
TRANSCRIPT

Discussion

• Brigham McCown, Senior Fellow
• Rep. August Pfluger, US Congressman, Texas
• Jeremy Hunt, Media Fellow

Disclaimer: This transcript is based off of a recorded video conference and breaks in the stream may have resulted in mistranscriptions in the text.

A video of the event is available: https://youtu.be/qMh8J7_u5Ec

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Hudson seeks to guide public policy makers and global leaders in government and business through a vigorous program of publications, conferences, policy briefings, and recommendations.
Jeremy Hunt:

Well good morning and welcome to Hudson Institute here in Washington DC. We are a research organization promoting American leadership for a secure, free and prosperous future. My name is Jeremy Hunt and I'm a media fellow here. And today we'll be discussing energy security in the 118th Congress.

Europe's continuing energy crisis reflects just a conscientious disregard for sound policies dating back over a decade. But is the Biden Administration preparing to make the same mistakes? What can and should the administration, and Congress, do now to chart a course away from energy instability and to ensure economic prosperity and a strong national defense in the future?

So today I'm thrilled to welcome our esteemed panel. We are here to discuss a serious issue, Congressman August Pfluger. He represents 29 counties in Texas's 11th Congressional District. And before joining Congress, he graduated from the US Air Force Academy and served 20 years as a decorated fighter pilot. Later as an advisor on the National Security Council.

And he still served as a colonel on the Air Force Reserves. And the last Congress representative Pfluger was the lead Republican on the Homeland Security Intelligence and Counter-Terrorism Subcommittee. And, the only member of Congress to pass border security legislation.

Pfluger also serves on the Foreign Affairs Committee and co-founded the Mach One Caucus, the Texas Ag Task Force, and is an active member of the Energy Task Force. And is hopeful in the next Congress expecting him to join the Energy and Commerce Committees.

We also have Brigham McCown, who is a senior fellow and director of the Initiative on American Energy Security here at Hudson Institute. He's a retired naval aviator. And Brigham has more than three decades of domestic informed policy experience serving on various cabinet positions throughout presidential administrations.

And serving key positions within industry, government and the military. Most recently, he was responsible for running one of the world's most complex energy transportation infrastructure networks, the Trans Alaska Pipeline System.

So we're honored to have both three gentlemen here. And I wanted to kind of kick things off by defining some of our terms here. When we talk about energy security, what does that mean? Why is it important? We'll start with you Congressman.

Rep. August Pfluger:

Well Jeremy, thank you for having me. It's an honor to be with both of you and talk about a subject that I think is not only near and dear to my heart, to our district, to the good men and women that I represent. But also to our national security.

And I have to start, I think, with the term dependence. And to define the question of what does energy security mean? It really means the ability to not be dependent, to not have a dependence. And whether it's on allies or adversaries, I think is obviously important, but somewhat irrelevant.
Because the dependence that you see other countries having, and if you look at places like Eastern Europe where there is a war being waged in Ukraine. Dependence on energy is really the antithesis of having energy security. So for me, what does it mean as an American in the country that we are blessed with the greatest resources, the most abundant resources on the planet.

Energy security really means the ability to provide for our own needs to have reliable sources of energy. To allow the 330-plus million Americans to utilize those resources without having a dependence or being beholden to other countries, or other organizations around the planet.

Jeremy Hunt:

Awesome, awesome. Brigham, would you define it the same way?

Brigham McCown:

Yeah, well that's a great answer. And the antithesis of energy security is energy insecurity. And that's what you get with a dependency. We learned that lesson during the '73-'74 Arab oil embargo. Every presidential administration since has talked about energy independence.

We stood on the cusp of that very energy independence and now we've been backsliding. I think the clinical definition of it is an uninterruptible source of energy and an affordable price. But what does that really mean? And I think the congressman really put some color on what it really means to be energy independent.

And beyond that, it means that we can go to bed at night and not worry about freezing to death, that when we flip a light switch on, it's there. When we go to a gas station, it works, and we can pay the bills. And that's something that perhaps we've taken for granted. And if we're not careful, we may be heading down the same path as Europe, and that's a path we don't want to be on.

Jeremy Hunt:

Absolutely. And it's interesting because now, especially throughout Europe, you're hearing the kind of main A's, you want it affordable, you want it available energy, and accessible. Well now they're adding another A, this acceptable.

So what is that all about? Is that kind of just a way to make up a term that is unclear, they can kind of redefine whatever they want it to mean?

Brigham McCown:

Yeah, I mean it is. It means green. It means acceptable in the eyes of some bureaucrat in Brussels or some undefined term. It's a subjective term and really it's an opportunity for some to push a green agenda. And at least from my standpoint, I'm agnostic on the fuel source.

I believe in all the above approach to energy. But just like tools in a toolbox, you don't just have a single tool in that toolbox. You can't use a hammer on everything. And together different fuel sources can work together. But when you mandate it, you have the problems like Europe has been seeing.
Rep. August Pfluger:

Couldn't agree more. And I think to step back and to look at this kind of from a 30,000 foot, level two aviators, we can talk about the different references to flying. But big picture, acceptable falls into what I would categorize as this massive ESG influence; environmental, social, and governance influence on marketplaces.

And there's no better example of how ESG is playing out and how the manipulation of markets is playing out than in energy when it comes to acceptable. Because we know there are the true believers. There are those true believers who want to see "renewable green energy." Okay, that's fine.

But then I believe there's also the market manipulators and the people who are taking those true believers and they're taking their feelings and they're manipulating markets. Acceptability? Well, who is it acceptable to? And they're trying to push that on everyone as if you don't use this type of renewable energy, then you're not acceptable.

But I can promise you in my district, when a rancher is out taking care of livestock and it's below freezing, and the sun is not out, and maybe the wind's blowing or maybe it's not blowing, the only acceptable source of fuel that day is probably something from hydrocarbon. It's probably diesel or gasoline.

And so acceptability it's not universal. And you can certainly look at the Indian subcontinent and places in Africa to show that. So without hijacking the rest of the conversation, I think this ESG movement is very dangerous and it's also a major part of why we're seeing Europe in the situation they're in.

Jeremy Hunt:

Right. Right. I want to go back in time for a bit. We kind of hinted at how we were on the cusp of being energy independent, just kind of looking throughout our American history.

I know we've had periods where we've been more dependent than others. How do we get to the place where we were on that cusp and what's happened since?

Rep. August Pfluger:

I'll start and then hand it over. I represent the Permian Basin, a large majority of it; Midland and Odessa, Texas. And when you look at the US production of oil and gas in particular, as recent as 10 years ago, there were predictions that we were at peak production. That we couldn't produce anymore. That we weren't going to have the resources we need.

And so starting with that foundation and knowing that worldwide demand is approximately 100 million barrels a day, the Permian is producing in late 2019, early 2020, just prior to the pandemic, over 13 million barrels a day.

Jeremy Hunt:

Wow.
Rep. August Pfluger:

That's 13% of the world's production coming from one small piece of geography in Texas and throughout Eastern New Mexico. To me, being on the cusp of energy independence, and that term is hard to define. But being on the cusp was the result of a revolution that happened.

Technological revolution where we understood how to produce those hydrocarbons at a very, very economical price point. And to deliver it with delivery systems that not only got within our own borders here in the United States, but they were also able to be exported. Which gave us an upper hand and a competitive advantage in this market.

So to me, that 10 year period from about 2010 to about 2020 was really the revolution that helped us get to that cusp to provide the affordable, reliable energy that allowed Americans in every walk of life, in every socioeconomic bracket, the ability to turn their lights on and feed their family, and go on vacation, and start a small business.

Brigham McCown:

Yeah. And let's a few decades, even before recent history during World War II, we supplied seven out of eight barrels of oil used in the war effort. Wasn't just the arsenal of democracy for weapons and aircraft and butter, it was also for energy. Raw fuel sources, raw materials, has always been something the world has fought over.

It's led to a lot of wars around the world and we are a very material rich nation and have been. And the more we look for it and the more we find. And so from that perspective, we're very blessed. It's led to the economic activity that made us a world producer of steel, of petrochemicals, of cars, of all sorts of things.

Energy is that source that's required for economic prosperity and for a comfortable way of life. It is the key. And again, fast forward up through the '70s, we became lazy. Dependent on oil, mainly from the Middle East. And then we had an air boiling embargo. I remember as a kid in my mom's car in line, odd and even license plates, you could get 10 gallons, I think it was, a day.

We've come a long way, but the pipeline that I used to run in Alaska is now only running at 25% capacity.

Jeremy Hunt:

Wow.

Brigham McCown:

Overnight, it could ramp up, at its heyday, delivered more than two million barrels a day. It's down under 500,000 right now. Not because we're out of oil, but because federal administration won't allow Alaskans to drill for their own oil. There's plenty of it there. There's plenty of natural gas there, but they're not allowed to touch it.

Rep. August Pfluger:
And Jeremy, let me mention one point on that. One of the keys that has happened since World War II and since the technology has progressed to where we are today is that we, as Americans, produce clean and efficient energy sources. We have primary sources.

And as you look around the world, liquified natural gas is, right now, and will be for decades, one of the most important products that we can use for energy. And we have a competitive advantage here. The pipelines that we have throughout the United States and the ones that we need to permit and get online to deliver, which will continue to help us achieve this independence. And if we don't it, we're actually going to see energy poverty as a real consequence right here within our own borders.

Jeremy Hunt:

Amazing. Amazing.

Brigham McCown:

And I can tag onto that for just a second. High energy prices disproportionately affect the poor. I think we tend to forget that. That often those espousing higher energy costs are the ones that can afford to pay for it and there's no need.

And to the fact that the congressman just mentioned also, we produce energy in this country better, cleaner and cheaper, and more reliably than anywhere else in the world. And if you look at international forecasts, even the rosiest projections for transition, fossil fuels still predominate world energy usage out past 2040, 2050.

And so it makes sense to take an American material and use that here in the US. And in some cases where it makes sense, make that available for others as well. I mean, that's part of the free market.

Jeremy Hunt:

Amazing. So how did we get here? I mean, we were on the verge of energy independence. We were drilling here, 13 million gallons of oil, you said a day?

Rep. August Pfluger:

Barrels a day.

Jeremy Hunt:

Amazing. So how do we go from there to where we are now and just some of the horrible decisions that we've seen over the last few years and becoming more dependent on foreign oil?

Rep. August Pfluger:

And let me just clarify one point. The 13 million is throughout the United States and about 40 to 45% of that was being produced.
Jeremy Hunt:

Got it. Got it.

Rep. August Pfluger:

In the Perman. But look, I think as a legislator in my first responsibility being to the district, but also being somebody who believes in limited government, who believes in free market systems. Who understands that any action that is taken up here in Washington DC is going to have an effect. And a lot of those can be negative.

So the negative effects that I would like to point out, they've been around for decades, but they're very intense. The magnitude of these effects, starting with the Biden administration's first 40 executive orders, which were disproportionately targeting this industry, the energy industry. And they really revolved around limiting the amount of permitting or the drilling that you can do on public lands. Denying pipelines.

And we all know that the Keystone XL pipeline is the famous one, but there are dozens of other pipelines that are in and around Pennsylvania and Ohio, and New York, and places that have liquified natural gas, that have natural gas resources.

I believe that the reason that we are here is because this administration has declared war, an all out assault, on the energy industry. And you see it through the regulatory nature of their government. And legislating through executive orders, stopping pipelines, using the EPA as a weapon.

There's dozens of examples that I can give you, but that's why we're here. And I want to make one point, when you look at, in business, when you're trying to make a decision, you have to have access to capital. You have to have reliable access through investment. And you have to have an environment that is predictable. And otherwise you don't make an investment.

And that's why people don't build many pipelines in countries like Yemen. Because you don't have the geopolitical assurance that you're going to actually be able to see that project come to fruition. We, in the United States over the past two years have a very similar environment to that of Yemen.

Because even a pipeline like the Keystone XL, which can be funded and which can be approved, was then, in my words, ex-appropriated, or stopped from being produced, because of a political decision. That is why we are at the point and at the precipice of not being able to achieve energy independence in this country.

Brigham McCown:

And kind of tying on to that, because I want to say it again. Because what you just said is so very important to somebody who's also a business person. That you will not deploy capital in a risky environment. Capital, especially CapEx expenditures take years to recuperate. What is your rate of return, your ROI on your investment?

Shareholders, people that are going to fund these projects don't want risk. Would you give me a million dollars?
Jeremy Hunt:

Um. I don't know.

Brigham McCown:

Don't worry, I'll pay you back. Right, right. Well see that pause that you had just then is the same pause that other people are having. Because stability means that the rules of the game don't change. When things change, when regulations change, when elected officials and high ranking administration officials come out swinging at your business, that introduces risk.

Investment hates risk. And to see some of the current administration officials say, "We don't understand. You're making all this money, go ahead and build something new. I mean we'll need it for the next five or seven." No, no, no. CapEx is like a 30 year return. They don't get that they don't get it. And that's unfortunate.

Jeremy Hunt:

Yeah. I want to talk about renewable energy. This is, I mean, Biden's favorite pet project right now. So what do you see are the major concerns about some of the renewable energy policies? And it seems like he is trying to flip a switch overnight and just move our country into this totally different direction. What are your thoughts on that and how do you see this kind of progressing in the future?

Rep. August Pfluger:

I want to take a couple minutes to discuss this. It is a great question. Anybody who comes to my district will see many sources of, "renewable energy," and it starts with wind. The horizon is dotted with windmills that have been there for 20 plus years. And we have more wind energy in my congressional district than the entire state of California has.

Jeremy Hunt:

Wow.

Rep. August Pfluger:

The second thing you'll see are solar panels. Both of these sources of energy add into Texas's electrical grid with about 22 to 24% of the daily supply. So overall about a quarter of what Texans are using on a daily basis. However, the word renewable does not equal reliable.

In fact, it's not reliable. And I asked last year in a Foreign Affairs Committee hearing, our energies are, Secretary Kerry, just technically speaking, are we at the point where renewable energy can provide base oil capacity?

And he said, "no." And then he started to backtrack because he realized what he had said. Look at what Europe did 20 years ago. They made the choice to stop using hydrocarbons, to stop
drilling for hydrocarbons, to shut most of their nuclear facilities off. To not frack and to have this hydraulic fracturing technique that is probably for another conversation.

But they made these decisions and now they've ended up completely dependent on Russian gas. Which is the opposite, the antithesis of energy security that we've discussed here. Renewable energy is great and we need to be able to explore it.

And what the labs, the national laboratories have done with the latest fusion testing. These are good, I think markers and metrics for progress in the future. However, until technology meets the day with the ability to have a battery that can store energy for longer than three or maybe even four, at the longest time, hours, reliability is going to be a key detractor from using renewable energy for base low capacity.

You need power. And again, I'll go back to a flying...when you need power, you need it. And you either have potential energy, and in the flying world that equates to altitude, or you have kinetic energy. And in the flying world that equates to air speed.

But if you don't have both of those, and certainly if you don't have one of them, you have to have reliability to fill in when you need it.

Brigham McCown:

Right. Yeah. I started out by talking about all the above energy was something that President Obama espoused. Now, I think in that administration people believe that to bearing degrees. But I think what you see in this administration is a belief, based on the European model, that the transition to renewables can occur overnight. It's not possible.

That transition zone is not overnight. And I use the analogy, it's like passing the baton from one runner. And the current runner is running, but fossil fuels, people are throwing sticks at that person. They're trying to trip them. Meanwhile, the next runner's not even on the track yet, hadn't put their shoes on. And it doesn't work.

The ramp down has to occur after the transition, not before the transition. But there is some good news. And that is some of these technologies and energy sources pair very well together. Natural gas pairs well with renewables. Because you are using a power plant that is in essence a gigantic aircraft engine that can be throttled up and back to match the intermittency of the renewable power.

Instead of demonizing one form over another, we should be working on how we can make the system work together to ensure reliability, ensure stable price. And again, have that security. And there's really no reason why this should actually even be a political issue.

Jeremy Hunt:

Right. Wow. Well, now with the new Republican majority in Congress, what can the next Congress do to push the Biden administration in the right direction? Where do you see...are there any points of where you can see some work working together with the administration? Or what is your vision in the next several years?

Rep. August Pfluger:
It's a great question. And look, let's admit that the environment we're in is a Democrat controlled White House, a Democrat-controlled Senate, and a Republican House. And so I think that the changes will probably be measured. I'm hopeful, and we all have these grand ideas, but we also have to be realistic.

The first hearings that really need to happen revolve around where the money has gone. When it comes to the Green New Deal, the trillions of dollars that were spent in the last Congress as recently as last month. The oversight that needs to happen with the Department of Energy, with the administration, we need to know where these dollars are going.

And if they're prioritizing the word renewable over reliability, that comes at the cost of every American paying more for energy then those are the types of things that we need to be able to fax, that need to be presented to the American public. And I think that's going to be the start of it.

I've always advocated for, as a national security guy, we have a national security strategy. Why don't we have a national energy security strategy?

Jeremy Hunt:
Right.

Rep. August Pfluger:

Because the energy needs that we have as a country are the underpinnings and truly the lubricant of our economy. They won World War II. They will keep us safe as we go forward into a very complex threat environment where we have a rising pure threat in China. Where we know that Russia has invaded Ukraine and violent extremism still exist.

You have to have energy. So why don't we discuss the word energy security and what that means. And I think that's something that a Republican-controlled Congress can will and should do to get the narrative back onto what's important in the priorities and how we deal with those priorities to help every American, but also to keep us safe.

Brigham McCown:

Yeah, I think in the new Congress, I mean, right, we have a divided government. And there are areas that I think both parties can cooperate on. And there are areas that both parties are just going to simply disagree on. And I think that's unfortunate because again, you need to only look around the world to see, I call it the European Lab.

The failed experiment of pushing too quickly onto certain forms of energy that are not ready yet. You look to California and you see exorbitant prices for electricity. The same week they came out and said no more gas engines after, I'm sorry, was it 2025 or 2035? 2025. I think.

They said, "by the way, don't charge your electric car because the grid can't handle it." These are failed policy decisions. And these are not things that are so complicated that we can't foresee coming.

Jeremy Hunt:
Right.

Brigham McCown:

Nor should we foresee that a shift to renewables means a shift to dependence on China since they control 80 plus percent of the supply chain. In some case, 100% of the critical elements, rare earth materials needed. These are very preventable mistakes.

And so if people, again, put politics aside, I think reasonable minds should come to agreement on broad principles. Nuclear is another one.

Jeremy Hunt:

Congressman, I will be remiss if I didn't ask about some of the legislation that you've proposed; Midland over Moscow. And I love the name by the way. It's amazing. Do you mind just sharing more about that and what are some of the policies that you're advocating for?

Rep. August Pfluger:

It goes to the heart of what was just mentioned. And I think you're really hitting the nail on the head that we do it better here. We know we do it better here. And we have a proven track record of that. And Midland over Moscow really represents the desire for us to not have our leaders, especially the Commander in Chief, go to places like OPEC or Saudi Arabia, or Venezuela, or Iran, or anywhere else to ask for the resources that we have here.

We don't need to be going outside when we can provide American jobs, we can build American jobs. And we can also lower the price of energy back to what it was 2017, 2018, during that uptick and during the charge up the hill of energy independence. So Midland over Moscow really took on a life of its own when we knew that Ukraine was under threat and was being invaded.

Which in my discussion with President Zelensky just prior, just a few days prior to Ukraine being officially invaded almost a year ago. In Kyiv, President Zelensky told me that without the threat of the Nord Stream Project from the Russians, that he did not believe they'd have the leverage or the impetus to invade.

And so it really comes back to a pretty basic idea that if you have energy security, that you are at least hedging your bets in a way that you're not beholden, or there's much less risk involved in conflict. And you said it perfectly.

Many conflicts have been fought over natural resources and will continue to be fought over natural resources. Midland over Moscow is saying, we believe we can do it here in Midland, Texas better than anywhere else, and we should be producing energy, all types of energy, right here.

Jeremy Hunt:

That's amazing. And speaking of just the European energy crisis, want to get your thoughts on this too, Brigham just about, you just saw what happened with Germany and other countries are becoming dependent on Russian oil with Nord Stream Two.
What could we have done differently to try to avoid the outcome? And what do you see as the main mistakes that led to that?

Brigham McCown:

Yeah. I have a love hate with Europe, and I don't mean that literally, but it's a beautiful place. Love going there. The humanities, the history, the traditions. But every American President since before Reagan warned the Germans not to be dependent on the then Soviets for oil and gas. That it's a leverage, it's a tool.

And they always said, "No, no, no. They keep it separate." And the Germans invented this coin of living in two realities at once. That economics were separated from political and military affairs. And in some cases that held true. But with Putin, it's a different ballgame.

The Kremlin is a different place. He's a shrewd operator. He did his doctoral thesis on energy security. All right? That should be an awakening call right then and there never. And you're using all of the tools and levers you have at your availability.

And quite frankly, those warnings went unheeded. And we're in the spot we're in now largely because of successive German Governments with Nord Stream One, Nord Stream Two. Also, frankly, with some of our allies not living up to their own defense commitments.

I think NATO was 6% of GDP back in the old days, and we couldn't get even people to kick in one or 2% for defense. The Bundeswehr used to be a very feared, the German military, used to be very competent. That's not the case. And so a lot of this, frankly, are events of their own making.

And so I think when we go to Europe, the Europeans also love/hate us too. They say, "Don't tell us what to do," but where are you going? Don't leave. Don't leave.

Jeremy Hunt:

Right. Right.

Brigham McCown:

Because we need you. And quite frankly, it's time for Europe to kind of grow up and figure out how to police their own backyard a little bit.

Rep. August Pfluger:

Jeremy, let me just add to that because I think you're exactly right. That the decisions that have been made specifically in the German government and in Germany, I think have led to this situation. And what we need to be seeing, and as the co-chair of the German Study Group, what we want to see is the acknowledgement, the dependency, that Putin created in Western Europe, does not help your geopolitical situation.

Or your economic situation or any of the things that we discussed here today regarding energy. But instead, it appears, and I'm concerned that they will turn to renewable energy as a way to push aside dependencies. When in fact what we really need to be doing is working together.
Jeremy Hunt:

That's right.

Rep. August Pfluger:

With the United States, having the resources and helping supply Western Europe with those resources. With places like the Black Sea, which has a prolific amount of resources underneath the surface of the earth that could be piped and transmitted, and shipped to Western Europe.

And there's other legislation that I've been a part of the LNG for Allies Act. This is something that I introduced late last Congress. And it does exactly that, but it depends 100% on the permitting and the reform of permitting in this country right here.

There is a pipeline just to the north of us called the Mountain Valley Pipeline. And that pipeline has the capacity for three BCF a day of natural gas, 3 billion cubic feet a day, that goes directly to the Atlantic Ocean, to a port that could be six days later in Northern Europe.

We as the United States are not doing our part to help our own allies if we are forgetting to permit a pipeline like Mountain Valley or so many others.

Jeremy Hunt:

Absolutely. Amazing. I want to go back in time a little bit to the Paris Climate Accords. Because a lot of people say that decision, that agreement, really kind of weakened America and our ability to be energy independent. While allowing other countries, China and India to go on polluting to whatever end that they want. What is your position on that? And how has that kind of affected this debate?

Rep. August Pfluger:

It absolutely has weakened us because the main criminals of pollutions of harmful emissions are China. And places in mostly I would say Southeast Asia and in Asia. And they're not part of the discussion. They're not held accountable.

And in fact, you can look at the amount of coal plants that they're building in China and the amount of emissions that they have. So it really comes to this idea that is the climate changing? And is there something that can be done about it? And is that something that can be done about it, the risk and reward matrix, worth impoverishing billions of people?

Jeremy Hunt:

Right.

Rep. August Pfluger:

And that's really where I think we are because the ice ages happened. And to my knowledge, there were not internal combustion engines that were being used in that time. So to think that in
100 years we’re going to be able to actually turn down a degree of temperature with the effects that we can use other types of energy, I think is very shortsighted.

And to also put this in perspective, the United States has led and is leading all developed countries in the reduction of harmful emissions. And we’ve been doing that for 30 or 40 years, to a great success. But look at countries that are developing and their GDP will very closely follow their CO2 emissions.

And certainly we need to have a mindset that we're going to protect our world, that we're going to do everything we can to hand it to the next generation in the best shape and state that we can. But I think that we are forgetting about human life when we go the direction that COP 26 took us.

**Brigham McCown:**

Yeah. It's interesting, and I think President Trump got a lot of grief from some for quote pulling us out. It wasn't a good deal. It wasn't a good deal for America. As congressman said, it let primary polluters continue unabated, no cap up until a certain date.

China produces more greenhouse gas emissions than US and Europe combined. They are far the number one polluter. They are using coal, putting new power plants online on a weekly basis. So pollution doesn't stay in one part of the world. Right?

And so if your primary concern is pollution, you would think you want to negotiate an agreement that affects everybody; that actually attacks the problem. The US, yeah, the GHG emissions have dropped more than any other country predominantly because of how we've changed our fuel mix around a little bit.

And thanks to the fracking revolution. It's something that needs to be taken seriously. And it's okay to say conservation. I think some people think that's a south, there's nothing wrong with saying, can we insulate our buildings better? Can we reduce our electricity needs?

But, with more people coming to the country, even with doing those things, you can't get there because the overall requirements for energy are going to keep increasing. And that's one of my concerns, again, getting back to Europe, is their Repower EU initiative.

Which they've come up with after the invasion of Ukraine, doubles down on the same policies that got them into this mess to begin with. And next year, I'm more worried about Europe next year with natural gas than this year because they won't have a chance to fill back up.

And if you look at the forecasts, and the strategy is 80% of which is more rapidly advanced renewables, conserve, innovation, deployment 20% is actually fill up with more gas. It's not going to work.

**Jeremy Hunt:**

Well. And you mentioned China as well. I mean, so allowing them to go on polluting and everything. I mean, what is their play in terms of this energy debate? How do they affect this and what do you see in the next five to 10 years, China's next move?
Brigham McCown:

Yeah. Well, we've talked a lot about Russia, but really long term, my view is the number one adversary and competitor in the United States is China. They're a growing threat. They're flexing their muscles. China has one policy, it's a China first policy. China does what China wants to do. And yes, they have a long term approach to some things, but they're also very impatient in the short term on other things. And I think we will see a more belligerent China moving forward. It's a different value system. The rule of law is different here in the US and around other democratic countries than it is in China.

There is no such thing as property rights in China. So whether it's intellectual property or the ability to purchase your house and land and keep other people off of it, those ideas just simply don't translate. And that's something that's going to require a lot more attention from all of us.

Jeremy Hunt:

Congressman, would you agree with that? What are your thoughts on how this affects our debate?

Rep. August Pfluger:

No, it absolutely is correct. And I like the way you put China first. That is their policy. And unfortunately, I sometimes think that our administration is also a China first policy. Because when you look at this desire to have these renewable sources of energy, you've mentioned this Brigham, already about the rare earth minerals and the inputs that it takes to build, the copper that it takes to build just a windmill alone.

You're talking 800 pounds and all of the other components that form these batteries, we still can't get most of those in the United States because of permitting, because of the lack of ability. So we're then going back with a more dependent mindset to China, into Chinese companies.

So I mean it really cuts at the heart of security. And this is why I think we're coming back to energy security is national security. And when you put China first by allowing them to mine the rare earths, to produce energy sources that are high with pollutants, this is not allowing American leadership and innovation to make the world a better place. It's actually regressing. Yeah.

Jeremy Hunt:

Well, we're coming up towards the end of our time here. But I wanted to ask for folks watching at home, what are the kind of main questions we should be asking our own representatives? And how can we apply pressure on the Biden Administration to actually reverse course and put us back into a place where we're going to become more energy independent?

Rep. August Pfluger:

It's a great question, Jeremy, and I appreciate you having us on to talk about this. I would say there's a couple of questions. Number one, asking your legislator, your representative, senators and congressmen, where their priorities are on allowing either free markets to take place.
Or picking winners and losers in the energy space. And if it's the latter, if they're trying to fund this transition, and I like the track transition in a place where we need to admit that we're five to 10% into that. And I call it an expansion, not a transition, but the technology is not there.

And so it's okay for us to be looking at these projects and have these aspirations, but we also have to be focusing on what we can do here. And the questions need to revolve around, ask your legislator if they support permitting reform. Ask your legislator if they support putting American energy first, not foreign sources of energy to reduce dependencies. I think those are two of the main questions that need to be asked today of every legislator here to see where they stand.

Brigham McCown:

Just think on it from my own perspective, we've started to see gasoline prices go back up. And the reason is pretty simple. We've stopped drawing down our emergency reserves. It frankly shouldn't been touched to begin with. But you're going to see higher gasoline prices in 2023. The way we're headed, diesel is outrageous.

Talk to truckers, talk to people in the transportation industry. Diesel should be about the same price as gasoline. Should actually be cheaper because it's easier to produce. And there was a time in our country where diesel was cheaper than gasoline.

See how it's affecting your pocketbook? And I think we all know what the answer is. You need to go to your elected representative and say, "Okay, what are you doing?" And what can we do today? I don't want to hear pie in the sky stuff, I'm not in a college course.

What can we do today? And part of that answer is to have the president sign an executive order that requires his federal agencies to remove roadblocks, to remove red tape, to get energy flowing. To advance permitting. To expedite these decisions and processes to help ourselves, to help our allies, to help us all.

That could be done, and it could be done very quickly and very simply. But the apparatus that is the Executive Branch is in and of itself standing in the way. And that doesn't even require new law, that could just simply be done. Yeah.

Jeremy Hunt:

Awesome. Well, I want to just thank both of you gentlemen for being here and just sharing your wisdom on this and your thoughts. And Congressman, I thank you for your leadership on this issue the Hill, and so best wishes in the next Congress. And I hope we can just stay in touch and have you back here soon.

Rep. August Pfluger:

Thank you, Jeremy. Awesome.

Jeremy Hunt:

Thank you.
Brigham McCown:

Thanks Jeremy.