

Remarks by the Honorable Ray Mabus
Secretary of the Navy
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Joel (Rosenthal), thank you so much and I thank all of you all for being here. I've got some long-time friends here today—Meris Powell, Darrell Prescott, Maurice Sonnenberg—and I appreciate your willingness to endure yet another talk of mine.

The Carnegie Council for Ethics in International Affairs and the peaceful resolution of conflicts have a lot in common with the United States Navy and Marine Corps. We believe in deterrence when possible, building partnerships and behaving ethically and aboveboard.

You can surge equipment, you can surge people, you cannot surge trust. The Navy and the Marine Corps are doing the Africa Partnership Station, which has a large-deck amphib off the coast of Africa doing training, humanitarian, medical, veterinary, and dental assistance, and also building things like schools and clinics. We are a persistent presence there. We are doing the same thing around South America, Latin America and in the southern Pacific.

It's Navy and Marine Corps 101 - we are forward deployed, we are expeditionary and we seek to deter when possible. We seek to engage at all times. In fact, the slogan now of the Navy is—and you might have seen it on television in some of our recruiting commercials—"The United States Navy—A Global Force for Good."

I am very happy to be here with you today to speak with you.

I'm going to talk about two things. I'm going to talk about what we are doing in the Navy in energy and I am also going to talk a little bit about the Gulf Coast, because while they are disparate on the surface, at the bottom they show some of the problems with our insatiable need for energy and the way we attain it and the way we use it.

I'm going to say something that is absolutely self-evident. The United States military depends too much on fossil fuels. Those fuels come from potentially volatile places on earth. We would not let the countries that we buy fuel from build our aircraft, our ships, or our land vehicles, but we do give them a say in whether those ships sail, whether those planes fly and whether those vehicles run. We give them a say because they provide our energy.

We are moving toward alternative energy for several reasons:

One is strategic. We should not be buying energy from where we are buying it, in the amounts that we are buying it. We should be far more self-sufficient in that.

Second is tactical. To get a gallon of gasoline to a Marine frontline unit in Afghanistan—and gasoline is what we import the most into Afghanistan—you have to take it across the Pacific by ship and convoy it by road up across the Hindu Kush, and then down to one of the forward operating bases. Or, you have to take it across the Atlantic through the northern distribution network in the Baltics, across Russia and down across the Amu Darya, again to a frontline base in Afghanistan.

It's incredibly expensive, hundreds of dollars a gallon, to get it there. But, probably more importantly, it is dangerous. The Army did a study about a year ago that said for every 24 fuel convoys we take into Afghanistan we lose a Soldier or a Marine guarding those convoys. In the last two months we've had six Marines wounded guarding fuel convoys. That's a pretty high price to pay for fuel. It also keeps them from doing the things they were sent there to do, which is to fight, to engage, and to rebuild.

If we can change tactically the way Marines use energy—and Marines, who are not known as leaders of the environmental movement, have embraced this wholeheartedly. They are doing things now like solar-powered water purifiers and different sorts of insulation for their tents. They are beginning to have a tactical difference because of the way they produce and use energy.

As Joel said, I have come up with five goals for the Navy. The most far-reaching of which is that by the year 2020 half of all our energy, both afloat and ashore in the Navy, will come from non-fossil fuel sources.

We are getting a pretty good start on it. We have already tested an F-18 Hornet on biofuels, the Green Hornet. Those of you who laughed are of a certain age and remember the Green Hornet. The biofuel it used was made from camelina, a seed from the mustard family.

We have also just recently tested an MH-60 helicopter, one of the big helicopters. My naval aide, who is a 60 pilot, calls them "God's machines." We flew it on biofuels.

We have tested some of our surface ships on algae-based biofuels.

We are making some big strides. By 2016 we are going to deploy—not just put to sea, but deploy—the Great Green Fleet, which will be a carrier strike group that uses only alternative fuels.

We've got a head start. All our carrier and our submarines are nuclear. But the other ships, the surface ships and the aircraft that we use, are all going toward biofuels.

Onshore, the Navy has 3.3 million acres of land. We have 72,500 buildings. Joel and I were talking earlier about how we can do things that it's sometimes much harder to do if you are a mayor of a city or the governor of a state. We can mandate how buildings are built; we can set down goals and actually reach them by the way we buy and build things.

The federal government uses 2 percent of all the fossil fuels that America uses. The Department of Defense uses more than 90 percent of what the federal government does. The Navy and Marine Corps use about a third of what the federal government and DoD use. So we use about 1 percent of all the fossil energy that America uses. That's a pretty big market.

The two possible impediments that we have seen: number one is the cost; alternative fuels simply cost a lot right now because there's not much market for them. Secondly is infrastructure.

But, just since we have been doing this for a year, the price of biofuels that we have been buying has dropped in half. To reverse a line from the movie *Field of Dreams*, "If the Navy comes they will build it." If we create a market, we think that the infrastructure will come and the price will go down.

We've already begun to see that. We have been dealing with people like venture capitalists, saying, "Here is our need."

We have been dealing with the Department of Agriculture, working with farmers and the military. Our first pilot project with agriculture is in Hawaii. Hawaii is the most dependent state of all 50 states on imported oil and gas, as you can imagine. Their farmers are also hurting.

Because we've got such a big military presence there, we are looking into, and we are actually beginning to develop, biofuels which will help Hawaiian farmers and which will help the United States Navy and the United States Marine Corps installations that are there.

By 2020 at least half of all our bases are going to be net zero in terms of energy usage. We've already got one, China Lake, which because of geothermal energy is now giving energy back to the grid.

We have invested in about 100 megawatts of solar power. We are doing wind, geothermal, hydrothermal and wave action. We are offering our bases as test beds for new technologies. We have been working with the Department of Energy to do that.

Finally, we have been working with the Small Business Administration to help some of the entrepreneurs that are in this line of work. We just opened a website, called Green Biz Ops on the Navy website. If you are interested in alternative energy, you've got a single point to go to and help in working through some of the—and I know you're going to find this hard to believe—sometimes confusing governmental acquisition rules and regulations.

We are making a good start. We are beginning to move the Navy and the Marine Corps off of fossil fuels for strategic and tactical reasons, and because we ought to be a good steward of this planet and of its resources.

The Navy has always led when energy sources have changed. We went from sail to coal in the 1850s; we went from coal to oil at the beginning of the 20th century; we went to nuclear in the 1950s.

Every single time there was a group of folks who said, "You're trading one form of very proven energy for another form that you don't know if it's going to work or not. We've got the infrastructure for this. Look at all these sail makers, look at all the coaling stations around the world, and you're trading it in?"

I'm absolutely convinced that this is going to be another time when the Navy is going to lead the country in terms of changing the way we produce and the way we use energy.

I'm going to shift gears just a little bit.

This summer President Obama called and asked if I would head up an effort to come up with a long-term reconstruction plan for the Gulf in the wake of the Deepwater Horizon well disaster.

I'm a child of the Coast. I grew up in Mississippi and have lived most of my life there. I have a very special feeling and relationship to it. But it's also America's Gulf. So much of our energy, seafood and tourism depend on that place.

While the environmental impacts may not have been quite as great as we once feared, although the evidence is still coming in on that, the effects of this spill are going to be felt for a long, long time.

This is a region that had Katrina and Rita. It had Ike. It was reeling from natural disasters but was beginning to come back when the well blew out. Things like tourism just dropped off a cliff—people who fish for a living, people who run sports fishing operations for a living, people who run hotels, motels and restaurants.

The challenge was: Once we get past the well, once it's capped, once it's killed, then what? How do we make the South and the Gulf and those five states better than they were the day before the well blew out?

I relied on muscle memory. I went back to politics. I went and listened a lot—because people will tell you what needs to be done, if you'll take the time to listen to them for a little while.

I and a lot of the people who are with me today went to the Gulf. We traveled more than 16,000 miles through those five states. We held more than 40 major events, including town halls in all five states.

We had tens of thousands of people that came and they told us what needed to happen. It was pretty clear that three things needed to be addressed: one was the environmental issue;

second was the economic harm; and third were health issues, perhaps long-term health issues, and mental health issues that had arisen from there. That was the easy part. We knew what we had to deal with.

There are all sorts of laws and agencies that come in on this. There are more than two dozen federal agencies that have some sort of stake in this. Every one of them—and this will surprise you again—had an opinion, usually strongly held, as to exactly what needed to be done.

My report tried to focus on what was essential to bringing the coast back. There were three recommendations in my report, which I gave to the president in September, which I'm happy to say that he has accepted and it has gotten a good response from Republicans and Democrats in Congress. I think everybody from the coast—congressmen, senators and governors—that has commented upon the plan has received it favorably.

Number one, you've got to have a stable funding source. You've got something called NRDA, [Natural Resource Damage Assessment] which is actually looking at the actual harm because BP, the responsible party, has got to pay for that.

But over and above that, there is fine money, civil fines that will be levied against BP for spilling the oil. We don't know how much those are going to be. It depends. There's a wide range. It depends on how much culpability is found on behalf of the responsible party. It's a pretty big range. It ranges all the way up to \$4,400 a barrel spilled. There were 4.9 million barrels spilled into the Gulf.

This money—and we've never had anything even remotely this size in the Gulf—if the law stays the way it is, will go into a trust fund and sit there waiting for the next spill. It will be used for the next spill only if there is not a responsible party. The odds are it will go there and sit maybe forever. It won't go to reduce the deficit, it won't go to anything else; it will simply go there and sit.

I said in my report that a significant part of this ought to be pulled out and sent back to the Gulf. The Gulf was the place that took the risk, the Gulf was the place that took the damage, and a significant part of the money from the fines ought to go to the Gulf.

Secondly, that it ought to be a plan that comes up from the Gulf and not mandated to the Gulf. So as a management structure I recommended a Gulf Restoration Council that had state participation that decided how these moneys were to be used.

A smaller percentage of the fines, some money, would go straight to the governors for them to jump-start the recovery effort.

For health and mental health, places like Health and Human Services were working pretty well in terms of making sure that BP paid for what they needed to pay for out of this and to keep doing that.

Finally, there ought to be a private response as well. There ought to be some way for the people, companies and organizations that are on the Gulf, to have a response. We recommended that we try to put together something that would allow private involvement in this and not just a governmental response.

That's where we are. Congress, we hope, is going to take up these things.

The day-to-day has been transitioned to an organization I recommended be set up, called the Gulf Ecosystem Restoration Task Force. It's headed by Lisa Jackson, the head of the Environmental Protection Agency and who is also from New Orleans. The organization is working closely with the NRDA process.

Those are the two energy things, the Gulf and the Navy, that I have been dealing with over the past few months. One of the things that I've found that connects these two is that as I have traveled outside the United States, I discovered that this is not a U.S.-only situation.

I've stopped in both Greenland and Iceland in the past three weeks to talk to them a lot about the Arctic, because everybody thinks there is going to be an ice-free Arctic, at least in the summertime, within the next quarter-century. This has profound implications for the Navy and for our presence and for the resources that are in the Arctic and how and if they are going to be used.

But they all wanted to hear about the Gulf. They all wanted to know what was being done, because they are all looking for energy and they are all looking in deep water, in harsh climates, in places that are inherently risky to look for energy.

They all also are worried about energy dependence. I'll just give one example. Our NATO allies are dependent on other places for their energy. They are concerned that energy – or the denial of energy - could be used as a weapon against them. And we ought to be concerned, because if it's our NATO allies, it may determine what our response and what our responsibilities are there.

This is not just an American issue. This is an international issue. It's one that we have been working closely with a lot of different countries in terms of research, in terms of how we do this, in terms of trying to pull us away from our incredible reliance on very iffy fossil fuels.

Those are the two things. We know what we need to do. We absolutely know how to get there. But it's a case of being halfway home but having a long way to go. We actually have to follow through. We actually have to do a lot more hard work. We have to not only talk the talk but walk the walk in doing some of these things.

The Navy and the Marine Corps are absolutely committed to doing that. For every one of those Sailors and Marines out there who are committed to doing this and who are committed to

freedom and democracy, you ought to be, and I know you are, very proud of them. Thank you very much.