

Administration of Barack Obama, 2011

Remarks at a Town Hall Meeting and a Question-and-Answer Session in Fairless Hills, Pennsylvania

April 6, 2011

The President. Thank you so much. Everybody, please have a seat, have a seat.

Hello, Fairless Hills! Hello, Gamesa! It is good to be here. I was here 3 years ago. I was then a candidate. How many folks were here at the time? Anybody remember? We had a good visit. I signed a blade, I think, while I was here. I didn't have as much gray hair back then. *[Laughter]* You guys still look great. I'm a little worn down.

It is great to be back, and I love visiting places where people are actually making stuff, because that's what America is about. Everybody here, you are helping to build towers that are going to stand 400 feet in the air and generate enough electricity to power 600 homes. And the blades alone are 140 feet long, so these aren't your father's windmills. These are wind turbines. You guys are not messing around. This is the future of American energy.

So I wanted to come back partly because over the last 2 years since I've been President, just as I promised when I was here as a candidate, I have been promoting and boosting clean energy. I think it's absolutely critical for our future. And it's also nice to be next to cool products.

I think that what you do here is a glimpse of the future, and it's a future where America is less dependent on foreign oil, more reliant on clean energy produced by workers like you. And I know that this is—this whole issue of energy is on the minds of a lot of people right now, partly because you're paying more at the pump. Anybody notice that?

Audience members. Yes!

The President. You noticed that a little bit.

The fact is, for a lot of folks, money was already tight before gas prices started climbing, especially for some families where the husband or the wife had been out of work or you've had to get by with fewer customers or hours on the job. Having high gas prices is just one more added burden.

But I want everybody to remember, every time gases go up, we see the same pattern. Washington gets all worked up, just like clockwork. Republicans and Democrats both start making a lot of speeches. Usually the Democrats blame the Republicans, the Republicans blame the Democrats. Everybody's going in front of the cameras, and they've got some new three-point plan to promise \$2-a-gallon gas. And then nothing happens. And then gas prices go down, and then suddenly, it's not in the news anymore, and everybody forgets about it until the next time gas prices go back up again.

That's what was happening when I was running three years ago. You remember "drill, baby, drill"? That was because the economy was overheated, gas prices were skyrocketing, and everybody made a lot of speeches, but not much happened. And I said then that we can't afford to continue this kind of being in shock when gas prices go up and then suddenly being in a trance when things go back down again. We've got to have a sustained energy policy that is consistent, that recognizes that there's no magic formula to driving gas prices down, it's a

steady improvement in terms of how we use energy and where we get energy from. That's what's going to make a difference. That's how we're going to secure our energy future.

So last week, I laid out a vision of how we could do this. It's a plan that says we're not going to play the usual Washington politics that have prevented progress on energy for decades. Instead, what we're going to do is we're going to take every good idea out there, whether you're Republican or Democrat, whatever the idea, from environmentalists, from oil men like T. Boone Pickens. I want to have a comprehensive energy strategy that can help us move forward. And that means we've got to pursue every breakthrough, every renewable resource, every technology, every approach to change the way we produce and use energy.

And through this plan, what we want to do is promote all kinds of homegrown energy. That's what's going to help us secure our energy future. That's what's going to help us win the future.

Now, first of all, what I want to do is, in a decade, I want us to have cut by one-third the amount of oil that we imported when I was elected to this office. I want to cut our energy imports by a third.

Now, understand why that's so important, because when you see what happens in the Middle East and suddenly the world oil markets get spooked, even if the supply is there, your gas prices are going to go up. The less we import, the more control we have over what happens at the pump.

Second, through sources like wind energy, produced in part by your turbines, I want us to double the amount of electricity that we draw from clean sources. I want us to double it. And that means by 2035, 80 percent of our electricity will come from renewables like wind and solar, as well as efficient natural gas, clean coal, nuclear power. We can do that.

And by the way, that would make a huge difference here at Gamesa. This is an approach that says we're not going to pick one energy source over another. What we do is we set a target, an achievable goal, and then we give industry the flexibility to achieve it. We say to the utilities, you've got to get this much energy from renewable sources, and then wind is competing with solar, is competing with natural gas. And there's a healthy competition out there, and everybody starts getting better at what they do because you're producing more and you know you've got a reliable customer for it.

So we're cutting oil imports by a third. We're going to get 80 percent of our electricity from clean sources. And if we follow through on this, if we actually tackle this challenge, here's what will happen: Our economy will be less vulnerable to wild swings in oil prices. Our Nation will no longer be beholden to the countries that we now rely on for oil imports. We won't be sending billions of dollars a day to the Middle East. We can potentially keep some of that invested right here at home.

We'll reduce the pollution that's disrupting our climate and threatening the planet that we leave for our children and our grandchildren. We'll become more energy independent. And we'll spark innovation and entrepreneurship across America. We will be more likely to win the global competition for new jobs and new industries, because I don't know about you, I don't want China to be the world's leading wind power manufacturer. I want the United States to be the leading manufacturer of wind power. I want it made right here in the U.S. of A.

Same thing goes with solar, same thing goes—you name—whatever energy source, I want us to be the best. That's how we'll win the future. But we're going to have to out-innovate the

world. And this plant is a good example. For decades, this was part of steel country. Thousands went to work in the old buildings that lined these streets, forging the metal that built our trains and our ships and our cars and our skyscrapers.

But you know the story. The economy changed. Those jobs vanished. A lot of empty factories started lining these same streets.

But this company brought jobs back to these floors. Buildings that were dark, they're now humming again. We got more than 250 people on the job at these plants and 800 workers across the State. And Gamesa has partnered with Bucks County Community College to create a green jobs academy that serves as a pipeline for new workers as the company expands. And there are other companies pursuing clean energy along these streets as well.

This has made a difference in this community. It's made a difference for folks like Jim Bauer. Is Jim around? Where's Jim? There's Jim right there. Hey, Jim! See, I heard about Jim because he lost his job when the mills closed, but then he'd be pretty soon working again in the shadow of where he spent 25 years in the steel industry. Now he's here.

And there was a quote that we got from Jim. He said, "I was forced into retirement"—"after I was forced into retirement, nobody would hire me for any kind of decent money. Then I saw an ad looking for steelworkers to join Gamesa, and now I'm happy to contribute to something that's important."

And that—there are a lot of folks out there like Jim who are hard-working, have great skills, but maybe haven't gotten a chance, and there's no reason why they can't be working in a place that's doing some important things.

But times are still tough. A lot of people out there are still looking for work. And I'll be honest with you, not every manufacturing job that used to be here from the steel companies are going to come back, because if you go to a steel plant now these days, it may take 10 workers to produce what it used to take 100 workers to produce, just because of automation and new technologies. But Jim's story should give us hope. It should give us some idea of the promise of clean energy for our country.

Let me just say this one last thing and then I want to take some questions. None of this is going to be easy. When people—when politicians tell you something's going to be easy, they're not telling you the truth. If it was easy, somebody would have already done it and taken credit for it and had a photo op. Reducing our dependence on oil, doubling the clean energy we use, helping to grow our economy by securing our energy future, that's going to be a big challenge. And it's going to require effort. It's going to require ingenuity. It's going to require us coming together. It's going to require us getting past some of the petty politics that we play sometimes. But we can meet that challenge.

We're not going to always agree with each other on everything. We live in a big country. We've got a robust democracy, and that's fine. But we should agree on some basic things. We should be able to agree on developing clean energy and reducing our dependence on foreign oil. We should be able to agree that we need to invest in things like our roads and our bridges and our infrastructure, because we used to have the best infrastructure in the world, and we don't right now; other countries have gone past us. And if we were investing in our infrastructure we'd be putting more people to work.

You know, I don't expect everybody to always agree with me. But coming here today, I was reminded of what I said right here 3 years ago, back when it wasn't sure that I was going to

win the election. I mean, you guys couldn't pronounce my name. [*Laughter*] But here's what I said. I said, "I am not a perfect man, and I will not be a perfect President. But I can promise you this: I will always tell you where I stand. I will be honest with you about the challenges we face and how we can solve these problems. And I will take what I hear from you—your voices, your struggles, your hopes, your dreams—that's what I'm going to be thinking about every single day when I'm in the White House." And I have kept that promise. I have kept that promise. I'm thinking about you guys every single day when I'm in the White House. And I'm going to keep pushing, and I'm going to keep fighting for you.

With all that's going on in the world, with all the challenges we're facing, that's what I think about every single day when I wake up: what matters to you. I want to make sure everybody who wants a job can find one, everybody can pay their bills, everybody can raise their kids and give them a better life. And that's what all of us should be thinking about. Some of you may have heard the latest argument in Washington, our—the fight over last year's budget. Keep in mind, we're not arguing about this year's budget, we're arguing about last year's budget. It makes it tough to win the future when you haven't passed the budget from last year.

So I asked Congress to send me a budget that makes some serious spending cuts, but still invests in things like clean energy, still invests in research, still invests in infrastructure, still invests in education—investments that are critical for us to be able to compete with any country in the world. That's what I asked for. I asked for it several months ago.

Now, after weeks of negotiations, we've now agreed to cut as much spending as the Republicans in Congress originally asked for. I've got some Democrats mad at me. But I said, you know what, let's get past last year's budget and let's focus on the future. So we've agreed to a compromise, but somehow we still don't have a deal, because some folks are trying to inject politics in what should be a simple debate about how to pay our bills. They're stuffing all kinds of issues in there: abortion and the environment and health care. And you know, there are times to have those discussions, but that time is not now. Right now we need to just make sure that we pay our bills and that the Government stays open. And if we don't reach common ground by Saturday, the Federal Government shuts down. And some of you may not be that sympathetic. You may say, well, let it shut down, what do I care? But here's the thing. When Government shuts down, it means that that small-business owner who's waiting to get a loan, suddenly nobody's there to process it. He may not get that loan and that business may not open. And whoever he was planning to hire, suddenly he may not have that job that he was counting on.

It may turn out that somebody who was trying to get a mortgage can't have their paperwork processed by the FHA and now the person who was going to sell the house, what they were counting on, they can't get it.

Folks who were planning a vacation to Yellowstone, well, it turns out national parks, suddenly you're closed; you're out of luck. You may have to try to figure out if you can get your money back for that resort you were going to stay at.

I mean, these are things that affect ordinary families day in, day out, and it affects our economy right at the time when our economy is getting momentum. We had the best jobs report we had had in a very long time this past Friday. But you know what? Companies don't like uncertainty, and if they start seeing that suddenly we may have a shutdown of our Government, that could halt momentum right when we need to build it up, all because of politics.

I do not want to see Washington politics stand in the way of America's progress. At a time when you're struggling to pay your bills and meet your responsibilities, the least we can do is meet our responsibilities to produce a budget. That's not too much to ask for. That's what the American people expect of us. That's what they deserve. You want everybody to act like adults, quit playing games, realize that it's not just my way or the highway. How many folks are married here? When was the last time you just got your way? [Laughter] That's not how it works, right? He lifted his wife's hand up—[laughter]—you know, no.

I mean, the fact is, is that you have to make compromises as a family. That's what we are, the American family. So Democrats and Republicans need to get together, work through their differences, keep the Government running so we can focus on keeping this economy growing, focus on things like clean energy, driving down gas prices. That's our job. That's what people want to see: results. You deserve no less than that.

So this is a challenging time for America, and we've been through the worst recession since I was—before I was born. A lot of folks are still hurting out there. But if we come together, if we listen to each other, if we remember that we're one Nation, that we're one people, then I'm confident that we're going to come out of this period stronger than we were before.

And what makes me confident is seeing all of you and seeing what I see all across America: people who have drive and who have optimism and who are decent and do right by their families and do right by their communities. That's what's lifted us out of tough times before. That's what's going to carry forward America into the future.

So thank you, Gamesa, for the great work you're doing. And with that, let me take some questions. Appreciate you. Thank you. Thank you.

All right. We've got these wonderful volunteers who are—have their mikes, and they're going to come up so that I can hear your question. This young man right here—who had their hand up right—right here, this gentleman. Introduce yourself too.

Alternative Energy Sources

Q. Daniel Ream, sir. In 2009, the Center for American Progress sponsored the National Clean Energy Project, in which they detailed the implementation of an efficient, high-voltage grid that would extend from coast to coast. Now our particular product can only apply to so many mountains, valleys, and regions before we run out of space. It's critical that this grid be established so we can continue to grow these green-collar jobs and maintain this product within our American shores. What's the current level of appropriations being provided for this particular endeavor, and how high a priority is it for your current Cabinet?

The President. Now, that was a good question there. [Laughter] I mean, huh? Is that how he talks all the time? [Laughter] Man, I better take off my jacket. All right. [Laughter] That was serious.

No, listen, it actually was a great question. I think a lot of you guys are aware, there are some places—say, the Dakotas—where it's flat and you've just got a lot of wind, but you may not have a lot of customers. And so the question for wind power and solar power and a lot of these renewable energy industries is if we're producing the energy one place, how do we get it to another place? And that's why this whole concept of a smart grid is really important. And a smart grid is just a fancy name for a better electricity grid than what we've got right now. Because the way it works right now, we've got this patchwork of all these different electricity

grids and connectors, and there's all this leakage, and a bunch of it was created decades ago, so it's not particularly efficient.

And so the idea of a smart grid is, if you can hook up a national electricity grid that is state of the art and it has switches and computer monitors that are able to help regulate the flow of electricity to the places that need it when they need it, then you can save huge amounts of electricity, which means that your bills are lower. It means that we have to produce less energy per household or per business, which means we're sending less pollution into the air, whatever form of energy we're using. It means that renewable energies like solar and wind now have an advantage because you can get them from where they're being created to where they need to go. And because it's more efficient, there's less waste so you can actually store wind energy even when it's not windy or solar energy even when it's not sunny. So this is a huge and important project.

It turns out that the challenge is not so much a money issue. When you said appropriations, you know, the question was, does—are we going to—is Congress going to put a lot of money into building this thing? It turns out, actually, that you could probably get a lot of private sector dollars to invest in a smart grid. The big challenge is actually all these different zoning laws because people don't want transmission lines, et cetera, in their vicinity, and each State and each local government has its own control about siting issues. And so you've got this patchwork, instead of one national concept.

So what I've been trying to do—and this wouldn't cost a lot of money—is just to get Governors, mayors, county officials, Federal Government all to sit down and figure out, how can we get this done? How can we get this done? And it may start just in certain sections of the country. So you'd have a smart grid in, let's say, the upper Midwest, and then you'd have another smart grid in the Northeast. And you kind of build these bigger patchworks, and then you kind of stitch them all together at the end.

We should be able to get this done, but it's going to require some organization, and it requires cooperation from each of these different units of government than we've got right now. All right? Okay. And if you want to be a TV commentator, you let me know. *[Laughter]*

All right. Who's next? Who's next? Gentleman right here.

Price of Oil/Alternative Energy Sources

Q. How you doing, Mr. President?

The President. I'm good.

Q. My name is Jazz. You were talking about the rise of gas prices. Is there any way that—talks of lowering the prices? I mean, I know back in the seventies when we had this conflict, they were going from—our license plates, from odd to evens, days we could get gas. I know we're not at that stage right now, but they did lower the prices after that. Is there a chance of the price being lowered again?

The President. Well, let me go over what I said a little bit earlier. Most of the reason the gas price spiked 3 years ago was demand for oil increased. Then what happened was we had the terrible recession. A lot of businesses closed, a lot of folks were out of work, folks were driving fewer miles, so demand for oil goes down, prices went down. And by the way, oil prices are worldwide prices, so you don't just have, like, a U.S. market for oil; you've got a world market for oil. Anything that happens anywhere in the world will lower the price.

So now the economy is picking up, which is a good thing. More folks are finding jobs. Businesses are starting to hire again. And that's happening all around the world. So now you're starting to see demand go back up, and the prices are going back up. You add on top of that what's happening in the Middle East, and it makes folks nervous. And so these folks start saying, you know what, I'm going to bid a higher price on oil, on a barrel of oil now, because I'm thinking it's going to go up a little further in case something happens on the world oil markets. And that pushes prices up just a little bit more.

Now, there are a couple of things that we can do. But I'm just going to be honest with you, there's not much we can do next week or 2 weeks from now. What we can do is, for example, increase oil production here in the United States. So we are out there—here's a little secret for you. We actually have seen higher oil production here in the United States than any time in our history. We are producing a lot of oil. It's just demand keeps on going up faster than production. But we can still do more.

Now, we just had the Gulf crisis last summer when everything was messed up. And so what I had to do was I had to say, you know what, before we start drilling again out there, then I want you guys to show me proof that you can actually do this safely and when something goes wrong, you can cap that thing so we're not going through 6 months of oil just spilling into the ocean and ruining coastal communities and hurting fishermen and so forth. We now have a situation where the safety rules have been improved and drilling is beginning again in that region. But the drilling that's taking place in the Gulf now, that product doesn't get to market right away.

We're also saying, let's look in places like off the Atlantic or in Alaska. If there are other places where we can do some offshore drilling, we'll do it. But here's the thing about oil. We have about 2, maybe 3 percent of the world's proven oil reserves; we use 25 percent of the world's oil. So think about it. Even if we doubled the amount of oil that we produce, we'd still be short by a factor of five.

So we can't just drill our way out of the problem. And that's why the second thing we can do is increase efficiency on cars and trucks, which is where most of our oil is used. Now, I notice some folks clapped, but I know some of these big guys, they're all still driving their big SUVs. You know, they got their big monster trucks and everything. You're one of them? Well, now, here's my point. If you're complaining about the price of gas and you're only getting 8 miles a gallon—[laughter]—you may have a big family, but it's probably not that big. So—how many you have? Ten kids, you say? Ten kids? [Laughter] Well, you definitely need a hybrid van then. [Laughter]

But here's the thing is that last year, for the first time in 30 years, we increased fuel-efficiency standards on cars and trucks. And we didn't do it, by the way, with a law. We got auto workers, auto companies, environmentalists—everybody agreed to it. That's going to save us about 1.8 billion barrels of oil. But we can do more. The more efficient our auto fleets are, the more efficient our truck fleets are, the less people are using, that lowers gas prices as well. So that's the second thing we can do.

The third thing we can do is we can start looking at electric cars and maybe natural gas cars, so that we're not just using petroleum to power our vehicles. That would be, by the way, a huge boost for Gamesa. If you've got a much better distribution network for electric cars—right now some of these electrics, you should be able to just plug it in into your garage; you basically just have a big socket. You plug it in at night, unplug it, you're driving it all day. You get home, you plug it back in, and if you've got one of these smart boxes in your garage, the

unused electricity from your car actually goes back into your house. And so you're saving both ways.

But the problem is right now that we don't have a broad enough distribution network. The cost of advanced batteries for cars is still a little bit too expensive, so we're trying to drive down the price. It's like anything else, though; it's the same with your wind turbine, the same with wind energy: the more you make, the cheaper it gets, because the technology improves, you're creating more of them, you get economies of scale.

So number one, increase oil production. But that's not a short—that's not a long—a short-term solution, and it's a not a long-term solution either; it will just—it will help a little bit. Number two, more efficient cars so we're using our gas more effectively. Number three, shifting to electric cars and other forms of transportation so we don't use oil as much.

None of that is going to help you this week though. So, like I said, if you're getting 8 miles a gallon you may want to think about a trade-in. You can get a great deal. I promise you, GM or Ford or Chrysler, they're going to be happy to give you a deal on something that gets you better gas mileage.

All right. Young lady right here.

Exports

Q. Mr. President, I want to thank you for going to Latin America a couple weeks ago. And this is a great story where Ex-Im Bank and Gamesa worked together to supply over 50 turbines to Honduras for example.

The President. Right.

Q. If you could elaborate more on your National Export Initiative, I think that that would be an amazing thing to talk about.

The President. Well, that's a good point. You guys are selling some of your turbines overseas, partly because what's called the Export-Import Bank, which is a Government agency that helps businesses market to overseas markets, hooked up with Gamesa and saw—discovered this way where they could get into that market.

Now, one of the ways that we got in trouble before the recession was we were borrowing a lot of money to buy a lot of stuff from somebody else. Right? I mean, basically, what happened was we ran up our credit cards, we took out home equity loans, and we bought a lot of flat-screen TVs, and we bought a lot of whatever you all buy. [*Laughter*] I didn't want to get personal in terms of all the things that you might have purchased. But a lot of it was made somewhere else. And that was great for China. That was great for some of these other countries that are exporting to the United States, but it wasn't very good for U.S. industry.

The way countries succeed over the long term is by making stuff and selling it to somebody else. So what—my—I set a goal. I said I want to double our exports. I want to double our exports over the next 5 years, and we can do it. We've already increased our exports by 18 percent. Now, that's a good start, but that means we got another 80 percent to go. And that's where using something like the Export-Import Bank can be really important, because a lot of these other countries give a big advantage to their exporters. They help give them financing. They help them find markets. They negotiate deals for them. And my attitude is, well, if they're doing it for their companies, I want to make sure we're doing it for our

companies. And I want to make sure that goods that we're producing here in the United States get sold other places.

We've got the best technology. We've got the best workers in the world. But we are such a big market that a lot of times we've been focused more internally than thinking about how can we sell to other countries. And we can't be afraid of competition. We've got to go after it. All right?

Young lady right there. Yes, you.

Tax Reform/Manufacturing Industry

Q. Hi, my name is Singaza Bell. Yes, my question is in light of what you just said. What of corporate tax incentives and R&D tax incentives that will make companies like Gamesa do their manufacturing here? Because it's one thing to have the knowledge base in the United States, but we really need manufacturing back here.

The President. You're right, and the reason that companies locate in different places is complicated. A lot of it has to do with the fact that labor costs may be lower in some of these other countries, but a lot of it has to do with our Tax Code, which is kind of screwy.

On paper, we've got the highest tax—one of the highest tax codes for corporations in the world—on paper. But here's the catch, we have so many loopholes that it turns out you've got a whole bunch of companies who are paying no taxes or barely paying taxes or they keep their money in offshore accounts and it doesn't get reinvested back here in the United States of America.

So this is one of the reasons why I've said that I think it would make sense for us to reform our Tax Code, simplify it, lower the rate for corporations, but eliminate a bunch of the loopholes so that everybody is paying the same and it's fair.

Because what you pay in taxes should not depend on how good your lawyer is or how good your accountant is. If you make a certain amount of money, that's what you should pay. And I think that same principle, by the way, we can apply to individuals as well. So one of the things I'm interested in is looking at tax reform. Ninety percent of you shouldn't even have to probably file a return.

The way electronics works these days, you should be able to—with your W-2, it gets plugged in, it's on a computer somewhere, here's your refund, you sign something electronically, it gets done.

Most people don't itemize. If you don't itemize, sending in some complicated return is just a waste of paperwork. And even if you do itemize, most of you probably, it's your mortgage on your house—interest payments on your mortgage and a couple other things. It shouldn't be some 2-week ordeal.

And by the way, because sometimes folks will say, well, you don't have to do your taxes. Look, it's true, I don't do my taxes anymore. I've got other stuff that I've got to do. But it wasn't that long ago when I did do my taxes. I remember. It was terrible. *[Laughter]* Just like I remember pumping gas. I don't pump gas anymore, but I remember what it was like when you filled it up and it turned out you didn't have as much money as you thought.

So I think we can actually simplify it. But on manufacturing, tax reform on the corporate side could make a difference. The other thing, though, is in terms of encouraging manufacturing, we've got to understand what our advantage is. See, we'll never compete in

terms of low wages; there's always going to be someplace that has lower wages than we do. We're a wealthy country.

So if a company just wants to make plastic toys, we're just not going to be able to keep up with that. But when it comes to high-end, high-skilled jobs, those are the kind of manufacturing jobs we have to go after. And that's where research, innovation is so important. That's where on something like clean energy, making sure that there's a market for that clean energy is so important. That's what's going to produce manufacturing jobs, making sure we've got a good smart grid. Those are the kinds of things that are going to make sure that we have the high-end manufacturing here in our country.

And I just want to introduce—there's a guy right here, this guy, I'm going to embarrass him. His name is Ron Bloom. Ron is actually the guy who helped us save the auto industry. He helped to design our program to make sure that GM and Chrysler did not get liquidated and did not go under. And by the way, I don't know if you guys heard, a couple weeks back GM said it was now going to hire back every single worker that had been laid off—every single worker that had been laid off.

So Ron is now working to develop manufacturing strategies for every industry around the country, and he's doing great work. And I'm sure he's going to be talking to the folks here at Gamesa and others in terms of finding ways that we can increase manufacturing here in the United States all across the country.

All right, gentleman right here.

Tax Reform/Alternative Energy Sources

Q. Hello. David Campbell. My question is in regards to the ITC and the PTC—the investment tax credit and the production tax credit, renewable energy. It's somewhat known that the large energy developers act somewhat volatile depending on the looming deadlines in some of the provisions in those tax credits. And they have been known, and they've been spoken on in the industry as being helpful. Can you just speak on how your administration plans to support that or plans to continue to support it because you already are?

The President. We want to make them permanent so that people aren't looking every few years to try to figure out is this investment going to be there for us.

I want to kick-start this industry. I want to make sure we've got good customers, and I want to make sure that there's the financing there so that we can meet that demand. And there's no reason why we can't do both, but it does require us getting past some of these political arguments.

I don't understand why some folks think that if you promote clean energy that somehow you're some pointy-headed, environmentalist type, but if you're all about just drilling and getting more oil, then you're a tough guy.

If oil is what you've got and it works for you, and you can—then there's nothing wrong with oil. But when you only have 2, 3 percent of the world's oil reserves, why wouldn't you want to develop alternative sources of energy that are cleaner and more efficient and that produce manufacturing jobs like are being produced right here.

Sometimes people say, well, what about coal? Look, coal—we are the Saudi Arabia of coal. We've got a whole lot of coal, but the fact of the matter is, coal—if we don't have clean coal technologies to catch the particles that are sent up in the air, it causes serious pollution that

increases the rates of asthma and is contributing to weather patterns changing. So we should work on technologies to make coal cleaner. But that doesn't mean that it's an either-or; it's a both-and.

We can use oil, use coal. We're going to need those for a while. But let's also develop these new energies, these cleaner energies, that can really make a difference. We're going to need bipartisan support for that. That's what I'm hoping we're going to be able to get.

All right. Gentleman right here.

Importing Oil/Alternative Energy Sources

Q. Hi, Mr. President. First off, thank you very much on behalf of everyone here for coming today. It really means a lot to us.

The President. You bet.

Q. My name is Alan Berchel. I'm a Canadian. I just moved here about a year ago. And my question for you today is in reference to the Canadian tar sands. Now, we've heard you speak today about the importance of manufacturing things domestically for the purpose of exporting. We've heard you speak about the importance of domestic energy security, as well the importance of outperforming China in terms of the ability for us to manufacture wind turbines.

Now, I would like to know how you balance your commitment to the environment with domestic energy security, given that there has been recent domestic dissent from the idea of importing Canadian oil, and as well, keeping in mind that it does require energy in order to manufacture these turbines, if you do not import the Canadian tar sands oil, you are opening the door to further investments by Suncor in Canada. As well you're essentially offering up this very vast and politically stable oil—energy resource to a country like China. I just want to know how you're balancing all these different pressures.

The President. Did you talk to this guy? [*Laughter*] You know—[*laughter*]. There's—for those—just to give background to folks, there are these tar sands in Canada that can produce oil. There is talk about building a pipeline into the United States to import that oil. I can't comment on the specifics of this because the State Department is going through this complicated review process, and if it looks like I'm putting my fingers on the scale before the science is done, then people may question the merits of the decision later on. So I'm not going to get into the details of it.

I will make this general point, which is that, first of all, importing oil from countries that are stable and friendly is a good thing. So, for example, some of you saw I went down to Brazil a couple of weeks back. And I know people think I was going there to see samba dancers or something, play soccer. I was going down there partly because Brazil is actually already doing a really good job with biofuels. They've got some of the best cellulosic ethanol, this ethanol that's not made with corn, but it's made with, like, sugar cane stalks.

So I think a third of their cars already on the road run on biofuels. So I wanted to make sure that we learn from them; this goes to the point about another way that we can lower oil—gas prices. But they also just had these huge discoveries of oil off their shores underwater, pretty deep down. And can we start working with them using our outstanding technology, some of the lessons we've learned in the Gulf, to create another regular source or supply of oil.

Canada already is one our largest oil exporters, or that's—we import from Canada. These tar sands, there are some environmental questions about how destructive they are, potentially,

what are the dangers there, and we've got to examine all those questions. It's the same thing with natural gas here in Pennsylvania. Everybody has been hearing about the whole fracking issue, right?

Now, natural gas is a clean, relatively clean energy. It's a fossil fuel, but it burns pretty clean. But we've got to make sure that as we're extracting it from the ground, that the chemicals that are being used don't leach into the water. Nobody is an environmentalist until you get sick. And it turns out, well, gosh, why didn't somebody tell me that this might affect the water that we drink or the air that we breathe or what have you? So we've got to do some science there to make sure that the natural gas that we have in this country, we're extracting in a safe way. The same thing is true when it comes to oil that's being piped in from Canada, or Alaska for that matter. We just got to do these evaluations, and we're always trying to do that based on the science. All right?

Let me see. This guy right here in the glasses. Yes.

Education Reform/Federal Budget

Q. Hey, Mr. President. Welcome back.

The President. Great to be back.

Q. My children—I have seven of my children and eight grandchildren. I was just wondering, like, what are we going to do about their education? Because we're falling into cutting this school, we're cutting five schools, six schools here and all. I mean, that's our future. If we're cutting their heads off, then where are we going to be in 30 or 40 years?

The President. It's a great question. Can I just ask before I answer, though, is there some rule at Gamesa that you got to have a whole bunch of kids? [*Laughter*] I mean, you got 10 over here, you got 7 over here. Golly. [*Laughter*]

Look, the single most important determinant of how we do as an economy is going to be how educated our workforce is. That's our biggest competitive advantage, is having workers who are skilled. If we've got the best scientists, if we've got the best engineers, if we've got the best mathematicians, if we've got workers who know how to—as they do here at Gamesa—to use high-tech equipment, that's what's going to be our advantage.

Like I said, we're not going to win the race just by driving our wages down, because we'll never win that race. I mean, China doesn't even have the lowest wages now. Some companies are now moving to the next country that's got lower wages than China, because China's economy is starting to grow. There's always going to be some country out there with lower wages. But we can out-educate anybody. And we used to have—we used to have the best education system in the world. We used to have the number-one percentage of college graduates in the world. We don't anymore. Our kids used to do the best on math and science exams; now we're like 9th, 12th, 21st. And that means that other countries are going to pass us by.

This is why even in these tough budget times, where we need to cut the things that we don't need, we can't stop investing in education. We can't stop investing in education. I put forward my budget proposal for next year, and almost every department I cut. One department I didn't cut: Education. I did not cut education; I actually increased our investment in education.

Now, money is not the only thing that makes a good school, so we've also got to reform our schools. Some schools are not structured to make sure kids learn. There are schools out there where they've got enough money, but for whatever reason—most of the time they're in poor neighborhoods, but part of it is also that the teachers, the principals, et cetera, they're not working together in as effective a way with the parents and the community to make sure that there are high expectations for the kids and everybody is performing.

So what we've said is, yes, we're going to put more money in the schools, but we're also going to reform the schools. And part of the money that we've done is—what we've done is we've carved out some of this money, and we've said, instead of it just going to every school district based on some formula, we want you to compete for it. Come up with a plan explaining how you're going to reform our education system: how you're going to make sure there are high standards for every kid, how you're going to get the best teachers, how you're going to train and retain those teachers, how you're going to make sure that the schools are accountable. And if you do those things, we're going to give you a little bit of extra money. And it gives an incentive for every State and every school district to start looking at what they're doing to see if they're using the best practices possible to educate our kids. So that's on the K through 12 level.

We also have to focus on community colleges, because that's—it's not just enough to have kids getting good educations. We have to have adults who are constantly retraining. I mean, how many here—how many folks here who are working at Gamesa took some sort of training class at a community college that helped them along the way? Anybody? Look at that. Right? So we've got a decent number of folks who, maybe you've got a career change, maybe your old skills are a little obsolete now, and you need to upgrade them. Well, you've got to be able to also get a good education. So that's why we're putting more money into community colleges as well as 4-year colleges. And what we've done is we've expanded the grant programs, the Pell grant, the student loan programs, so that more people can afford to go to college without getting huge debt, especially if you're working. And if you've already got a family, you can't afford to be taking out \$50,000 worth of debt. So we want to give you more help.

Now, this is a good place to just talk, again, about this budget debate, because you're going to be hearing a lot about this. Right now we're debating last year's budget, and we may have a Government shutdown, and then we're going to have to debate next year's budget. All of us think that the Government should live within its means. We all believe that. You do it in your families. Government should have to do the same thing. And there is some waste in Government.

And so we've been cutting in a whole bunch of areas, and we're consolidating some agencies and earmarks that are not necessary, and we're looking at the Pentagon—how do we make our defense spending smarter and better? And so we're going to be doing a lot of consolidation and cuts, but one thing we can't do is stop investing in education, in research, in infrastructure, in things like a smart grid. Those are the things that are going to make us competitive over the long term.

So if you see me getting in some arguments in Washington, I want you to be clear. Don't believe that somehow the argument is about whether we should cut or not. I've already said we've got to cut spending. I just want to make sure we're cutting the right things. Don't protect things we don't need and get rid of things that we do. That's my basic attitude.

All right. I have time for one more question, and I'll call on that young lady back there.

Energy Efficiency

Q. Mr. President, given that energy efficiency is the cleanest, safest, cheapest, and most labor-intensive energy resource, what else—what more can the Federal Government do that is revenue neutral to support the growth of the energy efficiency industry?

The President. Well, first of all, I want you to know that you are absolutely right. The first thing we can do to improve our economy, and our environment at the same time, and can actually produce a lot of jobs, is to make everything we do more efficient. That's sort of the low-hanging fruit. We use huge amounts of energy because our buildings aren't well insulated or the lighting that we use is old-fashioned or the heating—the HVAC systems, the heating and cooling systems—are inefficient. So what we've said is, why not provide incentives to both businesses and homeowners to make your home or your business more energy efficient, because you'll get the money back. It will pay for itself, because your electricity bills will go down.

But the only problem is, a lot of folks, they need a little bit of money up front to get started. I mean, I'll bet a lot of folks here—anybody recently reinsulated their house or put in new windows or something? Gentleman right here. And how long ago did you do it? A few months ago? Are you already seeing a drop in your electricity bill? You are, right?

So—but you had those up-front costs that you had to deal with. Right? And so the question is, you may not have initially the couple thousand bucks out of pocket to be able to do it. Now, this guy looks like he's pretty handy, so he might have done it himself, right? But I would have gotten a nail in my thumb or something, because I'm challenged in those ways. So I might have had to hire somebody.

But the point though is, is that that money up front—if we can give you a tax break to do it initially, you're going to get that money back. And if you're not somebody who can do it yourself, you're going to hire somebody. And that now is creating a job in a whole bunch of new industries for people who are doing energy efficiency.

So I already mentioned how we're trying to provide incentives for cleaner cars and more energy-efficient transportation sectors. I think the next big challenge are commercial buildings and homeowners, giving them incentives to make these investments. It's a win-win situation for everybody.

So all right, well, listen, Gamesa, it was wonderful to be with all of you. I'm proud of what you're doing. As I said before, just in closing, we've gone through a very tough couple of years. And I'm not going to guarantee standing here that suddenly every single challenge we have is going to go away overnight. And if somebody promises you that, they're not telling the truth.

Gas prices, they're going to still fluctuate until we can start making these broader changes. And that's going to take a couple of years to have serious effect. Not everybody is going to be able to remodel or insulate their homes right away. But slowly we can get more and more homes and more and more buildings doing it.

If we get a clean energy standard, then Gamesa is going to have more customers. It's not going to immediately transform the wind industry, but it's going to make it that much stronger. And I'll bet that the leaders of your company will start hiring some more people because there will be greater demand.

And day by day, week by week, year by year, we slowly make more and more progress. On education, we're not going to transform all the schools overnight. Too many kids are going to

be dropping out. Too many kids are going to be ranking too low on international standards on math and science. But if we improve those schools each year, then slowly but surely our whole workforce gets better.

We're not going to eliminate the debt that's built up overnight. But if each year we're making good choices, we're investing in those things that we need, not investing in those things that we don't, then the debt will come down. That's how progress is made.

In our own individual lives, whether it's trying to build a career or raise your kids or getting exercise, it starts a step at a time. And then slowly you make progress. And then a year, 2 years, 5 years later you look back and you said, you know what, I'm in a better place now. The country is the same way.

So we've got to have a vision for how we're going to win the future. We've got to be persistent about it. We've got to be steady about it. But we have to also have confidence. America has always been able to make the changes that it needs to. And I have every bit of confidence we're going to be able to do that again this time out. And we're going to do it partly because of the great workers at places like Gamesa.

So thank you very much, everybody. God bless you. God bless you.

NOTE: The President spoke at 2:04 p.m. at Session at Gamesa Technology Corp. In his remarks, he referred to T. Boone Pickens, founder, BP Capital, L.P.; and Treasury Department Senior Adviser for Auto Issues Ron Bloom, in his capacity as Senior Counselor to the President for Manufacturing Policy.

Categories: Addresses and Remarks : Fairless Hills, PA, town hall meeting and question-and-answer session.

Locations: Fairless Hills, PA.

Names: Bauer, Jim; Bell, Singaza; Berchel, Alan; Bloom, Ron; Campbell, David; Pickens, T. Boone; Ream, Daniel.

Subjects: Brazil : Energy, alternative and renewable sources and technologies; Brazil : Oil supply and refining; Budget, Federal : Congressional spending restraint; Budget, Federal : Deficit and national debt; Budget, Federal : Fiscal year 2011; Budget, Federal : Fiscal year 2012; Budget, Federal : Government programs, spending reductions; Business and industry : Automobile industry :: Improvement; Business and industry : Automobile industry :: Strengthening efforts; Business and industry : Global competitiveness; Business and industry : Manufacturing industry :: Decline; Business and industry : Manufacturing industry :: Strengthening efforts; Canada : Oil supply and refining; China : Energy, alternative and renewable sources and technologies; Commerce, international : U.S. exports :: Expansion; Commerce, international : U.S. exports :: U.S. National Export Initiative; Congress : Bipartisanship; Congress : Earmark reform; Defense, Department of : Budgetary discipline; Economy, national : Improvement; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Postsecondary education :: Affordability; Education : Postsecondary education :: Career training and continuing education; Education : Postsecondary education :: Community colleges; Education : Postsecondary education :: Pell grants; Education : Public-private cooperation; Education : Science and math programs; Education : Standards and school accountability; Education : Teachers; Education, Department of : Funding; Education, Department of : Race to the Top

Fund; Employment and unemployment : Job creation and growth; Employment and unemployment : Outsourcing to foreign countries; Energy : Alternative and renewable sources and technologies :: U.S. production; Energy : Alternative and renewable sources and technologies :: Promotion efforts; Energy : Alternative and renewable sources and technologies :: Market development and problems; Energy : Battery technology for hybrid automobiles; Energy : Coal and clean coal technologies; Energy : Domestic sources; Energy : Energy efficiency and weatherization :: Homes and buildings; Energy : Energy efficiency and weatherization :: Tax incentives; Energy : Foreign sources; Energy : Fuel efficiency standards, strengthening efforts; Energy : Gasoline, oil, and natural gas costs; Energy : Infrastructure and grid improvements; Energy : National energy policy; Energy : Offshore oil and gas drilling; Energy : Solar and wind energy; Environment : Carbon pollution; Environment : Climate change; Environment : Oil and gas industry :: Technologies, improvement efforts; Environment : Oil spills :: Cleanup and prevention efforts; Export-Import Bank, U.S.; Government organization and employees : Restructuring and reform; Gulf of Mexico : Deepwater Horizon oil spill :: Environmental effects and cleanup efforts; Housing and Urban Development, Department of : Housing Administration, Federal; Interior, Department of the : Park Service, National; Middle East : Democracy efforts; Middle East : Oil supply and refining; Pennsylvania : President's visits; Pennsylvania : Sessionat Gamesa Technology Corp. in Fairless Hills; Science and technology : Research and development; Small Business Administration : Loan guarantee facility; Taxation : Tax Code, reform; Taxation : Tax return filing, improvement efforts; Transportation : Infrastructure, national, improvement efforts; Treasury, Department of the : Auto Issues, Senior Adviser for; White House Office : Assistants to the President :: Manufacturing Policy, Senior Counselor for.

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