, its sponsors and supporters have clearly modeled it on the Boycott, Divestment, and Sanctions (BDS) movement, which seeks to isolate Israel financially, diplomatically, and culturally. BDS does not promote negotiated peace or constructive Israeli-Palestinian engagement, and its campaigns have frequently led to polarization, institutional conflict, and rising antisemitism.

Maine’s Jewish community has experienced an increase in harassment, threats, and fear in recent years. Legislation that appears to single out Israel while ignoring broader global human rights crises risks reinforcing perceptions of double standards and contributing to a hostile climate for Jewish residents.

### **Misplaced Legislative Priorities**

Maine faces urgent challenges in health care, housing, education, and affordability. LD 1383 diverts legislative attention and taxpayer resources toward symbolic foreign policy disputes that do not meaningfully improve human rights outcomes abroad and do not address Maine’s most pressing needs at home.

## **Conclusion**

LD 1383 would undermine constitutional fiduciary duties, politicize Maine's pension system, increase legal and financial risk, disrupt sound investment governance, harm workforce interests, and exacerbate community division. Maine can legally support human rights through actions such as federal advocacy, humanitarian aid, and international cooperation. It should not do so by compromising the retirement security of public workers or importing divisive global conflicts into state pension policy.

For these reasons, I respectfully urge the Legislature to oppose LD 1383 / HP 905.

Thank you for your time and consideration of my comments.

Sincerely,

/s/

Josh Rosenberg

Cape Elizabeth, ME