

Mr. Buffett's Ark

27 April 2016

Dear Mr. Buffett,

As America's most revered businessman and investor, you have a singular opportunity for good. When you speak, millions listen. And they trust your judgment.

In the time I am granted to speak at the Berkshire Hathaway shareholder meeting on April 30 my remarks will focus on the world we are leaving to young people, the prospects they will inherit. I believe that you and I share optimism about the future, but also concerns.

You are in a singular position, via the respect you command, to help the public see through special interests. Indeed, I will argue that you could, and that you should, do your best to influence the course of history this century and beyond.

To help make my case, let me first note that we share Midwestern roots. I worked for the Omaha World Herald for years, thus earning a chance to study at the University of Iowa under renowned physicist James Van Allen. That career path, the study of other planets and Earth's history, led me to realization of the dangers posed by human-made climate change as we burn fossil fuels.

Recent scientific data indicate that continued high fossil fuel emissions will lock in sea level rise of at least 6-9 meters (20-30 feet). Almost all coastal cities, including most of the world's largest cities, would be lost. Large impacts may not begin for several decades, but this delayed response of the ponderous climate system spells danger for young people. We can pass a point of no return, where it becomes impossible to avoid future Antarctic ice sheet disintegration and loss of coastal cities. Economic devastation and refugees could make the world ungovernable.

So, Mr. Buffett, I am heartened by the words in your last annual report, where you conclude that continued inaction on climate change "is foolhardy." You wrote: "Call this Noah's Law: If an Ark may be essential for *survival* (your emphasis), begin building it today."

Your Ark's characteristics will need to be informed by science and practical matters. Fossil fuel energy, encouraged and subsidized by our governments, has powered our economic development for more than a century. Science now informs us, unambiguously, that fossil fuel emissions must be phased out rapidly, or our children will inherit a climate system out of their control.

I recognize and salute your commitment, with Mr. Gates and others, to invest in development of clean energy technologies. Such R&D is an essential component of sound energy policies. Yet even your resources are tiny in comparison to the total fossil fuel economy.

We need good national and global energy policies to move the world off fossil fuels onto clean energies. However, the Paris climate accord, signed with pomp and circumstance, is only a precatory agreement, based on the hope that each of 190 nations will choose an effective "cap" for their emissions. But when a U.S. citizen is responsible for 25 times more emissions than an Indian citizen, what cap can we expect India to adopt and how would it be enforced?

I suggest, Mr. Buffett, that your Ark will need to include two fundamental timbers. And unless the public understands these basic matters, it will be difficult to achieve a vessel for salvation.

First, there will need to be an across-the-board gradually rising carbon fee or tax. This is the underpinning needed to provide incentive for rapid innovation and investment. Without this fee, fossil fuels continue to appear to be cheap to the consumer, as their price does not include their costs to society arising from air pollution, water pollution, and climate change.

Second, these funds should not be grabbed by the government or used to fund politicians' favorite subsidies, which would depress the economy. Economic studies show that a revenue-neutral carbon fee stimulates the economy and creates jobs. Returning all funds to the public garners wide public support, helping avoid later overturning by subsequent political leaders.

These concepts are not rocket science. Yet communication of such basic information to the public is nearly impossible when the media are saturated with propaganda such as the fossil fuel industry's "I'm an Energy Voter" campaign, designed to keep the public hooked on fossil fuels.

Mr. Buffett, the public needs advice from trusted sources. You have done a useful service with your remarks about climate change and your advice to begin building an Ark. If you believe that the Paris climate accord has put us on a path to rapid phase-out of fossil fuels, if you believe that the sun and wind will soon provide all the world's energy needs, there is little reason for you to say more. But I suspect you agree that more is needed.

You have no obligation to advise the public about effective policies, but as a much-respected business person, you have an opportunity.

Recently my oldest grandson, as an 11-year old, made the astute observation about climate change: "unless we can figure out a time machine that actually works, there will be no way to go back in time to fix it." Mr. Buffett, young people will not get a "do-over." They urgently need us to start building your Ark.

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