

*Remarks for the
Southern States Energy Board
April 18, 2002*

Thank you, Don. Good afternoon and welcome to Biloxi and the great State of Mississippi.

This morning you have heard from a number of experts on energy security and technological advances to reduce our dependence on foreign energy resources.

Energy and environmental security are integral to strengthening our nation's economy.

Diversifying our domestic energy supply is crucial for protecting our economic leadership and achieving environmental goals. And, reducing our dependence on foreign oil is critical to national security.

On September 10, 2001, I became Chairman of the Southern States Energy Board.

My first action as Chairman was to unveil the “Energy Policy in the South: Integrating Energy, Environment and Economic Development” which was developed and adopted jointly by the Southern States Energy Board and the Southern Governors’ Association.

On that same day, September 10, the Southern Governors presented this policy document to Vice-President Cheney with many recommendations that mirrored the National Energy Policy.

The theme of “Energy Policy in the South” is “energy security” built on strategies that emphasize integrating energy, environment and economic development.

Without knowing the tragic events that would unfold the very next morning, the southern Governors proclaimed that energy security was essential to our Nation’s economic strength.

September 11 raised an awareness among us that our country was vulnerable to terrorism, and that domestic energy supply and infrastructure were primary targets.

Now, with the War on Terrorism, it is imperative that we reduce our dependence on foreign energy resources while increasing a viable domestic energy supply.

In Mississippi, I often speak of a “shared vision and a shared voice.” We must seize the moment to have a shared vision and a shared voice if we are to accomplish what we want – preserving the freedom of this great homeland.

In February 2002, along with Ms. Eva Tieg Hardy, SSEB's federal representative, and Representative Jerry Paul of Florida, representing SSEB's executive committee, I met with Energy Secretary Spencer Abraham regarding the National Energy Policy's recommendation to work closely with regional governor organizations.

During the meeting we commended the administration for recognizing the importance of regional initiatives to solving our energy crisis.

Now, it is incumbent upon Congress to pass a comprehensive energy bill that is balanced and strengthens our national security.

Energy, environmental protection and economic development are essential components for growth and an improved quality of life for all citizens. All three elements must be inextricably tied to any strategy designed to render effective choices for the future. In the Energy Policy in the South, the five underlying principles highlight the importance of recognizing the convergence of energy, environmental and economic development policies.

First, we must ensure that we diversify our domestic energy resources to achieve energy and economic stability.

We know this nation will continue to rely on coal, oil, natural gas and nuclear power for our energy needs. But renewable resources can make a healthy contribution to our fuel mix as well.

We need to support tax incentives that benefit the production of energy from all fuel sources with the goal of stabilizing energy supply.

And, we need to provide workforce incentives to increase and sustain expertise in the field for the energy production industry.

The South has tremendous, untapped biomass energy resources, more than any other region of the country. We must explore opportunities to open biorefineries, co-fire wood wastes and sugar cane residues with coal, develop bioenergy production on hog and chicken farms, and increase the production and use of transportation fuels from ethanol.

Just yesterday, I signed a bill to encourage ethanol production plants in Mississippi to utilize our own natural resources at their facilities.

In my role as Chairman, I've called upon Congress to restore funding for the regional biomass energy program and to work with regional governor organizations to make RBEP even more successful. I am extremely concerned about the U.S. Department of Energy's plan to eliminate the Regional Biomass Energy Program (RBEP).

This program is a unique, proven energy and economic development initiative driven by the needs and resources of five distinct regions. Without this important program, opportunities are at risk to help small businesses develop technologies that will generate new fuel sources.

The Regional Biomass Energy Program is vital to our nation's ongoing efforts to develop more secure and affordable sources of energy to power this great land.

And while I am dismayed that the Administration seeks to eliminate this program, I will promise you that we will proceed with a shared vision and voice through the Southern States Biobased Alliance.

The mission of the Alliance is *to provide leadership to the Southern States Energy Board and its member States for developing policies and strategies that will foster a regional biobased industry and boost rural economies.*

The second key principle of our southern energy policy is to address supply to enable market stability and ensure energy reliability.

We must continue to address the complex issues that affect our nation's electric power system, particularly stability, reliability, price volatility and regulatory change.

Regional approaches ensuring coordination and cooperation also are important so we can address energy and environmental issues that transcend state boundaries.

Without a doubt, Americans should be concerned over energy security when we are so vulnerable to a disruption in oil supplies or a surge in world oil prices. The oil and gas price shocks in the 1970's remind us too well that our reliance on Middle East oil can tremendously impact our economy.

Over the past few months, we have experienced the spiking crude oil prices when we purchase gasoline. Since February 8, prices at the pump have increased an average of 32 cents.

The Energy Information Administration reported last week that gasoline prices have risen steadily since February and this summer will mark the third highest summer gasoline price in U.S. history. The unpredictability and volatility of crude oil prices leaves us politically and economically vulnerable.

Therefore, the United States must utilize its own energy resources and decrease our dependence on foreign oil if we are to sustain a stable economy.

Energy diversity is crucial and we must consider all potential, environmentally safe energy options. The nation should not assume primacy of any single energy source in meeting our future energy needs.

Our third principle is to increase conservation and improve efficiency to minimize environmental impact and foster demand response.

Conservation and energy efficiency are necessary elements in the formula determining reliable and affordable energy prices. These best practices help us to balance supply and demand as well.

And most importantly, we need to support more public outreach and education on the cost savings associated with energy efficiency and conservation.

In Mississippi, we have an “Energy Network Program” that is committed to helping Mississippians become more energy-smart.

We also have an energy efficiency procurement mandate of energy consuming commodities for state government.

As Chairman of the Southern States Energy Board, I am working aggressively with Congress and the administration in seeking a more equitable allocation and increased funding for Low-Income Home Energy Assistance and the Weatherization program.

These programs require adequate levels of funding. Clearly, these programs will provide a significant return to the taxpayer while stimulating more efficiency in energy use.

Expanding and strengthening our infrastructure capacity is our fourth key principle.

As policy makers for this region, we must focus on expanding and strengthening infrastructure capacity and delivery.

The country's energy infrastructure and delivery system needs upgrading and revamping if we are to ensure energy delivery, national security and economic development.

As you heard this morning, the National Governors' Association Center for Best Practices Electricity Task Force has developed principles concerning interstate transmission infrastructure issues.

We have urged Congress not to undermine the Governors' proactive approach to interstate transmission infrastructure.

Legislative language on transmission siting should be consistent with these principles and policy and not impede the development and implementation of regional strategies that are being developed by the task force.

As Chairman, I am recommending that the Southern States Energy Board be recognized as the appropriate regional organization to act in a non-regulatory role for transmission infrastructure issues.

We should not forget the critical need of strategic security for our oil and gas pipeline infrastructure. Mississippi, Louisiana, Texas and Alabama are the Nation's gateway for our oil and gas supply.

While these states receive no revenues from the royalties generated, we are proud that we are responsible for the safe delivery of these resources. At the same time, we are exposed to great vulnerabilities because of the concentration of an aging and inadequate infrastructure.

Congress needs to provide equitable funding to coastal states so that we have a secure and reliable delivery infrastructure.

The fifth and perhaps the most important principle is advancing research and development of clean energy technologies and systems.

Remaining on the “cutting edge” of technology development is critical for the United States if we are to maintain our status of world leadership.

Our use of clean coal technologies, for example, has had a dramatic impact on the reduction of carbon emissions nationwide. Sales of our technologies provide jobs and economic development here at home.

But at the same time, these new, advanced applications are helping to clean up the atmosphere across the globe. So I encourage us to strengthen our international relationships, particularly as to clean and efficient energy technologies, so that the quality of life will improve universally while stimulating economic development for our nation.

In my role as Chairman, I have appointed Wilbur Dees to serve as Chairman of the SSEB Committee on Coal and Advanced Power Systems. Wilbur is the Director of Power Delivery at Mississippi Power Company and has more than 37 years of service with the company. I am confident that Wilbur will be an excellent leader for the Committee.

In closing, let me say that as Governor, I have the responsibility to respond to all emergencies affecting the people of Mississippi and their quality of life.

States are critical in responding to energy crises and minimizing any supply disruptions or shortages – no matter the cause.

Diversifying our energy systems and maximizing the use and supply of domestic energy resources must be included when addressing homeland security.

Last year, I issued an executive order to implement an incident management system for the state, based on the National Interagency Incident Management System.

This will ensure that, in emergency situations, all State and local agencies will use “common terminology, integrated communications, incident action plans, unified command, and comprehensive management of resources during emergencies or disasters.

This action will prevent duplication of efforts, confusion about responsibilities or problems with communication during any type of emergency situation within the State. Mississippi is prepared.

In closing, I call upon you to remember that a “shared vision and shared voice” promise a better and free country.

Have a great time during your stay here in Biloxi.

God bless you and God bless America.