

ONE HUNDRED THIRTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

July 23, 2014

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Upton and Chairman Whitfield:

We are writing to request a hearing on the recent report *Risky Business: the Economic Risks of Climate Change in the United States*¹. The report analyses the financial risks of climate change in key business sectors to inform business and investor decision making.

The Risky Business Project is co-chaired by a bipartisan team consisting of former New York City mayor, Michael Bloomberg, former Secretary of the Treasury, Hank Paulson, and retired hedge fund manager, Tom Steyer. The report's committee members include leaders from both sides of the aisle, including former Senator Olympia Snowe, former Secretary of the Treasury Robert Rubin, and prominent business leaders. The project commissioned an independent analysis of the economic risks of climate change by the Rhodium Group to inform the Risky Business report.²

Members of both parties agree that this is an important report that should be carefully considered. For example, Olympia Snowe and former Secretary of Health and Human Services Donna Shalala said: "As a Republican and Democrat, we teamed up to make the case that at its

¹ Risky Business Project, *Risky Business: The Economic Risks of Climate Change in the United States*, (June 24, 2014) (online at riskybusiness.org).

² Rhodium Group, *American Climate Prospectus: Economic Risks in the United States*, (June 24, 2014) (online at rhg.com/reports/climate-prospectus).

core, climate change should not be a political issue. Instead, it is fundamentally about risks to our safety and economy, and how to reduce those risks.”³

The findings in the report warrant the committee’s attention. The report finds that nationwide up to \$106 billion worth of coastal property will likely be underwater by 2050 if we continue with business as usual.⁴ By the end of the century, states like Oregon, Washington, and Idaho could experience as many hot days over 95°F as are currently expected in Texas.⁵ As the climate warms, labor productivity in key sectors including construction, agriculture, and utilities will likely be reduced. Reductions in labor productivity may be even greater in the southeast. In the Midwest, farmers will face crop yield declines of up to 19% by mid-century if we continue on our current path without adaptation.⁶

To provide investors the data they need to make informed decisions, the report examines climate change impacts in every region of the country and even analyzes data at the county level. The clearest message of the report is that doing nothing is going to be much more costly than acting now to mitigate climate change. According to Secretary Paulson, climate change “is a crisis we can’t afford to ignore... we must not lose sight of the profound economic risks of doing nothing.”⁷

The report recommends three areas of action to manage the risks posed by climate change: changing everyday business practices to become more resilient; incorporating climate risk assessment into capital expenditures and balance sheets; and instituting policies to mitigate and adapt to climate change.⁸ According to the report, business as usual is simply not fiscally responsible.

The report concludes by saying, “we can still avoid many of the worst impacts of climate change...but only if we start to change our business and public policy decisions today.”⁹ We urge you to hold a hearing on this report so that members can learn about the economic impacts of climate change.

³ *Reducing Climate Risks for Coastal Communities*, Boston Globe (June 25, 2014) (online at www.bostonglobe.com/opinion/2014/06/25/reducing-climate-risks-for-coastal-communities/v2sZuPNCyaGEbLPCUCQV1H/story.html).

⁴ Risky Business Project, *Risky Business: The Economic Risks of Climate Change in the United States*, at 4 (June 24, 2014) (online at riskybusiness.org).

⁵ *Id.* at 13

⁶ *Id.* at 28

⁷ *The Coming Climate Crash: Lessons for a Climate Change in the 2008 Recession*, New York Times, (June 21, 2014) (online at www.nytimes.com/2014/06/22/opinion/sunday/lessons-for-climate-change-in-the-2008-recession.html?_r=0).

⁸ Risky Business Project, *Risky Business: The Economic Risks of Climate Change in the United States*, at 46 (June 24, 2014) (online at riskybusiness.org).

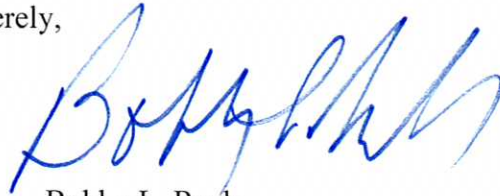
⁹ *Id.* at 45

The Honorable Fred Upton
The Honorable Ed Whitfield
July 23, 2014
Page 3

A handwritten signature in blue ink that reads "Henry A. Waxman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Henry A. Waxman
Ranking Member

Sincerely,

A handwritten signature in blue ink that reads "Bobby L. Rush". The signature is highly stylized and cursive, with large loops and a long horizontal stroke at the end.

Bobby L. Rush
Subcommittee on Energy and Power
Ranking Member