

# Drive Recommendations

The Council on Competitiveness, comprised of America's corporate, academic and labor leaders, has spent the last two years fully engaged in developing a comprehensive action plan to capitalize on the opportunities and to address the challenges of energy. This seminal work has resulted in several specific recommendations focused on what works—not on a political agenda. The Council's recommendations, assembled in partnership with our members and leading experts from a wide range of fields, fall under six pillars. Taken together, these recommendations present the game changing steps that must be taken in order to ensure America's continued global leadership.

Pillar	Recommendation
1. Setting the Global Bar for Energy Efficiency	Reward Efficiency
2. Assuring Access to Clean and Competitive Energy	Use it All and Price it Right
3. Jumpstarting Energy Infrastructure and Manufacturing Investments	Capitalize Growth and Make it Here
4. National Transmission Superhighway and Smart Grid	Build it Fast and Smart
5. Spawning Technological Breakthroughs and Entrepreneurship	Discover the Future and Break the Technology Barriers
6. Mobilizing a World Class Energy Workforce	Bridge the Skills Gap and Train the Talent

For the text of recommendations, see "DRIVE: A Comprehensive Roadmap to Achieve Energy Security Sustainability and Competitiveness" available at [www.compete.org](http://www.compete.org).



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Energy Security, Innovation & Sustainability Initiative  
**COMPETE: Energy**

# ENERGY IS EVERYTHING

"The energy challenge is an exceedingly complex one. It is not going to be solved by technology alone, by policy alone or by changes in the social and cultural environment. The solution will require the integration of all of these approaches."

Robert J. Zimmer  
President, University of Chicago

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**Council on Competitiveness**

**The National Energy Summit & International Dialogue**

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# Drive. A Comprehensive Roadmap to Achieve Energy Security Sustainability and Competitiveness

A summary view of the Council on Competitiveness' Drive publication, presented at the National Energy Summit and International Dialogue on September 23, 2009. Available at [Compete.org](http://Compete.org).

**“While producing and using energy in a sustainable manner represents the seminal challenge of our generation, the transition to a new energy framework also represents tremendous economic prospects. The opportunities in our energy future present Americans the chance to do what we do best—lead.”**

**Charles O. Holliday, Jr.**  
Chairman, DuPont &  
Chairman, Council on Competitiveness

**Energy is Everything**—it is the lifeblood of our economy. America's competitiveness cannot be separated from the issues surrounding energy—how efficiently we use it, how many billions of dollars we send abroad for it and how well we steward it domestically. Nothing will impact American competitiveness more than the development of sustainable energy products and services—an industry with the potential to create millions of new American jobs in the 21st century.

The transition to these sustainable energy products is inevitable, and the opportunities it presents are vast. The United States must position itself to capture market share for new industries that might otherwise be lost to major global players like China and the European Union (EU). Now is the time to reverse trends that threaten to saddle our economic growth. Within the past decade, for example, the United States has fallen from first to fifth among top solar manufacturing countries and now imports solar cells from the EU and Asia.

There is still time for America to resume the lead in establishing the new global energy framework. Revenue in just three clean energy sectors—wind, solar and biofuels—is projected to nearly triple over the next decade, from \$116 billion in 2008 to \$325 billion in 2018. These markets, and many others now emerging, can be ours. Capturing these markets—and the employment and economic growth they bring—commands smart, decisive action now.

The economic benefits are just the beginning. Our national security is undeniably tied to our energy use. Regardless of the public's divergent opinions on the science of climate change, the one point we can all agree upon is that that America's dependence on foreign oil (66 percent in 2008)—much of it from areas of the world that are insecure or not always friendly to American interests—is a vital national security issue.

**“Energy consumption is rising exponentially—driven by population growth, swiftly developing economies, improving global living standards and the burgeoning use of ever more energy-dependent technologies. If current trends continue, humans will use more energy over the next 50 years than in all of previously recorded history.”**

**Shirley Ann Jackson**  
President, Rensselaer Polytechnic Institute

## Achieving Consensus in a Complex Environment

Today, our country is perhaps more politically divided than ever before. The political and ideological differences that have surfaced, and are now entrenched, have made it very difficult to reach a working consensus on energy reforms. As long as parties remain inflexible in their approach to addressing our energy issues, America's opportunity to lead in the future diminishes.

The business climate is just as stormy as our political climate. Without a positive business climate—the right tax structure, regulatory environment and legal framework, our private sector cannot innovate and invest in the new energy future. Sound and smart government policies will help drive investment in the United States—not overseas—and promote robust incentives to move toward a low-carbon energy future.

There has been much human energy expended on the subject of energy. But what the debaters often omit when discussing the promise of the future is this: fossil fuels are not going to disappear overnight. This reality, painful for some, drives the need for America to search for and utilize new sources of energy, and to find more ways to conserve what we produce.

**“We ought to make all the relevant goods and services—energy, pollution prevention, environmental clean-up, energy efficiency technologies—duty- and tariff-free to create really robust global trade. We should open trade and let it flourish. That would probably be the best single thing we could do both for the environment and the economy.”**

**Frederick W. Smith**  
Chairman and CEO, FedEx Corporation

## Energy Security Is National Security

We need a reliable source of affordable and clean energy. With the most abundant reserves on the planet, it is no secret that the United States is the “Saudi Arabia of coal.” Our need to use this domestic resource is matched by our imperative to develop the technology to capture and use the carbon emitted by coal, making it a clean energy source. Imagine the economic and national security benefits to

America if we were able to solve this challenge. We can secure our energy future while simultaneously providing a tremendous advantage in the global marketplace—and watch as nations clamor for America's breakthrough technology.

Nuclear also presents significant opportunities to develop greater energy independence and curb the output of carbon emissions. Currently, nuclear power generates 21 percent of America's electricity needs (compared to about 75 percent in France) and represents the majority of America's low-carbon power generation. We must move the critical issues of siting and building nuclear power plants and dealing with storage and disposal of waste out of prickly politics and into the prism of our energy realities.

To train our focus on, and dramatically accelerate the pace of creating clean energy sources, government must give businesses and researchers the support they need to develop these new forms of low- or no-carbon power sources. Clarity from the federal government will go a long way toward pushing the private sector's development and the consumer's usage of clean energy—such investments will not take place in an environment of uncertainty. Federal laws must be clear, with realistic expectations regarding tax, funding and regulatory issues. Additionally, the national energy grid must be updated to be able to accept these new forms of energy generation.

**“Increased energy efficiency creates a more cost-efficient and competitive economy, with improved energy security and reduced emissions. The United States is 5 percent of the global population, consuming on the order of 25 percent of the world's energy. Closing this gap between our own energy supply capability and demand creates a big first step toward greater energy productivity—what we get from the energy we produce. There's too much waste in the system today.”**

**James W. Owens**  
Chairman and CEO, Caterpillar Inc.

## American Leadership Is Essential

While it is imperative that we once again assume our leadership role in creating new approaches, we must not overlook the fact that the cleanest, cheapest and most abundant energy resource available to Americans today is energy efficiency. America has grown accustomed to cheap energy, and this has helped fuel our economic growth. Most of the rest of the world has been living with high energy prices for generations—the playing field is about to leveled, and America must adapt.

Bold actions will produce big results. Raising Corporate Average Fuel Economy (CAFE) standards to 100 miles per gallon by 2030 positions Detroit to lead the world in automotive efficiency. Updating our national power grid to achieve balance will minimize current power losses. Smarter appliances and energy management systems in our homes and businesses will mean significant cost savings for consumers, and does not require the building of a plant, drilling for oil or waiting for new technology to provide the answer.

Focusing on energy efficiency would bolster our domestic economy by reducing our trade deficit, because 45 percent of our trade imbalance is the result of the \$439 billion Americans send overseas annually to buy foreign oil.

American leadership must extend beyond taking action at home—we must exert our leadership on the world stage. As the leading global economic and military power, the world is looking to America for leadership in international forums aimed at reducing global carbon emissions. Leadership in this area is not just our moral obligation. Leading by example in the international arena will better position America to compete and win in the challenging and complex global marketplace.

The price for this action is not cheap—but the price for inaction is higher. Concerns about the amount and form of government spending have raged since the birth of our nation, and our current budget realities make these discussions even more fiery. Among the Council's recommendations: devote a substantial portion of any carbon pricing mechanism to research, development and implementation of the framework necessary to secure our future energy. Clear and transparent carbon pricing serves the multiple goals of limiting carbon emissions, raising revenue and incenting new technologies.

**“We cannot cut corners when it comes to training the workforce that will tackle the challenges of the future. Encouraging innovation, investing in our workforce and providing consumers with broader choices will give us the tools to help move America toward real energy security and economic competitiveness in the 21st century.”**

**D. Michael Langford**  
National President, Utility Workers Union of America, AFL-CIO

## Our Engine Runs on Human Talent

Human capital—the American people—is the single most important driver of this new era of innovation, discovery and economic prosperity. Government, businesses and individuals themselves must aggressively invest in building our talents, especially in the field of energy. Where Americans lack the immediate talent to capitalize on our opportunities, we must welcome the best and brightest from around the world—just as we did when America put the world on wheels, won the Space Race and developed the computer industry.

From the creativity of Hollywood to the pioneering innovations of Silicon Valley, this country's economy has been powered by the intelligence and imagination of its scientific and research community, the daring and inventiveness of its entrepreneurs, and the diligence and resourcefulness of its workers. This is the foundation that when enabled by the right policies will ensure continued American leadership, security and prosperity.

The answers are in *Drive: A Comprehensive Roadmap to Achieve Energy Security, Sustainability and Competitiveness* (available at [Compete.org](http://Compete.org)). Achieving consensus on all recommendations will not be difficult—it will be impossible. With our complex challenges come immense opportunities. Our nation and our leaders must renew the commitment to compromise. The Council on Competitiveness is committed to reaching that common ground, and our unique trifecta of leaders in business, academia and labor ensures that the nation's leading thinkers and doers are pushing for a plan that puts our country on new a energy path.

Our journey begins today.