

TRANSCRIPT OF PROCEEDINGS

In The Matter Of:)
)
MEETING OF THE)
NATIONAL PETROLEUM COUNCIL)
)

Pages: 1 through 86

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TRANSCRIPT OF PROCEEDINGS

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BEFORE THE U.S. DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

In The Matter Of:)
)
MEETING OF THE)
NATIONAL PETROLEUM COUNCIL)
)

George Washington Room
The Hay - Adams Hotel
800 16th St. N.W.
Washington, D.C.

Monday,
September 25, 2017

The parties met, pursuant to notice, at 3:03 p.m.

APPEARANCES:

MARSHALL W. NICHOLS
Executive Director
National Petroleum Council

GREG L. ARMSTRONG
Chair
National Petroleum Council

HONORABLE RICK PERRY
Secretary of Energy

HONORABLE RYAN K. ZINKE
Secretary of the Interior

LARRY NICHOLS
Agenda Committee Chair
National Petroleum Council

W. BYRON DUNN
Founding Partner and CEO
Tubular Synergy Group, LP

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JOHN WALKER
CEO
Enervest, LTD.

ATTENDEES:

ROBERT NEAL ANDERSON
President and
Chief Executive Officer
Wood Mackenzie Inc.
(represented by an alternate)

THURMAN M. ANDRESS
Managing Director
BreitBurn Energy LP

ROBERT H. ANTHONY
Commissioner
Oklahoma Corporation Commission
State of Oklahoma

ALAN S. ARMSTRONG
President and
Chief Executive Officer
The Williams Companies, Inc.

GREG L. ARMSTRONG
Chairman and
Chief Executive Officer
Plains All American Pipeline, L.P.

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President
Armstrong Energy Corporation

GREG A. ARNOLD
Chairman and
Chief Executive Officer
The Arnold Companies

VICKY A. BAILEY
President
Anderson Stratton Enterprises, LLC

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EDWARD H. BASTIAN
Chief Executive Officer
Delta Air Lines, Inc.
(represented by an alternate)

KEVIN D. BOOK
Managing Director, Research
ClearView Energy Partners, LLC

ATTENDEES: (Cont'd.)

LEE K. BOOTHBY
Chairman, President and
Chief Executive Officer
Newfield Exploration Company
(represented by an alternate)

MARK S. BROWNSTEIN
Vice President
Climate and Energy Program
Environmental Defense Fund

SHARON E. BURKE
Senior Advisor
New America

DEBORAH H. CAPLAN
Executive Vice President
NextEra Energy, Inc.

CHRISTI L. CRADDICK
Commissioner
Railroad Commission of Texas
State of Texas

HELIMA L. CROFT
Managing Director and
Head of Commodity Strategy
Global Research
RBC Capital Markets Corporation

BRUCE CULPEPPER
President
Shell Oil Company

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LISA DAVIS
Managing Board Member
Siemens AG
(represented by an alternate)

LEO P. DENAULT
Chairman of the Board and
Chief Executive Officer
Energy Corporation
(represented by an alternate)

ATTENDEES: (Cont'd.)

DAVID E. DISMUKES
Executive Director
Center for Energy Studies
College of the Coast & Environment
Louisiana State University

TIMOTHY L. DOVE
President and
Chief Executive Officer
Pioneer Natural Resources Company
(represented by an alternate)

LAURENCE M. DOWNES
Chairman of the Board and
Chief Executive Officer
New Jersey Resources Corporation
(represented by an alternate)

DAVID D. DUNLAP
President and
Chief Executive Officer
Superior Energy Services

W. BYRON DUNN
Founding Partner and
Chief Executive Officer
Tubular Synergy Group

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KATHLEEN M. EISBRENNER
Founder, Chairman and
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NextDecade, LLC
(represented by an alternate)

JOHN W. ENGLAND
Vice Chairman and
U.S. Energy & Resources Leader
Deloitte LLP

RANDY A. FOUTCH
Chairman and
Chief Executive Officer
Laredo Petroleum, Inc.

ATTENDEES: (Cont'd.)

BENJAMIN G.S.FOWKE, III
Chairman of the Board, President
and Chief Executive Officer
Xcel Energy, Inc.
(represented by an alternate)

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President
Gee Strategies Group, LLC

JAMES A. GIBBS
Chairman
Five States Energy Company, LLC

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President and
Chief Executive Officer
TransCanada Corporation

RICHARD K. GLENN
Executive Vice President of
Lands & Natural Resources
Arctic Slope Regional Corporation

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President and
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American Association of
Blacks in Energy

JOSEPH W. GORDER
Chairman, President and
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Valero Energy Corporation
(*represented by an alternate*)

KAREN ALDERMAN HARBERT
President and
Chief Executive Officer
Global Energy Institute
U.S. Chamber of Commerce

JOHN A. HARJU
Vice President for Strategic Partnerships
Energy & Environmental Research Center
University of North Dakota

ATTENDEES: (Cont'd.)

STEPHEN L. HIGHTOWER
President and
Chief Executive Officer
Hightowers Petroleum Co.
(*represented by an alternate*)

JEFFERY D. HILDEBRAND
Chairman and
Chief Executive Officer
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President and
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Chief Executive Officer
Repsol

AMY MYERS JAFFE
David M. Rubenstein Senior Fellow for
Energy and the Environment and
Director of the Program on Energy Security
and Climate Change
Council on Foreign Relations

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Jones Group International
(represented by an alternate)

PAAL KIBSGAARD
Chief Executive Officer
Schlumberger Limited
(represented by an alternate)

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President
Advanced Resources International, Inc.

ATTENDEES: (Cont'd.)

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(represented by an alternate)

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President
E&B Natural Resources
Management Corporation

TIMOTHY C. LIEUWEN
Executive Director

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Georgia Institute of Technology

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President
Rapidan Energy Group

RAE MCQUADE
President
North American Energy Standards Board

IGNACIO MADRIDEJOS
President
CEMEX USA

D. NATHAN MEEHAN
2016 President
Society of Petroleum Engineers

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BP America Inc.
(represented by an alternate)

AL MONACO
President and
Chief Executive Officer
Enbridge Inc.
(represented by an alternate)

MARK B. MURPHY
President
Strata Production Company

ATTENDEES: (Cont'd.)

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President
Resources for the Future

J. LARRY NICHOLS
Chairman Emeritus
Devon Energy Corporation

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Northington Strategy Group

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Chief Executive Officer
Oasis Petroleum, LLC

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Executive Director
Ground Water Protection Council

STEPHEN PASTOR
President Petroleum
BHP Billiton
(*represented by an alternate*)

DONALD L. PAUL
Executive Director of the USC Energy Institute
Willim M. Keck Chair of Energy Resources and
Professor of Engineering
Viterbi School of Engineering
University of Southern California

DOUGLAS J. PFERDEHIRT
Chief Executive Officer
TechnipFMC plc

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Chairman and
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EQT Corporation

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(represented by an alternate)

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Executive Vice President
Development & Production USA
Statoil ASA
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Senior Partner
McKinsey & Company, Inc.

TISHA CONOLY SCHULLER
Strategic Advisor
Natural Gas Initiative
School of Earth, Energy & Environmental
Sciences and
Precourt Institute for Energy
Stanford University

DAVID T. SEATON
Chairman and
Chief Executive Officer
Fluor Corporation

ATTENDEES: (Cont'd.)

ERIC S. SLIFKA
President and
Chief Executive Officer
Global Partners LP

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Chief Executive Officer
Buckeye Partners, L.P.
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President and
Chief Executive Officer
Encana Corporation

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Chairman of the Board and
Chief Executive Officer
EOG Resources, Inc.

WILLIAM PASCHALL TOSCH
Global Co-Head Oil & Gas Investment Banking
J.P. Morgan Securities LLC

FRANK A. VERRASTRO
Senior Vice President and
Trustee Fellow
Center for Strategic & International Studies

JOHN B. WALKER
Chief Executive Officer
EnerVest, Ltd.

JOHN W. WALLACE
Chairman and
Chief Executive Officer
DeGolyer and MacNaughton

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(represented by an alternate)

ATTENDEES: (Cont'd.)

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Executive Vice President, Operations
Andeavor
(represented by an alternate)

KELCY L. WARREN
Chairman of the Board and
Chief Executive Officer
Energy Transfer Partners, L.P.
(represented by an alternate)

JOHN S. WATSON
Chairman of the Board and
Chief Executive Officer
Chevron Corporation
(represented by an alternate)

WILLIAM J. WAY
President and
Chief Executive Officer
Southwestern Energy Company
(represented by an alternate)

J. ROBINSON WEST
Managing Director
Center for Energy Impact
The Boston Consulting Group

CRAIG E. WHITE
President and
Chief Executive Officer
Philadelphia Gas Works
(represented by an alternate)

MARY JANE WILSON
President and
Chief Executive Officer
WZI Inc.

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STAN WISE
Chairman
Georgia Public Service Commission
State of Georgia

ATTENDEES: (Cont'd.)

DARREN W. WOODS
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Chief Executive Officer
Exxon Mobil Corporation
(represented by an alternate)

GEORGE M. YATES
President and
Chief Executive Officer
HEYCO Energy Group, Inc.

DANIEL H. YERGIN
Vice Chairman
IHS Markit

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Adjournment

P R O C E E D I N G S

(3:03 p.m.)

1
2
3 CHAIRMAN ARMSTRONG: So, let me say good
4 afternoon to everyone and welcome you, today. Would
5 like to call the 127th meeting of the National
6 Petroleum Council to order. Again, welcome to you
7 all. We want to welcome members of the council,
8 honored guests and members of the press and public.
9 We have, what I think is going to be a very productive
10 and informative meeting, this afternoon.

11 First, I'd like to make the customary safety
12 announcement, which will be quite brief. There are no
13 fire drills or other drills scheduled for today.
14 Should there be an alarm, we would ask you to proceed
15 back to the public elevators. There are stairways on
16 the left and the right. If you'd proceed down those
17 nine floors in a safe, but rapid fashion, and then
18 cross out through the front of the hotel. Cross the
19 street to Lafayette Park and then we'd rally at that
20 point in time.

21 Now, if there is no objection, I will
22 dispense with the calling of the roll. For members of
23 the council, the check-in is outside this room and

1 will serve as our official attendance record. Pam
2 Dunning is keeping track. Any member/observer that
3 has not checked in, please do so before you leave
4 today to ensure that we have an accurate record of
5 today's attendance.

6 I would now like to introduce to you, and
7 for the record, the participants joining me at our
8 head table. In a few minutes, I'll introduce the
9 keynote speakers. But we have, at the very end, Larry
10 Nichols who is chairman of the NPC agenda committee.
11 And we have Marshall Nichols, unrelated, at least I
12 think.

13 (Laughter.)

14 CHAIRMAN ARMSTRONG: Executive Director of
15 the council. And then later on, although he's not
16 here yet, will attend later on is Deputy Secretary of
17 Energy, Dan Brouillette will be joining us shortly and
18 will make some comments toward the end of the meeting.

19 Our first order of business this afternoon is to hear
20 from the council's co-chair, The Honorable Rick Perry,
21 Secretary of Energy. And fellow cabinet officer, The
22 Honorable Ryan Zinke, Secretary of the Interior. We
23 feel very honored to have both these gentlemen here

1 today with us.

2 At the request of both secretaries, we're
3 going to conduct this part of the agenda a little bit
4 differently than we have in past council meetings. In
5 order for us to have as much time as possible in a
6 dialogue, working questions from the audience, they're
7 going to provide some brief introductory remarks and
8 then we will spend the rest of the time, really in a
9 conversation about the issues that they raise and any
10 additional topics that the membership may wish to ask
11 them.

12 This is our first meeting with Secretary
13 Perry, who was confirmed as the 14th Secretary of
14 Energy this past March. Rick Perry's Texas roots run
15 deep, as many of us know. He's a fifth generation
16 Texan. He worked on the family farm. He graduated
17 from Texas A&M, for those that didn't know that
18 already, and served in the Air Force. He was elected
19 to the Texas House of Representatives in 1984, served
20 two terms as the Texas Agricultural Commissioner and
21 was the longest serving governor in Texas state
22 history.

23 The council is also honored to have The

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1 Honorable Ryan Zinke, Secretary of the Interior, as a
2 very important additional speaker today. Ryan Zinke
3 was sworn in as the 52nd Secretary of the Interior in
4 March. He's a fifth generation Montanan who served in
5 the Montana state senate and the US House of
6 Representatives. And, from my perspective, very
7 importantly served 23 years as US Navy Seal officer.
8 Please join me in welcoming The Honorable Rick Perry,
9 Secretary of Energy and The Honorable Ryan Zinke,
10 Secretary of the Interior. Gentlemen, before we begin
11 --

12 (Applause.)

13 SECRETARY PERRY: Great. Are we going to
14 just go from here?

15 SECRETARY ZINKE: Go from here.

16 SECRETARY PERRY: Let's just go from here,
17 rather than getting up and being all formal about it.

18 Greg, thank you and it's my great privilege to be
19 here and before I get into my prepared remarks, I want
20 to take just a moment and say a great howdy to, what I
21 consider to be one of the brightest young faces in the
22 Texas political landscape. And that's Christi
23 Craddick, my chairman of the -- only in Texas would

1 you call the oil and gas agency, the Railroad
2 Commission.

3 (Laughter.)

4 SECRETARY PERRY: But the chairman of the
5 Texas Railroad Commission. Christi, glad to see you
6 here. And by the way, it doesn't have a damn thing to
7 do with railroads.

8 (Laughter.)

9 SECRETARY PERRY: But it has to do with an
10 industry that is making a huge difference in Texas.
11 So and John Walker, good to see you, sir. And how are
12 the Red Raiders?

13 MR. WALKER: Better than I thought.

14 SECRETARY PERRY: Better than I thought.
15 Well, I think I can say that about Texas A&M as well,
16 sir. So anyway, a privilege to be here today and to
17 speak with you all the way back to World War II, when
18 this august group got started, 127 meetings. That is
19 an awful lot of meetings. But the fact is that this
20 relationship goes back to '46 and the NPC and you have
21 since, served our nation --

22 (Outburst.)

23 FEMALE PROTESTOR: Secretary Perry, science

1 has succeeded. Climate change causes warm air, that
2 leads to moisture that makes storms like Harvey and
3 Irma deadly. People's lives are on the line.
4 People's lives are on the line. What will you do to
5 address climate change to make sure that these storms
6 don't keep happening?

7 CHAIRMAN ARMSTRONG: Please.

8 SECRETARY PERRY: Well I thought all of them
9 were here for you.

10 (Laughter.)

11 SECRETARY ZINKE: Oh, on this, we'll share.

12 SECRETARY PERRY: All right.

13 (Outburst.)

14 MALE PROTESTOR: Sir, are you going to say
15 anything about the fact that Carbon will (inaudible) -
16 -

17 SECRETARY PERRY: So, it is no surprise that
18 this administration looks forward to the re-chartering
19 of NPC as we're getting started.

20 (Outburst.)

21 MALE PROTESTOR: Are you listening to what
22 they're saying? What are you saying about them today?

23 SECRETARY PERRY: I'm hoping you'll give us

1 an opportunity and you can listen, today, rather than
2 interrupting and being rude.

3 (Outburst.)

4 MALE PROTESTOR: A lot of people are dying,
5 sir. I turned 23 in Tacloban, in the Philippines. If
6 you know what that city means, that's why I'm
7 interrupting you, sir. Because you won't address
8 climate change.

9 SECRETARY ZINKE: No. You're interrupting
10 because you're rude, sir.

11 MALE PROTESTOR: We don't have time for
12 bickering. Partisan politics is not -- what are you
13 going to do to protect our families? Protect our
14 families, sir. Protect our families.

15 SECRETARY PERRY: So --

16 SECRETARY ZINKE: Is there anyone else?

17 (Laughter.)

18 SECRETARY ZINKE: Because this is an
19 important issue --

20 SECRETARY PERRY: Truly can.

21 SECRETARY ZINKE: -- so if there's anyone
22 else that would like to contribute in other ways to
23 be, just let us know now. All right.

1 SECRETARY PERRY: Great. So today, I want
2 to say a few words about our administration's energy
3 policy in our theme of energy dominance. Not many
4 years ago, President Trump and his goal of energy
5 dominance would've been a pipe dream. When you think
6 about, if someone said that we would find ourselves in
7 the position we're in today, we went, that's an
8 interesting idea. But the fact is, it is fast
9 becoming a reality. And each year, the US Energy
10 Information Administration, which is part of the
11 agency that I have the great privilege to get to work
12 with, they release its annual energy outlook. And
13 based on the current policies, among other things,
14 here are some of what their projections are.

15 Natural gas supply is going to rise, along
16 with domestic oil production. Crude oil and petroleum
17 imports will fall as a percentage of supply. And let
18 me add that the EIA expects crude oil production to
19 reach a record high next year. Despite greater
20 movement of people and freight, energy consumption in
21 the transportation field will fall as fuel efficiency
22 rises, despite the growth in households and commercial
23 floor space. Residential/commercial consumption will

1 stay flat or decline, thanks again to fuel efficiency.
2 And so I think the appropriate question, what does all
3 that mean for America?

4 With production rising and consumption
5 flattening, we are poised to become a net energy
6 exporter in less than a decade. In fact, we expect to
7 become a net natural gas exporter this year. So the
8 unthinkable has, in fact, happened. We're not only
9 achieving energy independence, we're well on our way
10 to achieving energy dominance. And that means greater
11 national security as we end our dependence on
12 unstable, and even, hostile foreign sources. Also
13 means greater economic security with lower cost to
14 businesses and consumers and rising incomes for
15 Americans.

16 So how'd it all happen? It happened, which
17 I hope everyone in this audience including the two
18 that just left would understand, it happened because
19 of freedom. It happened through one powerful idea and
20 that's the idea of freedom. You unleash ingenuity and
21 innovation. Technology breakthroughs occur. Costs
22 fall. Supplies rise. Consumption levels off. And if
23 you want to talk about something that saves lives,

1 it's been the access to energy around the globe.
2 Maybe that would be a good thing for the folks who
3 stood up in the back of this room to think about.
4 You're involved with an industry that saves lives.
5 Lot's of them, every year, around the globe. Talk
6 about that! I'm happy to.

7 So, abundant affordable energy for our
8 country. Enough for ourselves and for our allies.
9 When the Trump administration arrived in Washington,
10 it brought a pro-freedom philosophy with it. And so
11 we began a drive to remove regulatory barriers. Mr.
12 Secretary, I don't know how many you all have removed
13 from your books, but it's been a substantial amount.
14 It's sending the message across this country, we're
15 going to free you from regulatory restraint,
16 regulatory burden and we're going to continue to
17 protect the resources of our country.

18 The President's executive order promoting
19 energy independence and economic growth call for a
20 government wide review of every regulation that
21 burdens energy development. He authorized
22 construction of the Keystone XL and Dakota Access
23 pipelines halted previously. Approved EPA standards

1 for oil and gas and signed legislation repealing a
2 rule that hampered coal development.

3 But besides advancing energy dominance
4 through freedom, we're also promoting it through out
5 national laboratories. These labs -- I tell people, I
6 said, best job I ever had in my life been the governor
7 of the State of Texas. And that's a fact and it'll
8 always be that. But, officially, the coolest job,
9 Christi, I've ever had is being Secretary of Energy
10 and it's mostly because of these national labs. They
11 are extraordinary places. They develop technology and
12 research -- matter of fact, two things that came out
13 of our national labs that affect energy policy
14 worldwide, and that is hydraulic fracturing and
15 directional drilling. Both of those technologies and
16 innovation were affected by our national labs.

17 So simply stated, energy must be delivered
18 and that means our energy transportation
19 infrastructure must be up to the job. So we're going
20 to talk about pipelines and infrastructure and to meet
21 this energy boom that we're in. I'm going to let Dan
22 Brouillette, the Deputy Secretary, kind of, give you
23 all the details here in a minute when he takes the

1 stage and shares with you in a little greater detail.

2 But suffice it to say, we've got to invest more in
3 our infrastructure. We've got to have this
4 conversation to ensure that we have an uninterrupted
5 flow of energy product.

6 I think it's been more than a decade since
7 NPC has done a comprehensive study of oil and gas and
8 natural gas related infrastructure of the needs, of
9 the challenges, of the opportunities that are in front
10 of us. So given all that has changed over the course
11 of the last 15 years, I believe we need a new study
12 today. So I am requesting that the National Petroleum
13 Council undertake a study of our oil and natural gas
14 transportation infrastructure.

15 One component, that I hope will be in such a
16 study is the growing need for CO2 pipelines as we
17 respond to the potential, exciting potential of carbon
18 capture, use and storage, or CCUS technologies. But
19 integrating technology and deploying CCUS at scale
20 still remains a commercial challenge. And so today,
21 I'm asking for a second NPC study to identify
22 potential paths including R and D and policy options
23 to integrate CCUS into the marketplace.

1 Now this caveat aside, I remain convinced
2 that through a combination of more freedom, less
3 regulation, cutting edge research, we will arrive at
4 US energy dominance. We'll advance our national
5 security and we will usher in a bright new era of
6 American prosperity. Thank you.

7 (Applause.)

8 CHAIRMAN ARMSTRONG: Thank you Mr.
9 Secretary. Mr. Secretary Zinke.

10 SECRETARY ZINKE: From Interior's
11 perspective, I don't have to tell this audience how
12 important energy is. From my perspective, it is
13 better to produce energy in this country under
14 reasonable regulation than to watch it get produced
15 overseas with no regulation. As a Seal, I've probably
16 been to 70 countries in my life and you want to watch
17 how not to produce energy in a responsible way, I
18 invite you to go to east Africa or the Middle East.

19 Secondly, energy itself is what makes the
20 American economy work as we have to pay our people
21 wages to obtain the American dream. As you know,
22 commodity prices for materials are roughly the same
23 around the world. And so if materials are roughly the

1 same and you look at the labor costs are high, then
2 our hope is to make sure our energy is, not only
3 competitive, but that price point is enormously
4 important.

5 And lastly, from a Seal perspective of
6 military is that leverage international leverage. You
7 know, again I don't want to see our kids ever have to
8 go overseas and fight a war for a commodity we have
9 here. I never want to see your children or your
10 grandchildren to ever see what I've seen. So, but you
11 look at Iran and some of the emerging problems around
12 the world, you know, how do you apply leverage? It's
13 military or it's economics.

14 I much would rather provide the leverage on
15 energy. Now we could supplant every drop of crude
16 Iran has. That is enormous amount of leverage, but in
17 order to do that, we have to have some components
18 here. Infrastructure, as the secretary talked about,
19 and we're short. We're short particularly on
20 pipelines and collection systems. I think liquid
21 natural gas is probably a pretty bright future, but
22 our infrastructure patterns and where we're at, we
23 need to go forward on that.

1 Permitting has been a particularly tough
2 issue and I got it. I had a Fish and Wildlife that
3 hated people, to a degree, and we are now in the
4 business of being partners, rather than adversaries
5 and that's a cultural shift. And the cultural shift
6 in the last six months has been significant. And
7 almost every metric we've done in Interior and we
8 follow metrics very closely. As the first six months,
9 as far as leasing goes, and income or royalty across
10 the board, we're up substantially. Almost 10 times.

11 But you go back to 2008 in Interior. We
12 were the second or number two largest revenue
13 generator in this country, right behind our friends at
14 the IRS. So in 2008, Interior produced about \$18
15 billion a year just in offshore oil and gas. Last
16 year, we were \$2.6. We dropped \$15 billion of revenue.

17 That's a lot. And that's what happens when you put
18 94 percent of the offshore holdings off limits or even
19 you make the national petroleum reserve unavailable.

20 And our friends at Shell on a compensatory
21 mitigation, that was a \$3.5 billion lease, \$10 billion
22 total investment and they were only to drill one rig.

23 And where they were forced to drill was,

1 unfortunately unproductive. We've had compensatory
2 mitigation with ConocoPhillips, with Dominion that, in
3 my mind, is nothing short of extortion. So the
4 message from Interior is this. It is that we are in
5 the business to make this country great. It is that
6 I'm going to hold you accountable because being the
7 steward of our greatest lands, that's my job.

8 But holding you accountable means also being
9 a partner. It is incentivizing innovation, making
10 sure our regulatory scheme is fair, not arbitrary,
11 certainly not extortion and emerging technology makes
12 us better as a country. And we are in the business of
13 helping and being, again a partner. So, overall, what
14 we see, is next year, I think we're going to be on
15 target of being the largest producer of oil and gas in
16 the world. That's a staggering statement.

17 Price point? Now, you know best. I think
18 the world is a little different than it was. Fracking
19 is proof that God's got a good sense of humor and he
20 loves us.

21 (Laughter.)

22 SECRETARY ZINKE: On that, I think there is
23 an opportunity, certainly, if you're in the North

1 Slope. The petroleum reserve is, I think, pretty easy
2 hanging fruit up there that density well. We've
3 opened up a lot of the Eastern Gulf, opted a
4 moratorium. We're working with the Department of
5 Defense to take a look at that. Onshore, a lot of the
6 cases, you know, you look at the regulatory burden.

7 I think the regulation that we intended to
8 put in place from last administration, that's about
9 half of it and we're working hard to look at the
10 fracking rule and the flaring rule. And yes, I wish
11 that Congress would've helped me out on the flaring
12 rule. That was one vote. But, you know, from my side
13 of trying to -- we're going to go forward with it and
14 then we're going to fix it. It just it's a lot easier
15 if Congress takes the first step. Because, you know,
16 moving the marble, if Congress brings it back, I get
17 to bring the -- push the marble or the rock up the
18 hill rather than having it slide down. So it's hard
19 for me.

20 But we'll get through. I would imagine the
21 flaring rule would begin here shortly and we'll
22 probably have it done, I would imagine, in a year.
23 And if you haven't met Vincent Devito -- Vincent,

1 raise your hand -- as the President, when he said
2 energy dominance, he was serious. And we're serious
3 at Interior. So I've created a position -- I would
4 like to say the energy czar, but we're not allowed to
5 say czar anymore.

6 (Laughing.)

7 SECRETARY ZINKE: So he's the energy guru.

8 (Laughing.)

9 SECRETARY ZINKE: But all things energy
10 flows through Vincent's office. And so we can look at
11 things like permitting processes to make sure we're
12 simultaneous and not sequential, and we look at the
13 royalty committee to go back and make sure our price
14 points are competitive. But if you're going operate
15 on public land, then the stakeholder truly is the
16 public. And we just want to make sure the public gets
17 good value from that. And that's across the board on
18 all energy including alternate energy. So, with that,
19 I'll look forward to your questions.

20 But if I were in your industry, I'd be
21 pretty happy. I'd be pretty happy to have a President
22 who's a builder that understands the price point and
23 understands how important energy is to what we do in

1 this country. And if you have problems, then this is
2 why I think of -- he appointed Secretary Perry on
3 energy. He certainly has been around energy a lot.
4 I'm learning quickly on it, but I've got friends like
5 Tommy [Nusz] that know what's going on, so --.

6 I'll answer questions if you've got them and
7 we'll go from there.

8 CHAIRMAN ARMSTRONG: So, I want to thank
9 both secretaries for their opening comments. And
10 Secretary Perry, especially, I want to thank you for
11 the two letters requesting the advice of the council
12 on infrastructure and also on carbon capture. I will
13 open it up for questions. I want to start and use the
14 prerogative of the chair and I have a particular
15 affection for the midstream. And so I'll open it up,
16 really just with the question on infrastructure.
17 Obviously, there's federal rules and regulations and
18 there's also state issues. And in some cases, we've
19 got great resources, but states that are opposing the
20 construction of pipelines that let us connect it.
21 Love to have your thoughts on those topics.

22 SECRETARY PERRY: Do you want to go first
23 since you've got the federal advantage?

1 SECRETARY ZINKE: Yeah. The pipelines have
2 been interesting to watch. They're absolutely
3 necessary and, to a degree, when you have isolated
4 assets, it's really hard to make them productive
5 unless they connect through the systems. The
6 endangered species act has been, I think, abused.
7 There's no off ramp to it. And you look at some of
8 the permitting processes of -- the permitting
9 processes become arbitrary. And what we've got to do
10 is tighten it down and make sure that there's an
11 expectation. And within a year, you should know
12 whether that project is worth continued investment or
13 not.

14 But when you have some of these permits that
15 are 15/16 years, then it becomes a war of attrition in
16 the amount of investment dollars, which are all
17 precious. We believe that's morally wrong. Some of
18 it is definitions. When you have, let's say habitat
19 as potential habitat, it's not where species are
20 living, but where they could live. That's kind of a
21 tough call because you could have grizzly bears in the
22 mall.

23 (Laughter.)

1 SECRETARY ZINKE: You know what, and they'd
2 do very well for a while.

3 (Laughter.)

4 SECRETARY ZINKE: So, but we're looking --
5 truly. But we're looking at the framework and also,
6 this is how bad we've gotten. If you have a fish and
7 a trout in the same stream, and if that stream --
8 upstream has a damn and downstream is irrigation, all
9 right? So that salmon are NMFS through the Department
10 of Commerce. The trout, or me through Fish and
11 Wildlife. Upstream is the Army Corps of Engineers.
12 Downstream if the Bureau of Reclamation. And if it
13 happens to go by an Indian Reservation or a water
14 compact, which most of the water in the US does,
15 that's BIA estate.

16 We have multiple cases where -- and you try
17 to get a permit, you've got to shop at these different
18 bureaus, and structurally, we have to change. Because
19 we oftentimes have three or four biological opinions
20 and a couple of them are not going to be reconcilable.
21 And so how we approach permitting process has got to
22 be more joint in the very beginning, so we're at least
23 on the same objectives. So if you're in industry, you

1 want to make sure that you can have one point of
2 contact to follow your issues. But it's very
3 difficult if you have to go through the Forest
4 Service, through Sonny [Perdue] and me or Wilbur Ross
5 through Commerce and they give you different answers
6 and they're not reconcilable.

7 So on our part, we're looking at
8 reorganizing to make us more joint at the region
9 level. And truly joint -- this is how we fight forest
10 fires. This is how the military's been operating
11 since 1983 and we think that re-designing the way we
12 do permits. In some it's cultural, but I don't think
13 we can ever get where we want to go without changing
14 it structurally. So we're looking at how to do that
15 and it has to happen in 19. So, stand by.

16 SECRETARY PERRY: Yeah. So, this issue from
17 my perspective is one that has been knocking heads for
18 a long time. And that's the federal government's,
19 both responsibility and the 10th Amendment, state
20 sovereignty, and decisions that affect the people
21 inside of a state. And being able to find and, my
22 bet, Ryan, is that is going to take a, probably a
23 statutory address from the standpoint of being able --

1 is America's energy in the domestic United States, in
2 the continental United States a national security
3 issue? Is it in the long-term and short-term health
4 of the American people?

5 And I don't think you have to look back any
6 further from my perspective than 2014 with the vortex
7 that affected the Northeastern part of the United
8 States. And people having to make a decision, are you
9 going to turn on the lights or are you going to keep
10 your family warm? And that is a serious situation
11 that is, certainly a real possibility again.

12 And I think as a country, we need to sit
13 down and have a thoughtful conversation about, is
14 America's energy infrastructure in the national
15 security of this country? And I'll suggest to you, it
16 is. And I wrote a book about the 10th Amendment.
17 There may be some people that have been more vocal
18 about the sovereignty of states than I have, but I'm
19 not sure I've met them yet.

20 SECRETARY ZINKE: Spoken like a true Texan.

21 (Laughter.)

22 SECRETARY PERRY: And so, you know, this is
23 not a simple yes or no question. I mean, it's the

1 idea that the governor of New York can stop a pipeline
2 going across because he thinks that's the political
3 best decision or philosophically, he's not supportive
4 of that. I don't know why. But the issue is, are the
5 people in that state, or are the people on the other
6 side of that state well served by the political
7 decision of a state between them and the energy
8 resources that can keep their people safe or
9 economically viable?

10 So it's a, I mean, I think it's one of the
11 great conundrums that we find ourselves in today that
12 needs to be addressed. And we need to have a, you
13 know, hopefully an open and thoughtful conversation
14 about it so that this great gift of energy that we
15 have can be used for the best outcome of the people in
16 this country, and, for that matter, our allies around
17 the world as well. So I'm going to opine here in a
18 minute about that very nattily dressed fellow who,
19 very rudely, broke up the remarks earlier about the
20 climate. But I'm going to do that later. I don't
21 want the crowd leaving before I get to it. That's
22 what's called a hook.

23 (Laughter.)

1 CHAIRMAN ARMSTRONG: More news at 10, here.

2 Thank you both for those comments. I want to also
3 lean on Larry Nichols down here. We're going to start
4 taking questions from the field. So if you'll help
5 me, Larry, kind of seek out -- do I have any? John?
6 And we do have microphones to bring to you.

7 MR. WALKER: Well, Secretary Zinke is a
8 former Naval Officer. I'll ask my unfair question to
9 Secretary Perry.

10 SECRETARY ZINKE: Oh, good.

11 (Laughter.)

12 SECRETARY ZINKE: Does that involve NFL
13 football?

14 (Laughter.)

15 MR. WALKER: Maybe I could add that. NPC
16 completed an emergency preparedness study in 2014 and
17 then we worked on it again last year. And of course,
18 Hurricane Harvey was a really big test. And the
19 initial feedback from a few companies who worked on
20 the 2014 study is that it worked much better. Having,
21 not only come up with the study, but testing it. And
22 I don't know if it's too early to have feedback from
23 your standpoint, but how do you feel, like, that our

1 emergency preparedness worked and what do we need to
2 do to improve upon that?

3 SECRETARY PERRY: We learn something new
4 after every event. I mean, that's one of the beauties
5 of experience. You know, a lot of times, I'd just as
6 soon not have to have gone through the experience, but
7 that's not the cards that we get dealt. Over the
8 course of 14 years as the Governor of Texas, we had, I
9 don't know, four or five named hurricanes that came
10 on, and every time you learn something new. And
11 actually, we got pretty good at dealing with
12 hurricanes. We got pretty good with dealing with
13 disasters. Some of them so odd that, you know, nobody
14 handed me the book that said, Perry, here is how to
15 prepare for the space shuttle falling out of the sky
16 over East Texas. Here's the one when a barge breaks
17 loose and knocks down the Queen Isabella Causeway.

18 Those you can't prepare for, but these
19 hurricanes, in particular, you learn something new
20 every time. And so the preparation, putting the teams
21 together, working together, it's just like Ryan with
22 his teammates. They practice. They put themselves
23 into a lot of odd situations so that they will know

1 how to deal with it. As a pilot in the Air Force,
2 it's the reason we had -- we went to the simulators
3 and we broke a bunch of stuff to see, here's how you
4 fix it. The same thing is true for emergency
5 management. And the states along the Gulf Coast have
6 gotten, really pretty good at it. And then they
7 exchange those best practices with other states. And
8 hopefully that, you know, if there's ever another
9 event like Sandy, they'll be even better prepared to
10 deal with it.

11 But to speak with specificity, there was an
12 article today in my clip service at the Department of
13 Energy, talking about how the hardening of the grid
14 and the preparation of -- down in Virginia, Dominions
15 -- and there's an article specifically talking about
16 how they were substantially better prepared because of
17 events that had occurred in the past. With that said,
18 John, from about the middle of August until the end of
19 September, for 14 years during that period of time, I
20 woke up every morning and I said a little prayer that
21 the good lord would not send a category 5 hurricane up
22 the Houston ship channel. Because I've seen those
23 models and they are devastating.

1 And so the conversation I'm having at this
2 particular point in time, is there a way for us to
3 assure this country's petrochemical industry of the
4 ability to stand a massive event like that? Is it to
5 relocate -- or not to relocate, but to build up in
6 another part of the country, a petrochemical industry
7 that's, basically duplicates what you have along the
8 Gulf Coast. I think that's a conversation worth
9 having.

10 With the resources that we have -- you know,
11 10 years ago that wasn't a conversation that you'd get
12 many people engaged in. But today, I think that with
13 the Marcellus and the Utica, that there is an
14 extraordinary opportunity for this country, and it
15 gets back to infrastructure. And to be able to send
16 the message to the private sector that the
17 government's not going to be in your way. The
18 government's going to -- as we tried to do, again I'm
19 not bashful, I think we did things pretty well in the
20 state of Texas, but here's the rules. And if you meet
21 the rules, here's your permit.

22 Now if you don't like the rules, you work
23 within the process to change the rules, but don't slow

1 play it. Don't just -- we're not going to give you a
2 permit because we don't like your particular way of
3 doing business or your product or what have you. But
4 if the private sector understands that, here are the
5 rules. We're going to play within the rules. We're
6 going to follow them, then here's your permit.

7 And that's how a government ought to work.
8 And if we will do that in this country, we will become
9 an incredibly powerful, both economic and energy
10 dominant society, and that statesmanship that comes
11 from that will play well into the future for the
12 United States.

13 CHAIRMAN ARMSTRONG: Thank you. I might
14 just add a point of order, again, these questions are
15 for NPC members or their delegates only. And please
16 identify yourself when you state your question.

17 MR. ANDRESS: Yes, I'm Thurman Andress from
18 Houston, Texas and I want to thank you guys for coming
19 in and good to be with you. And my question is that,
20 as you implement new rules and do away with a lot of
21 the stranglehold regulations that we have, if, God
22 forbid, another administration comes in, how easily
23 can they unfold everything that you're doing for us

1 today? Thanks.

2 SECRETARY ZINKE: Well, it's interesting.
3 One is you've got to follow the law. And I will say,
4 perhaps, in some cases, the previous administration
5 decided not to. We, as you look at the regulatory
6 environment, how do you go from A to B? Is that we're
7 doing it by the law. So it does take a while to
8 unwrap the package, so to speak. It's certainly
9 helpful if you have the CRA. But we got a couple, but
10 we didn't get enough on that. If you follow the law,
11 the next administration has to do the same thing.
12 They've got to go through the same process on there.
13 It would be nice if we had some help from Congress to
14 expedite that. But you're right, we live in a
15 democracy.

16 I think the signal is clear from the Trump
17 administration, though the direction. And we've seen
18 some response by industry across the board. Not just
19 the energy sector, but investment on a lot of our
20 holdings. But, you know, it's going to -- rules. I
21 would like to see that things follow the law a little
22 more closely, in that some of the flexibility -- and
23 I, just so you know, Interior is one of the oldest

1 departments. Interior came out of war. And so, as
2 such, the power of Interior, the secretary is slightly
3 greater about my flexibility because of the enabling
4 acts.

5 Some of that has been used for good and some
6 of it has been used in nefarious ways. And so when
7 you look at a regulatory process, I think we do need a
8 little help from Congress to be more joint and to make
9 things quicker. Now that has the opposite side, too.
10 Is you're going to be able to unwind it quicker. So
11 it's a double edged sword, right? Because we're all
12 talking about how to make things joint and how to get
13 things done. Well, if we turn around and decided that
14 -- which this administration clearly is, is very pro-
15 energy across the board. Not just oil and gas, but
16 across the board.

17 If we put in a process that it's easier to
18 obtain a permit, that from A to B is more of a
19 straight line, then you're right. Then to undo it is
20 more of a straight line too. So --

21 CHAIRMAN ARMSTRONG: Other questions? Yes.

22 George?

23 MR. YATES: George Yates, Dallas. Secretary

1 Zinke, could you talk a little more about permitting?

2 I've operated on federal lands for so long, I can
3 remember walking through a permit in one day at the
4 USGS. It takes five to 11 months to get an
5 application to drill approved in the Delaware Basin,
6 New Mexico side on federal land. That doesn't
7 include, what they call routing, which is generally
8 about a four month process. Across the border in
9 Texas, we have the railroad commission that approves
10 applications to drill in about seven days and
11 apologizes for it not being five.

12 SECRETARY PERRY: Sorry to say.

13 (Laughter.)

14 MR. YATES: And I know this is not your
15 responsibility. You've just arrived but it seems that
16 we have best in class regulators that the Bureau of
17 Land Management could learn from. And so my question
18 is do you have systems in place to take advantage of
19 others that are so far up that learning curve?

20 SECRETARY ZINKE: Some of it's cultural.
21 Quite frankly, we lived in the last eight years and
22 it's a culture. And there is too many ways on the
23 present process for someone that doesn't want to get

1 it done to put it in a holding pattern. And, again I
2 talked a little about structural, when you try to get
3 a permit, then you've got to go through Fish and
4 Wildlife, and then Fish and Wildlife has a lot of
5 latitude on their interpretation of endangered
6 species. Then you've got to go over to, maybe Bureau
7 of Rec, then you've got to shop these things and it's
8 in sequential. Right?

9 Is it as a better process to try to do it
10 simultaneously? And I don't think we're going to
11 quite get there until we go to reorganize. Because I
12 think it's a structural issue as much as it is
13 culture. And I really can't change the culture
14 without changing the structure.

15 Interior's about 70,000 folks, of which,
16 there are about 700 of those that are -- or 70, I'm
17 sorry. Seventy of those that are political
18 appointees. Now I know when I assumed Interior that
19 I've 30 percent of the crew that's not loyal to the
20 flag. It's literally like going and capturing a
21 pirate ship at sea and only the captain and the first
22 mate row over.

23 (Laughter.)

1 SECRETARY ZINKE: But we do have good
2 people. But the direction has to be clear. You've
3 got to hold people accountable. But I think the
4 biggest change is going to be a change in
5 reorganization. And I'll spend a minute about how
6 we're looking at doing it.

7 The way we're organized now is Fish and
8 Wildlife has their region. Park service has their
9 region. Bureau of Reclamation has their regions.
10 Army Corps of Engineer has their regions. NMFS have
11 the regions. The regions don't line up. They don't
12 line up geographically. Number of regions. There's
13 really no rhyme or sense why a region is a region.

14 So we're actually going to go back to John
15 Wesley Powell and go back to making the regions on the
16 basis of watersheds. We think watersheds is the most
17 logical beginning point of a reorganization. There's
18 about 13 of them. And then each of those water sheds,
19 we're going to call a joint management area. And if
20 you're a park unit, you'll still be a park unit, but
21 rather than report to a region that is bureau centric,
22 you're going to report to a region that's joint.

23 And folks like the US Forest Service will

1 have a liaison element there, just like we look at how
2 we fight battles overseas in combat and commanders.
3 That's the scale of organization. It's going to be
4 huge. As I mentioned earlier, unfortunate because the
5 power of the Secretary of Interior allows me to do
6 this. I'm not changing any program monies. I'm
7 changing locations in the organization, which I have
8 the power. I'm going to coordinate with Congress
9 because I think it's the right thing to do. But we're
10 -- unless Congress specifically puts in a rider that
11 says I cannot spend money on reorganization, which
12 they're not going to do, we're going to go forth in
13 this journey.

14 The permit process, the President wants it
15 in, you know, yesterday. As we have to do it by the
16 law and every secretary was given very specific tasks
17 on this thing. And we all get along very well, except
18 us.

19 (Laughter.)

20 SECRETARY ZINKE: He's still upset because
21 energy's really not good.

22 (Laughter.)

23 SECRETARY ZINKE: It's just a joke. But --

1 SECRETARY PERRY: You did get a pretty good
2 office.

3 SECRETARY ZINKE: I did. I got a great
4 office.

5 SECRETARY PERRY: You got an awesome office.

6 SECRETARY ZINKE: But all of us, our task is
7 very clear. The President wants to be number one.
8 He's very, very competitive. And he expects every one
9 of the secretaries to be as competitive and follow
10 through. So we are monitored by metrics, how many
11 regulations we've whacked. How fast. And again, I'm
12 pretty excited because, overall this has been a long
13 time coming and I don't think we'll ever -- I don't
14 think that this country has ever had a president like
15 this. And quite frankly, I'm not sure this country is
16 ever going to have another president like this on it.

17 And this is an opportunity to reorganize from the
18 ground up on a lot of these departments and divisions
19 and bureaus.

20 CHAIRMAN ARMSTRONG: Larry, did you have
21 something?

22 MR. NICHOLS: Yes. As a follow up question
23 to that. Would that restriction involve transferring

1 some of the people who are regulating portions of the
2 west out to the west so they're closer to the land
3 that they're in charge of?

4 SECRETARY ZINKE: We're certainly looking at
5 bureaus that are centric to the west. Bureau of
6 Reclamation. Probably BLM. There's no reason for the
7 BLM to be where they don't have holdings. So in some
8 ways it's better to push out and that's just from a
9 military commander's perspective. Push your Generals
10 where the fight it. But there is a -- you know,
11 Washington, D.C. is very much, looks in the beltway,
12 but it doesn't really look out, and you see it.

13 I put a Buckmaster arcade, free, in the
14 bottom of DOI and what do you get -- it's free, you
15 can go in and you can shoot a deer and you would've
16 thought I put a nuclear power plant down there.

17 (Laughter.)

18 SECRETARY PERRY: That would be a good
19 thing.

20 SECRETARY ZINKE: Because they're
21 disconnected with the idea that, oh by the way,
22 there's people out west that hunt. And yes. We're --
23 yes. We shoot things.

1 (Laughter.)

2 SECRETARY ZINKE: But you're right. On
3 things like BLM where most of the assets are west,
4 it's better to push them there and to be more
5 reflective of the people. On a reorganization, when
6 you look at 13 watersheds, each of these is going to
7 be slightly different. Because in some places, you
8 have BSEE and BOEM offshore. Some places you have
9 BLM. And so the organization is going to be a little
10 more flexible to reflect, number one, the people you
11 serve and push some of the power out of Washington,
12 D.C., where the one size doesn't fit all.

13 SECRETARY PERRY: Yeah. Actually, Ryan and
14 I talked about going the reorg side, just having the
15 conversation about, you know, what really fits in your
16 agency or what maybe should be over in another agency.
17 National Geological Survey, a great example of it. A
18 bunch of scientists are over in his shop. Maybe that
19 ought to be at the Department of Energy because of the
20 national labs and those 17, just absolute jewels of
21 national labs.

22 NOAA, I mean why is NOAA in Commerce? Why
23 isn't NOAA, maybe somewhere where there's a

1 substantial number of scientists of which they would
2 be interacting with. I mean, it's just, those are
3 legitimate conversations to have. I'm not saying that
4 Congress is writing up a reorg plan, but we ought to
5 be talking about, is there a more efficient,
6 thoughtful way to organize these agencies so that
7 there's some semblance of thought process that is in
8 the same lane?

9 CHAIRMAN ARMSTRONG: So, I know, both
10 Secretary Zinke and Secretary Perry have other
11 commitments. So if you've got time for another
12 question, we'll --

13 SECRETARY ZINKE: I have time for two
14 questions.

15 CHAIRMAN ARMSTRONG: All right. Well we've
16 got a gentleman in the back.

17 MR. WISE: Stan Wise from Georgia. Let's be
18 clear, Secretary Zinke, a new nuclear power plant
19 isn't a bad thing.

20 SECRETARY ZINKE: No, sir. It's not.

21 (Laughter.)

22 SECRETARY ZINKE: It just is in the
23 cafeteria.

1 MR. WISE: Thank you very much.

2 SECRETARY PERRY: It is for those folks that
3 were down there that didn't want us to always like
4 that.

5 MR. LAYTON: Yes. Steve Layton, E&B Natural
6 Resources, California -- Bakersfield, California, and
7 I have a question for both Secretary Zinke and/or
8 Secretary Perry. Building on the discussion about the
9 10th Amendment and the issue where, not only states,
10 but now local jurisdictions are layering regulations
11 on -- their regulations or permitting requirements,
12 whether it be federal lands/state lands that end up,
13 in many cases, either duplicating or building on the
14 federal regulations. And so, you know, it creates an
15 added burden and what I am curious about is if -- is
16 it possible for the federal government to work with
17 the states and those local jurisdictions where we've
18 got this problem -- and it's not just in California,
19 it's in other states as well, to try and sort out how
20 the proper regulating and permitting procedures can be
21 put in place or kept in place, but not have these
22 added unnecessary layers that cost time and money?

23 SECRETARY ZINKE: I think some of the

1 strategy from the other side of the aisle is to
2 isolate assets. Right? Is to put them in a position
3 where if you have a well, make sure you can't bring
4 collector fields. Make sure that you can't transport.

5 Make sure you can't -- don't have the tracking
6 material or etcetera. So the objective many times is
7 try to isolate assets.

8 We have a federal highway system. We have
9 some challenges on -- even there's a case in
10 California we're monitoring very closely about
11 railroad easements. The railroads, when they're put
12 in -- forming pipelines along railroads has always
13 been a consistent, an opportunity, but in California,
14 could ease is we're monitoring that closely. Same
15 thing with our state highways even if they go through
16 -- or federal highways, even if they go through state.

17 You know, who has ultimate jurisdiction on it? And,
18 quite frankly, some it has been courts and they're
19 going to work their way up to the Supreme Court,
20 particularly in California, the 9th circuit has not
21 been particularly favorable in our pursuits. And I
22 don't think that's going to change in the least in the
23 three year outlook.

1 SECRETARY PERRY: Steve, I wish I could tell
2 you that, you know, I see a lot of relief. There are
3 some states, yours is a great example of it. They are
4 anti-fossil fuel and, you know, I've been out, talked
5 to your industry folks a number of times, back when I
6 was the governor of the state.

7 You know, I was pretty successful recruiting
8 businesses, but you can't recruit natural resources.
9 And that's the challenge that we have as a country.
10 And respecting the, you know, states sovereignty when
11 it comes to making decisions about the resources that
12 are in their state. You know, you think, you know at
13 some point in time California's going to, kind of,
14 come to their senses when it comes to dealing with
15 resources that can affect people's lives in a very
16 positive way. Put a lot of people to work in Kern
17 County, for instance. But, you know, I've certainly
18 been frustrated to date that California will, in fact,
19 come to their senses when it comes to dealing with the
20 natural resources that they have out there to
21 thoughtfully use them.

22 We did that in the state of Texas. And I'm
23 going to finish up with this because I want to address

1 the man's question at the back about, you know, people
2 are dying. And the fact is -- in my remarks -- and I
3 want everyone to leave here being very proud of the
4 industry that you work in because this industry is
5 leading the world when it comes to affecting the
6 climate. And the affecting the climate in a positive
7 way.

8 The 12th largest economy in the world over a
9 14 year period of time saw seven million people added
10 to the population roles. And you know what seven
11 million people to the state of Texas is? That's a lot
12 of pickup trucks on the roads. That's what it is.
13 That's a lot of non point source pollution. The
14 growth in manufacturing. The number of jobs, 1.4
15 million jobs were created during that period of time.
16 There was one period of time that Texas created more
17 jobs than the rest of the country combined, for about
18 a three or four year period of time.

19 And my point is that while that was
20 happening, while people were moving from other states
21 to come to the state of Texas, because you'd put
22 thoughtful taxes and regulations and legal system and
23 a public school system in place where there was a

1 skilled work force. They knew they could come there
2 and be free from over-regulation, over-taxation, over-
3 litigation. And they moved there, and they moved
4 there in record numbers.

5 And while that was going on, in all of this
6 massive growth, they reduced their NOX emissions by 60
7 percent, their SO2 emissions by around 50 percent,
8 their total carbon footprint by almost 20 percent.
9 And it happened because of thoughtful regulations that
10 were put in place that didn't cost people jobs, that
11 didn't cost people time. But like TERP, the emission
12 reduction program where we gave people incentives to
13 make changes. You had this massive change from older
14 inefficient power plants to very clean burning natural
15 gas plants.

16 We saw the first CCU plant in the country
17 right outside of Houston, Texas. On all of the above
18 energy strategy is what the world needs. It's
19 American LNG, to go take old efficient plants out of
20 operation around the world and clean up their air.
21 While the rest of the people like to talk and sign
22 documents, America's been making a difference, and
23 making a difference in a very powerful way.

1 The US led the world in the reduction of
2 emissions. That comes from the International Energy
3 Agency. I'm proud to be a part of this industry. I'm
4 proud to be an American. You want to talk about
5 saving lives? That's what we're doing. It's this
6 industry, with our innovation and our technology that
7 we're going to export to the rest of the world that's
8 going to save lives in Northern Africa.

9 Yeah. It upsets me when some guy stands up
10 in the back of a meeting, here and says what are you
11 going to do? You're killing people. No, sir! You
12 want to kill people? You take energy away from them
13 and you see how those Northern African countries will
14 be treated. We ought to be proud of what we're doing.

15 I can promise you, I am. And I'm going to
16 continue working with this administration, to not just
17 make America energy independent on our energy
18 resources, but to make America energy dominant. Thank
19 you.

20 (Applause.)

21 CHAIRMAN ARMSTRONG: The only bad part of
22 that speech is we can't go out at half-time and
23 decimate the opponent here real quick. I want to

1 express great appreciation to Secretary Zinke and
2 Secretary Perry for joining us. I can tell you that
3 in my 15 plus years participation on the council, so
4 far this has been one of the better and certainly more
5 uplifting parts of the session.

6 We've got some administrative matters we
7 need to move into and then we expect Deputy Secretary
8 Brouillette to be here and join us shortly. So we'll
9 turn our attention to those administrative matters.
10 And the first administrative item is the report of the
11 finance committee which will be presented by Byron
12 Dunn who's the Chair of the Finance Committee.

13 MR. DUNN: Okay. Thank you Mr. Chairman.
14 Finance committee met earlier this afternoon to review
15 the financial condition of this council.
16 Representatives of Johnson, Lambert and Company, our
17 independent outside auditors were at the meeting to
18 present their draft audit report for the calendar
19 year, 2016. I'm pleased to report that the council's
20 financial statements and accompanying notes received
21 an unqualified clean opinion. The committee also
22 reviewed the council's year-to-date 2017 financials.
23 Controls on expenditures remain tight to ensure the

1 council operates within it's revenue stream.

2 Despite the continuing economic challenges
3 of this industry, the NPC led by Marshall have
4 responded with strong financial support of this
5 council. The finance committee thanks each of you for
6 your support. And those of you who have not yet made
7 your contributions for 2017, we're looking forward to
8 you doing so and ask you to do that promptly.

9 The finance committee will meet again
10 towards the end of this year to agree on the
11 recommendations for the council's 2018 budget. While
12 we will continue to keep a close eye, scrutiny on
13 expenditures, the request of Secretary Perry will be
14 resource intense. Thank you Mr. Chairman. This
15 completes my report and I move that we adopt this
16 report by the council.

17 CHAIRMAN ARMSTRONG: Thank you, Byron. I
18 have a motion to approve the report. Do we have a
19 second?

20 (Second)

21 CHAIRMAN ARMSTRONG: Would all those in
22 favor, please say aye?

23 (Chorus of ayes)

1 CHAIRMAN ARMSTRONG: Any opposed?

2 (No response.)

3 CHAIRMAN ARMSTRONG: Perfect. The report's
4 adopted. Thank you, Byron. And thank you for the
5 leadership of this important committee, which involves
6 a lot of time from time to time. We'll move on now to
7 the nominating committee.

8 Our second administrative matter is the
9 report of the nominating committee. Ray Hunt chairs
10 the nominating committee, but is unable to be with us
11 this afternoon. In his absences, John Walker, who's a
12 member of the committee will now present the
13 committee's report.

14 MR. WALKER: Thank you Mr. Chairman. The
15 nominating committee has agreed on it's
16 recommendations for NPC officers, chairs and members
17 of the agenda and appointment committees of the
18 council, as well as the five at large members of the
19 NPC co-chairs coordinating committee. Accordingly, on
20 behalf of the committee, I'm pleased to offer the
21 following nominations:

22 NPC Chair - Greg Armstrong

23 NPC Vice Chair - Larry Nichols

1 For the agenda committee, we recommend the
2 following as members: Alan Armstrong, Bob Catell, Ray
3 Hunt, Paal Kibsgaard, Andrew Liveris , John Minge',
4 John Watson, Bill Way, Bill White and Dan Yergin, with
5 David Seaton serving as Chair.

6 For the appointments committee, we recommend
7 the following as members: Nick Akins, Lisa Davis,
8 Larry Downes, Bill Fisher, Greg Garland, John Hess,
9 Terry Jacobs, Mike Linn, and John Walker with Ryan
10 Lance serving as Chair.

11 In addition, we recommend the following as
12 at large members of the co-chair's coordinating
13 committee: Lisa Davis, Joe Gorder, Richard Newell,
14 Frank Verrastro, sorry, and Kelcy Warren. This
15 completes the report of the nominating committee and
16 on it's behalf, I move the above slate be elected
17 until the next organizational meeting of the council.

18 CHAIRMAN ARMSTRONG: Thank you, John. I
19 have a motion to adopt the report from the NPC
20 nominating committee. Do I have a second?

21 MALE VOICE: Second.

22 CHAIRMAN ARMSTRONG: Second. Would all
23 those in favor please say aye?

1 (Chorus of ayes.)

2 CHAIRMAN ARMSTRONG: Any opposed?

3 (No response.)

4 CHAIRMAN ARMSTRONG: Thank you. The reports
5 adopted. We still have a few additional items. And
6 hopefully we'll have our member here shortly. I will
7 just say this. As many of you know, I was serving as
8 vice chairman and Rex Tillerson assured me when his
9 role as chairman for the next two years, I didn't have
10 to do anything besides ride his coat tails.

11 (Laughter.)

12 CHAIRMAN ARMSTRONG: And he got a better
13 offer and I got dumped.

14 (Laughter.)

15 CHAIRMAN ARMSTRONG: So I walk in the shadow
16 of Rex and also Chuck Davison and Jim Hackett who
17 preceded me. In accordance with the council's
18 articles of organization, we did receive two letters
19 today from Secretary Perry's office. The letter on
20 infrastructure, as well as the letter on carbon
21 capture. I will refer those to the agenda committee
22 for their consideration as is our protocol.

23 If their view is favorable, and I assume it

1 will be since the request really followed the form
2 that was submitted at the request of Secretary Moniz
3 prior to his departure, to the Department of Energy
4 for our recommendations on topics that we thought
5 might be of interest to them. And that was done
6 through the council -- the co-chair's
7 coordinatingcommittee. So I believe they will be
8 fully, are fully consistent and will be approved by
9 the agenda committee, but we do need to go through
10 that process to double check.

11 As far as, once we have that approval, I'll
12 move forward with establishing committees to draft
13 responses for consideration. I will say this, it
14 requires broad participation from members of the
15 council and the support groups and their respective
16 organizations are going to be critical to the quality
17 and the timeliness and the success of those studies.
18 That's a lead in, basically saying that any member
19 that wishes to volunteer to serve on these committees,
20 please let me or Marshall know. We do need your
21 thoughtful participation in that.

22 The next item that I wanted to address is
23 the articles of organization. The council -- the last

1 time that they were addressed, I believe, Marshall,
2 was in 1981?

3 MR. M. NICHOLS: The last time they were
4 revised.

5 CHAIRMAN ARMSTRONG: And so it's been a
6 while. There's a few changes in our society that's
7 have happened since then called email and other forms
8 of communication.

9 (Laughter.)

10 CHAIRMAN ARMSTRONG: And so we think it's
11 probably prudent to formally review those. With that
12 in mind, what I plan to do is form a small committee
13 that will review the articles to determine whether any
14 changes are required. And if so, we'll bring those
15 changes and report back to the council because,
16 obviously any change to those documents would need to
17 be acted on by the part of the council.

18 Do we know if Dan is here, yet? Do we know?

19 MR. NICHOLS: Dan is here.

20 CHAIRMAN ARMSTRONG: We're running a little
21 bit ahead of schedule. I do think the participation
22 of both secretaries was --

23 MR. L. NICHOLS: Greg, while you're waiting,

1 I might add, he asked for volunteers for these two
2 studies. If you don't volunteer that does not mean
3 you won't be asked.

4 (Laughter.)

5 MR. L. NICHOLS: So better to step up and
6 volunteer. They are two exciting projects.
7 Infrastructure that we've been battling increasing for
8 years and carbon recapture could be a breakthrough
9 item that changes the whole debate. They're very
10 important issues and, having been chairman of the
11 agenda committee for many, many years during the past
12 administration, to have positive things like this is
13 really exciting.

14 CHAIRMAN ARMSTRONG: Yeah. I think we've
15 got about five minutes before Deputy Secretary
16 Brouillette joins us. I will make a comment on these
17 studies. They take a lot of time. They're a big
18 investment, but they're very, very important. And for
19 those that have followed in the past and I think that,
20 you know the study that we had with respect to
21 tropical storm Sandy on, you know, basically helping
22 with the infrastructure and trying to plan. We have
23 seen quite a bit of benefit.

1 We talked to the Department of Energy and,
2 you know, this is a tremendously resilient industry
3 and we've seen as much for those that were in Houston.

4 The amount of rainfall, I mean, just think about
5 this, 51/52 inches within a five day period. In some
6 cases, raining at the rate of six inches per hour. In
7 an area that's -- if you haven't been to Houston, it's
8 pretty flat and there's quite a bit of concrete.

9 And yet with all of that activity we've
10 seen, the pipelines were back up in operation. Very
11 little production was shut in and if that was, was for
12 a short period of time. And then the refineries,
13 which took on a tremendous amount of water. In some
14 cases, I think there was three feet plus inside some
15 of the fenced boundaries has recovered. And I think
16 we're up to basically all but 1 million barrels a day
17 that's back online.

18 So again, I think a huge testimony to the
19 men and women of the industry. But also to the
20 ability to communicate and coordinate throughout the
21 whole process. So, but we'll say that those that
22 participated in that study, we thank you very, very
23 much. It has been well received by the Department of

1 Energy and the EIA, in particular. And then in
2 addition to that, we had that addendum before that I
3 think even made it better, so --

4 I've think I've done just enough soft shoe
5 routine.

6 (Laughter.)

7 CHAIRMAN ARMSTRONG: So our next item of
8 business today, is to hear from Deputy Secretary of
9 Energy, Dan Brouillette. Mr. Brouillette was sworn in
10 as Deputy Secretary of Energy on August 9th and is the
11 department's chief operating officer. He's had many
12 years of experience in both the public and the private
13 sector. He has been part of senior management at both
14 USAA and Ford Motor Company. Before his transition
15 into the private sector, Dan held numerous positions
16 in government including very importantly, serving as
17 Chief of Staff to the US House of Representatives
18 Committee on Energy and Commerce, which has broad, and
19 I can tell you that first hand, jurisdictional
20 authority and oversight over five cabinet level
21 federal agencies. And has proven to be uniquely
22 qualified for the job.

23 We look forward to your comments this

1 afternoon. Please join me in welcoming the Honorable
2 Dan Brouillette.

3 (Applause.)

4 SECRETARY BROUILLETTE: I thank you. You're
5 very kind. Thank you. Thank you all. I see some
6 familiar faces out there. It's good to see you again.
7 I just moved back to D.C. from San Antonio, so I'm
8 still getting accustomed to D.C., but it seems I've
9 brought the heat with me. I was just across the
10 street at the White House and, literally, that walk
11 from there to here caused me to break out in a full on
12 sweat.

13 (Laughter.)

14 SECRETARY BROUILLETTE: But thanks for
15 inviting me here today to address the NPC, The
16 National Petroleum Council. It's an honor to be here
17 with you. Before I begin, I want to start by
18 commending you, the NPC for your role in the largely
19 successful response to the Hurricanes Irma and Harvey.
20 And I say largely successful because I know that
21 there's still a lot of work to be done.

22 For those of us who grew up down south near
23 New Orleans along the Gulf Coast, we know that those

1 recoveries don't come easy. Takes a lot of hard work
2 and I know there's a lot of good folks working on it.
3 So I just want to commend you. It was your study,
4 actually -- we were talking about this this morning at
5 the Department of Energy -- it was your emergency
6 preparedness study, which was completed in 2014, and
7 then with it's addendum in 2016 that greatly improved
8 the communication between the government and the
9 industry.

10 I can tell you from my experience, again in
11 years past, we've come a long way. And you are to be
12 commended for that. I know it's one reason that we
13 saw the outstanding cooperation. And I'd be remiss if
14 I didn't add that Houston's mayor recently named the
15 head of that study, Marvin Odom, as Houston's Chief
16 Recovery Officer, and that's a very wise choice on the
17 mayor's part. I also want to commend those NPC
18 companies that pitched in during Harvey and Irma to
19 get the facilities up and running and ensure the fuel
20 was reaching the first responders and the customers.
21 The first responders in particular. What a critical
22 role that they play and you served them. You worked
23 with them hand and glove and I want to say thank you

1 for that.

2 Harvey and Irma highlight the critical
3 importance of the oil and gas infrastructure, and
4 that's what I really want to talk to about today. I
5 know Secretary Perry was here this morning or earlier
6 today and you guys had a nice conversation with him.

7 What is it that we can say about the state
8 of infrastructure today? Well at first glance, it
9 looks good. It looks very good, as a matter of fact.

10 It's the envy of the world. You know, we have two,
11 roughly two and a half million miles of pipeline. I
12 welded some of those pipes, by the way. One of my
13 first jobs down in south Louisiana was as a welder.

14 In recent years, railroads have shipped
15 between 400,000 and 500,000 tank cars of crude oil.
16 In addition, waterborne oil and natural gas shipping
17 is an essential part of both importing and exporting
18 energy. It's very easy to take this infrastructure
19 for granted. It's tempting for us to assume that
20 these assets that move energy and support modern life
21 will always be there.

22 Doing so, in my judgement, would be a
23 colossal mistake. Yet in recent years, that's exactly

1 what has been happening. Partly due to politics.
2 We've seen, not only complacency, but outright
3 objections to and restrictions on building new
4 transportation infrastructure and energy. That same
5 mindset has hindered the upgrading and maintaining of
6 infrastructure already in place. The problem that we
7 face is clear. In recent years, we've seen an
8 outstanding boom in the production of oil and gas, as
9 well as other resources. Other sources of energy, I
10 should say.

11 That's the good news. What's not good news
12 is that there's simply no way that our existing
13 infrastructure can fully handle the surge in the
14 supply over the long haul. In order to handle it, we
15 must build more and we must maintain and upgrade our
16 existing infrastructure. And to the extent that we
17 fail in this endeavor, we will fail to capitalize on
18 our good fortunes, and that would be quite an irony,
19 indeed. We have plenty of supply, while we face
20 difficulty in transporting it.

21 Let me be clear, there's not something --
22 this is not something that could happen. This is
23 something I firmly believe that will happen, and in

1 order for it to happen, all we have to do is nothing
2 at all. If we stand pat, if we fail to begin making
3 the necessary investments in infrastructure sooner
4 rather than later, we will only have ourselves to
5 blame. And that's exactly why Secretary Perry has
6 made the request today for an NPC study on this
7 matter.

8 And let me elaborate just briefly, on the
9 Secretary's call for a second study regarding CCUS
10 technologies. In order to promote economic growth and
11 ensure energy security, while protecting the
12 environment, we need to deploy carbon capture, use and
13 storage, or CCUS technologies. But integrating
14 technology and deploying CCUS at scale remains a
15 commercial investment challenge.

16 In specific settings, we've seen the
17 technical and environmental capabilities of CCUS.
18 Earlier this year, for example, our nation's first and
19 our worlds largest commercial post combustion carbon
20 capture system at a coal fired power plant became
21 operational. I'm speaking, of course, of NRG's Petra
22 Nova facility down in Texas. And Secretary Perry has
23 visited that facility and has seen the technology,

1 first hand.

2 NRG and its partners, which include the
3 Department of Energy should be congratulated on a
4 facility that combined CO2 capture, an 81 mile
5 pipeline and the use of carbon, and the use of storage
6 -- use and storage of CO2 EOR in one commercial
7 project. But we must do more than that. Much more to
8 enable the large scale commercially viable facilities,
9 both here and abroad. Oil and gas companies are good
10 at designing, constructing and operating large scale
11 capital intensive energy and industrial projects.
12 They have a proven track record of delivering reliable
13 and affordable fuels and feed stocks to our energy
14 customers.

15 This experience includes some of the world's
16 largest facilities for carbon dioxide capture,
17 processing and use. For example, the 54 billion
18 Gorgon project in Australia is the world's largest
19 carbon capture and storage project. And let me
20 commend the companies of the three NPC members that
21 helped construct it. In an example closer to home,
22 the largest CO2 EOR operator in the United States,
23 Occidental Petroleum, uses 26 times the Petra Nova

1 plant CO2 output each day in its enhanced oil recovery
2 operations. Given the potential of this issue, I
3 strongly concur with Secretary Perry's call for a
4 study to define ways to integrate CCUS into the energy
5 and industrial marketplace.

6 As I close, I want to reiterate how grateful
7 I am for your service to our country. As we look to
8 the future, we, at the Department of Energy look
9 forward to working with you, to seeking your counsel.

10 I know many of you in the room. I look forward to
11 meeting you again as I return to the department, we
12 look forward to working you on these and other issues
13 as we move through these remarkable times in the
14 energy industry. Thank you again for inviting me.
15 It's an honor to be here with you.

16 (Applause.)

17 CHAIRMAN ARMSTRONG: So the Deputy Secretary
18 has agreed, I believe to field some questions.

19 SECRETARY BROUILLETTE: Sure. Do you want
20 me to sit here?

21 CHAIRMAN ARMSTRONG: Yeah. You can sit
22 right here. We can get you. I think we changed out
23 your name-tag, but you're ready to go.

1 SECRETARY BROUILLETTE: Am I in the right
2 place?

3 CHAIRMAN ARMSTRONG: You are.
4 (Laughter.)

5 CHAIRMAN ARMSTRONG: If you'd identify
6 yourself, although I think Dan Yergin needs little
7 people to identify him, so --

8 (Laughter.)

9 SECRETARY BROUILLETTE: No hard questions,
10 Dan.

11 MR. YERGIN: Okay. I hope this isn't hard
12 for the record, Dan Yergin -- Mr. Secretary, obviously
13 you have big focus on infrastructure. There's
14 increasing pressure on financial institutions not to
15 finance infrastructure and pipelines. Is that
16 something that you all have had a chance to look at
17 and think about?

18 SECRETARY BROUILLETTE: Well we've looked at
19 it and we're going to continue to look at it as we
20 move forward. There are a number of different inputs
21 and a number of different variables that go into
22 financing a project of that scale. I just left USAA,
23 down in San Antonio, Texas, and while we're not in the

1 commercial lending business, we were in the lending
2 business. So I won't hold myself out to be an expert,
3 but I am familiar with the processes. And, you know,
4 some of the immediate challenges, you all know very
5 well, so I'm not going to belabor the point. You
6 know, your ability to get a permit in a timely
7 fashion. Your ability to show, obviously, your
8 customer base and your market -- your revenue stream
9 for the project. Those are the things that, on the
10 business side tend to come a little easier.

11 With regard to permitting, we're going to be
12 working with our fellow agencies. We have a deputies
13 committee within the government, so I'm going to be
14 working with whoever assumes the deputy role at EPA.
15 In particular, I know Dave Bernhardt at Interior very,
16 very well. Dave and I have worked together for many,
17 many years. I want to work with those two gentlemen,
18 in particular to streamline some of these processes.

19 I can tell you that with regard to the
20 Department of Energy processes, for instance, on LNG,
21 we've already begun the process of reviewing the
22 permits and, in some cases, we've recommended changes
23 and we're going to be announcing more. For instance,

1 in the LNG world, I was told that the process started
2 at DOE and then you went to FERC and then you came
3 back to DOE. And the first step at DOE amounted to
4 little more than getting our permission to go to FERC
5 to begin your real process on an LNG permit.

6 And as Mark Maddox over here pointed out to
7 me, he said, I'm not really sure why they need our
8 permission. And I agree. You know, if you have the
9 money and you're willing to risk it and you're willing
10 to, you know, build the facility, then by all means,
11 go to FERC and see if you can get your process
12 started. Your permit, you know, started, I mean.

13 So things like that, we're going to continue
14 to do. We're at the beginning. I've been in office
15 for all of about 40 days with the beginning of the
16 process. But there is more to come.

17 CHAIRMAN ARMSTRONG: We've got a question
18 here in the back.

19 MR. AKINS: Thank you. Ben Akins. I work
20 for a company called NextDecade LNG. And by the way,
21 30 year member of USAA, so thank you.

22 SECRETARY BROUILLETTE: Thank you.

23 (Laughter.)

1 MR. AKINS: I had to follow up after that
2 comment on LNG. Would you consider, in the current
3 process, the department doesn't review the approval
4 for export in non FDA, non-free trade countries 'til
5 after completion of the FERC process. Would consider
6 moving that up and parallel? Maybe issuing it around
7 the draft EIS from FERC.

8 SECRETARY BROUILLETTE: Yeah. I don't see
9 anything wrong with that. I mean, I'd like to know
10 exactly what that might look like. But in concept, I
11 don't see any problem with that. You know, looking at
12 things in parallel or in tandem, if they speed up the
13 process, I'd certainly support that. I mean, one of
14 the things that is a little confusing to me and,
15 again, take these comments with a grain of salt and
16 understand that I've been there 40 days. So, you
17 know, I have a lot to learn with regard to some of
18 these things. But the, you know, things that the
19 department does with regard to the economic analysis,
20 for instance, as part of the permitting process.

21 We have some really, really, really smart
22 folks at DOE. They are talented at what they do. But
23 I'm not quite sure that we should be making an

1 economic analysis on an LNG project. It's just not
2 clear to me why we would do that. Again going back to
3 that point. If you have the money to invest. If you
4 want to place that money at risk in the marketplace
5 today, in the LNG marketplace, that's your burden.

6 I mean, I don't know why I would sit in the
7 way of that and suggest to you, well the economics for
8 LNG are not good. You shouldn't do that. Or we're
9 not going to grant the permit because we don't feel
10 like your entry into the marketplace is a good thing
11 for the marketplace. I think that's your decision to
12 make. And, you know, the market's going to tell you
13 pretty dog gone quick whether you're right or wrong.

14 CHAIRMAN ARMSTRONG: Other questions? Yes,
15 John.

16 MR. WALKER: Over 10 years ago, Katrina and
17 Rita hit and there was a group that got together,
18 including the Secretary of Energy and Interior and a
19 group of executives to look at all the problems.
20 Getting gas to Florida was a big problem. And one of
21 the issues that came up then was the same question
22 that was asked of us today. You know, two projects,
23 one is infrastructure outside the Louisiana and Texas

1 Gulf Coast. But, you know, in the interim, I guess 12
2 years, we've built a lot more in the Gulf Coast. You
3 know, all the LNG facilities for the most part.

4 There's \$160 billion of petrochemical
5 additions going on in both states. It's very
6 efficient to be able to move the product back and
7 forth there.

8 SECRETARY BROUILLETTE: Sure.

9 MR. WALKER: But, I mean it's a very logical
10 question why this concentration and the vulnerability.
11 But at the same time, it's our money. And how do you
12 create a comparable complex at another place? I mean,
13 we should've addressed this many decades ago. And as
14 a 40 day wonder, I thought it was a very fair
15 question.

16 (Laughter.)

17 SECRETARY BROUILLETTE: It's a very fair
18 question. I would ask it if I were in your shoes.
19 You know, I don't know the answer, to be honest. I do
20 worry at times that we have an extraordinary
21 concentration, you know, in certain parts of the
22 country. You know, in the insurance business at USAA,
23 we worried about concentration of risk all the time

1 and it's one of the ways that you price your product.

2 But with regard to our infrastructure,
3 obviously it's your money and it's obviously, you
4 know, your industry and your investment. But we're
5 talking about the national interest as well. And, you
6 know, when people can't turn on the lights or they
7 can't, you know, receive product, they can't heat
8 their homes or they can't use, you know, air
9 conditioning, or other things that are important
10 during these types of recoveries. I think we have to
11 look at it from the national interest standpoint from
12 time to time.

13 I don't know exactly what that means. I
14 hope it doesn't mean that we don't permit, you know,
15 facilities, you know, in certain areas. I don't want
16 to go that far. I have not had this conversation with
17 the Secretary. I don't know what his view is on it,
18 but I would be reluctant to go there. But to the
19 extent that we can create incentives, you know, to
20 look at other parts of the country so that we can
21 spread that risk, I see nothing wrong with that idea
22 at this stage. I see nothing wrong with that concept.

23 CHAIRMAN ARMSTRONG: Other questions.

1 SECRETARY BROUILLETTE: Don't beg them for
2 questions.

3 (Laughter.)

4 SECRETARY BROUILLETTE: Oh that's Vicky
5 Bailey. Hey Vicky, how are you?

6 (Laughter.)

7 MR. A. ARMSTRONG: Hi. Alan Armstrong with
8 the Williams Companies out of Tulsa, Oklahoma.

9 SECRETARY BROUILLETTE: Hi Alan.

10 MR. A. ARMSTRONG: Thanks for being here
11 today.--

12 SECRETARY BROUILLETTE: Thanks for having me.

13 MR. A. ARMSTRONG: -- and appreciate the
14 fresh attitude that you're bringing to the job. My
15 question goes to, we heard earlier from Secretary
16 Perry, I'm not going to tell you what he said, so --

17 (Laughter.)

18 MR. A. ARMSTRONG: -- on this question.
19 But, you know, we've got this issue of state versus
20 federal rights when it comes to getting pipeline
21 infrastructure built here today. And we've had, kind
22 of a silence from the Department of Energy and really,
23 a lot of the groups about the importance of having

1 infrastructure between places like the very lowest
2 cost natural gas in Northeastern Pennsylvania, getting
3 that gas into New England through a pipeline in New
4 York. And we really haven't had the force of the
5 Secretary of Energy coming forward and saying how
6 important it is, and the national importance of that.

7 And just curious how vocal you think the Department
8 of Energy will be in those situations going forward.

9 SECRETARY BROUILLETTE: Well the secretary
10 wrote a book on the 10th Amendment. I don't know if
11 he mentioned that or not.

12 MR. A. ARMSTRONG: He did.

13 SECRETARY BROUILLETTE: Okay.

14 (Laughter.)

15 SECRETARY BROUILLETTE: I seem to hear it
16 about 12 times a day, so --

17 (Laughter.)

18 SECRETARY BROUILLETTE: -- I thought it
19 might be a safe bet to mention it. He is a strong
20 advocate of states' rights. And he's very passionate
21 about it. But he is also a very practical man and he
22 understands that he has a different role to play
23 today. As Governor, that was a very important thing

1 for him.

2 In the role that he now serves, I think, you
3 know, he has to look at it a little differently. And
4 what that means is to be determined, to be honest. I
5 mean, if I had a direct answer, I would give it to
6 you, but I don't. We are looking at the eminent
7 domain, you know, authorities given to the Department
8 of Energy. We're looking at in a number of different
9 areas, including, you know, this particular area. But
10 also with regard to electricity and some, you know
11 citing electrical infrastructure and what not.

12 There's a raging debate about whether or not
13 we actually have the authorities that some say we
14 have. And the short answer is, I don't know. I can
15 tell you, though that given the Secretary's passion
16 about energy, given his passion about issues like this
17 one, and frankly, given the direction that he's been
18 given by the President to go out and advocate. You're
19 going to hear him. You're going to hear him. Once
20 we, you know, resolve the questions internally about
21 the direction he wants to take, he is not going to be
22 shy about being on the street and advocating.

23 My instinct tells me that, with regard to

1 infrastructure, we want to see more, not less. As I
2 just said, it would be the irony of ironies that we
3 would have all of this production and no way to move
4 it to market. So we're going to look very hard at
5 that and determine where we might go. Appropriately
6 go. We're not going to foot stomp Governors, you
7 know, all across the country.

8 But we are going to look appropriately at
9 these authorities to see what we might do.

10 CHAIRMAN ARMSTRONG: I might exercise
11 executive prerogative here, just a little bit. On the
12 SPR, there's been some debate about the function that
13 it's currently serving. The adequacy of the size.
14 You know, recently in the storm, there was a release
15 of crude oil. It wasn't huge in terms of volume, but
16 it was -- it, kind of reinforced the importance of
17 having some amount of reserve. Any thoughts on where
18 that is and where it's going?

19 SECRETARY BROUILLETTE: Well, I think, you
20 know, the SPR serves an important role for us as a
21 nation. And I don't think that there's going to be a
22 very strong effort to do away with it. I think we
23 will talk, sir, to your point about spreading the

1 risk. There's a very interesting conversation that's
2 occurring around whether or not we should have it all
3 in one part of the country. It just so happens to be
4 in the part of the country that's prone to natural
5 disaster.

6 So there is an active conversation about
7 whether or not you spread that risk around. During my
8 confirmation hearings, I was asked about the release.
9 And, you know, congressional activity around selling
10 the oil for other purposes. I'm not here to tell
11 Congress what they should or shouldn't do.

12 All I know is what the current law says.
13 And the current law spells out very clearly when you
14 should draw those down. And until Congress changes
15 the law, you know, my opinion should be we should
16 follow it. Because I think it very clearly spells
17 out, not only its purpose, but its designed use.

18 I hope it doesn't go away. Obviously,
19 that's a decision for Congress to make, ultimately. I
20 think it serves a valuable role. I hope it stays.
21 Whether it should get bigger or smaller, we can debate
22 that. I don't know what the right size is. Perhaps
23 you guys can tell me.

1 CHAIRMAN ARMSTRONG: Yes. Hang on just a
2 second. Mark?

3 MR. BROWNSTEIN: Mark Brownstein,
4 Environmental Defense Fund. Mr. Secretary, so there
5 are actually three hurricanes that have affected US
6 territory, the last one Maria has decimated the energy
7 system down in Puerto Rico. What conversations have
8 there been at the Department of Energy or within the
9 administration to provide support and relief. My
10 understanding is, is that it may be many months before
11 the electric grid is functioning there and I'm sure
12 the delivery of fuel, oil and other necessities is
13 also greatly affected. Could you talk a little bit
14 about what the administration's response is to this?

15 SECRETARY BROUILLETTE: Sure. The
16 conversations to date, I mean we have had some
17 conversations about the electric grid in Puerto Rico
18 and, you know, the infrastructure there and, you know,
19 the amount of the devastation. But candidly, the
20 priority has been on the humanitarian response. It's
21 been on ensuring that there's food and water and
22 healthcare available to those that need it. So we're
23 just at the beginning stages, really about

1 understanding, what is it that we can do as a
2 government to assist.

3 There have been a number of folks who have
4 called us to say we have material. We have
5 generators. We have solar panels. We have, you know,
6 various components of an electric grid that we'd like
7 to get there. And we're actively assisting them to
8 get those materials there as quickly as we possibly
9 can.

10 I think there will be an active discussion
11 around the model, if you will, that Puerto Rico has
12 chosen to follow in years past with a government owned
13 utility. That's a policy debate that's going to come
14 at some point. I don't know what the outcome is going
15 to be. We have not had those types of conversations,
16 to my knowledge. Maybe some have in the department.
17 They've not been had at my level.

18 But I think that's a debate that, probably,
19 Congress is going to want to engage in as well. But
20 our immediate focus is the humanitarian aspects and
21 making sure that, you know, good companies -- and I'm
22 talking, you know, I've gotten more than 100 phone
23 calls from folks around the country in the energy

1 industry and the electric industry. You know, we have
2 the ESCC, led by Tom Fanning and Tom Kuhn over at the
3 EEI. Those guys have come together and, to the extent
4 that they can provide, you know, assistance, they've
5 done so as well. But right now, our focus is
6 primarily on the humanitarian aspects of the disaster.

7 CHAIRMAN ARMSTRONG: Well thank you for your
8 comments.

9 SECRETARY BROUILLETTE: Thank you, sir.

10 CHAIRMAN ARMSTRONG: Taking questions. And
11 thank you for your leadership and welcome back.

12 SECRETARY BROUILLETTE: Thank you, sir. I
13 appreciate it.

14 (Applause.)

15 CHAIRMAN ARMSTRONG: We're in the home
16 stretch. Before the final item on our formal agenda,
17 let me ask, are there any council members that have
18 any other matter to raise at this time?

19 (No response.)

20 CHAIRMAN ARMSTRONG: If not, I would
21 entertain a motion for adjournment. We have a motion.
22 Second. I bet that this one is unanimous. All in
23 favor, aye.

1 (Laughter.)

2 CHAIRMAN ARMSTRONG: Thank you very, very
3 much. We now conclude the 127th meeting of the
4 National Petroleum Council.

5 (Whereupon, at 4:38 p.m., the meeting in the
6 above-entitled matter adjourned.)

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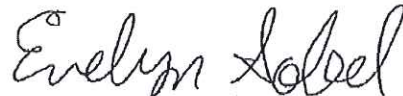
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REPORTER'S CERTIFICATE

DOCKET NO.: N/A
CASE TITLE: Meeting of the National Petroleum
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HEARING DATE: September, 25, 2017
LOCATION: Washington, D.C.

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the U.S. Department of Energy, Office of Fossil Energy.

Date: September 25, 2017



Evelyn Sobel

Heritage Reporting Corporation
(202) 628-4888

Corporation

Official Reporter
Heritage Reporting

Suite 206
1220 L Street, N.W.
Washington, D.C. 20005-4018

Heritage Reporting Corporation
(202) 628-4888

