



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

December 12, 2017

Mr. Warren E. Buffett
Chairman and CEO
Berkshire Hathaway Inc.
3555 Farnam Street
Omaha, Nebraska 68131

Dear Mr. Buffett,

I am writing as Trustee of the New York State Common Retirement Fund (CRF), the third largest public pension fund in the United States, which holds and invests the assets of the New York State and Local Retirement System on behalf of its more than one million members, retirees and beneficiaries. The CRF's \$201.3 billion portfolio includes 5,720,815 shares in Berkshire Hathaway Inc.

Specifically, I am writing with respect to a growing controversy in New York's renowned Adirondack Forest Preserve (Park) regarding the storage of empty rail tanker cars owned by Union Tank Car Company, a Berkshire Hathaway subsidiary,¹ on an unused rail line in the heart of the Adirondack wilderness. The Park is the largest publicly-protected area in the contiguous United States, greater in size than Yellowstone, Everglades, Glacier, and Grand Canyon National Park combined. The boundary of the Park encompasses approximately 6 million acres, nearly half of which belongs to all the people of New York State, and is home to 105 towns and villages. State-owned lands in the Park are guaranteed protection under the State constitution. The Park is also the region's leading economic engine with over 12 million visitors in 2016, which generated nearly \$1.35 billion in direct visitor spending, \$169.4 million in State and local taxes, and supported more than 21,000 jobs and \$639 million in labor income².

Recently, Iowa Pacific Holdings, which operates the Saratoga North Creek Railway, announced plans to store up to 3,000³ empty rail tanker cars on the tracks throughout the Park. As of October 20, 2017, the first wave of tanker cars has been stored. According to Iowa Pacific's Chief Executive Officer, Ed Ellis, the cars are owned by Union Tank Car Company.⁴

¹ <http://www.chicagobusiness.com/article/20151109/NEWS05/151109829/a-billion-dollar-deal-and-barely-a-mention>

² <https://www.governor.ny.gov/news/governor-cuomo-announces-success-fifth-annual-adirondack-summer-challenge>

³ <https://www.nytimes.com/2017/11/13/nyregion/empty-rail-cars-roll-into-the-adirondacks-stirring-controversy.html>

⁴ <https://www.northcountrypublicradio.org/news/story/34905/20171020/mothballed-rail-tanker-cars-begin-arriving-in-adirondacks-sparking-outrage>

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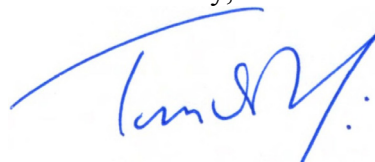
The issue has been subject to significant media coverage and has generated negative publicity, including references to Berkshire Hathaway. I am particularly troubled by the reaction from local elected officials, community stakeholders, and environmental and conservational groups who have stated the stored tankers threaten the scenic beauty, ecological integrity, and protected natural quality. I am concerned, as I am hopeful you will be, that the ongoing issue has the potential to negatively impact the reputation of Berkshire Hathaway.

Based upon the CRF's experience as a long term investor, we believe that the ability to mitigate reputational risk and establish and maintain constructive relationships with communities in which companies operate is a hallmark of a company with a sound, sustainable and profitable long term strategy. For example, I was encouraged to read that Union Tank Car Company removed tanker cars from a Chicago neighborhood following safety concerns voiced by the business leaders, community stakeholders, and the City of Chicago⁵.

I urge you to encourage Union Tank Car Company to move its tanker cars from the Adirondack Park as quickly as possible to prevent this controversy from damaging the reputations of your company and its shareholders.

Thank you for your attention to this matter.

Sincerely,



Thomas P. DiNapoli
State Comptroller

⁵ <http://www.chicagobusiness.com/realestate/20171003/CRED03/171009952/rail-cars-roll-off-goose-island-but-railroad-troll-to-bring-them-back>