

**REMARKS BY
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Thank you Barry (Worthington) for that kind introduction. It's a pleasure to be part of this Energy Efficiency Forum. I'm excited to speak to you about President Bush's vision to strengthen our economy by diversifying our energy supplies and expanding conservation efforts.

It's a topic I actually know a little something about.

You see, before moving to Washington, I spent 26 years in the private sector at a publicly traded oil and gas company in Texas. I loved it . . . and I miss it.

Like the President, I moved to Midland, Texas in the 1970s. To us, the oil fields of West Texas were like nowhere else in the world. It's the place we really discovered the optimistic spirit of America. We found it in the men and women who took difficult conditions in stride to produce power to keep America moving forward.

That same spirit has our economy snapping back from several severe blows. After enduring a recession . . . terrorist attacks . . . and corporate scandals . . . the American economy is in the midst of an amazing recovery.

You can find signs of growth throughout our economy. Since President Bush's tax relief began taking effect last August, we've created nearly one and a half million jobs.

Inflation, interest rates and mortgage rates are at near historic lows. Take home pay for American workers is growing. So is business investment. Exports are strong. Small businesses are confident. Retail sales have rebounded. And in the best measure of confidence, home ownership is at an all time high.

Ladies and gentlemen, our economy is getting stronger every day.

We are committed to continuing to improve the conditions for businesses to win and succeed both domestically and internationally.

Those conditions include an affordable and reliable supply of energy. As Secretary of Commerce, it's one of the top concerns I hear cited by businesses, especially those in the manufacturing sector of our economy. You've seen the headlines in recent months. High energy prices are impacting the bottom line for many businesses – and they're costing jobs for hardworking Americans.

Let me share just a few stories. Cranston Print Works – a Rhode Island textile printing firm – has had a 40 percent natural gas increase just this year. They expect their energy bill will go up by \$200,000 this year, with no increase in usage.

In Fosston, Minnesota, Jim Noyes, who runs Minnesota Dehydrated Vegetables, had to shut down production for three and a half months and lay off two thirds of his workers because of high natural gas prices.

Millennium Chemicals in Baltimore gives quarterly bonuses to its salaried workers and lower-level managers. But officials there now say they're having to cut those bonuses because of high energy costs.

And just recently, I saw that officials with the Air Transport Association trade group said airlines could have broken even this year – if oil prices were \$5 or \$6 a barrel cheaper. Instead, Business Week reports that they could lose as much as \$2 billion to \$3 billion.

The problem isn't likely to go away soon. We live in a growing world with ever-expanding energy demand. Our global energy supplies are under strain every day.

Consider this: By 2050, our world population is expected to swell by more than two billion people – to 8.9 billion. Each day, countries and nations that never dreamed of advanced technology and innovation are joining the market economy.

More people than ever are experiencing the hope that free markets bring. In 1989, before the fall of the Berlin Wall, nearly one billion people lived in free economies.

Today, with the fall of Soviet communism and the opening of markets in places like China and India, more than three billion people are taking part in the global marketplace.

They're being exposed to an ever-increasing array of high tech gadgets, cars, appliances and innovations. We're turning on the lights, literally, around the world.

But at what cost? Because as we all know, as the world progresses, the world demands. It has never been more evident that the need for a reliable and stable energy supply must be addressed – for the sake of the U.S. and global economies.

We need to think beyond our present needs to put in place long-term policies that can deliver energy security in coming decades.

President Bush believes energy efficiency is an important element of sound energy policy.

Here in the United States, we consume almost 99 quadrillion BTUs of energy each year.

According to the Energy Information Administration, in just two decades, we will need 175 quads of energy – about three-quarters more than we use today. An amount that simply isn't there given current technologies.

Expanding innovative, energy efficient practices isn't a choice. It's a necessity, and over the coming years, the markets will make that clear.

During the 1980s, higher energy prices promoted the innovation, advanced technology and expanded conservation that led to a 15 percent decline in global demand for oil.

For many of you in this room, it will open the door for your groundbreaking innovations and technologies.

We'll see the evidence of your labor in everyday activities, in our homes, in our factories and on our jobs. America is already responding to this message. Energy intensity, the amount of energy it takes to produce a dollar of GDP, dropped from 17,440 BTUs in 1973 to below 9,450 last year. It's expected to keep falling, partly because of technology, innovation and Americans becoming more energy efficient.

Today, new home refrigerators only use about one-third of the electricity they used in 1972. Our automobiles use roughly 60 percent of the gasoline they did in 1972 per mile driven. We now have advanced sensors and controls in many of our buildings that allow equipment and lights to be turned off or dimmed when not in use.

And I'm happy to tell you that even the President's Texas ranch has been equipped with state-of-the-art energy saving devices, including geothermal heating and cooling.

It's something President Bush has touted for some time. During his 2000 campaign, he recognized the energy shortfalls that threatened to compromise economic growth. Four days after his inauguration, he formed the National Energy Task Force.

He knew we needed a comprehensive strategy to focus on developing and delivering reliable and affordable energy.

The Task Force offered 105 recommendations. Fifty-four of them deal with energy efficiency and renewable energy.

You've heard about many of them. We want to devote more resources to the Office of Energy Efficiency and Renewable Energy. We're "reorienting" many programs to achieve better results.

We want to help consumers, expand the Energy Star program and identify even more products, appliances and services that exceed minimum energy efficiency standards. And we're pushing the federal government to lead by example.

And it has. The federal government, which is also the single largest user of energy, has reduced its energy use in buildings by 30 percent from the 1990s levels. And it has reduced its energy use for vehicles and equipment by 35 percent.

At the Department of Commerce, the National Institute of Standards and Technology has been an energy efficient leader.

One of the most recognizable things we do is help develop the standards that are used to create those yellow energy efficiency labels you see on new appliances.

The President has also offered some innovative proposals to address the problem, like his \$1.2 billion Hydrogen Fuel Initiative. The concept is simple. More than two-thirds of the 20 million barrels of oil Americans use each day is used for transportation.

President Bush wants to invest in technology and infrastructure that would allow hydrogen to power fuel cell vehicles, without the harmful emissions.

The initiative also compliments the FreedomCAR initiative, a partnership already underway with automakers to advance technology needed to produce hydrogen fuel cell vehicles. To

date, this Administration has almost completed all of the 105 recommendations put forth by the Energy Task Force. Many of them could be handled administratively.

But there's still one enormous piece of the puzzle that needs to be addressed. And that's the energy bill.

It's been languishing in the Senate for months now. The House passed a comprehensive package months ago. Just yesterday, House leaders passed an identical measure. And today, they're considering several standalone proposals, including one that would allow drilling in the Arctic National Wildlife Refuge.

It is time for the Senate to stop playing political games with this bill. We need a sound energy package – now. American families are paying the price – literally.

Are we more concerned about personal power and politics or the American people and sound energy policy?

They're suffering right now from rising gas prices. And let me be clear: Responsibility belongs squarely at the feet of those obstructing passage of the energy bill.

The more we delay, the more Americans will pay in higher energy prices.

Our future economic prosperity, jobs and economic security depend on having a seriousness of purpose about our energy needs for today and tomorrow.

That means encouraging things like clean coal technology and exploration and development of resources closer to home in an environmentally friendly way.

It means promoting the next generation of nuclear plants. It means removing the barriers to bring more natural gas to the market.

It means protecting our environment. And yes, it means finding ways to be more energy efficient, so we can make the most of our resources and reduce shortages.

President Bush understands that jobs and our strong economy depend on energy. He knows that you can't have sustainable economic growth without affordable and available energy. Without energy security, we do not have economic security.

Ladies and gentlemen, we are living through a defining period in the history of our world. These are challenging times. But America is a country that stands for preserving and protecting freedom throughout the world.

Lifting up our fellow man, from poverty, from oppression, from tyranny, is at the core of our American beliefs.

America is the land of innovation. As the world confronts the implications of a growing imbalance between supply and demand for energy, I'm confident and optimistic that Americans will again lead the way by introducing the world to the next path breaking generation of energy innovation and technology.

And much of that new wave of energy delivery is likely to be developed by people in this room.

President Bush and I will continue to do everything we can to push a sound energy policy and a better future for millions across the globe. Thank you.