

The Nixon Seminar on Conservative Realism and National Security

Discussion on Energy with Former Secretaries of Energy Rick Perry and Dan Brouillette

May 3, 2022

Clip of President Nixon's Televised Address Opens Seminar

I spoke to you about the national energy crisis and our policy for meeting it. Tonight, I want to talk with you again, to report on our progress and to announce further steps we must take to carry out our energy policy. When I spoke to you earlier, I indicated that the sudden cut off of oil from the Middle East had turned into serious energy shortages we expected this winter into a major energy crisis. That crisis is now being felt around the world as other industrialized nations have also suffered from cutbacks in oil from the Middle East. Shortages in Europe, for example, are far more critical than they are in the United States. Already seven European nations had imposed a ban on Sunday driving. Fortunately, the United States is not as dependent upon Middle Eastern oil as many other nations. We will not have a ban on Sunday driving but as you will hear later, we're going to try to limit it. Nevertheless, we anticipate that our shortages could run as high as 17%. This means that we must immediately take strong effective counter measures.

Let me conclude by restating our overall objective. It can be summed up in one word that best characterizes this nation and its essential nature. That word is independence from its beginning 200 years ago, throughout its history, America has made great sacrifices of blood and also a treasure to achieve and maintain its independence and the last third of this century, our independence will depend on a main painting and achieving self sufficiency, and energy. What I have called Project Independence 1980 is a series of plans and goals set to ensure that by the end of this decade, Americans will not have to rely on any source of energy beyond our own. As far as energy is concerned, this means we will hold our faith and our future in our hands below. As we look to the future, we can do so confident that the energy crisis will be resolved not only for our time, but for all time. We will once again have plentiful supplies of energy, which helped to build the greatest industrial nation and one of the highest standards of living in the world. The capacity for self sufficiency in energy is a great goal. It is also an essential goal and we are going to achieve it the night I ask all of you to join together in moving toward that goal with a spirit of discipline, self restraint and unity which is the cornerstone of our great and good country.

Mary Kissel: That was President Nixon addressing the nation in November 1973 In the midst of an energy crisis sparked by events in the Middle East. Good evening, I'm Mary Kissel was Steven Zeng formerly of the State Department and your host for tonight's Nixon seminar on national security conservative realism. Our topic tonight as you might have guessed is the role of energy in foreign policy. We're honored to have our co chairs back with US Ambassador

Robert O'Brien and former Secretary of State Mike Pompeo chairing the discussion and welcome back or distinguished seminar members. The real stars of the show tonight are two special guests, the 14th and the 15th Secretaries of energy, the Honorable Rick Perry and Dan Gray. And the first question is going to come from Ambassador O'Brien, sir, please kick it off for us.

Ambassador Robert C. O'Brien: Thank you, Mary. And it was great listening to President Nixon. You know, every time you hear him, you realize how precious he was about what would happen in the future. It's a speech that it's so bad. We're not hearing that same speech from the White House this evening, but feels like a Cabinet meeting with Secretary Pompeo and Secretary Perry and sort of Brad's here tonight. So good to be with you gentlemen. At the NSC, we work very closely with the Department of Energy to bring back our US nuclear capability, both the civilian and the military sides of that house. So let me ask first for Secretary Perry, Rick, where are we at on the civilian side? Are there any plans in the future? Is it possible to revive the industry and then go into Secretary berlet that damn, you know, what can you tell us and I know it's somewhat limited what you can talk about on the military side, but how do we modernize the triad and how does nuclear play a role with mobile plants and, and our nuclear Navy and our triad in the future? So we're gonna hear from both Jana those two subjects? I think it'd be very enlightening. So thank you, gentlemen.

Secretary Rick Perry: Yeah. Robert, thank you and to the Nixon Foundation, the library to all of you are great. Thanks for the work that you do and the continuing focus on America's future and particularly the energy future. I'm a bit biased partly from in 1973 and 74. I was a pilot in the United States Air Force. And getting to see that speech, recognizing at that particular point in time, at a young age, relatively young age for me that the impact that global energy had on our national security. That was the first time I really kind of focused on it and said, you know, what we do here in the United States and the energy production globally, how that affects our national security. And so, I'm sure we'll expand on that a little bit more but one of the, one of the great hopes for mankind I think, is going to be the continual development of nuclear power, particularly small modular reactors. There's a number of companies out there, I was just with John Hopkins with new scale. 30 days ago, we were in Puerto Rico having a conversation with their governor about the potential energy development of that Commonwealth. And it was really it was really fascinating. They they're like, well, we we we're a little nervous. About natural gas and pipelines and, gosh, anything that has the word nuclear in it is, you know, a little scary to our citizens. I didn't say this bluntly to the governor, but I certainly thought it and reflected to him a bit. When I said well, you are probably going to have to get used to having your lights go out from time to time. And being able to recruit people to your Commonwealth is going to be difficult to do when you can't have the stability. Of that power that comes with obviously, nuclear power with zero emissions, the walkaway safety of them. I just think that we as citizens, and frankly, Dan Brouillette and Robert O'Brien all of you on this call. You know, Mike Pompeo, I mean, all of us collectively have a important role to go make our citizens and not just citizens of the United States, but citizens of this globe. Understand the safety, the reliability, the economic, good side of the small modular reactor. So, Dan, let me pitch it to you on the on the military side, but I just think the future is incredibly bright for our small modular reactors. Until we get to that point,

American fossil fuels and the clean burning natural gas that we are sitting on, you know, a couple of 100 years of supply will do a great job of displacing the old coal emissions around the world. And if you really care about the climate, if you're a true environmentalist and care about the climate, and you want to reduce those emissions, you best be for American natural gas.

Secretary Dan Brouillette: Well, thank you Mr. Secretary. I really appreciate that. And let me take an opportunity to thank the Nixon Foundation and thanks to the Nixon Library for the good work, as the Secretary just said, that you have been doing for a number of years now and I know that you will do in the future as well. So thank you for that. And let me also just take a second and thank all of the gentlemen on the call for their service to our great nation. Each of them served with honor, very proudly. And as I am a proud citizen to have say, I serve next to you. So thank you all. With regard to the nuclear Navy with regard to the nuclear warhead, the Arsenal if you will, that Department of Energy is charged with housekeeping and stewarding I could not say any more than to reassure the American people that it's safe, it's strong and it is secure. We have a very, very fine group of individuals at the Department of Energy as well as in the US Air Force and the US Navy. They do that work each and every day. Let me build on it a little bit though, because the Secretary Secretary Perry just alluded to something called SMR hours. That's an acronym for small modular reactors. You might well know that we've had them for quite some time they're called submarines are all around the world. Each of them carries a nuclear so a nuclear reactor with it, and it powers that sub submarine all around the world. That technology has been with us for some time. Yet. Some of the work that Secretary Perry did and I was proud to continue with the Department of Energy is to develop the next the next generation of those small reactors. And one of the more specific things that we did harbor was develop a new fuel called Halo and that's an acronym that stands for High surface area LEU low enriched uranium payload. And what that is what that fuel does is allow the reactor to become smaller, more efficient, more dense, if you will. And as the Secretary just pointed out, those types of fuels or walk away safe meaning if the cooling system in the reactor were to shut down for whatever reason, there's no release of radioactivity, it cannot release radioactivity, because of the design aspects of these advanced reactors. Importantly, however, and again with the military context, and with the focus on the weapon systems, this type of fuel can't be nonproliferative it can't be used to develop a warhead. So as we look at adversarial nations and we look at rogue nations around the world, if we were to develop this technology and have it be deployed around the world, we would be much more efficient, a much more secure and a much safer world in which we would live. So those are very important things that the Secretary and I did together. The Department of Energy but I'm proud to say that he led the effort, I was just proud that I was just honored to carry on the effort. There's one last thing I'd like to just touch on when we think about nuclear fuel and we're fits in this spectrum. We hear a lot of talk today about energy transition, and the inference behind that word of transition. Is that we will move away from something to something else we replacing something in the fuel stack with something else. Well, as our good friend Dan Yergin has pointed out because he is an energy historian, we've never done that with the possible exception of whale oil. We've never done that. The transition if you will. has always been from less energy to more energy, and more specifically, from less energy dense sources to more energy dense sources. So you think about the transition from wood to coal to natural gas

to nuclear power, which is a very dense fuel. That's been the transition that we've been on it. And that makes complete logical sense when you think about the amount of energy that's needed to power the economies around the world. So I'll stop there and look forward to the conversation.

Mary Kissel: Thank you to both of the secretaries we've gone right into the micro detail here of our kinds of nuclear power. I just step back a little bit for the audience playing while we're talking about this. We're talking about this week, because we've got Vladimir Putin, threatening to cut off oil and gas supplies to places like Poland and other areas. In Bulgaria. We've got a North Korea, which has been developing a nuclear weapons program and Iran that has nuclear ambitions, all of a sudden, the world and the global disorder that we see energy is playing a role here is a tool of state power. But I think it's great that we're starting with the United States and all of the resources that we have, and thank you for outlining that and especially Secretary Perry for drawing such a straight line from our domestic power sources to national security. I'm going to throw it over now to Secretary Pompeo, who was co chair gets the honor of the first set of questions, Mr. Secretary.

Secretary Mike Pompeo: Great to be back with you. And you, all amazing service as part of our team. Are you with me in a whole lot of meetings? There were very few meetings we had anywhere in the world. Where energy availability wasn't at the top or near the top of our counterparts list whether we're in Africa or South America acity to fight these missions, or something was on every global leaders might how are they going to feed their nation and they would put enormous energy and they were counting on the United States for a significant amount of that. I want to ask the two energy secretaries. The question does relate to the current confrontation with Ukraine. President Biden since the war has started said that he was going to make every military vehicle Green Man the power who's in charge of making sure we get humanitarian assistance to the right places, so that we should let a crisis go to waste that maybe we could stop using fertilizer you all know burning phosphate, natural gas, these are highly energy fertilizers highly dependent on the capacity for energy to be produced. When you hear American leaders making statements like that, and you can see the constraints that Eastern European countries are about to face. Tell me as if you were sitting in at sea today where the current Secretary of Energy was sitting? Well, you'd be telling the Secretary of State who was tasked with convincing these European leaders to make a serious effort at not underwriting Ukraine by purchasing energy from the Russians, that we have a you will have thought about this both in the immediate term in the short to medium term, but how we would have delivered for them what President Nixon spoke about, making them independent from Russia in a way that they could feel and touch and take care of the people in their own countries. Maybe, maybe Dan, I'll start with you. And then Secretary Perry, you can join in or at Dan Brouillette.

Secretary Dan Brouillette: Thanks, Mike. No, obviously we wouldn't say that and, you know, Secretary Perry yourself myself. We all met with European leaders during our tenure in office, and we said exactly the opposite. Our role and our goal, if you will, was to lessen the dependence of Europe, particularly on Russian gas, but also the encouraged them to innovate

and to develop new forms of energy. We felt that that was very important. We felt that the mission of the United States was to help them in that innovative role to produce all forms of energy. But no, I think you know that what we face today is unfortunately the result of a lack of acknowledgement of the messages that we tried to deliver to Germany. We tried to deliver to France we tried to deliver the other parts of, of Europe now. Thankfully, the Baltic nations, I think, understand perhaps much more clearly understood much more clearly the threat of Russia having been so near to the communist state. I mean, some of these states have only been independent or free for four or five decades with some three or four decades I should say. So I think you know, we had a bit more success there, but that that effort in that mission must continue. It is important for the world to understand that Russia is not our friend, particularly with regard to energy. And there are many other nations out there. I think we can speak to that during the q&a session. where energy is used as a weapon, geopolitical weapon and economic weapon. And it's very important that every nation take the steps that are needed to drive its own economy toward economic security as well as energy security which ultimately lends itself and result in national security.

Mary Kissel: Governor Perry, do you have anything to add there?

Secretary Rick Perry: Yeah. Dan, I think it's really important to bring to the attention of the participants here and those that are listening – a third of the liquefied natural gas that is going into Poland today is from the United States. And Dan, it was because of the work that you did, we did collectively over at the Department of Energy during that four year period of time out of the Trump administration. And and we can very quickly in in this country quickly in the in the grand scheme of things obviously, it takes some time to to ship this gas but the Polish leadership, they understood this better than any country in the world, I believe, partly because, as Peter damskie The Minister of Energy shared with me as we became very good friends. That the Polish people truly understood this. Living under the thumb of oppression, whether it was the Germans during World War Two and then obviously under the Soviet Russians, they understand how that totalitarian mentality works and then the absolute pain that is put upon their people so I'm I agree with Dan, that the Baltic states, particularly Poland, they understood this better than anyone. And that's the reason that they were so open to us. They signed those agreements. We were working on a north south pipeline between Poland and Ukraine, the Ukrainian people I had the great privilege to lead the United States delegation to to Kyiv for the inauguration of President Zelensky. And they understood because they've seen Russia cut their gas off during cold winters to try to politically impact that country. And, and I'm stunned that the Biden administration does not understand the absolute totalitarian mentality of the Russian government, of Putin of his people around him, so you know, the message should be clear by the Biden administration is that if you care about the people of Europe, you need to be putting policies into place making American fossil fuels available to them to clearly be sending the message here that listen, the this ESG mentality that the Biden administration has and the shutting down of pipelines, of the stopping of leasing offshore, of the federal lands moratorium, that that is an absolute death penalty for the European people. And until Americans and citizens of the world stand up and say, Mr. President, if you care about the future of these people, in

Europe in particular, you will send those molecules of freedom that are produced right here in the United States of America.

Mary Kissel: You know, Mr. Secretary, I think many viewers particularly here in the United States would be surprised to learn if the efforts that were made to open up new markets for us energy in Europe and farther afield because we hear an awful lot about what goes on within our borders, but not a lot that goes on abroad when it comes to energy diplomacy and just to harken back to President Nixon. There were similar concerns in the 70s where the Saudi embargo terrified Japan and terrified the nations of Europe, who are also dependent on Saudi oil. So history repeats itself, Secretary Pompeo, you mentioned some of the work that you did, evangelizing for us energy. One of the big questions that we get a lot is why didn't some of these nations of Europe wake up when they, as Secretary Perry just noted, had seen Vladimir Putin cut off energy supplies to Ukraine? What was the holdup in places like Germany, Mr. Secretary.

Secretary Mike Pompeo: Mary, it's a combination of political cronyism and fear of change. Maybe those are just two sides of the same coin. But the senior leaders for some of these companies are as a former chancellor of Germany, right now, over in Florida understand how deeply connected the leadership of that institution that was building out this pipeline was to the German political class, so I'll call that old school cronyism. Use whatever word you want to use. The second piece is these transitions are difficult and they're afraid that the transition, that is they'll have the innovative games and the Russians will pull the rug out from under them during that transition point. The mistake they made, was not doing what we did right here will have no resources and American innovation changed the picture when President Nixon was describing when he was speaking in 1973. He didn't have the option to create capital investment in the United States and deliver we were talking about peak oil, you're running out of oil and natural gas in the United States. That was true right technology change that and you have very sporadic techno technological slow development in Europe. So they were they were constrained and then the political class the greens, the climate change activist scared the heck out of leadership and most of Europe, though they weren't about to do anything but close down nuclear plant, shut coal out and try to make this leap to windmills and sunshine. And you can see Ukrainian civilians are suffering as a result of those very political decisions that were made that will really harm broad classes of European people, middle class families who are now paying a fortune for energy.

Mary Kissel: Good ask. one more quick question for Secretary Brouillette. And then we're going to open it up to the seminar members. Secretary Brouillette, just to follow up on what Secretary Pompeo just said, it's important Secretary Perry it's important that we right now, help the Europeans secure energy supplies to reduce their reliance on Putin oil and gas. Do we have the technical capability to do that? Can we do that and be self-sufficient ourselves? Is that even desirable? Speak a little bit to our technical capability, sir.

Secretary Dan Brouillette: Oh, absolutely. No, we're fully technically capable of it. You know, Secretary Perry well knows. George Mitchell changed the world with things like hydraulic fracturing. That was a technology that was developed in part by the Department of Energy but taken to levels that, you know, frankly, the US government or any state government could never have a dream. So it was a private sector that took that technology and moved our production numbers to the levels that we saw. So high. In fact, on the oil production side, we were producing nearly nearly 13 million barrels per day at the end of 2019 to the point where we became a net energy exporter, in 2019 and 2020. A phenomenal achievement, something that's been talked about for years and years and years. So on the technical side, on the production side, I think the challenges have been solved. We know how to produce oil and gas here in the United States. We now produce more of it than Russia and more of it than Saudi Arabia if you can believe that. It's a stunning achievement and in my lifetime, so I think you know, we've got that part fixed out. We also have the technological aspects of the financial world, which Secretary Pompeo just alluded to, you know, unfortunately, I just reread President Nixon speech and, you know, to Mike's point, he didn't have those tools available tool, you know, back in those days you know, private equity funds, you know, perhaps didn't exist the way they exist today. So the finance technology, the finance capabilities that we have today, allow us to do things that he couldn't do at the time, which is perhaps why he focused a bit on economic on energy conservation, and energy efficiency versus a full out, support of more production here in the United States.

Mary Kissel: Open it up to the seminar members and go first to Alex Wong, who's joining us tonight. Alex

Alex Wong: Thanks, Mary. And thanks to all of you for joining. I want to follow up on something that Secretary Brouillette had mentioned. You know, he ended his opening remarks talking about energy density, and that innovation has led to more and more dense energy sources which really unlock the prosperity that we've been able to experience in the modern era. I want to touch on that because I also, I think there's a lot of caution that needs to be recommended to those in the business community, those in the finance community, those in the policy communities who talk about this energy transition. Now this has been said as if it's kind of a force that is just coming in like a wave. But really the implication behind that term transition is that it's regulation, that it will be a regulatory or a statutory mandate to increase prices. on existing energy sources, oil, gas, fossil fuels, in order to to funnel money towards innovation in green technology. Now, as a concept, there's nothing you know, at the conceptual level wrong with that, except that that's gonna raise prices and going back to what Secretary Brouillette said, you know, for 99% of human history 99% of our labor and effort has gone to securing food and fuel. It's because we've been able to free up labor and get cheaper sources of energy free up people from having to pursue food and fuel with all their energy that will all their their effort, that we've been able to create this prosperity that expanded but also distributed and really diminished weight, diminish poverty. So if we're going to raise prices on current fuels without a ready alternative yet created, we're going to increase poverty. And that's the balance we have to strike. That is the the caution that has to be recommended to those who who are professing this energy transition. We need to be careful when we need to make smart policy decisions about

how we move and encourage innovation. That doesn't affect the general welfare of the American people and really the people of the world. But that said, I do have a question for our secretaries. We've discussed a lot about the nuclear piece here and I'm very encouraged by the words of Secretary Perry on some of the innovations that he's been working on. But I do have a concern. You know, the, it seems to me to my uneducated mind that the the obstacles to to getting safer, better, more efficient nuclear energy and expanding and scaling nuclear energy around the world is not really technological, but that it's regulatory and political. And because of that, I do fear that over the decades, particularly in developed and Western countries, that the human capital pipeline for nuclear engineers, nuclear scientists, those who would create nuclear plants, maintain them operate them that that pipeline is narrowing, and that we don't have maybe the the, the, the, the the numbers of people that we will need in the coming years to really staff and do this and foster this nuclear innovation. You know, it seems to me many times that the only countries that are really investing in human capital in the nuclear side are Iran, the DPRK and China. Maybe I'll invite you folks to talk about the hopefully I'm wrong, but that's my fear.

Mary Kissel: So I heard a couple of great themes here. Let's not hurt the poor. let's say I have government dictate everything and what about market forces? Could market forces induce people to go into things like nuclear energy, Governor Perry, why don't you start with you?

Secretary Rick Perry: Let me just let me start off on one of my favorite tangents, which is the alma mater of George Mitchell who truly changed the world with his hydraulic fracturing technology. Is that little pennant, that thing in there behind me, Texas a&m has one of the the real focused fast growing nuclear engineering programs in the country. As a matter of fact, I was talking to Kathy banks, Dr. Banks, was the Dean of Engineering at Texas A&M, and now she's become the president of Texas. a&m. There's a real commitment in that institution on the nuclear engineering side. So as a matter of fact, I mentioned a company earlier in my comments, new scale. They have they have a public private partnership with with Texas a&m on some of the the the type of simulators that you use to run their SMR so I'm comfortable, that we still have not only the interest, but also the technological focus that our universities that are going to continue to move us forward. With that said, I think it's really important for us, my for Dan, for for Robert for all of us and have the opportunity to talk in the public arena to give comfort to the citizens because nuclear has been vilified because of you know, whether it was Three Mile Island or Chernobyl or Fukushima. And those were events that we want to make sure never happen again. But the safety, the reliability, the economics, the climate impact that nuclear power can have in the future is a great and good story. And America needs to be leading the charge on this we don't need to let the you know, the countries like North Korea and Iran be the ones that that actually are, you know, being talked about as the leaders and nuclear power needs to be the United States and I'm pretty confident it will turn out that way.

Mary Kissel: Secretary Brouillette, what do we do in the short term, though, takes years to build a nuclear plant and get permits done. And we have countries and in Europe that need energy right now and a lot of it's tied up in long term contracts. How do you get over that that barrier?

Secretary Dan Brouillette. Sure. Well, I think you do it with technology, but to be quite frank I think it's time that we look at the regulatory structure of the vapor industry. You know, this technology as Secretary Perry well knows as our the agency that he and I helped run has its roots in what's called the Atomic Energy Commission, which is the the commission that developed the bombs that were used in World War Two. So it's got a long history here. I think it's important, though, that we look at the regulatory structure because at least parts of it are still stuck back in that era back in that timeframe. You know, as we talked about these newer technologies, if they're accident tolerant, accident proof in many cases, and they're not proliferate then we should ask ourselves very basic and honest questions. Do we still need 20 foot concrete walls to protect the public? Well, if you look at the regulatory structure today, it still requires many of the things that were being done 70 years ago, and I think it's time for Congress and others who provide oversight to these independent agencies to begin a process to look at these structures, because if we don't do so, we're going to stifle the innovation. They're going to stifle the commercial development of those technologies. I'll add one quick point to what Alex was talking about, because I was fascinated about this point that the development of in the production of energy frees up labor and it's absolutely true. I mean, today we have tractors that used to do the work of horses that used to do the work of many people in the fields, very important steps forward. I would also add though, the energy allows for adapt tation we have air conditioning today, which allows us to live in desert areas we have eating today, which allows us to live in the Arctic. So it's the you know, the use of energy to allow us not only to develop more but to adapt to these climate environments that are unique and sometimes changing all around the world.

Mary Kissel: Congressman Waltz, you have a question over to you.

Congressman Mike Waltz: Yeah, thank you. And I just want to thank you, Mary and, and Secretary Pompeo, Ambassador O'Brien. This is an incredibly timely topic to have with the Nixon Seminar. We're certainly paying a lot of attention to it in Congress. I personally do particularly because my wife Dr. Julia Nashua, was one of the founding DAS'S of the energy Bureau it's state. When state figured out that this was kind of important to our diplomacy and Secretary Brouillette, she sends you her high regard

Mary Kissel: Just for viewers who don't know what a DAS is

Congressman Mike Waltz: Yes, Deputy Assistant Secretary of State, Excuse me. Yeah, I'll try to minimize the acronyms but let's just two quick comments, what we've seen in Congress and then two questions for you one. I was the ranking member of research and technology where we are we have oversight of the Energy Department's r&d and a number of other things it befuddles me the direction or lack of direction that this administration has on energy policy. In fact, the current energy secretary Jennifer Granholm, admitted in the hearing that was number one, she was not at the table with the lifting of sanctions on Nord Stream two and she would have had she been at the table. Again, this isn't a public hearing, said she would have stringently advised the President not to do it because the environmental argument just doesn't hold up. That Russian gas is far dirtier than then American gas. So it's been interesting to me how we have this disconnect on the environmental argument. Yet we have these these policies

and then just for everybody listening and watching the Defense Department has re launched. And we were able to appropriate the SMR project and Alaska project Pele with that we're conducting jointly with with the Department of Energy and I think that holds will promise particularly as the Arctic becomes more and more of a geopolitical hotspot. Two quick questions. One domestically, Secretary Perry. There's a number of conservatives. I just had a long conversation with Senator Cassidy about this on carbon capture and just why we're not seeing more investment more movement on carbon capture domestically, and then a China related question for anyone who wants to jump in. We're seeing more and more reporting on their use of thorium reactors and their investment into thorium and perhaps even looking at putting it in their next generation carrier as they move to, you know, that that more advanced nuclear technology, as I'm sure you all saw, both Russia and China signed the West Siberian pipeline deal in the run up to the Olympics that will pull from the same gas pipeline as what's currently feeding Nord Stream one. So that eventually my understanding is that will be stood up in the next couple of years. And Russia can then truly Shut off the gas as China buys out of that pipeline, so carbon capture, thorium and and Chinese energy independence.

Mary Kissel: Secretary Perry over to you first.

Secretary Rick Perry: Yeah, I think there's some I think there's still some runway in front of us as an industry relative to carbon capture. I think the technology is mature now. We worked on this in the state of Texas back in the late 2000s 2008. Nine. I think one of the first events we went to Dan was over in Houston. a coal plant that was caffeine that carbon shipping it over to the Victoria Texas I'm gonna say 4050 miles away and use for for Nova Yeah, Petra Nova, the tertiary tertiary recovery there in that field. So you got to have the you've got to have the plants located in the right I mean, it's not a perfect but there's a still some real opportunities for carbon capture. One of the challenges may be what we're seeing across the country now, not only because of the the current administration's obvious dislike of pipelines, and I think pipelines of almost any kind, but you're also seeing an attack on pipelines, by local environmental groups using the legal community to to push back on on pipelines. So, you know, it's really fascinating to me, the disconnect, I think that words have been used this evening already, but the disconnect between what the environmental community says they want and then the fights that they fight, whether it's you know, obviously a pushback against nuclear power, if it's a pipeline using the carbon that's been captured in a project to be against those pipelines. So I think we're beginning to see the true heart and so of the environmental community in many places, that they really don't care about the environment. And I want to talk about that in another segment here about what I think is a very clear disconnect, of those that supposedly care about the the environment, the climate, and then what we see them doing to stop projects that could substantially lower emissions. Go ahead.

Mary Kissel: Oh, although just to interject, we do see for instance, the greens in Germany, they've been harder on Putin than many other parties are the greens and others getting mugged a little bit here by reality and Secretary Brouillette I don't want to take away from the last questioners question on China, as well, are we seeing the energy markets be reshuffled here between the free world and the not so free world?

Secretary Dan Brouillette: I think we are, I think we are I think we should keep a very close eye on what Mr. Putin and Mr. Xi are talking about from day to day. I think you're going to see an alliance there that could potentially be dangerous for the United States and for the rest of the world. If we're not careful. I can't speak to the motors of the greens. I don't know why they oppose Mr. Putin, perhaps his Secretary of carriers infer and they're just against all fossil fuels, and it doesn't really matter where it comes from. Perhaps that's part of the motivation there. But I will back up just for a second. I think the Secretary is absolutely correct. There is a runway here for carbon capture, especially in those parts of the country like the EU, I grew up in this area. The Secretary grew up and I grew up down in Louisiana. If you've ever been down the Mississippi River, you will see a refinery perhaps every couple of miles. All the way down to the Mississippi River, all the way down to the mouth of the Mississippi. It's a very energy dense area of the country. And as a result of has carbon emissions that are quite high relative to the rest of the country. I can tell you from separate infrastructure, the company that I helped run from Houston, we've just filed some of the first permits down at the EPA, which they're known as class six permits to allow us to develop a carbon sequestration site down in Louisiana. And the reason we can do that is because the economics have changed over the course of the last decade or so especially when they're located in the proximity of a refinery or the proximity as we have an LNG export facility down in Hackberry, Louisiana, which is where the sequestration site would be. So the economics are beginning to change. And I think as we think about the economics of carbon, it'll be interesting one day, if we start to view carbon, not only as a pollutant not exclusively as a pollutant, but perhaps a valuable commodity in the marketplace itself. We all know that you know, we use carbon to make high end cars we make car we use carbon to make windmill blades. We use it for a lot of different purposes. What if it had value in the marketplace? Would we treat the regulatory construct differently? Would we tax it? Would we have all of these conversations about cross border taxation of carbon? Would we think about it the same way I dare say we wouldn't, and it's important that we advance the conversation along those lines.

Mary Kissel: Just want to thank Secretary Pompeo, he had to jump off a little bit early. We're gonna go quickly over to John Noonan, another seminar member. Over to you sir.

John Noonan: Yeah, thank you, Mary. You'll forgive me, I'm a national security guy, less of an Energy guy. So I'm thrilled at the opportunity to ask two energy secretaries a question that is something I've never really been able to wrap my head around. I know that there's a stark dichotomy between energy security and energy independence. I think we categorize the US as close or at least chasing the unicorn of energy independence. For many years now, we're close to it. But you wouldn't, I don't think we would categorize states like California as energy secure. The Russian army obviously is not, or Russia as a country is not having any difficulties producing energy. But you have a Russian army that is hardly energy secure. They're having significant shortfalls in gas and logistics, etc. So what should be a higher imperative for the United States should it be energy independence, which is what we hear about all the time? Or should it be to provide energy security, both domestically and the extent we can with our partners and allies? Thank you all both.

Mary Kissel: Secretary Perry.

Secretary Rick Perry: I think you can do obviously, I think you can do both. And I think both fairly well go hand in hand, actually. We're blessed in this country to have resources. We're blessed to have some brilliant minds that were able to use technology they came up with to be able to produce that energy one of the important roles for the federal government is to continue to be partners with the private sector, and partners with our universities to find those new technologies or to move those technologies forward with more expedition to find the solutions as we go through in the future. You know, George Mitchell changed the world as we've heard multiple times here at this evening. These small modular reactors, all of those have some some real potential that we as a country need to really focus on. Hopefully we can have an administration that doesn't, doesn't pick and choose with with such stringency. That some of these technologies that can actually make America more energy independent and more energy secure, because they philosophically just don't like them because whether they're fossil fuels or whether they're nuclear. So we've got to do a better job of talking to the American people, so that as they go out and they vote and they affect the public policies out there, that they understand that our energy independence and our energy security are hand in hand, they are not exclusive of each other. They can be and should be partners on a highway going forward.

Mary Kissel: President Nixon was very clear eyed about, for instance, Saudi Arabia, and he knew that they were more anti Israel than they were anti American. And that we needed them as an alliance partner, also because of their energy resources, Secretary Brouillette, what about that relationship, but don't we also need allies and partners or is it just all about unleashing American energy?

Secretary Dan Brouillette: Well, we do need allies and partners in the Saudis have been great allies to us in the Middle East. In many respects, they can be credited with keeping peace in the region for such a long period of time. You know, we can have our differences from time to time and not and not you know, divorce ourselves from reality. The reality is the Saudis are very important partners to the United States as they are other nations around the world. But I think it's also important that we think about energy independence in a different way. You know, back in President Nixon's time, we imported the bulk of our energy sources here. It's a specific oil anyway, so you didn't have many options. One of the things that I saw as Secretary of Energy in particular during the period of around March 2020, about two years ago, as a matter of fact, almost to the day was the strength of energy production to the foreign policy of the United States. I watched President Trump approach the Saudis and approach the Russians after they had a disagreement within OPEC and OPEC crossover production numbers, and this was a disagreement that followed the beginning of the pandemic. So as demand began to go down, the Saudis in particular wanted to cut production. The reaction to that disagreement was very, very difficult. For American producers, the Saudis decided to increase production and lower prices, which put an enormous amount of economic pressure on our producers here in the United States. But nonetheless, at the end of the day, the Russians and the Saudis actually cut 10 million barrels per day of their production out of OPEC and OPEC plus, which was an

enormous if not unprecedented step for them to take. But the reason that that happened in many respects was because President Trump had the option of US production behind them. We had 12 point 9 million barrels per day being produced. And it's the things you know that we don't think about all the time. Independence doesn't mean that we don't trade with other nations. You know, there are things that we have to do. There are things that we want to do. Trade is one of those things that we want to do because we get a better deal if we trade something in exchange for the oil that we produce or that we take in certain cases. For instance, like from Mexico. So it's the construct and it's the thought process and it's the definition, frankly, of independence that matters.

Mary Kissel: Morgan Ortagus, you've been out on the road talking to Americans in Tennessee, jump in here. Over to you for some questions for the secretaries.

Morgan Ortagus: Thanks, Mary. Yeah, I think Americans care. You know, there's moms like me in Tennessee that have to go to the gas station in the grocery store on the same trip, right and they're making the decision. Do I fill up that tank of gas the entire way or do I go to the grocery store and fill up that cart full of groceries, and moms across America are making that decision? And that's why I think this discussion is so important, because these are the real world consequences of everything that we're talking about. I want to pivot to something that actually my husband works on advanced technologies for General Motors. He doesn't work on EVs. He actually works on like on autonomous vehicles and flying cars and everything in the future. But I do I think because he works from home I hear him talking about EVs quite a you know quite a bit, and I've heard some people in our conference on the Republican side, Senator Graham and others have talked about electric vehicles, EVs being sort of a national security priority. So I guess I'm just wondering, can we is there a way to look at electronic vehicles, not just as something that we you know, discuss in Department of Transportation and Department of Energy from a domestic policy perspective, is there a way to actually look at EVs as a national security solution to some of our energy problems as well?

Mary Kissel: Secretary Brouillette, you want to take that one?

Secretary Dan Brouillette: Sure. Well, I think, to the extent that we continue production numbers that the levels are perhaps higher than we have today, and you can find alternative technologies that lessen the demand for some of the fuels that we count on today. I think you increase your opportunities for export of those very fuels. There's no better there's no better evangelists or our example of what the diversity of energy supply really means and what it produces then Secretary Perry when he was governor of Texas, he promoted all forms of energy. And the reason he did that, I think, and I'll let him speak for himself. I shouldn't be presumptuous, but it was to provide consumers with all choices that they could possibly have. And what that promoted was competition. In the marketplace, which ultimately produced lower prices for energy in the state of Texas. So those things are important. So you know electric vehicles are going to have a role in the marketplace how large we don't know yet. It's you know, it's still limited to certain markets. If you look at the the states in America, you'll probably see a higher density or higher uptake of that type of technology on the coast and New York and the

urban areas of perhaps Houston or perhaps, Los Angeles. But I think over time, you'll see an increased acceptance of this technology. It will put some demand however, on baseload electricity. So that's again why nuclear power is so important. And I'll just add one last thing with regard to the national security element of the electric vehicles. We must be mindful of the goals of China and where these products are produced. The national security threat in many respects will come from the data that's produced by the cars themselves. And that's something we have to be mindful of as Americans.

Ambassador Robert C. O'Brien: Mary, can I jump in for just a moment?

Mary Kissel: Oh, sure.

Ambassador Robert C. O'Brien: I had a conversation about this very issue, Morgan and Secretaries with John Rikolto, our former ambassador to the UAE, who runs the biggest construction company for automobile manufacturers in the world of Walbridge, in Detroit, and he had a comment that was interesting. We sell about 12 million new cars a year in America, assuming all the new plants that are being built, and John's order list is about four or five years. So it's he's got a good business building these new electric car plants. When all those are built, we'll be able to build about 3 million cars, electric vehicles a year. So there's still gonna be about an eight to 10 million card delta between what we can produce with all the new factories the big one in Tennessee and your home state to your new home state Morgan, and, and all around the country. So there's gonna be, you know, this isn't going to totally supplement, you know, gas powered internal combustion engines anytime soon. And then the second issue is the one that Dan raised, you got to plug the cars in to charge them and are our grids and this is something they the carbon of the auto companies are very concerned about right now. The grids aren't sufficient and resilient enough without nuclear power without more oil and natural gas plants and it's hard to build those plants in the very places. People are buying the cars and killed my home state of California and New York and otherwise other states. Those are the states that make it the toughest to build a nuclear plant, they're shutting them down, or to build a new gas power plant. And so you got to plug the cars in somewhere to charge them and it doesn't Yeah, and there's not enough wind energy or solar around the power all those new cars are getting built. So it's a great question Morgan and I'd like to hear what Secretary Perry has to say about it but it's gonna be some time before we go all electric although you know, these electric cars are pretty phenomenal, when you when you see what the what Elon and others are producing.

Mary Kissel: Secretary Perry, you're on mute.

Secretary Rick Perry: Robert, you and Dan are spot on. This is about the market. We need to let the market drive this the technology is really fascinating. What Elon is doing is is stunning. And then not only in the electric car side of things, but SpaceX, we recruited SpaceX to the state of Texas, back in 2009 2010. I mean, this is a bit it goes just to the point of saying to Americans, we don't want to over regulated we don't want to over litigate you to we don't want to overtax you, if we'll send that message to the private sector out there, and the government wants to be your partner and we can come in and do some things to really make a difference to help you

achieve your goals. Then we're going to be successful and I I'm, I'm such a believer in a diverse portfolio. And whether it's your energy, we've we were we recruited the wind energy to the state of Texas now, I never expected it to be 35% of our portfolio. I will tell you that. But we thought if we can get to 15% of our portfolio here in Texas with renewables, whether it's mostly wind and solar, that having that diversity of that portfolio, and I think the same is true about our our ways to motive motorized ourselves, to motivate ourselves to transport ourselves around the state in the country. Give the give the citizens the choice. They'll make the right choices the market will to move to that God forbid that government thinks they're smarter than the market, which they they've tried to do that from time to time and they've been a massive failure of it. Leave it to the American people. Leave it to the entrepreneurs of this country, and we'll be just fine.

Ambassador Robert C. O'Brien: Governor, is that a company you didn't recruit to Texas?

Secretary Rick Perry: Well, there were. No, there's not anybody that comes to mind that I didn't try to recruit. Now there were some I didn't get. You know, trek bicycles. Harley Davidson. There was one more up there and Wisconsin that I tried to get and oh, I know who it was it was, it was a bow company. Anyway, there were a few that I didn't get, but it wasn't because we didn't ask them.

Mary Kissel: That's great. Well –

Secretary Rick Perry: Morgan I just want to say to you, your story that you just told about a mother making the hard call about do I fill the car all the way up? Or do I go to the grocery store and fill up my card? I think is the most powerful story in America today. The the economic impact and it goes back to energy, the the food and that grocery store is going up because of the energy costs that are that are that are a part of that equation. The obviously the cost of that gasoline goes right back to policies that are being made in this country. And I'm telling you, Morgan, you you just what you said there in that short 32nd blurb is a powerful indictment of the policies that we're seeing in this country in particular, and that it can quickly be turned around with the understanding that American energy and it's all of its different forms, freed up from over taxation over litigation over regulation. All of them together, and we can address this but you can't pick and choose from the White House and to put the pressure on through, you know, whether it's federal agencies or whether it's through the banking system or again, government's big, heavy thumb, you can't do it.

Mary Kissel: Well, we're unfortunately running short on time Secretary Brouillette, any closing remarks quickly?

Secretary Dan Brouillette: No, thank you, Mary. And thank you again to the Nixon Foundation library for hosting this and thank you for the good work that you're doing. I can't speak strongly enough about American energy and its importance just as Secretary Perry said, it underpins everything that we do in our daily lives. So we'll keep fighting this fight. And again, thank you for what you're doing at the Nixon Foundation.

Mary Kissel: Well, thanks to you both for joining us and for a vigorous discussion. We've had energy used for good American energy and energy used for evil that would be the Vladimir Putin's of the world. Thanks to our special guests, the 14th and the 15th, secretaries of energy to former national security adviser Robert O'Brien and former Secretary of State Mike Pompeo for Co chairing tonight's events to our seminar members, thank you for your questions. Our Nixon Foundation team and all of you for watching. I'm Mary Kissel with Stephen's Inc. saying that's it for this month's Nixon seminar on conservative realism. Join us again next month. Thank you.