

Remarks of Senator Barack Obama
(as prepared for delivery)

New Energy for America

Michigan State University

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We meet at a moment when this country is facing a set of challenges greater than any we've seen in generations. Right now, our brave men and women in uniform are fighting two different wars while terrorists plot their next attack. Our changing climate is placing our planet in peril. Our economy is in turmoil and our families are struggling with rising costs and falling incomes; with lost jobs and lost homes and lost faith in the American Dream. And for too long, our leaders in Washington have been unwilling or unable to do anything about it.

That is why this election could be the most important of our lifetime. When it comes to our economy, our security, and the very future of our planet, the choices we make in November and over the next few years will shape the next decade, if not the century. And central to all of these major challenges is the question of what we will do about our addiction to foreign oil.

Without a doubt, this addiction is one of the most dangerous and urgent threats this nation has ever faced - from the gas prices that are wiping out your paychecks and straining businesses to the jobs that are disappearing from this state; from the instability and terror bred in the Middle East to the rising oceans and record drought and spreading famine that could engulf our planet.

It's also a threat that goes to the very heart of who we are as a nation, and who we will be. Will we be the generation that leaves our children a planet in decline, or a world that is clean, and safe, and thriving? Will we allow ourselves to be held hostage to the whims of tyrants and dictators who control the world's oil wells? Or will we control our own energy and our own destiny? Will America watch as the clean energy jobs and industries of the future flourish in countries like Spain, Japan, or Germany? Or will we create them here, in the greatest country on Earth, with the most talented, productive workers in the world?

As Americans, we know the answers to these questions. We know that we cannot sustain a future powered by a fuel that is rapidly disappearing. Not when we purchase \$700 million worth of oil every single day from some of the world's most unstable and hostile nations - Middle Eastern regimes that will control nearly all of the world's oil by 2030. Not when the rapid growth of countries like China and India mean that we're consuming more of this dwindling resource faster than we ever imagined. We know that we can't

sustain this kind of future.

But we also know that we've been talking about this issue for decades. We've heard promises about energy independence from every single President since Richard Nixon. We've heard talk about curbing the use of fossil fuels in State of the Union addresses since the oil embargo of 1973.

Back then, we imported about a third of our oil. Now, we import more than half. Back then, global warming was the theory of a few scientists. Now, it is a fact that is melting our glaciers and setting off dangerous weather patterns as we speak. Then, the technology and innovation to create new sources of clean, affordable, renewable energy was a generation away. Today, you can find it in the research labs of this university and in the design centers of this state's legendary auto industry. It's in the chemistry labs that are laying the building blocks for cheaper, more efficient solar panels, and it's in the re-born factories that are churning out more wind turbines every day all across this country.

Despite all this, here we are, in another election, still talking about our oil addiction; still more dependent than ever. Why?

You won't hear me say this too often, but I couldn't agree more with the explanation that Senator McCain offered a few weeks ago. He said, "Our dangerous dependence on foreign oil has been thirty years in the making, and was caused by the failure of politicians in Washington to think long-term about the future of the country."

What Senator McCain neglected to mention was that during those thirty years, he was in Washington for twenty-six of them. And in all that time, he did little to reduce our dependence on foreign oil. He voted against increased fuel efficiency standards and opposed legislation that included tax credits for more efficient cars. He voted against renewable sources of energy. Against clean biofuels. Against solar power. Against wind power. Against an energy bill that - while far from perfect - represented the largest investment in renewable sources of energy in the history of this country. So when Senator McCain talks about the failure of politicians in Washington to do anything about our energy crisis, it's important to remember that he's been a part of that failure. Now, after years of inaction, and in the face of public frustration over rising gas prices, the only energy proposal he's really promoting is more offshore drilling - a position he recently adopted that has become the centerpiece of his plan, and one that will not make a real dent in current gas prices or meet the long-term challenge of energy independence.

George Bush's own Energy Department has said that if we opened up new areas to drilling today, we wouldn't see a single drop of oil for seven years. Seven years. And Senator McCain knows that, which is why he admitted that his plan would only provide "psychological" relief to consumers. He also knows that if we opened up and drilled on every single square inch of our land and our shores, we would still find only three percent of the world's oil reserves. Three percent for a country that uses 25% of the world's oil. Even Texas oilman Boone Pickens, who's calling for major new investments in

alternative energy, has said, "this is one emergency we can't drill our way out of."

Now, increased domestic oil exploration certainly has its place as we make our economy more fuel-efficient and transition to other, renewable, American-made sources of energy. But it is not the solution. It is a political answer of the sort Washington has given us for three decades.

There are genuine ways in which we can provide some short-term relief from high gas prices - relief to the mother who's cutting down on groceries because of gas prices, or the man I met in Pennsylvania who lost his job and can't even afford to drive around and look for a new one. I believe we should immediately give every working family in America a \$1,000 energy rebate, and we should pay for it with part of the record profits that the oil companies are making right now.

I also believe that in the short-term, as we transition to renewable energy, we can and should increase our domestic production of oil and natural gas. But we should start by telling the oil companies to drill on the 68 million acres they currently have access to but haven't touched. And if they don't, we should require them to give up their leases to someone who will. We should invest in the technology that can help us recover more from existing oil fields, and speed up the process of recovering oil and gas resources in shale formations in Montana and North Dakota; Texas and Arkansas and in parts of the West and Central Gulf of Mexico. We should sell 70 million barrels of oil from our Strategic Petroleum Reserve for less expensive crude, which in the past has lowered gas prices within two weeks. Over the next five years, we should also lease more of the National Petroleum Reserve in Alaska for oil and gas production. And we should also tap more of our substantial natural gas reserves and work with the Canadian government to finally build the Alaska Natural Gas Pipeline, delivering clean natural gas and creating good jobs in the process.

But the truth is, none of these steps will come close to seriously reducing our energy dependence in the long-term. We simply cannot pretend, as Senator McCain does, that we can drill our way out of this problem. We need a much bolder and much bigger set of solutions. We have to make a serious, nationwide commitment to developing new sources of energy and we have to do it right away.

Last week, Washington finally made some progress on this. A group of Democrat and Republican Senators sat down and came up with a compromise on energy that includes many of the proposals I've worked on as a Senator and many of the steps I've been calling for on this campaign. It's a plan that would invest in renewable fuels and batteries for fuel-efficient cars, help automakers re-tool, and make a real investment in renewable sources of energy.

Like all compromises, this one has its drawbacks. It includes a limited amount of new offshore drilling, and while I still don't believe that's a particularly meaningful short-term or long-term solution, I am willing to consider it if it's necessary to actually pass a comprehensive plan. I am not interested in making the perfect the enemy of the good -

particularly since there is so much good in this compromise that would actually reduce our dependence on foreign oil.

And yet, while the compromise is a good first step and a good faith effort, I believe that we must go even further, and here's why - breaking our oil addiction is one of the greatest challenges our generation will ever face. It will take nothing less than a complete transformation of our economy. This transformation will be costly, and given the fiscal disaster we will inherit from the last Administration, it will likely require us to defer some other priorities.

It is also a transformation that will require more than just a few government programs. Energy independence will require an all-hands-on-deck effort from America - effort from our scientists and entrepreneurs; from businesses and from every American citizen. Factories will have to re-tool and re-design. Businesses will need to find ways to emit less carbon dioxide. All of us will need to buy more of the fuel-efficient cars built by this state, and find new ways to improve efficiency and save energy in our own homes and businesses.

This will not be easy. And it will not happen overnight. And if anyone tries to tell you otherwise, they are either fooling themselves or trying to fool you.

But I know we can do this. We can do this because we are Americans. We do the improbable. We beat great odds. We rally together to meet whatever challenge stands in our way. That's what we've always done - and it's what we must do now. For the sake of our economy, our security, and the future of our planet, we must end the age of oil in our time.

Creating a new energy economy isn't just a challenge to meet, it's an opportunity to seize - an opportunity that will create new businesses, new industries, and millions of new jobs. Jobs that pay well. Jobs that can't be outsourced. Good, union jobs. For a state that has lost so many and struggled so much in recent years, this is an opportunity to rebuild and revive your economy. As your wonderful Governor has said, "Any time you pick up a newspaper and see the terms 'climate change' or 'global warming,' just think: 'jobs for Michigan.'" You are seeing the potential already. Already, there are 50,000 jobs in your clean energy sector and 300 companies. But now is the time to accelerate that growth, both here and across the nation.

If I am President, I will immediately direct the full resources of the federal government and the full energy of the private sector to a single, overarching goal - in ten years, we will eliminate the need for oil from the entire Middle East and Venezuela. To do this, we will invest \$150 billion over the next ten years and leverage billions more in private capital to build a new energy economy that harnesses American energy and creates five million new American jobs.

There are three major steps I will take to achieve this goal - steps that will yield real results by the end of my first term in office.

First, we will help states like Michigan build the fuel-efficient cars we need, and we will get one million 150 mile-per-gallon plug-in hybrids on our roads within six years.

I know how much the auto industry and the auto workers of this state have struggled over the last decade or so. But I also know where I want the fuel-efficient cars of tomorrow to be built - not in Japan, not in China, but right here in the United States of America. Right here in the state of Michigan.

We can do this. When I arrived in Washington, I reached across the aisle to come up with a plan to raise the mileage standards in our cars for the first time in thirty years - a plan that won support from Democrats and Republicans who had never supported raising fuel standards before. I also led the bipartisan effort to invest in the technology necessary to build plug-in hybrid cars.

As President, I will accelerate those efforts to meet our urgent need. With technology we have on the shelf today, we will raise our fuel mileage standards four percent every year. We'll invest more in the research and development of those plug-in hybrids, specifically focusing on the battery technology. We'll leverage private sector funding to bring these cars directly to American consumers, and we'll give consumers a \$7,000 tax credit to buy these vehicles. But most importantly, I'll provide \$4 billion in loans and tax credits to American auto plants and manufacturers so that they can re-tool their factories and build these cars. That's how we'll not only protect our auto industry and our auto workers, but help them thrive in a 21st century economy.

What's more, these efforts will lead to an explosion of innovation here in Michigan. At the turn of the 20th century, there were literally hundreds of car companies offering a wide choice of steam vehicles and gas engines. I believe we are entering a similar era of expanding consumer choices, from higher mileage cars, to new electric entrants like GM's Volt, to flex fuel cars and trucks powered by biofuels and driven by Michigan innovation.

The second step I'll take is to require that 10% of our energy comes from renewable sources by the end of my first term - more than double what we have now. To meet these goals, we will invest more in the clean technology research and development that's occurring in labs and research facilities all across the country and right here at MSU, where you're working with farm owners to develop this state's wind potential and developing nanotechnology that will make solar cells cheaper.

I'll also extend the Production Tax Credit for five years to encourage the production of renewable energy like wind power, solar power, and geothermal energy. It was because of this credit that wind power grew 45% last year, the largest growth in history. Experts have said that Michigan has the second best potential for wind generation and production in the entire country. And as the world's largest producer of the material that makes solar panels work, this tax credit would also help states like Michigan grow solar industries that are already creating hundreds of new jobs.

We'll also invest federal resources, including tax incentives and government contracts, into developing next generation biofuels. By 2022, I will make it a goal to have 6 billion gallons of our fuel come from sustainable, affordable biofuels and we'll make sure that we have the infrastructure to deliver that fuel in place. Here in Michigan, you're actually a step ahead of the game with your first-ever commercial cellulosic ethanol plant, which will lead the way by turning wood into clean-burning fuel. It's estimated that each new advanced biofuels plant can add up to 120 jobs, expand a local town's tax base by \$70 million per year, and boost local household income by \$6.7 million annually.

In addition, we'll find safer ways to use nuclear power and store nuclear waste. And we'll invest in the technology that will allow us to use more coal, America's most abundant energy source, with the goal of creating five "first-of-a-kind" coal-fired demonstration plants with carbon capture and sequestration.

Of course, too often, the problem is that all of this new energy technology never makes it out of the lab and onto the market because there's too much risk and too much cost involved in starting commercial-scale clean energy businesses. So we will remove some of this cost and this risk by directing billions in loans and capital to entrepreneurs who are willing to create clean energy businesses and clean energy jobs right here in America.

As we develop new sources of energy and electricity, we will also need to modernize our national utility grid so that it's accommodating to new sources of power, more efficient, and more reliable. That's an investment that will also create hundreds of thousands of jobs, and one that I will make as President.

Finally, the third step I will take is to call on businesses, government, and the American people to meet the goal of reducing our demand for electricity 15% by the end of the next decade. This is by far the fastest, easiest, and cheapest way to reduce our energy consumption - and it will save us \$130 billion on our energy bills.

Since DuPont implemented an energy efficiency program in 1990, the company has significantly reduced its pollution and cut its energy bills by \$3 billion. The state of California has implemented such a successful efficiency strategy that while electricity consumption grew 60% in this country over the last three decades, it didn't grow at all in California.

There is no reason America can't do the same thing. We will set a goal of making our new buildings 50% more efficient over the next four years. And we'll follow the lead of California and change the way utilities make money so that their profits aren't tied to how much energy we use, but how much energy we save.

In just ten years, these steps will produce enough renewable energy to replace all the oil we import from the Middle East. Along with the cap-and-trade program I've proposed, we will reduce our dangerous carbon emissions 80% by 2050 and slow the warming of our planet. And we will create five million new jobs in the process.

If these sound like far-off goals, just think about what we can do in the next few years. One million plug-in hybrid cars on the road. Doubling our energy from clean, renewable sources like wind power or solar power and 2 billion gallons of affordable biofuels. New buildings that 50% more energy efficient.

So there is a real choice in this election - a choice about what kind of future we want for this country and this planet.

Senator McCain would not take the steps or achieve the goals that I outlined today. His plan invests very little in renewable sources of energy and he's opposed helping the auto industry re-tool. Like George Bush and Dick Cheney before him, he sees more drilling as the answer to all of our energy problems, and like them, he's found a receptive audience in the very same oil companies that have blocked our progress for so long. In fact, he raised more than one million dollars from big oil just last month, most of which came after he announced his plan for offshore drilling in a room full of cheering oil executives. His initial reaction to the bipartisan energy compromise was to reject it because it took away tax breaks for oil companies. And even though he doesn't want to spend much on renewable energy, he's actually proposed giving \$4 billion more in tax breaks to the biggest oil companies in America - including \$1.2 billion to Exxon-Mobil.

This is a corporation that just recorded the largest profit in the history of the United States. . This is the company that, last quarter, made \$1,500 every second. That's more than \$300,000 in the time it takes you to fill up a tank with gas that's costing you more than \$4-a-gallon. And Senator McCain not only wants them to keep every dime of that money, he wants to give them more.

So make no mistake - the oil companies have placed their bet on Senator McCain, and if he wins, they will continue to cash in while our families and our economy suffer and our future is put in jeopardy.

Well that's not the future I see for America. I will not pretend the goals I laid out today aren't ambitious. They are. I will not pretend we can achieve them without cost, or without sacrifice, or without the contribution of almost every American citizen.

But I will say that these goals are possible. And I will say that achieving them is absolutely necessary if we want to keep America safe and prosperous in the 21st century.

I want you all to think for a minute about the next four years, and even the next ten years. We can continue down the path we've been traveling. We can keep making small, piece-meal investments in renewable energy and keep sending billions of our hard-earned dollars to oil company executives and Middle Eastern dictators. We can watch helplessly as the price of gas rises and falls because of some foreign crisis we have no control over, and uncover every single barrel of oil buried beneath this country only to realize that we don't have enough for a few years, let alone a century. We can watch other countries create the industries and the jobs that will fuel our future, and leave our

children a planet that grows more dangerous and unlivable by the day.

Or we can choose another future. We can decide that we will face the realities of the 21st century by building a 21st century economy. In just a few years, we can watch cars that run on a plug-in battery come off the same assembly lines that once produced the first Ford and the first Chrysler. We can see shuttered factories open their doors to manufacturers that sell wind turbines and solar panels that will power our homes and our businesses. We can watch as millions of new jobs with good pay and good benefits are created for American workers, and we can take pride as the technologies, and discoveries, and industries of the future flourish in the United States of America. We can lead the world, secure our nation, and meet our moral obligations to future generations.

This is the choice that we face in the months ahead. This is the challenge we must meet. This is the opportunity we must seize - and this may be our last chance to seize it.

And if it seems too difficult or improbable, I ask you to think about the struggles and the challenges that past generations have overcome. Think about how World War II forced us to transform a peacetime economy still climbing out of Depression into an Arsenal of Democracy that could wage war across three continents. And when President Roosevelt's advisors informed him that his goals for wartime production were impossible to meet, he waved them off and said "believe me, the production people can do it if they really try." And they did.

Think about when the scientists and engineers told John F. Kennedy that they had no idea how to put a man on the moon, he told them they would find a way. And we found one. Remember how we trained a generation for a new, industrial economy by building a nationwide system of public high schools; how we laid down railroad tracks and highways across an entire continent; how we pushed the boundaries of science and technology to unlock the very building blocks of human life.

I ask you to draw hope from the improbable progress this nation has made and look to the future with confidence that we too can meet the great test of our time. I ask you to join me, in November and in the years to come, to ensure that we will not only control our own energy, but once again control our own destiny, and forge a new and better future for the country that we love. Thank you.