

**Remarks by Secretary of Commerce Don Evans to
Symposium on Competitiveness & Security
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[As prepared for delivery]

Good afternoon. I'm honored to be here today and to be part of this dialogue. The topic is so vital to the health, prosperity and well being of our country. And the challenges are great. You've already gotten the latest from Governor Ridge on the war against terrorism and the steps being taken. You've heard from the President's economic advisor in the White House ... Dr. Hubbard.

So you have a better understanding of where the economy is today ... where it's going ... and how President Bush is creating the environment so our free enterprise system can continue to flourish. Personally, I believe the economic fundamentals are strong. So I'm optimistic about the future. Many of the key ingredients for a sustained recovery are in place. The main thing we need is to keep working for economic growth, which will create more new jobs for American men and women. These are absolutes for President Bush.

Stronger economy/stronger security:
The post 9/11 challenge

After the war on terrorism, improving homeland security and the economy are the challenges of our times. In fact, as I see it these are actually one and the same. National Security and homeland security are necessary to economic security ... and vice versa. You really can't have one without the other. The President is providing superb national leadership. But government can do only so much. There is a clear role for private business and private citizens. Together all of us must work to strengthen the homeland and economic security.

So I want to say thank you to the Carnegie Mellon University ... and the Council on Competitiveness for holding this symposium. You recognize the private sector's responsibility in homeland and economic security, and you are playing a leadership role in fulfilling it. You're right on target. I want to congratulate both for all the outstanding research they've teamed up to do on technology-led economic development. I'm delighted that the Economic Development Administration at the Department of Commerce is a part of that team ... underwriting some of the research costs.

I know that Carnegie Mellon also will be doing work with the Department of Defense to combat cyber-terrorism, which is the kind of private/public teamwork we need in the war on terrorism. And let me thank John (Hillman) for that very kind introduction. He's a good friend of mine ... and a good friend of President Bush.

Private Sector Role (Stewards of Capitalism)

Today I want to focus on role of the private sector in this war on terrorism. I want you to start asking ... if you haven't already ... What can I do? How can I help?

All of us know that when the terrorists attacked on 9/11 they attacked more than innocent people and symbols of our country. They attacked our way of life. They tried to take down our economy. And we haven't let them, I'm proud to say! Years from now I believe historians will look back and write about these early days of the 21st century as a defining moment in our country's history. They will see it as a time of huge change in the course of the Republic. And they will see it as a time of great patriotism. I hope the historians also will say that American capitalism ... the pillar of our democracy ... rose to the task.

I believe that everyone here today is a leader and a steward of capitalism. As public servants that means thinking in new ways about your business practices and processes. You should look at improving security like you do innovation. Consider security as a new method for enhancing productivity and adding to the bottom line. Prior to 9/11, security ... however wrongly ... was often seen as a cost drag ... an expense you incurred only if you had to. All that changed on 9/11. But it's not changing fast enough.

To be honest, I was disturbed to learn from a survey by the Council that 9 in 10 business leaders don't believe they are a target for terrorists. Seven in 10 said they don't see how enhanced security would make their companies more competitive. And fewer than half are spending more on security than they did a year ago. I see this as a real problem. Ninety percent of the nation's critical infrastructure is in private hands. So the odds are you're a lot more vulnerable than you may think.

Let me give you an example of how security can actually improve commerce. In this case, the flow of commerce across our borders to Mexico and to Canada. We had begun using new technologies along the borders to improve security and, at the same time, to speed up legitimate commercial traffic. But it wasn't a high-enough priority so the pace of introducing these technologies was slow.

In the post-9/11 world, that has changed. Now more than ever we need to check cargoes for potential threats. But we also need to do it quickly so our economy remains strong. So we're using new methods to get these technologies up and running. And we're doing a much better job of making the borders smarter and more secure. The net result: we have safer borders and we have a more efficient flow of commerce.

I saw first-hand this same kind of industry leadership at a recent Homeland Security Expo that was sponsored by the Department of Commerce and the Office of Homeland Security. It was at a huge civic center in Washington ... the D.C. Armory. There were over 300 exhibits. More than 200 companies from 36 states came ... large and small ... all of them looking for opportunities ... a chance to create new value ... and to protect our citizens. Dozens of government agencies and other potential customers were there as well. It was truly a convergence of the public and private sectors ... with a common purpose.

I visited with Chris Galvin (Motorola's CEO). They have some unbelievable new communications technology for first responders to emergencies. But big companies aren't the only players. Our smaller entrepreneurs are plenty smart, too, about seizing opportunity. I visited with Roger Rankin of HRI Enterprises. His company has an amazing new "hot suit" for fire fighters. It looks more like a silver space suit than the traditional heavy rubber jacket, boots and helmet of a fire fighter. The bottom line for corporate America is this: Good security is good business. There's simply no two ways about it.

Government has a leadership role, too. Of course, government leadership has a major role to play ... both in terms of encouraging what industry does ... and managing the government operations. Our top job is to create the right environment for innovation and investment. President Bush understands this ... and he is absolutely committed to the charge. He's asking for \$112 billion for R&D ... the most ever. Private industry spends twice as much as government on R&D. So the President wants to foster that by making the federal R&D tax credit permanent. The goal is to encourage industry to invest and to innovate. But to keep government out of the driver's seat.

Government also must rethink our own processes and how we manage, just like the private sector is doing. We are pushing mightily toward E-government. Many of your companies are involved with this effort. It will make government more efficient in delivering public services, including law enforcement. It will make government more accessible to the public. It will make government safer by protecting vital information. And above all else ... it will help protect our citizens.

We have a new national strategy on cyber-security to help secure vital computer networks and the internet. The Department of Commerce has been working on this issue for some time. Some of companies here today have been working with us. This work will continue ... but as part of the new Department of Homeland Security ... which is the proper place for this office. (I hate to give it up, but bureaucratic turf battles have no place in good government management!!)

We're also changing with the times in other ways. We have a new Bureau of Industry and Security. It's redoubling efforts to protect against highly sensitive technology winding up in the wrong hands ... where it could be used against us. At the same time, the new Bureau is guarding against restrictions that are unnecessary, that don't protect our security, that don't make sense ... but only cripple free enterprise. At the National Institute of Standards and Technology, our world-class researchers are stepping up efforts to improve technologies for identifying criminals, such as fingerprinting ... facial recognition ... and DNA analysis.

And in the all-important field of energy, President Bush has developed a comprehensive national energy plan. It recognizes that our biggest problem is a lack of diversification. We simply don't have enough suppliers or energy sources. So, for the first time ever ... we held an energy summit last week in Houston with U.S. and Russian business and government leaders. We worked on new ways that would allow us to import oil and gas from Russia (which we don't now do on a regular basis). We also looked at how U.S. companies can help the Russians develop cutting-edge technologies to access their energy resources more efficiently and effectively. And to do so in environmentally friendly ways. Russian and American interests clearly merge when it comes to energy.

It's up to us: Business AND Government Leaders.

These times truly demand thinking outside the box. Tom Friedman, the New York Times columnist, says that on September 11th America didn't lack preparation. What we lacked was imagination. We failed to imagine anything like those dreadful attacks on the World Trade Center and the Pentagon. I have great faith in American leadership and in our ability to overcome any obstacle. I know we have it in the White House. And I know we have a free-enterprise system that is the envy of the world.

Still, no matter what public policies we make ... no matter what trade alliances we form ... at the end of the day, it's up to the private sector to make it all work. Governments can create the right environment. We can help create the conditions for free enterprise, as we are doing. But we don't make the deals. We don't take the capital risks. We don't create the wealth. We don't create the prosperity. We don't create the jobs. That's what private industry does. You business leaders here today do that. And to all the educators here today: we're counting on you to support the R&D we need. And you have the charge of shaping the minds of our youth ... an awesome job for they are the future.

I know all of you take these responsibilities very seriously. You wouldn't be here if you didn't. You wouldn't be talking about your role in building a culture of security and in protecting the homeland. You wouldn't be thinking about how the talents and resources of your companies and universities can be brought to bear in the war on terrorism. Know this: the decisions you make about security matter enormously. The free enterprise system is a powerful tool for change. Free enterprise has driven economic growth and the cause of freedom around the globe. And it has provided opportunity ... hope ... and stability for literally billions of people around the world. So I look for a positive outcome to your meetings. I hope you generate a lot of new ideas ... make new friendships ... form new business relationships and in the process you will make America stronger and ready for the challenges ahead.

Thank you. God bless America.