

Remarks by the Honorable Ray Mabus
Secretary of the Navy
Pacific 2013 Advanced Biofuels Industry Day
08 October 2013

Thank you for inviting me to share my thoughts on the importance of energy and military policy with you today. Global meetings like this one are going to be critical to developing the innovation we need to face the energy challenges of the 21st century. I want to start by congratulating our friends in the Royal Australian Navy on their 100th Anniversary. For 100 years you have played a critical role in the security of the Asia-Pacific, and you have been a strong and reliable partner for the U.S. Navy and Marine Corps.

As the Secretary of the Navy in the United States I am responsible for recruiting, training, and equipping almost 900,000 U.S. Sailors, Marines, and civilians who spend every day working to defend the American people. Our Sailors and Marines are deployed worldwide every single day, from the mountains of Afghanistan to the littorals of the Pacific. They are there around the clock, far from our shores, far from their families, far from home. They are America's Away Team.

Australia, as an island nation, recognizes the critical importance of seapower. The Royal Australian Navy has been right alongside us supporting two land wars on the Asian continent. However, while other services return home after the end of wars, our naval forces continue to deploy, day after day, month after month, year after year in support of the security and diplomacy of our nations. Historically navies have two critical jobs they perform for their

nations, to fight and win their nations wars, but also to deploy a long way from home to preserve the peace. In the military we call what navies provide presence. And presence matters.

To maintain the U.S. Navy and Marine Corps' critical presence on the world stage I focus on 4 priorities; People, Platforms, Power, and Partnerships. Now some people ask why Power is in there, why energy is on the list. I always thought it was obvious: without the resources to power our platforms, we might not be there when we're needed, we might not be there when it matters. In order to maintain our presence, power matters.

Energy is a global security issue. In the weeks following the chemical weapons attack in Syria oil prices surged to over 107 U.S. dollars a barrel and remained there for weeks. Oil traders call it a "security premium." This scenario played out in Egypt, and in Libya, and plays out every time some potential instability arises.

This has huge implications for the U.S. Department of Defense. We are the largest single consumer of fossil fuels on the planet and budget 15 billion dollars each year on fuel. But in the last three years price spikes added another 5 billion dollars over what was budgeted. That has a huge impact on our ability to operate. But more importantly, the cost of total dependence on oil can also be measured in the lives of Marines killed or wounded guarding fuel convoys. During the height of operations in Afghanistan, we were losing, killed or wounded, one Marine for every 50 convoys transporting fuel into theater. That is too high a price to pay.

By 2020 at least one-half of all our energy in the U.S. Navy and Marine Corps afloat and ashore will come from non-fossil fuel sources. We are making progress toward that goal through greater energy efficiency and alternative fuels. Burning cleaner fuel, or not burning fuel at all, is certainly better for the environment. But for us, that is a nice side effect. We're pursuing these alternatives because they make us better at our jobs. They make us better warfighters.

In 2012, we achieved an important milestone when ships and aircraft comprising a Carrier Strike Group participated in the Rim of the Pacific Exercise using a blend of advanced biofuel and jet or marine diesel fuel. The Royal Australian Navy was right there with us and our two navies have signed a statement of cooperation during that event. When Rear Admiral Barrett came to visit USS NIMITZ during RIMPAC his helicopter refueled on the blended biofuel.

The big news out of that exercise was that there was no news. It was absolutely seamless, absolutely transparent. And we are on track to meet another goal when we send the Great Green Fleet to sea for an operational deployment in 2016. We hope that just like the Great White Fleet a century ago, they'll be able to stop in Australia to refuel, this time with biofuels.

Under a Presidential Directive our Department of Defense, in partnership with the U.S. Departments of Agriculture and Energy, announced an agreement with four companies that committed to producing more than 150 million gallons of drop-in, military-compatible biofuels a year. The average price of the fuel will be well below \$3.50 per gallon, which is very competitive with conventional fuels at today's prices. At full production, the fuels from these

bio-refineries, when combined with conventional fuel at a 50/50 blend, hold the promise of cost-effectively providing the fleet with nearly 25 percent of its annual fuel demand.

With your help and your partnership, together we can help us establish a global, cost competitive biofuels market. Power, energy and the fuel for our ships is a central challenge of our future, just as it has been in our past. For the U.S. Navy and the Royal Australian Navy it helps guarantee our presence, our ability to respond to crises.

For almost 238 years the U.S. Navy and Marine Corps have established a proven record as an agile and adaptable force. Forward deployed, we remain the most responsive option to assist Australia and our allies, protect today's global system, and defend the United States of America.

Thank you.