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REMARKS BY THE PRESIDENT
AT THE SMALL BUSINESS ADMINISTRATION'S
NATIONAL SMALL BUSINESS WEEK CONFERENCE

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2:16 P.M. EDT

THE PRESIDENT: Thanks for the warm welcome. I appreciate such a generous welcome. Marianne, thank you for your introduction, and congratulations on being the Small Business Person of the Year. You had some pretty stiff competition. (Laughter.) I appreciate the courage that Marianne has shown and her determination to succeed. She is proof that the entrepreneurial spirit in America is really strong.

I want to thank Hector Barreto, the SBA Administrator. I appreciate the fine job he's done. (Applause.) It was my honor to meet some of the state Small Business Person of the Year honorees. Congratulations. I appreciate the ambassadors who are here. Embajadores, thank you for coming. And I appreciate you all giving me a chance to come by and visit with you. (Laughter and applause.)

I appreciate the fact that our small business owners are taking risks and pursuing dreams, and as a result, you're creating jobs for millions of our citizens. A vibrant small business sector is important for the economic health of our country. I appreciate the fact that the small business entrepreneurs are some of the great innovators in our nation. After all, men and women who run small businesses have a vision to see beyond what is, and the courage to pursue what might be.

From Thomas Edison's light bulb to Alexander Graham Bell's telephone, to Henry Ford's Model T, most Americans -- most of America's great inventions began with the innovative spirit of entrepreneurs. And today a new generation of entrepreneurs is leading a technological revolution that will transform our lives in incredible ways. I'm going to spend a little time talking about how technology can help us.

One of the roles of an administration is to set an agenda, a clear agenda. I've laid out an agenda that I believe will unleash the innovative spirit of our small business entrepreneurs. We can't make you successful, but we can create an environment in which people can dream big dreams and in which people are willing to risk capital. We need to keep your taxes low. We need to protect you from needless regulation and the burden of junk lawsuits. (Applause.) We'll continue to work to open up new markets for your

products. The House of Representatives and the United States Senate needs to pass CAFTA legislation, free-market agreement with Central America. (Applause.)

We'll continue to work to lower the cost of health care by insisting that health care modernize itself through electronic records and helping to spread health savings accounts-- they're particularly good for small businesses -- and to work with the United States Congress to finally pass medical liability reform. (Applause.) I look forward to working with the Congress to create association health plans, so small businesses can buy insurance, can pool risk across jurisdictional boundaries so they can buy insurance at the same discount that big businesses can.

As small business owners, you know that a dollar should be spent wisely, or not at all. That same standard ought to apply to the federal government when it comes time to spending your money. (Applause.) I've submitted a disciplined budget to the Congress that meets our priorities, that restrains federal spending and keeps us on track to cut the deficit in half by 2009. I appreciate the fact that the Senate has passed a version of the budget; and the House has passed a version of the budget. Now it's time for them to together and pass a budget resolution this week.

By restraining federal spending, by keeping taxes low, we'll keep this economy growing and keep the innovative spirit strong. But in order to make sure our economy grows, in order to make sure people are still able to find opportunity, in order to encourage small business sector growth and vitality, we need to address a major problem facing our country -- and that is our nation's growing dependence on foreign sources of energy. (Applause.)

Technology is allowing us to better use our existing energy resources. And in the years ahead, technology will allow us to create entirely new sources of energy in ways earlier generations could never dream. Technology is the ticket, is this nation's ticket to greater energy independence. And that's what I want to talk about today. I fully understand that many folks around this country are concerned about the high price of gasoline. I know small business owners are.

I went to Fort Hood the other day -- it's right around the corner from Crawford. (Laughter.) And sat down with some of our troops and we had dinner -- lunch, in Texas they call dinner (laughter) -- the noon meal, and supper the evening meal. (Laughter and applause.) I'm trying to standardize the language. (Laughter.) We sat down for lunch. (Laughter.)

And I was asking the soldiers, you know, what was on your mind -- what was on their mind. And a fellow said, why don't you lower gas prices -- gasoline prices, Mr. President? Obviously, gasoline prices were on his mind. I said, I wish I could; if I could, I would. I explained to him that the higher cost of gasoline is a problem that has been years in the making. To help in the near-term, we'll continue to encourage oil-producing countries to maximize their production, to say to countries that have got some excess

capacity, get it on the market so you do not destroy the consumers that you rely upon to buy your energy.

We're doing everything we can to make sure our consumers are treated fairly, that there is no price gouging. Yet, the most important thing we can do today is to address the fundamental problem of our energy situation. That's the most important thing we can do. And the fundamental problem is this: Our supply of energy is not growing fast enough to meet the demands of our growing economy.

Over the past decade our energy consumption has increased by more than 12 percent, while our domestic production has increased by less than one-half of 1 percent. A growing economy causes us to consume more energy. And, yet, we're not producing energy here at home, which means we're reliant upon foreign nations. And at the same time we've become more reliant upon foreign nations, the global demand for energy is growing faster than the growing supply. Other people are using more energy, as well. And that's contributed to a rise in prices.

Because of our foreign energy dependence, our ability to take actions at home that will lower prices for American families is diminishing. Our dependence on foreign energy is like a foreign tax on the American people. It's a tax our citizens pay every day in higher gasoline prices and higher costs to heat and cool their homes. It's a tax on jobs and it's a tax that is increasing every year.

The problem is clear. This problem did not develop overnight, and it's not going to be fixed overnight. But it's now time to fix it. See, we got a fundamental question we got to face here in America: Do we want to continue to grow more dependent on other nations to meet our energy needs, or do we want to do what is necessary to achieve greater control of our economic destiny?

I made my decision. I know what is important for this country to become less dependent on foreign sources of energy, and that requires a national strategy. Now, when I first got elected, I came to Washington and I said, we need a national strategy. And I submitted a national strategy to the United States Congress. And it has been stuck. And now it's time for the Congress to pass the legislation necessary for this country to become less dependent on foreign sources of energy. (Applause.)

And the most important component of our strategy is to recognize the transformational power of technology. Over the last quarter century, technology has radically changed the way we live and work. Think about this: Just 25 years ago -- for a guy 58 years old, that doesn't seem all that long ago -- (laughter) -- if you're 24 years old, it's a heck of a long time ago. (Laughter.) In the 1980s, most Americans used typewriters, instead of computers. We used pay phones, instead of cell phones. We used carbon paper, instead of laser printers. We had bank tellers, instead of ATMs. (Laughter.) We had Rolodexes, instead of PDAs. And for long family trips, we played the "license plate" game -- (laughter and applause) -- instead of in-car DVDs. (Laughter.) We've seen a lot of change in a quick period of time, haven't we?

I believe the next 25 years the changes are going to be even more dramatic. Our country is on the doorstep of incredible technological advances that will make energy more abundant and more affordable for our citizens. By harnessing the power of technology, we're going to be able to grow our economy, protect our environment, and achieve greater energy independence. That's why I'm so optimistic about our future here in America.

The first essential step toward greater energy independence is to apply technology to increase domestic production from existing energy resources. And one of the most promising sources of energy is nuclear power. (Applause.) Today's technology has made nuclear power safer, cleaner, and more efficient than ever before. Nuclear power is now providing about 20 percent of America's electricity, with no air pollution or greenhouse gas emissions. Nuclear power is one of the safest, cleanest sources of power in the world, and we need more of it here in America.

Unfortunately, America has not ordered a new nuclear power plant since the 1970s. France, by contrast, has built 58 plants in the same period. And today, France gets more than 78 percent of its electricity from safe, clean nuclear power.

It's time for America to start building again. That's why, three years ago, my administration launched the Nuclear Power 2010 Initiative. This is a seven-year, \$1.1 billion effort by government and industry to start building new nuclear power plants by the end of this decade. One of the greatest obstacles we face to building new plants is regulatory uncertainty which discourages new plant construction. Since the 1970s, more than 35 plants were stopped at various stages of planning and construction because of bureaucratic obstacles. No wonder -- no wonder -- the industry is hesitant to start building again. We must provide greater certainty to those who risk capital if we want to expand a safe, clean source of energy that will make us less dependent on foreign sources of energy.

To do so, I've asked the Department of Energy to work on changes to existing law that will reduce uncertainty in the nuclear plant licensing process, and also provide federal risk insurance that will protect those building the first four new nuclear plants against delays that are beyond their control. A secure energy future for America must include more nuclear power. (Applause.)

A secure energy future for America also means building and expanding American oil refineries. Technology has allowed us to better control emissions and improve the efficiency and environmental performance of our existing refineries. Yet there have been no new oil refineries built in the United States since 1976. And existing refineries are running at nearly full capacity. Our demand for gasoline grows, which means we're relying more on foreign imports of refined product.

To encourage the expansion of existing facilities, the EPA is simplifying rules and regulations. I will direct federal agencies to work with states to encourage the building of

new refineries -- on closed military facilities, for example -- and to simplify the permitting process for such construction. By easing the regulatory burden, we can refine more gasoline for our citizens here at home. That will help assure supply and reduce dependence on foreign sources of energy. (Applause.)

Advances in technology will also allow us to open up new areas to environmentally responsible exploration for oil and natural gas, including the Arctic National Wildlife Refuge. (Applause.) Technology now makes it possible to reach ANWR's hydrocarbons by drilling on just 2,000 acres of the 19 million acres of land. That's just one-tenth of 1 percent of ANWR's total area. Because of the advances in technology, we can reach the oil deposits with almost no impact on land or local wildlife. (Applause.) Developing this tiny section of ANWR could eventually yield up to a million barrels of oil per day. That's a million barrels less that we've depended on from foreign sources of energy.

Listen, the more oil we can produce in environmentally sensitive ways here at home, the less dependent our economy is, the less reliant we are on other -- on other parts of the world. Technology is allowing us to make better use of natural gas. Natural gas is an important source of energy for industries like agriculture or manufacturing or power production. The United States is the sixth-largest proven reserves of natural gas in the world, and we'll do more to develop this vital resource. That's why I signed into law a tax credit to encourage a new pipeline to bring Alaskan natural gas to the rest of the United States. (Applause.)

Technology is also helping us to get at reserves of natural gas that cannot be reached -- easily reached by pipelines. Today, we're able to super cool natural gas into liquid form so it can be transported on tankers and stored more easily. Thanks to this technology, our imports of liquefied natural gas nearly doubled in 2003. Last year, imports rose another 29 percent. But our ability to expand our use of liquefied natural gas is limited, because today we have just five receiving terminals and storage facilities around the United States.

To take advantage of this new -- this technology, federal agencies must expedite the review of the 32 proposed new projects that will either expand or build new liquefied natural gas terminals. In other words, there's projects on the books, and we're going to get after the review process. Congress should make it clear to the Federal Energy Regulatory Commission its authority to choose sites for new terminals, so we can expand our use of liquefied natural gas.

Technology also allows us to use our most abundant energy source in a smart way. America has enough coal to last for 250 years. But coal presents an environmental challenge. To make cleaner use of this resource, I have asked Congress for more than \$2 billion over 10 years for my coal research initiative. It's a program that will encourage new technologies that remove virtually all pollutants from coal-fired power plants. My Clear Skies initiative will result in more than \$52 billion in investment in clean coal

technologies by the private sector. To achieve greater energy dependence, we must put technology to work so we can harness the power of clean coal.

The second essential step toward greater energy independence is to harness technology to create new sources of energy. Hydrogen is one of the most promising of these new sources of energy. Two years ago my administration launched a crash program called the Hydrogen Fuel initiative. We've already dedicated \$1.2 billion over five years to this effort to develop hydrogen-powered fuel cells. We know that when hydrogen is used in the fuel cell it has the power to -- potential to power anything from a cell phone to a computer to an automobile; that it emits pure water, instead of exhaust fumes.

I've asked Congress for an additional \$500 million over five years to help move advanced technology vehicles from the research lab to the dealership lot. See, I want the children here in America -- you two are sitting there -- to be able to take your driver's test in a completely pollution-free car that will make us less dependent on foreign sources of energy. (Applause.) To help produce fuel for these cars, my administration has also launched a Nuclear Hydrogen Initiative, an effort to develop advanced nuclear technologies that can produce hydrogen fuels for cars and trucks. My budgets have dedicated \$35 million over the past three years and will continue this effort.

In other words, we're developing new technologies that will change the way we drive. See, I know what we're going to need to do for a generation to come. We need to get on a path away from the fossil fuel economy. If we want to be less dependent on foreign sources of energy, we must develop new ways to power automobiles. My administration is committed to finding those new ways, and we're working with industry to do so.

Ethanol is another promising source of energy. I like the idea of people growing corn that gets converted into fuel for cars and trucks. Our farmers can help us become less dependent on foreign oil. (Applause.) Technology is now under development that may one day allow us to get ethanol from agricultural and industrial waste.

We can produce another renewable fuel, biodiesel, from leftover fats and vegetable oils. I mean, we're exploring a lot of alternatives. Ethanol and biodiesel have got great potential. And that's why I've supported a flexible, cost-effective renewable fuel standard as part of the energy bill. This proposal would require fuel producers to include a certain percentage of ethanol and biodiesel in their fuel and would increase the amount of these renewables in our nation's fuel supply. Listen, more corn means more ethanol, which means less imported oil.

Technology can also help us tap into a vital source that flows around us all the time and that is wind. That's why I've asked Congress to provide \$1.9 billion over 10 years for tax incentives for renewable energy technologies like wind, as well as residential solar heating systems and energy produced from landfill gas and biomass. (Applause.)

An energy strategy must be comprehensive, all aimed at making us less dependent. A third essential step toward greater energy independence is to harness the power of technology so we can continue to become better conservers of energy. Already, technology is helping us grow our economy while using less energy. For example, in 1997, the U.S. steel industry used 45 percent less energy to produce a ton of steel than it did in 1975. The forest and paper industry used 21 percent less energy to produce a ton of paper. In other words, we're making advances in conservation. And in the years ahead, if we're smart about what we do, we can become even more productive while conserving even more energy.

Technological advances are helping develop new products that give our consumers the same and even better performance at lower cost by using less energy. Think about this, you can buy a refrigerator that uses the same amount of power as a 75-watt light bulb. It's a remarkable advance when it comes to helping consumers save money on energy. Advances in energy-efficient windows keep hot and cold air in and prevent your dollars from flowing out. (Laughter.) High efficiency light bulbs last longer than traditional ones, while requiring less electricity.

These and other technological advances are saving our consumers a lot of money, and there's more to be done. Let me tell you this, in 2001, the average American family spent about half as much to heat his home as it did in 1978. Think about what's possible over the next 25 years. We can imagine a day when technologies like solar panels, high-efficiency appliances, and advanced installation will allow us to build zero-energy homes that produce as much energy as they consume. That's the promise that technology holds for us all.

And as we make our homes more energy efficient, we're doing the same for our automobiles. Hybrid vehicles are one of the most promising technologies immediately available to consumers. These cars are powered by a combination of gasoline and electricity. They provide better fuel efficiency, ultra-low emissions and exceptional performance. And their electronic systems are paving the way for tomorrow's hydrogen-powered vehicles.

We're encouraging automakers to produce a new generation of modern, clean diesel cars and trucks. My administration has issued new rules that will remove more than 90 percent of the sulfur in diesel fuel by 2010. Clean diesel technology will allow consumers to travel much farther on each gallon of fuel, without the smoke and pollution of past diesel engines. We've proposed \$2.5 billion over 10 years in tax credits that will encourage consumers to buy energy-efficient hybrid cars and trucks, and we need to expand these incentives to include clean diesel vehicles, as well. (Applause.)

As we conserve energy at home and on the road, technology will help us deliver it more efficiently. New technologies such as superconducting power lines can help us bring our electrical grid into the 21st century, and protect American families and businesses from damaging power outages. Some of you who live in the Midwest and on

the East Coast know what I'm talking about -- damaging power outages. We have modern interstate grids for our phone lines and our highways. It's time for America to build a modern electricity grid. (Applause.) The electricity title is an important part of the energy bill. As a matter of fact, a lot of which I've discussed so far is an important part of the energy bill that needs to get passed by the United States Congress before August of this year. (Applause.)

The House acted, and I appreciate the leadership in the House. Now it's time for the United States Senate to act. And then it's time for them to get together and iron out their differences and get me a bill so I can sign.

The fourth essential step toward greater energy independence is to make sure other nations can take advantage in advances -- take advantage of the advances in technology to reduce their own demand. Listen, we need to remember that the market for energy is a global one, and we're not the only large consumer. Much of the current projected rise in energy prices is due to rising energy consumption in Asia. As Asian economies grow, their demand for energy is growing. And the demand for energy is growing faster than the supply of energy is increasing. And as small business people, you understand what happens when demand is larger than supply -- you hope that's the case for the products you produce. (Laughter.) Our costs -- our prices are going up. It is in our interest to help these countries become more energy self-sufficient; that will help reduce demand, which will help take pressure off price, and at the same time help protect the environment.

I'm looking forward to going to a G8 meeting in July in Great Britain. And there I'm going to work with developed nations, our friends and allies to help developing nations, countries like China and India to develop and deploy clean energy technology. Like us, some of these countries have got substantial coal reserves. We need to find practical ways to help these countries take advantage of clean coal technology.

As well, we will explore ways we can work with like-minded countries to develop advance nuclear technologies that are safe, clean and protect against proliferation. With these technologies, with the expansion of nuclear power, we can relieve stress on the environment and reduce global demand for fossil fuels. That would be good for the world, and that would be good for American consumers, as well. (Applause.)

This strategy will work for our children and our grandchildren. We should have put this in place several decades ago. We haven't had a national energy strategy in this country for a long period of time. I tried to get the Congress to pass it four years ago. Now is the time for them to act. For the sake of this country, for the sake of a growing economy, and for the sake of national security, we've got to do what it takes to expand our independence. We must become less dependent. And there's no doubt in my mind that technology is going to help us achieve that objective.

One reason why I believe this so strongly is because free societies are able to adjust to the times. And we're the freest of free societies. We're a society where it

doesn't matter where you were raised or where you're from; if you've got a dream, you can pursue it and realize your dream. (Applause.)

Our country has always responded to challenges because we've got people with such great imaginations and such drive and such determination. Twenty-five years from now, people are going to look back and say, I like my hydrogen-powered automobile -- (laughter) -- and I produced a little extra energy this year from my home. Our farmers are going to be saying, you know, the crops up, and we're less dependent.

Now is the time to put that strategy in place. Now is the time to do the right thing for America. Now is the time to set aside political differences and focus on what is good for the United States of America. And with your help, we'll achieve that. (Applause.)

God bless you all. Thanks for coming. (Applause.)

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2:51 P.M. EDT