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ENERGY

Obama's Energy Security Speech: 'There Are No Quick Fixes'

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Following is the prepared text of President Obama's energy speech, as released by the White House:

We meet here at a tumultuous time for the world. In a matter of months, we've seen regimes toppled and democracy take root across North Africa and the Middle East. We've witnessed a terrible earthquake, catastrophic tsunami and nuclear emergency batter a strong ally and the world's third largest economy. And we've led an international effort in Libya to prevent a massacre and maintain stability throughout the broader region.

As Americans, we are heartbroken by the lives that have been lost as a result of these events. We are moved by the thirst for freedom in many nations, as well as the strength and perseverance of the Japanese people. And of course, it's natural to feel anxious about what all this means for us.

One area of particular concern has been the cost and security of our energy. In an economy that relies on oil, rising prices at the pump affect everybody – workers and farmers; truck drivers and restaurant owners. Businesses see it hurt their bottom line. Families feel the pinch when they fill up their tank. For Americans already struggling to get by, it makes life that much harder.

But here's the thing – we've been down this road before. Remember, it was just three years ago that gas prices topped \$4 a gallon. Working folks haven't forgotten that. It hit a lot of people pretty hard. But it was also the height of political season, so you had a lot of slogans and gimmicks and outraged politicians waving three-point-plans for two-dollar gas – when none of it would really do anything to solve the problem. Imagine that in Washington.

The truth is, of course, was that all these gimmicks didn't make a bit of difference. When gas prices finally fell, it was mostly because the global recession led to less demand for oil. Now that the

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economy is recovering, demand is back up. Add the turmoil in the Middle East, and it's not surprising oil prices are higher. And every time the price of a barrel of oil on the world market rises by \$10, a gallon of gas goes up by about 25 cents.

The point is, the ups and downs in gas prices are usually temporary. When you look at the long-term trends, though, there will be more ups than downs. That's because countries like India and China are growing at a rapid clip. And as two billion more people start consuming more goods, and driving more cars, and using more energy, it's certain that demand will go up a lot faster than supply.

So here's the bottom line – there are no quick fixes. And we will keep on being a victim to shifts in the oil market until we get serious about a long-term policy for secure, affordable energy.

We've known about the dangers of our oil dependence for decades. Presidents and politicians of every stripe have promised energy independence, but that promise has so far gone unmet. I've pledged to reduce America's dependence on oil too, and I'm proud of the historic progress we've made over the last two years towards that goal. But we've also run into the same political gridlock and inertia that's held us back for decades.

That has to change.

We cannot keep going from shock to trance on the issue of energy security, rushing to propose action when gas prices rise, then hitting the snooze button when they fall again. The United States of America cannot afford to bet our long-term prosperity and security on a resource that will eventually run out. Not anymore. Not when the cost to our economy, our country, and our planet is so high. Not when your generation needs us to get this right.

It is time to do what we can to secure our energy future.

So today, I'm setting a new goal: one that is reasonable, achievable, and necessary. When I was elected to this office, America imported 11 million barrels of oil a day. By a little more than a decade from now, we will have cut that by one-third.

I set this goal knowing that imported oil will remain an important part of our energy portfolio for quite some time. And when it comes to the oil we import from other nations, we can partner with neighbors like Canada, Mexico, and Brazil, which recently discovered significant new oil reserves, and with whom we can share American technology and know-how.

But our best opportunities to enhance our energy security can be found in our own backyard. And we boast one critical, renewable resource the rest of the world cannot match: American ingenuity.

To make ourselves more secure – to control our energy future – we will need to harness that ingenuity. It is a task that won't be finished by the end of my presidency, or even the next. But if we continue the work that we have already begun over the last two years, we won't just spark new jobs, industries and innovations; we will leave your generation and future generations a country that is safer, healthier, and more prosperous.

Today, my Administration is releasing a Blueprint for A Secure Energy Future that outlines the comprehensive national energy policy we've pursued since the day I took office. And here at Georgetown, I'd like to talk in broad strokes about how we will secure that future.

Meeting this new goal of cutting our oil dependence depends largely on two things: finding and producing more oil at home, and reducing our dependence on oil with cleaner alternative fuels and greater efficiency.

This begins by continuing to increase America's oil supply. Last year, American oil production reached its highest level since 2003. And for the first time in more than a decade, oil we imported accounted for less than half the liquid fuel we consumed.

To keep reducing that reliance on imports, my Administration is encouraging offshore oil exploration and production – as long as it's safe and responsible. I don't think anyone's forgotten that we're not even a year removed from the largest oil spill in our history. I know the people of the Gulf Coast haven't. What we learned from that disaster helped us put in place smarter standards of safety and responsibility – for example, if you're going to drill in deepwater, you've got to prove that you can actually contain an underwater spill. That's just common sense.

Today, we're working to expedite new drilling permits for companies that meet these standards. Since they were put in place, we've approved 39 new shallow water permits; and we've approved an additional 7 deepwater permits in recent weeks. When it comes to drilling onshore, my Administration approved more than two permits last year for every new well that the industry started to drill. So any claim that my Administration is responsible for gas prices because we've "shut down" oil production might make for a useful political sound bite – but it doesn't track with reality.

In fact, we are pushing the oil industry to take advantage of the opportunities they already have. Right now, the industry holds tens of millions of acres of leases where it's not producing a drop – sitting on supplies of American energy just waiting to be tapped. That's why part of our plan is to provide new and better incentives that promote rapid, responsible development of these resources.

We're also exploring and assessing new frontiers for oil and gas development from Alaska to the Mid- and South Atlantic. Because producing more oil in America can help lower oil prices, create jobs, and enhance our energy security.

But let's be honest – it's not the long-term solution to our energy challenge. America holds only about two percent of the world's proven oil reserves. And even if we drilled every drop of oil out of every one of those reserves, it still wouldn't be enough to meet our long-term needs.

All of this means one thing: the only way for America's energy supply to be truly secure is by permanently reducing our dependence on oil. We have to find ways to boost our efficiency so that we use less oil. We have to discover and produce cleaner, renewable sources of energy with less of the carbon pollution that threatens our climate. And we have to do it quickly.

In terms of new sources of energy, we have a few different options. The first is natural gas. As I mentioned earlier, recent innovations have given us the opportunity to tap large reserves – perhaps a century's worth – in the shale under our feet. Now, we have to make sure we're doing it safely, without polluting our water supply. And that's why I'm asking my Energy Secretary, Steven Chu, to work with other agencies, the natural gas industry, states, and environmental experts to improve the safety of this process. I don't know if you've heard, but he's got a Nobel Prize for physics, after all. He likes to tinker on this stuff in his garage on the weekend.

But the potential here is enormous. It's actually an area of broad bipartisan agreement. Last year, more than 150 Members of Congress from both sides of the aisle proposed legislation providing incentives to use clean-burning natural gas in our vehicles instead of oil. They were even joined by T. Boone Pickens, a businessman who made his fortune on oil. So I ask them to keep at it and pass a bill that helps us achieve this goal.

Another substitute for oil that holds tremendous promise is renewable biofuels – not just ethanol, but biofuels made from things like switchgrass, wood chips, and biomass.

If anyone doubts the potential of these fuels, consider Brazil. Already, more than half – half – of Brazil's vehicles can run on biofuels. And just last week, our Air Force used an advanced biofuel blend to fly an F-22 Raptor faster than the speed of sound. In fact, the Air Force is aiming to get half of its domestic jet fuel from alternative sources by 2016. And I'm directing the Navy and the Departments of Energy and Agriculture to work with the private sector to create advanced biofuels that can power not just fighter jets, but trucks and commercial airliners.

So there's no reason we shouldn't be using these renewable fuels throughout America. That's why we're investing in things like fueling stations and research into the next generation of biofuels. Over the next two years, we'll help entrepreneurs break ground on four next-generation biorefineries – each with a capacity of more than 20 million gallons per year. And going forward, we should look for ways to reform biofuels incentives to make sure they meet today's challenges and save taxpayers money.

As we replace oil with fuels like natural gas and biofuels, we can also reduce our dependence by making cars and trucks that use less oil in the first place. After all, 70 percent of our petroleum consumption goes to transportation. And so does the second biggest chunk of most families' budgets. That's why one of the best ways to make our economy less dependent on oil and save folks more money is simply to make our transportation more efficient.

Last year, we established a groundbreaking national fuel efficiency standard for cars and trucks. Our cars will get better gas mileage, saving 1.8 billion barrels of oil over the life of the program. Our consumers will save money from fewer trips to the pump – \$3,000 on average over time. And our automakers will build more innovative products. Right now, there are even cars rolling off assembly lines in Detroit with combustion engines that can get more than 50 miles per gallon.

Going forward, we'll continue working with automakers, autoworkers and states to ensure that the high-quality, fuel-efficient cars and trucks of tomorrow are built right here in America. This summer, we'll propose the first-ever fuel efficiency standard for heavy-duty trucks. And this fall, we'll announce the next round of fuel standards for cars that builds on what we've done.

To achieve our oil goal, the federal government will lead by example. The fleet of cars and trucks we use in the federal government is one of the largest in the country. That's why we've already doubled the number of alternative vehicles in the federal fleet, and that's why, today, I am directing agencies to purchase 100% alternative fuel, hybrid, or electric vehicles by 2015. And going forward, we'll partner with private companies that want to upgrade their large fleets.

We've also made historic investments in high-speed rail and mass transit, because part of making our transportation sector cleaner and more efficient involves offering Americans – urban, suburban, and rural – the choice to be mobile without having to get in a car and pay for gas.

Still, there are few breakthroughs as promising for increasing fuel efficiency and reducing our dependence on oil as electric vehicles. Soon after I took office, I set a goal to have one million electric vehicles on our roads by 2015. We've created incentives for American companies to develop these vehicles, and for Americans who want to buy them. New manufacturing plants are opening over the next few years. And a modest, \$2 billion investment in competitive grants for companies to develop the next generation of batteries for these cars has jumpstarted a big new American industry. Soon, America will be home to 40 percent of global manufacturing capacity for these batteries. And that means jobs. But to make sure we stay on the road to this goal, we need to do more – by offering more powerful incentives to consumers, and by rewarding the communities that pave the way for adoption of these vehicles.

Now, the thing about electric cars is that, well, they run on electricity. And even if we reduce our oil dependency, a smart, comprehensive energy policy requires that we change the way we generate electricity in America – so that it's cleaner, safer, and healthier. And by the way – we also know that ushering in a clean energy economy has the potential to create an untold number of new jobs and new businesses – jobs that we want right here in America.

Part of this change comes from wasting less energy. Today, our homes and businesses consume 40 percent of the energy we use, costing us billions in energy bills. Manufacturers that require large amounts of energy to make their products are challenged by rising energy costs. That's why we've proposed new programs to help Americans upgrade their homes and businesses and plants with new, energy-efficient building materials like lighting, windows, heating and cooling – investments that will save consumers and business owners tens of billions of dollars a year, free up money for investment and hiring, and create jobs for workers and contractors.

And just like the fuels we use, we also have to find cleaner, renewable sources of electricity. Today, about two-fifths of our electricity comes from clean energy sources. But I know that we can do better than that. In fact, I think that with the right incentives in place, we can double it. That's why, in my State of the Union Address, I called for a new Clean Energy Standard for America: by 2035, 80 percent of our electricity will come from an array of clean energy sources, from renewables like wind and solar to efficient natural gas to clean coal and nuclear power.

Now, in light of ongoing events in Japan, I want to say another word about nuclear power. America gets one-fifth of our electricity from nuclear energy. It has important potential for increasing our electricity without adding carbon dioxide to the atmosphere. But I'm determined to ensure that it's safe. That's why I've requested a comprehensive safety review by the Nuclear Regulatory Commission to make sure that all of our existing nuclear energy facilities are safe. We'll incorporate those conclusions and lessons from Japan in designing and building the next generation of plants. And my Administration is leading global discussions towards a new international framework in which all countries operate their nuclear plants without spreading dangerous nuclear materials and technology.

A Clean Energy Standard will broaden the scope of clean energy investment by giving cutting-edge companies the certainty they need to invest in America. In the 1980s, America was home to more than 80 percent of the world's wind capacity, and 90 percent of its solar capacity. We owned the clean energy economy. But today, China has the most wind capacity. Germany has the most solar. Both invest more than we do in clean energy. Other countries are exporting technology we pioneered and chasing the jobs that come with it because they know that the countries that lead the 21st century clean energy economy will be the countries that lead the 21st century global economy.

I want America to be that nation. I want America to win the future.

A Clean Energy Standard will help drive private investment. But government funding will be critical too. Over the past two years, the historic investments we've made in clean and renewable energy research and technology have helped private sector companies grow and hire hundreds of thousands of new workers. I've visited gleaming new solar arrays among the largest in the world, tested an electric vehicle fresh off the assembly line, and toured once-shuttered factories where they're building advanced wind blades as long as a 747 and the towers to support them. I've seen the scientists searching for that next big energy breakthrough. And none of this would have happened without government support.

Now, in light of our tight fiscal situation, it's fair to ask how we'll

pay for all of it. As we debate our national priorities and our budget in Congress, we have to make tough choices. We'll have to cut what we don't need to invest in what we do need. Unfortunately, some want to cut these critical investments in clean energy. They want to cut our research and development into new technologies. They're even shortchanging the resources necessary to promptly issue new permits for offshore drilling. These cuts would eliminate thousands of private sector jobs, terminate scientists and engineers, and end fellowships for researchers, graduate students and other talent we desperately need for the 21st century.

See, we are already paying a price for our inaction. Every time we fill up at the pump; every time we lose a job or a business to countries that invest more than we do in clean energy; when it comes to our air, our water, and the climate change that threatens the planet you'll inherit – we are already paying that price. These are the costs we're already bearing. And if we do nothing, that price will only go up.

At a moment like this, sacrificing these investments would weaken our energy security and make us more dependent on oil, not less. That's not a game plan to win the future. That's a vision to keep us mired in the past. And I will not accept that outcome for the United States of America.

I want to close by speaking directly to the people who will be writing America's next great chapter – the students gathered here today.

The issue of energy independence is one that America has been talking about since before your parents were your age. On top of that, you go to school in a town that, for a long time, has suffered from a chronic unwillingness to come together and make tough choices. Because of all this, you'd be forgiven for thinking that maybe there isn't much we can do to rise to our challenges.

But everything I have seen and experienced with your generation convinces me otherwise. I believe it is precisely because you have come of age in a time of rapid and sometimes unsettling change – born into a world with fewer walls, educated in an era of information, tempered by war and economic turmoil – that you believe, as deeply as any of our generations, that America can change for the better.

We need that. We need you to dream big. We need you to summon that same spirit of unbridled optimism, that bold willingness to tackle tough challenges and see those challenges through that led previous generations to rise to greatness – to save democracy, to touch the moon, to connect the world with our own science and imagination.

That is what America is capable of. And it is that very history that teaches us that all of our challenges – all of them – are within our power to solve.

I don't want to leave this challenge for future presidents. I don't want to leave it for my children. And I do not want to leave it for yours. Solving it will take time and effort. It will require our brightest scientists, our most creative companies, and, most importantly, all of us – Democrats, Republicans, and everyone in between – to do our part. But with confidence – in America, in ourselves, and in one another – I know it is a challenge we will solve.

Thank you. God Bless You, and God Bless the United States of America.

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