



A CONVERSATION WITH GOVERNOR ARNOLD
SCHWARZENEGGER

The Fight for Alternative Energy Sources

With Congressman Henry Waxman (D-California),
Chairman, House Committee on Energy and Commerce

Moderated by Shai Agassi, CEO, Better Place



The Saban Forum's Gala Dinner included a conversation on alternative energy sources with Governor Arnold Schwarzenegger and Congressman Henry Waxman, moderated by Better Place Founder and CEO Shai Agassi. Governor Schwarzenegger and Congressman Waxman have led the national debate on energy policy in the United States, and Shai Agassi's company has been at the forefront of efforts to turn electric cars into a reality.

During the dialogue, Governor Schwarzenegger stressed the importance of fighting climate change and noted that the results of investing in green technology benefit the environment as well as many sectors of the economy. For example, according to a study conducted by Berkeley University, California's environmental efforts will create as many as 403,000 jobs in the next twelve years and increase household incomes by \$38 billion. Although California is leading the efforts of advancing alternative energy and creating green jobs, Governor Schwarzenegger said there is a need to create stronger public support of these initiatives. He argued that more attractive publicity campaigns are needed to inspire the public.

Congressman Waxman, Chair of the House Energy and Commerce Committee, discussed the importance of the cap-and-trade bill that was passed in the summer of 2009 in the U.S. House of Representatives. Congressman Waxman said that the United States controls three percent of oil resources in the world, yet represents twenty-five percent of global oil demand. Because of this situation, the United States spends hundreds of billions of dollars a year on foreign oil. Congressman Waxman said that thirty years after the first oil embargo, the United States is more dependent on foreign oil than ever. He therefore praised the cap-and-trade bill, saying it would reduce carbon emissions, transform the economy by encouraging new job development, and lessen the United States' dependence on foreign oil. Congressman Waxman said that energy independence is vital to U.S. national security; while the United States does not purchase oil



directly from Iran, for instance, Iran benefits from the fact that U.S. demand helps drive up the global price of oil.

Congressman Waxman said that government incentives are vital for greenhouse gas reduction efforts to succeed. No business will institute measures that reduce their carbon emissions unless their competitors do too. Therefore, federal legislation is needed to induce companies to implement green technologies.

Governor Schwarzenegger argued that energy independence and green technology should not be viewed as either a Democratic or Republican issue. Rather, both parties should be serious about addressing the challenge. However, one participant said that Americans view the issue in different ways—some see it through the lens of national security whereas others see it through the lens of the environment—and therefore disagree over how to construct policy solutions.

Governor Schwarzenegger focused on the need to design and invest in new technologies that will help the United States reduce its dependence on oil. While saying that electric cars will be the next big advance in transportation technology, he also advised pursuing technologies that can help people transform the cars they already own into being more efficient. He argued that it is of critical importance that the United States take the lead in developing clean air technology and not wait for other countries to take the first step. He pointed to past technological innovations that the United States has championed, and said that just as the United States raced to put the first man on the moon, it should race to be the first to develop green technology. Waxman agreed, arguing that China is making advancements in green innovations, such as battery technology. The United States needs to ensure it is not surpassed in the race to design energy-efficient products.

Climate change was not only discussed at the Saban Forum, but action was taken on the margins of the Forum. Governor Schwarzenegger met personally with Binjamin Ben-Eliezer, the Israeli Minister of Industry, Trade, and Labor, and signed a memorandum of understanding (MOU) to collaborate efforts on alternative energy. The MOU calls for California and Israel to develop business relationships and cooperate in pursuing alternative energy and environmental technology. This agreement builds on a strong partnership that already exists between Israel and California and that is based on the presence of several Californian green technology companies in Israel.