



# The Visionary

**Richard Branson, the audacious adventurer and entrepreneurial founder of the Virgin Group, sets his sights on the earth's environment and beyond.**

Most multibillionaires would not consider themselves underdogs, but then Richard Branson is not like most multibillionaires. Like a true gamesman, the founder of the omnipresent Virgin brand likes to challenge the established players in an ever-increasing number of industries—record labels and airlines, health clubs and health insurance, mobile-phone carriers and carbonated colas—by embracing unorthodox business strategies considered too risky by many of his competitors. This approach, Branson explains, gives him an edge. It has also helped this self-described “little guy” diversify his holdings and thrive in a continually changing world economy where one type of enterprise might lose its cachet but another catches on.

Unlike the conservative scope of most of the world's biggest businesses, however, Virgin's latest ventures dabble in what has traditionally been considered the domain of big government. From pioneering space exploration to tackling environmental issues such as global warming, Branson is a leader, pledging \$3 billion in profits from his new airline to develop clean, sustainable fuels. The adventurous spirit that enabled a British entrepreneur to build his own private empire may even catapult the Virgin brand name into new galaxies.

Branson's new U.S. domestic airline, Virgin America, flies coast-to-coast. WORTH contributor Gregory Anderson caught up with him on the maiden voyage—where the humble billionaire traveled in economy class.

**What has been the response to the \$25 million prize you offered for a plan to annually sequester a billion tons of carbon emissions?**

**WE HAVE HAD AN ENORMOUS RESPONSE**, and we've got people at Cambridge University examining those proposals to see how many need to be taken seriously and how many are pretenders—“let's plant 25 million trees,” or whatever.

But on top of that prize, we've said we'll spend \$3 billion developing clean fuels, and I think that's the best chance. We promised that in 2008 we will fly one of our 747s on clean fuels—at least one of its engines running on clean fuels. We're working with Virgin Fuels, GE and Boeing on that, so if in the next five years we can replace all the dirty fuels we use on our planes with clean fuels, that would be a fantastic step forward. And we're trying to develop similar fuels for cars, buses, lorries and trains as well.

**How can you create environmental consciousness?**

**I CERTAINLY HAVE SOME IDEAS.** There are things we're doing on an immediate basis. There are two islands in the Caribbean we own, and we're turning them both into the greenest islands in the world. Within six months, they won't emit any carbon whatsoever; they will be powered completely by wind and solar energy. We want to show the rest of the world that it is possible to run your communities completely from batteries charged by the wind and the sun. Also, these islands don't have a lot of use for cars. The few cars they do have will be powered by sugar-based ethanol and, in time, sugar-based cellulosic butanol.

**Why not run the cars on hydrogen?**

**THE PROBLEM WITH HYDROGEN IS** that you need to get rid of all of today's cars and start with new cars. The advantage of sugar-based ethanol or sugar-based butanol is that if you change the rubber lead in your car to a metal lead—it costs about \$100 or so—you can have 85 percent of your fuel from sugar-based ethanol. And unlike corn-based ethanol in America, sugar-based ethanol is seven times more efficient. If America got rid of the importation duties on sugar, 100 percent of its cars could be using 85 percent sugar-based ethanol within five years.

**Is there enough sugar supply to make such an impact?**

**THERE IS NO SHORTAGE** of sugar in the world. Sugar is also at an all-time low in price. Brazil alone—without any damage to the rain forests—could create enough sugar plantations to supply the whole of America. But because the Bush administration still doesn't seem to believe in global warming, there isn't that sense of urgency to force petrol companies to have ethanol pumps in their stations, or to lift the importation duty on sugar. But it can be done, and it can be done rather quickly. That ethanol could also power buses and lorries.

**Will people embrace this type of change?**

**PEOPLE DON'T NEED TO RADICALLY** change their lives to solve global warming. We just need governments with



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the foresight to listen and make sure these things happen quickly, to encourage—and by that I mean to force—the electricity companies to have 50 percent of all their power from solar rather than coal within seven years. Coal power stations cause the biggest damage to the environment. There are new solar inventions taking place that are actually more efficient than gas. They will soon be more efficient than coal. But even if they weren’t more efficient than coal, no new coal power stations should be allowed to be built. And if they are, they should be sequestered.

| **Given the political climate, is any of this possible?**

**WHAT WE NEED IS** to get the right administration in the United States. It’s horrible that 10 years have been almost completely wasted. Fortunately, private enterprise has been doing some things. But some people say we are only 10 years before we reach the tipping point, so we may have already wasted 50 percent of the time that’s available.

| **Because peak oil production may have already passed?**

**EVERY YEAR, I’M AFRAID THAT** the problem is getting worse. It has to be treated like this is World War I, World War II, the Vietnamese War, the Boer War, every war of the last two centuries rolled into one, and we’ve got to have war-cabinet meetings by all major governments, China to India to America, saying, “Let’s lick this problem.” And it can be licked. The answers are there.

| **Will it be solved by the private sector alone, or do you see a need for government intervention?**

**THE OIL COMPANIES ARE NOT** eager to replace all their oil with sugar-based fuel, because they’ve got reserves in the ground and an infrastructure in place. So we must have governments imposing some uncomfortable measures on oil and coal companies, basically. If they do that, the problems will be solved. If we invest billions, as an airline, in clean fuels, we should be encouraged to do so. There should be incentives. In America, if somebody uses sugar-based ethanol, the taxes should be less than somebody who’s using dirty fuels. The government can slowly raise the price of the dirty fuels so that more people are using clean fuels. Then they just keep putting on the pressure, pricing up the dirty fuels, keeping the clean-fuel prices down, and ultimately the

price differential will disappear and everybody will switch to clean-based fuels. The problem can be resolved. It just requires absolute determination.

| **The problem is so large; where do we begin?**

**WE’VE NOW GOT TEAMS** of people in England, in China, who are just out there looking for every sort of best invention to meet the challenge. And people said three years ago it would be impossible for a jet engine to ever run on a clean fuel. Well, I think we’ll be running a jet engine on a clean fuel in three or four months’ time, which is very, very exciting. And we’ve got to find out whether that clean fuel can be mass-produced and whether all planes can be running on this fuel in a few years. But at least it’s a start, to prove that a jet engine can run on a clean fuel at 30,000 to 40,000 feet, remembering that the fuel cannot be ethanol because ethanol freezes at 10,000 feet. So we have had to take it to another stage.

| **How do you reconcile space tourism with your environmental focus?**

**ACTUALLY, VIRGIN GALACTIC** space travel will not be a dirty business. We will build spacecraft that will be benign systems for getting people into space. The cost for an individual will be less than flying them economy class New York to Los Angeles.

| **Do you foresee a Virgin Intergalactic, where you just leave Earth altogether, as Stephen Hawking has suggested we do to ensure survival of the species?**

**WE’VE REGISTERED THE NAME**—Virgin Intergalactic Airways—and we’re ever optimistic. Stephen Hawking has booked a flight on Virgin Galactic, but what’s he’s talking about goes beyond that.

| **Those are huge ideas.**

**YOU’VE GOT TO HAVE** huge ideas. If you have huge ideas, they often become huge possibilities. So for our engineers, the first challenge is suborbital flights. The second challenge will be orbital flight. The third will be a kind of space hotel, which will go ’round the moon. The fourth challenge will be trying to get a vehicle to take people to Mars. The fifth



*“As with anything, you start with the adventure, the pure technological challenge.”*

will be trying to populate Mars. The sixth challenge will be, I suspect, building a giant sailing ship to take people on a one-way trip into the galaxy, where they’ll be able to breed on board. And finally, I think we’ll end up having the greatest reality show, which will go on for generations, beamed back on TV channels in England and America—spectacular views, and maybe coming into contact with other people out there, which there certainly are.

**| When will the space program commence?**

A VIRGIN GALACTIC SPACECRAFT is being built in New Mexico, and the test flights commence this year. If you’re developing a space program, there’s always going to be hiccups. SpaceShipOne was successful; it flew three times into space and won the [Ansari] X Prize. This is SpaceShipTwo, so it’s a bigger version of SpaceShipOne. We’re confident that it will be the birth of commercial space travel and that it will enable you and me to go up into space one day at an affordable price. Initially, the \$200,000 price is not affordable to many people, but that price will come down.

**There seems little reason for going into outer space other than to see the planet from a different perspective. Is the journey itself the destination?**

AS WITH ANYTHING, you start with the pure adventure, the pure technological challenge. From that comes great

purpose. When people were sent to the moon, there was no specific purpose apart from beating the Chinese or the Russians to get there first. But as a result of that, you’ve now got satellites showing us the hole in the ozone layer, making communication easier, you have a host of other wonderful by-products from it.

If we can get craft to go to other planets at an affordable price—for instance, if we could bring back two space-ships full of helium-3 from the surface of the moon, that helium-3 could power America for a year. Two space-ship-loads. There are minerals on the moon—and on other planets—that could be very valuable from a global-warming point of view.

**| This all sounds a bit like a science-fiction novel.**

IT’S GREAT FUN. The Virgin Hotel that we’re planning will also be equipped with little spacecraft that will head off from the hotel—two-man spaceships that will be sucked around the moon, using gravity, and they’ll fly 50 feet above the moon’s surface and go down into the crevices, into the mountains and back to the hotel. It’s going to be the most incredible voyage that anyone can make in a lifetime, and I am determined to speed up the process so I can do it before I die. It’s just magnificent to try these things and see what is possible. ▣

*Gregory Anderson is the automotive editor for Robb Report.*

*A model for SpaceShipTwo was unveiled by Richard Branson and creator Bill Rutan in January. The Virgin Galactic spacecraft, in the center, will be taken into the air and launched from a two-fuselage, four-engine plane known as WhiteKnightTwo.*