

NATIONAL PRESS CLUB LUNCHEON WITH TED TURNER AND T. BOONE PICKENS

SUBJECT: TED TURNER, CHAIRMAN OF TED TURNER ENTERPRISES AND CNN FOUNDER, WILL JOIN T. BOONE PICKENS, FOUNDER OF BP CAPITOL, TO DEBATE AMERICAN ENERGY POLICY

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MARK HAMRICK: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. I'm Mark Hamrick, a broadcast analyst for Associated Press. And I am still asking for the attention of the people in the far corners. I am the 104th President of the National Press Club. We are the world's leading professional organization for journalists and are committed to our profession's future through our programming, events such as this, while also trying to foster a free press worldwide. For more information about the National Press Club, please visit our website at www.press.org. And to donate to programs offered to the public through our Eric Friedheim National Journalism Library, please visit www.press.org/library.

On behalf of our members worldwide, I'd like to welcome our speakers and those of you attending today's event. We have a full house. Our head table includes guests of our speakers, as well as working journalists who are Club members. And, if you hear applause in our audience, I'd remind you that members of the general public are in attendance. And we're grateful for that. But it is not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audiences. Our luncheons are also featured on our member-produced weekly podcast from the National Press Club, available on iTunes. You can also follow the action on Twitter using the hash tag #npclunch.

After our guests' speeches concludes, we'll have Q and A. And I will ask as many questions as time permits. Now it's time to introduce our head table guests. And I would ask each of you here to stand up briefly as your name is announced. And we'll begin from your right.

Beginning with Charlie Leocha. He is Editorial Director with Consumer Travel Alliance. Bill Loveless, host of Platt's Energy Week. Joe Rothstein, Chairman of EINNEWS.com. Alan Bjerga, Agriculture Reporter, Bloomberg News and my immediate predecessor as NPC President. Then we're graced by the presence by Mrs. Madeline Pickens, wife of Mr. Pickens. Marilyn Geewax, Senior Business Editor with National Public Radio and Vice-Chair of our Speakers Committee.

We'll skip over our guests and myself. Melissa Charbonneau, News Hook Media, Chair of our Speakers Committee. Kate Michael, K Street Kate, as she's known in the Internet, Speakers Committee member who organized today's event. And thank you, Kate. Elizabeth Dewberry is guest of Mr. Turner. Thank you for being here today. Suzanne Struglinski, Press Secretary at the Natural Resources Defense Council. Mike Soraghan, Energy Reporter for Greenwire and an NPC Board member. Robert Yoon is Political Research Director for CNN. And Tom Doggett, Energy Policy Reporter for Reuters. Please give them a round of applause.

[applause]

Well our guests today are a pair of businessmen turned philanthropists, coming to us with a plea and also a pledge for movement toward alternative energy sources. Ted Turner, founder of such familiar names in television as TBS and CNN, the Chairman of Ted Turner Enterprises, has been devoted to environmental causes, politically and financially, present in the alternative fuels debate.

He is developing a message for people of all ages on the importance of rescuing the planet. He's also taking on solar energy projects. And he's personally making the rounds to speak to students in colleges, where he tells them that the environment is the most difficult challenge the world will face, more important than Iraq, in his words. And he's even gone so far as to appeal to youth with an animated series called *Captain Planet and the Planetears*.

Mr. Turner says opportunities in clean energy technology remind him of cable news back before he developed CNN. And he's putting his money where his mouth is with a multi-million dollar stake in First Solar, the world's largest maker of thin film solar power modules.

He has more than a passing interest in the wind business, as well, which many might think would put him in a bit of competition with his friend and our fellow Luncheon speaker, Boone Pickens. But we'll ask them to hash that out here on the stage.

Mr. Turner's habit of speaking freely once earned him some nicknames like "Mouth of the South" and "Captain Outrageous." [laughter] Such as the time on the *Charlie Rose Show* in 2008, in which he said if steps were not taken to address global warming, most of us people will have died, and the rest of us will be cannibals. [laughter]

He's the largest private land owner in the United States. And he's owned the largest bison herd and founded a restaurant chain serving burgers with bison meat. I understand some are conveniently located here in the Washington area.

Boone Pickens, whose background as an oil man makes him a self-declared, in his words, "Surprising environmentalist," currently chairs BP Capitol Management. And he's returning, like Mr. Turner, to our Luncheon Series today, to give us an update on his energy policy proposal called the "Pickens Plan," which calls for a reduction in U.S. dependency on foreign energy, particularly oil, through the introduction of various alternatives. And he's telling us today that he believes the plan has a very good chance of passage with the support of President Obama.

At one time, announcing his intention to build the world's largest wind farm, a project said to have been postponed due to financing and other setbacks, his company is now betting largely on natural gas as an alternative for transportation. He's been named one of the world's most influential people by *Time Magazine* and the American Wind Energy Association's 2009 Industry Person of the Year.

He gained the endorsement of the Sierra Club and has written two *New York Times* Best Sellers. He spent some \$62 million dollars of his personal wealth to support the plan. And also has enlisted people in his Pickens Army. Boone writes in his book, *The First Billion is the Hardest*, that his biggest beef with the government remains that the U.S. has not adapted a strategy-- adopted a strategy, any strategy, for incorporating alternative energy sources.

Our speakers' overlapping interests include sports. Mr. Turner was owner of the Atlanta Braves, said to have been a hands-on owner. He founded the Goodwill Games and was skipper who successfully defended the America's Cup for the United States.

Mr. Pickens has given hundreds of millions of dollars to Oklahoma State University, tells me he doesn't miss a football game. And that includes the largest single donation to a university's collegiate athletic program in history.

Both are signatories to the Giving Pledge, a campaign to encourage the nation's wealthiest individuals to promise to give most of their money to charity. And, while Mr. Turner is known for founding CNN, which changed the face of television news, they both also share a background in journalism. Both delivered newspapers as boys.

[laughter]

Before we turn things over to Mr. Turner, I'd like to note, also, that tomorrow is the one-year anniversary of the Deep Water Horizon explosion, which led to the BP oil spill. Please give a warm National Press Club welcome to both of our speakers. And Mr. Turner will begin.

[applause]

TED TURNER: My main concern is the survival of the human race. And, as important as I think is clean renewable energy is, as part of that, I don't put it as number one. I'd say the existence and danger of nuclear weapons is the greatest danger that we face. And a top priority is to get rid of them as quickly as possible. I mean, I'm not talking about nuclear power. And that's a whole 'nother, a whole 'nother issue.

I'm talking about the weapons, like the one we dropped on Hiroshima, where it killed 250,000 people in one day. And then later, at Nagasaki. And we could get rid of those weapons. The Security Council of the UN voted last year, unanimously, to get rid of them. But, what we need is implementation. And we're lacking in that at the current time.

It is complicated. But it's real simple, too. Just get rid of all of them. That's the only way it's going to-- going to work. It's not going to work for us to have 2,000 nuclear weapons and Iraq to have two, you know. That's-- That won't work. We've got to all get rid of them at the same time.

The second tremendous challenge that we face is the growth in human population numbers. There are just too many people in the world right now, with seven billion, one billion of us already live in hunger and deprivation. And if we add, as is predicted, another billion over the next ten years to eight billion, and then nine billion over the next 20 years after that, we'll have three billion people that are starving.

And we just really have to get serious about family planning. It needs to be voluntary, in my opinion. If we can't restrain our numbers voluntarily, then maybe we don't deserve to be here. If we had to have laws and penalties for having children, I don't think that would be good.

The third challenge that we face, that is overwhelming, is the environment, the whole issue of the environment, not just the energy policy, which is the most important thing right now under the environmental heading. But the oceans are collapsing from all the fishing. The range land all over the world is in danger by desertification and over-farming and farming in an unsustainable way. And we have to-- we have to straighten out our care of the environment. And cutting back on the growth in human numbers is the most important thing we can do. Because the more of us there are, the more pressure that's put on the environment.

And then, next but very important, is clean renewable energy. I think we need to move very quickly. Boone's going to talk about natural gas. I subscribe to it as a bridge

fuel. Particularly, I also do feel that the fracking situation, we have to feel better about that, and make sure that it's not too environmentally damaging.

But clean renewable energy, I foresee, 20 years from now, a world where there is no more fossil fuel, where it's not being used anymore. We say goodbye to it. It served us well for several hundred years, since the Industrial Revolution. But it's time to move on to clean renewable energy. And, for economic reasons, too. Because, in the end, it's going to be the least expensive because it's basically-- it's basically free.

And, as part of clean renewable energy, we need a modern grid. We need a modern energy system, and that's clean renewables, and with the natural gas as a bridge fuel, probably. And we'll have a world without pollution. That'll be pretty amazing, won't it? I mean, it'll be-- our kids won't be getting asthma. And we won't have all these bronchial infections. And it'll be quiet because the cars will be electric. It's going to be a real nice world. I hope I live long enough to see it. And I hope you do too. Because if we don't do it, we're not going to live very long anyway. So we're either going to do it, or we're going to die. [laughter] It's pretty simple. Thank you very much.

[applause]

T. BOONE PICKENS: I want to talk about energy security for America. We've gone 40 years in this country, and we've had no energy plan, zero. We're the largest country in the world-- We're the only country in the world without an energy plan. We have used more fuel than any other country in the world. Today, there's-- there's 88 million barrels of oil produced every day in the world. And we're using 21 million of it.

So we're almost 25 percent of all the oil used every day. And we have four percent of the population. Well, you know, seriously, if you look at that, we're using 25 percent with four percent of the population. We could be the cause of the \$100 dollar oil. We're way out of balance with the rest of the world. We have no energy plan. Forty years, no plan.

Why? Because we had cheap oil. That was it. And neither party, Republican or Democrat, ever had an energy plan. Somebody explained to me the other day, said, "That's an obvious bipartisan effort to not do anything." [laughter] And maybe so. They didn't want to tackle it, nobody. It's time to tackle it, now, because we are at a-- at a critical point.

If we go forward ten years, like we have operated for the last 40 years, in ten years from now, you'll pay \$300-\$400 dollars a barrel for the oil. And we will be-- We will be importing 20-- We'll be importing 75 percent of our oil at that point. Today, we're importing 66 percent and \$100 dollar oil. So, in ten years, it's all it's going to take to get you to that point. Why? Because oil is a finite resource, and it's running out.

So, when we look at the fourth quarter this year, so you're going to be able to check whether Boone knows what he's talking about or not, that in the fourth quarter this

year, demand is projected for 90 million barrels a day. And I don't think that the world can produce 90 million. If they can't, the only way you can kill demand is with price. So price is going to go up. It will kill demand. And it will go forward with demand that will be in balance with supply.

Okay. Do we have resources in America to take care of ourselves? Absolutely do have. You've got the renewables: the wind, the solar. They don't replace. They do not replace transportation fuel. And 70 percent of all the oil used every day in the world goes to transportation fuel. So you have to get something that's going to stand off with-- with the oil to reduce the imports of oil.

Today, we're paying a billion, five hundred million dollars a day for imported oil, two-thirds of our trade deficit. That's not sustainable either. But nobody ever speaks to that. They just go along. If you go back over Presidents, from Nixon forward, Nixon said in '70, "At the end of this decade, we will not import any oil." At that point, in '70, we imported 24 percent. At the end of the decade, we imported 28. He never spoke to the question again over his period in office.

You have one right after the other. They all say the same thing. "Elect me, and we'll be energy-independent." Nobody ever says, a couple years in-- we're at that point, now, with the President-- But nobody ever says, "Hey, you know, you told us." And, what Obama told us, when he received the nomination in July of '08, he said, "In ten years, we will not import any oil from the Mideast." Very clearly.

In the fourth debate, Bob Schieffer and I had lunch a week before. And he said, "What energy question would you ask these guys?" And I said, "Ask them how long we're going to import oil from the enemy." And he said, "That's a little bit raw. I don't know whether I could get away with that or not." But he did ask them about imported oil. And Obama said exactly the same thing. In ten years, we will not import any oil from the Mideast.

Okay. Now we're three years into that period. And I've never seen anybody say, "You know, you said that in ten years. How are we coming on your plan to cut off oil from the Mideast?" Nobody ever asked him the question. And it doesn't happen. So, I'm in a place where I'm talking to people in the press and everything. One of you, please ask the President-- [applause]-- Okay, we can we get it fixed? We can.

We've got 4,000 trillion cubic feet of natural gas. That, converted into oil, barrels of oil equivalent, 700 billion barrels of oil, which is three times what the Saudis have, three times. And we do not have one politician that has said, "You know, we may not be as bad off as we think we are in energy." We have plenty of energy here. We can take care of ourselves. It can all happen. It can all be fixed. Natural gas is cleaner. It's cheaper. It's abundant. It's ours. And why not?

Okay, we're going to use dirty imported oil from OPEC. And now they're talking about exporting our natural gas. Okay, we're going to send the clean, cheap stuff out, and

take the dirty from the enemy. You know, we're starting to border on not looking very smart. [laughter] Stupid is about where we are. I mean, we have resources that can solve the problem, and we still do not have any movement. Is it this President's fault? It's the last ten Presidents' fault. Not a one have ever done anything.

Now, this President is starting to talk about natural gas, if you noticed. He even used my name in his last energy speech, that this legendary oil man, Boone Pickens, is working on this deal. My wife shook hands with the President. This was Las Vegas before he was elected. But he said to her, he said, "Your husband is working hard for the energy problem that the United States faces." So, you know, we're in communication, sort of. He doesn't call me up much, but-- [laughter]-- I'm always available.

Okay, you've heard my problem. It is a security issue with us. On green, Ted is a little bit brighter green than I am. I'm green. If you gave me a saliva test for environmentalists, I'll pass. But my primary focus is on the energy security for America. And I'm all American. I'll take anything here in America. So, "Oh my God, you'll take coal?" Yeah, I'll take anything American in place of OPEC oil. Thank you.

[applause]

MARK HAMRICK: Before I start asking questions, Ted did you have any immediate response to anything?

TED TURNER: We don't agree about everything. But we agree mostly.

MARK HAMRICK: Well, why don't you tell us what you don't agree on. We'd be curious to hear about that.

TED TURNER: Well, I'm a little-- I'm a little greener and a little cleaner.
[laughter]

T. BOONE PICKENS: That's right.

[laughter]

T. BOONE PICKENS: And I don't think we ought to export the coal. I think we ought to just cap it and let it sit there.

TED TURNER: What would we need for hydrocarbons, for plastics anyway, in time? Our children would look back on us and say, "What'd they burn all their hydrocarbons up for, when we needed it for building blocks?" It's a lot more valuable to be used to build things than it is to burn.

And the sun, once again, is sitting there free every day, just going to waste. We've got solar, works like a charm. The technology is already here, and so is the wind technology. And if we-- we spend more on research and get-- and start really

implementing wind and solar and geothermal, too-- I'm a strong believer in it-- we're going to develop a better technology like we have in computers. And it'll be even more efficient.

T. BOONE PICKENS: Can I say something here, that on cost of kilowatt hours, the most expensive is solar, \$6,300 dollars a kilowatt hour. Second, if you can believe it, because we've changed how we have to clean up coal, it's moved up to \$5,300. Then you drop to \$2,400 for wind, \$2,400 dollars kilowatt hour. Then you drop to \$1,500 for natural gas.

So you know where-- I mean, we're capitalists. I mean, we're trying to find the cheapest deal that we can and make the most money off of it. That's what capitalism is. Anything wrong with it? No. But, you know, you're going to look at it on cost. I tried to build the biggest wind farm that had ever been built, 1,000 megawatts. But all at once, that wind just priced off the margin. The margin energy, power, the price is natural gas.

So wind gets natural gas price. Well, natural gas, at the time that I said build the biggest wind farm, natural gas was eight dollars. Today it's four. It's four dollars. Six dollars I have to have to finance that wind farm. So now, I made a deal with GE four years ago, and I bought the turbines. And they're starting to be delivered. And my garage really isn't big enough to take 500 turbines in it.

So now, I'm going to be build a wind farm, it will be built in Ontario, Canada and Minnesota, is where it'll happen, not in the panhandle of Texas where I wanted to. But there, I didn't get the transmission, either. They promised transmission, they never delivered it.

But one-- I'd like to leave you with this point. But one MCF of natural gas, that's four dollars, is equal to energy-wise it'll do the same thing. And know this. The only thing that's going to move an 18-wheeler is going to be either diesel or natural gas. A battery will not move an 18-wheeler. So somebody said, "Well, what are our options?" That's it. The only one we have that's going to replace foreign oil to move the 18-wheeler is natural gas.

But one MCF of natural gas for four dollars equals seven gallons of diesel. Seven gallons of diesel is \$30 dollars. So here, the cleaner, cheaper, cheaper, cheaper, compared to the foreign dirty diesel, you're talking about the cost would be 25 percent of it. Now you've got to do some compression. And there are some other factors that go into it. But today, if you had an 18-wheeler, you bought a new one and you bought a natural gas one instead of a diesel one, your fuel would be a dollar and a half a gallon cheaper. That is overpowering.

Next question to me is, "Well why, if it's so cheap, why in the hell doesn't it work without passing HR-1380?" Because I want direction. I want this President to say, "This is where we're going. This is what we're going to do. We are going to get on our own

resources. And this is the way it's going to work. We're going to take the eight million 18-wheelers. And we're going to induce them to do that with a little help."

And it's all the help I want. I want a billion dollars a year for five years, and then kill it. The program is over. Sunset and out. Five billion dollars. Well, that's a lot of money, Boone. Yeah, but we got eight million vehicles here. And so, they would go \$60,000 dollars for a tax credit because incremental difference in those vehicles is \$60,000. So don't make your truckers pay to be patriotic. But let them-- It'll be a hurry-up program, is what'll happen, because eight billion dollars a year will only get you, at the end of five years, 143,000 trucks.

So now, Boone, you can't even figure. You don't even have enough money to do the job. I don't have to have the money to get it started. Just give me the money to get it started. Give us the direction, Mr. President. And we'll go in that direction. Because we are patriotic people, and we're not stupid. We can save a dollar and 50 cents a gallon, get a little help on, just to get it kicked off, we can go. All this is going to happen, though.

I made another speech. Sorry. [laughter]

MARK HAMRICK: We got plenty of time. Just curious: How do you refuel those trucks?

T. BOONE PICKENS: The same. [simultaneous conversation] Okay, infrastructure. The way it's worked, I go-- I have a model for everything I do. I don't do R & D. R takes ten years and D takes ten years. And that puts me over the line. [laughter] So, I've got to go with something that works.

So I look to California, because they've dealt with air quality issues there, you know, for 20-30 years. And South Coast Air Quality Management District has air quality issues in Southern California. And the guy that runs it, Barry Wallerstein, is a smart guy. And he now has to reduce his emissions in Southern California. So he said, "Who are my biggest polluters?" Trash trucks, because they work 24/7. They idle a lot. And so, they have an inefficient burn.

What's the incremental cost difference? \$50,000, \$50,000 dollars more for that. Now that's narrowed, in seven years, to \$12,000 on scale at NARAS(?). He said, "Okay, we have plenty of money. Give them \$50,000 dollars. When they buy a new one, they have to buy natural gas. But they do not have to get rid of their diesel. When they do get rid of their diesel, one diesel taken off the streets in Southern California is equal to 325 cars. Okay, one 18-wheeler taken off the highway is equal to 1,600 cars on emissions. It's that much cleaner.

So Wallerstein says, "Let's do it." Now, in Southern California, trash trucks, natural gas. All trash trucks build in the United States this year, 75 percent of them will be on natural gas. That was all started by the California model seven years ago. So I know it works. And so, the infrastructure will come with the trucks.

That's a business in and of itself. You don't need to have the government build any filling stations. Can you imagine-- Go back, Henry Ford, when he said Model T Ford, everybody's going to have one. They're all going to be the same car. Going to be black and the same and that's it. And they said, "Mr. Ford, do you realize we have no filling stations?" "Oh hell, we can't do it then." [laughter] "We'll just forget the idea. It was a bad idea." [laughter]

So, you know, maybe a little inconvenience, maybe it is. But I'm not asking for your car. I'm just talking about these eight million. What do the eight million do for you? In seven years, it's two and a half million barrels a day. It cuts OPEC in half. Cuts them in half. We get \$5 million a day off of them, and we're paying for both sides of the war.

Jim Woolsey had a great op-ed piece April 9th of 2010 *Wall Street Journal*. And in it he said, "We are paying for both sides of the war." And I truly believe that is the case. We don't look very smart doing that.

MARK HAMRICK: Ted, I don't want to preclude you from speaking. Is there anything you have to add to any of that there?

TED TURNER: I don't like war either. [laughter] Particularly paying for it, and particularly losing. I mean, what have we won in Afghanistan and Iraq, I want to know. And what are we going to win in Libya? The last time we won a war was World War II, because that's the last time anybody surrendered to us. Not even Granada surrendered. Vietnam didn't surrender. I mean, you don't win unless the other side admits that they were beaten.

T. BOONE PICKENS: Well listen, Ted, I agree 100 percent on this point. We ought to get those people out. [simultaneous conversation]

TED TURNER: That'd save us a lot of money right there.

T. BOONE PICKENS: Damn right.

[applause]

TED TURNER: Let's next time send scientists and engineers and doctors and maybe a few lawyers over to help out, rather than send soldiers. Bombs never did any good.

MARK HAMRICK: Let me ask a few questions we have from our audience. And I'll be paraphrasing them in the interest of time, and perhaps to be concise. So, you know, you're both essentially unhappy with the status quo. And, as you described it Boone, I think we're going back at least 40 years there. Have there been structural or political impediments for getting these reforms in place? Does it have to do with how campaigns are financed? Why is it that it's taken until, perhaps, this year, with your

prediction the Pickens Plan will be approved this year, that we haven't weaned ourselves off of foreign oil?

T. BOONE PICKENS: If you go back, it's two reasons. You know, believe it or not, I am brief on answers. [laughter] But it's two things. I mean, your leadership in Washington did not understand the problem or did not feel it was important enough to pursue. And second, you had cheap oil. Cheap oil is what is-- you know.

And I've been with the Saudis and had conversation with them. And they say to me, "If you come up with alternatives, we'll lower the price of oil, and your alternatives, you can't finance it." They said that to me. Well, I believe it. I've seen it over the years. That's exactly what they do.

But we don't come up with anything, we could have some control over our energy future if we just understand what's the situation. We don't have time to address that problem. We have cheap oil.

MARK HAMRICK: What's keeping reform from taking place?

TED TURNER: I really think that the oil and coal lobbies, who are holding the Hill and got all the money, have done a masterful job of confusing everybody. I even-- I go to bed at night praying for clean coal. And I know there is no such thing. But I've seen so many ads for it, that-- [laughter]-- that they're persuading me that it's possible. [laughter] Almost. No, we just got-- we were outdone.

If President Obama-- and I think it's the biggest mistake I've seen him make yet, and I like him-- if he had just taken the energy and climate change bill and put it first before healthcare, we'd have gotten it through. We were ready. He just spent all of his political capital. It's gotten to be more contentious than we thought. And it wasn't-- We didn't have the strength.

And then, the coal and the oil industry counterattacked with their ad campaign, and we've been-- the solar and wind industries ran out of money and couldn't match them. And we just got beat. And we've got to be really careful, because this law that was just upheld, and the corporations can spend all the money they want to on political campaigns, that really worries me that we may lose our democracy. I mean, we're close to losing it now.

[applause]

It really worries me. I don't think-- The government is supposed to serve the people, but it's not. It is not serving the people's best interests. If it was, we'd have clean air energy right now. We'd be doing the smart things rather than the dumb things. And I'm really, really worried about it. I keep hoping that things will get better.

But this last-- that law, letting the corporations spend whatever they want to, I mean like the Koch brothers in Kansas, I mean, they're two smart guys. They're in the coal and oil business big time. And they spend millions, you know, the Heritage Foundation. I mean, they're kicking our butts. And we can't continue to let it happen without serious negative consequences, which we're already experiencing.

T. BOONE PICKENS: The Koch interest, and also the Heritage Foundation are not for me, I can tell you that.

TED TURNER: Well, I didn't say they were.

T. BOONE PICKENS: Oh, I know you didn't.

[laughter]

T. BOONE PICKENS: No, I'm thrown in with you.

TED TURNER: Hey!

T. BOONE PICKENS: Yeah, okay.

TED TURNER: We're together on most issues.

T. BOONE PICKENS: Yeah. Those guys are sure not helping me.

TED TURNER: But I'm happy with natural gas in our 18-wheelers.

T. BOONE PICKENS: You know, the major oil companies, you know, see them for what they are. They're international oil companies. Take Exxon for instance. Is it a good company? Of course it is. Is it well run? Absolutely. They work for shareholders. They do not work for America. They are an international company. Eighty-four percent of the revenues come from offshore.

And our President Bush, last, I mean, they were one of his biggest advisors on energy in America. That's not who you go to for energy in America. You go to energy experts in America, not an international oil company. Doesn't make sense.

[applause]

MARK HAMRICK: So another question, which I'll throw first to Mr. Pickens. The recent report from the Cornell Scholars found that hydraulic fracturing to mine natural gas may result in excess greenhouse gas emissions, possibly worse than coal. If true, how does this change the plan to use natural gas as a bridge fuel?

T. BOONE PICKENS: Well, that's the only person I've ever heard that said that coal is cleaner than natural gas. So it almost-- It almost refutes the whole thing.

Because there's no question that natural gas is cleaner. Natural gas was the fuel that cleaned up California. Some of you are old enough-- I am-- Ted, you're not-- [laughter] But, you know, you flew into Los Angeles, and you could see it. And you'd say, "Oh my God, they got a bad smog today in Los Angeles." I mean, it was just yellow-brown.

That's all been cleaned up, cleaned up with natural gas. 2,800 buses in the L.A. MTA is on natural gas. It's the largest bus fleet in the United States, been on for 20 years. The largest bus fleet in the world is Beijing Transit, 5,700 buses. Does it work? Of course it works. It is cleaner.

I know that Cornell deal, I don't know who paid him to do that. But he-- Well, I'm serious. The guy's got-- he's got a half a dozen things in there, in that report. I didn't read the whole thing. But he's got half a dozen things in there. I've never seen anybody to end with those conclusions that he ends with in that deal. So, there'll be people that will look at it. I think I believe, as MIT saw it, that they responded. And they didn't think much of it. But it's-- I don't know if who paid him to do the study is the place to go.

MARK HAMRICK: Well Ted mentioned earlier that he wishes that the environmental downside of natural gas extraction could be better addressed. So, what about that?

T. BOONE PICKENS: Okay, you're talking about the fracking, hydro-fracking?

MARK HAMRICK: Yes.

T. BOONE PICKENS: The first frac job I ever saw was in 1953 at Border, Texas. In 1957, I fracked my first well. From 1957 until now, I have fracked over 3,000 wells. I have never had any-- one well, I had any problems. What he's talking about as being the problem is the well is drilled down. Fresh water sands occur in the upper 1,000 feet of the hole. This hole is drilled to 1,000 feet. They run a string of casings, send it back to surface, and close it off.

I worked in an area where Ogallala Sand is the biggest aquifer in North America, which is from Midland, Texas to the South Dakota border, across eight states. And I drilled over 3,000 wells in that area. So we were very conscious of the Ogallala. Cement it off, drill down 10,000, 12,000, 15,000 feet, whatever. Here you are down here, and you complete the well there. Well, you're two to three miles below the fresh water sand. Now you tell me how a frac job two miles down can get back up into that fresh water sand. I never had it happened. I know of nobody else ever having it happen.

If you notice, all the complaints are coming from Pennsylvania. And that's in the Marcellus. How long have you been developing the Marcellus? About three years. You've drilled over 800,000 wells in Oklahoma, Kansas, Texas, and fracked those wells. And I do not know of any lawsuit or any complaint or anything else about that. Why is it all right there?

Also in Western New York. Western New York is concerned about it. They now have said, "You're going to frac these wells in the watershed." What? The watershed? They don't even know what the watershed is. That's where it rains. [laughter] It rains in the watershed and then runs into a lake. And you're not going to frac the lake or the watershed or whatever. You're fracking down 10,000 feet, two miles under the surface. But my God, you know, I said that people in New York, they don't know what's going to happen to their water.

Well, what they need is somebody intelligent, a leader, to say, "This is what the deal is. Don't worry. Just watch what I'm telling you. Listen to what I'm saying. And check the facts." That's all you have to do. It's not complicated. It's very simple. And we've got people going around, "Oh my God. You hydro-fracked wells. You did for 50 years?" "Yeah I did." "My God, how do you feel about yourself?" [laughter] I feel just like I did yesterday. [laughter] I'm getting old.

MARK HAMRICK: Ted, are you as confident as Boone is about the environmental--

TED TURNER: He knows a lot more about it than I do, because he's an oil man. I was a TV man. [laughter]

T. BOONE PICKENS: I trust you guys, Ted. Do you trust us? [laughter]

TED TURNER: I trust you.

MARK HAMRICK: Do you believe that climate change-- I'll go to Ted first on this-- Do you believe that climate change is an actual phenomenon? And, if so, how do react to recent polls showing that fewer Americans believe it to be a real problem?

TED TURNER: Fewer than what? Before?

MARK HAMRICK: Well, I don't know what the questioner meant by that.

TED TURNER: Well, the initial part is, how serious do you believe the problem is with climate change. I think it's a life or death issue. I study-- I'm a real expert when it comes to nature. And if the temperature goes up four, five, six degrees Fahrenheit, it'll make life on Earth very difficult for most of the creatures, including humans.

MARK HAMRICK: Boone, how do you feel about it?

T. BOONE PICKENS: Well, I'm a geologist. And we can take you back in time millions of years where you had droughts that would extend over long periods, maybe a million years. Or you had ice ages that were hundreds of thousands of years. So we know that temperature can remain constant or fluctuate or whatever.

But, believe it or not, I'm one of the few geologists that believes in climate change. I think if we-- [applause]-- I think we-- you, me, all of us, we screwed up a lot of what our emissions into the ozone. And that is-- And so, they say, "Well how do you approach it?" I don't think it's as-- I don't think it's going to happen real quick. And, you know, it kind of is like what's the problem on energy in America. We had cheap oil.

Well here, you've had climate change. But you don't have-- If your cheap oil had run up to \$200 dollars a barrel, I can tell you something would have happened. Somebody would have figured out a better way than that. And, on climate change, it doesn't go up fast enough. You know, it goes along. And you can say, "Well, is this some part of the change, or what?" And you're out ten years, 20 years, or whatever.

But I'm ready to take measures to restrict emissions into the atmosphere, one. And because, if I'm wrong, I didn't hurt myself, just that, went out and spent a few bucks trying to help this. And we find out, 20 years from now, there isn't any climate change phenomenon, there's none of it, it wasn't so. Well, I didn't do something that hurt-- maybe a few bucks. But I didn't do anything wrong.

But, if I go out 20 years and I keep saying, "Climate change doesn't mean anything," I get out here 20 years and I think, "Oh my God, it did mean something. And I let 20 years get past me, and I didn't do anything about it." So, back again, I hate to set up these things that make all of us look stupid. And I feel stupid, sometimes, about the way things go. And I think, "Why do you let them go? Why do you let it happen?" Well, I'm not in any role of leadership. I can't stop these things. How can I do it?

But Ted, he's a leader. He stepped up. [laughter] He stepped up.

TED TURNER: Well, I've put up--

T. BOONE PICKENS: And you said \$62 million dollars. I've spent \$82 on this. And, you know, \$82 million, that'll get you something. Somebody said, "Have you gotten your money's worth?" I will when I pass HR-1380, I'll feel like I got my money's worth. But Ted has been-- he's been on this. And I didn't agree with him, and we talked ten years ago. And I said, "I'm not going for this climate change stuff." Well I do, now. I'm ready to throw in.

[applause]

MARK HAMRICK: Just curious. Other than talking to Ted, what changed your mind? [laughter]

T. BOONE PICKENS: Well, I'm pretty interested in polar bears too. And ice cap is sure disappearing fast. And so, I don't go for the funny weather in the country, because I can remember when we had tornadoes, and we had, you know, flooding and all kinds of things. But the way that ice is disappearing fast, and I've had some experience

up in Alaska and all. And you look at those glaciers and see what's happened up there, and it's getting warm where that ice is. And that's not normal, I don't think.

MARK HAMRICK: Here is a question for Mr. Turner. You have a partnership to build solar energy plants with Southern Company. Can you, or are you planning to do it without federal government subsidies? Or, are the subsidies necessary to get it going?

TED TURNER: Depends on the situation. Like there does need to be some subsidies. Remember, right now, we're subsidizing coal and oil, big time. Over the years, they've gotten all sorts of economic subsidies in there. And wind and solar and geothermal are not being subsidized because they weren't here to get in line and get their spot at the feed trough.

So it really is a leveling. In a totally leveled playing field, wind and solar and geothermal have a much better chance than they do with the subsidies all stacked up against them on the fossil fuel energy. We're subsidizing the wrong thing. But we did it over the 200 years of the Industrial Revolution. We've been giving them breaks all the way along, the pollution being one of them, and not having the polluting industries pay the healthcare costs of society.

This society in general is paying, rather than the polluter paying. And I think the polluter should be doing the paying. If they were, then clean renewable energy would be competitive.

[applause]

T. BOONE PICKENS: You know, if you look at where the most wind energy and the most solar energy is, because you know where it is, Mark?

MARK HAMRICK: The Midwest?

T. BOONE PICKENS: No, it's Germany.

MARK HAMRICK: Okay.

T. BOONE PICKENS: Germany. They don't even have wind or sun. [laughter] They really don't. They're not big on either one. But think with me just a second. You know where Germany gets their natural gas from?

MARK HAMRICK: Russia?

T. BOONE PICKENS: Right. Russia. Let me tell you, I was around, I was young, but I remember Stalingrad and Leningrad. There were five million people killed there. And there was about three million Germans and two million Russians. I can tell you, those people in Russia and Germany remember that, and a lot more of it.

And the Germans do not want to get dependent, too dependent on the Russians. They do take gas from them. They take gas from them. But, they went in and subsidized wind and solar, and paid a hell of a price for it. That's what they thought of security. And that's my pitch here, is we have a security issue with OPEC oil. And we don't even address it. But they did.

It's interesting, because we ran some of those ads-- some of you may not remember-- but it showed the globe. And all the lights are on the globe. And then said, "And then, one day, somebody doesn't have gas." And clicked off Eastern Europe on that globe. And it was on-- that's part of the \$82 million I spent on it.

Guess who comes to see me. Gas prom(?). And sat down and told me what a great job I was doing. And they liked everything I was doing except one thing. That "On that ad, you are cutting off our service area." [laughter] I said, "I know. I meant to." [laughter] But here they are. I mean, they don't like it. They do not like it. And they watched this stuff that I put up.

Two weeks, two weeks after we launched the Pickens Plan, I was at the Democratic Convention. And that's a true story. (They don't remember I was a Republican.) [laughter] But I got out of politics. I went to the Democratic Convention, which really surprised a lot of people. I never had been to a Democratic Convention in my life. They're a bunch of nice people. [laughter]

But anyway, I'm there. And my wife was born in Kirkuk, Iraq. And her mother is Lebanese and her father English and immigrated to the United States when she was 18 years old. But she has friends from that part of the world and all. And she got a call from a friend wanting us to go to dinner that night. And so, we went to dinner. And I thought it would probably be 15 or 20 people. The Ambassador was there, and all. And it wasn't. It was five.

And the first question that was asked me after we shook hands, he said, "Hi. What is your Pickens Plan?" And I thought, "Well, we'll see how this goes over." I said, "I want to get off of your oil." But I smiled when I said it. [laughter] And he said, "But we're friends." I said, "I know." But I said, "We need to get on our own resources." But they were watching that close.

I announced that right here on July the 8th, 2008, at Press Club. And two weeks, they were asking me, "What is this plan?" Well hell yes, they could see what I was going to do, is I was going to get on our resources and get off of their oil is what it was.

[applause]

MARK HAMRICK: So you both earlier talked about sort of the inability of our policymakers and our leaders to force an effective energy policy. Just yesterday, a pretty big headline that Standard & Poor essentially warned that the U.S. is at risk of not forging an adequate solution to the deficit. And, of course, in the near term, the debt ceiling is

looming. How do you feel about how Washington is managing the financial situation in the United States right now?

TED TURNER: I'm not happy with it. I'm not happy. I'm concerned. I mean, when your credit rating is downgraded-- and I think that's what happened yesterday-- that's not good.

MARK HAMRICK: They warned on the outlook, which is a longer-term sort of thing. But that's sort of along the road to downgrading the credit rating. Do you think that Republicans and Democrats are going to be able to come together and find a solution?

TED TURNER: I'm not comfortable with the way the parties are getting along with each other. I'm concerned about our ability to compromise and run out country in an intelligent, forward-thinking manner.

MARK HAMRICK: Boone, what do you think?

T. BOONE PICKENS: I think they are doing a fabulous job. [laughter] They are working so well together. They act like they're not. But I know they really are. [laughter] Do you feel that way?

TED TURNER: No. [laughter]

MARK HAMRICK: I'm not here to express my opinion.

T. BOONE PICKENS: And I'm not a fool, either. But, no. I agree with Ted. I try to limit myself to my subject. And I feel like I can represent that I'm five feet wide and 50 feet deep on one subject. And I think that Congress has accepted me that way. They realize that I'm a serious person with a serious plan.

And I have both sides that call me and ask me about energy questions, "What do you think about this or that?" And I made a speech last week in Marion County, California. And I was asked there, said, "You're in a county here where the people are very liberal. And how do you think"-- there were 3,000 of them there. And they said, "What do you think-- How do you think they view you?" I said, "I think they view me as a patriotic old man with a good idea." And I got big applause for it.

But I do think I'm viewed that way. And that's the way I want to be.

[applause]

MARK HAMRICK: Ted, of course, everybody knows you, perhaps, originally as the founder of CNN. That's an organization that's gone through a lot of changes in recent years. You told me earlier that you still prefer to watch it. How do you feel about CNN as an enterprise these days?

TED TURNER: Well, I wish they went in for more serious news and more international, more international news like they used to. But then, remember, I'm an old geezer too. And I'm not there anymore. And, you know, there's nothing worse than asking somebody in my position what they think of the way the company that they used to run is being run today. It's not really fair.

T. BOONE PICKENS: Let me comment. Let me tell you, I wrote Ted a note. He probably doesn't remember it. I wrote him a note one time, years ago. And I said, "Ted Turner, you've done more to open up the world than anybody I've ever seen." [applause] And you showed people all over the world how we lived and what opportunities they would have if they had a democracy and all. But you're the guy that showed the world what the world really looked like.

MARK HAMRICK: What do you think about that, when you hear somebody like Boone Pickens say something like that?

TED TURNER: Makes me feel good. [laughter]

MARK HAMRICK: And, on the other side of the television equation, you've had some not always kind words to say about the perceived competition to CNN, which includes Fox News. Do you sometimes sample across the media landscape?

TED TURNER: Sure.

MARK HAMRICK: How do you feel about Rupert Murdoch and news corporation and the job that Fox News does?

TED TURNER: I think he's done a real good job with the *Wall Street Journal*. You know, he's a little far right for me on the television side, you know, with Fox News. But, you know, that's me. I'm-- You know, I think they've got every right to do it, and it's not-- doesn't seem to be irresponsible. It's responsible.

MARK HAMRICK: And I'll just say, since you gentlemen are no strangers to the news business, and this was a return trip to the National Press Club, just briefly how do you feel like you're treated by the news business as a news subject?

TED TURNER: Me? Yeah, I feel fine. [laughter]

MARK HAMRICK: Well, we're glad to hear that. [laughter] Boone?

T. BOONE PICKENS: Well, if I could write the articles, I'd write them a little different. But having said that, I think they treat me very fairly. But they're better as I've gotten older. They used to jump on my ass pretty-- pretty bad, you know. [laughter] But I've gotten older, now. And they introduce me, you know, as "Legendary Oil Man." I thought-- I thought about that. And that's-- You notice most articles that "T. Boone Pickens, Legendary Oil Man." What's that "Legendary"? What's that mean? [laughter]

You know what that is? That's a guy 75 years old and still has a job. [laughter]

MARK HAMRICK: That's a good thing.

T. BOONE PICKENS: But I'm 82 though.

MARK HAMRICK: God bless you. Well, we are almost out of time. And, before we ask the last question of our two speakers, a couple of housekeeping guests to take care of. First of all, I'd like to remind our guests about some upcoming Luncheon speakers. On May 16th, General James Jones, former National Security Advisor, former Marine Corps Commandant among his offices, will be our speaker. On May 20th, a lot going on with organized labor these days. Richard Trumka, President of AFL-CIO will speak. And then, Juan Williams, May 26th, with Fox News contributor-- You might recall we had Vivian Schiller here before she lost her job with NPR earlier this year. And Juan Williams will sort of deliver a rebuttal, so to speak.

Next up on our regular order of business, I'd like to present both of our guests with the traditional NPC coffee mug. So Boone, there you go.

T. BOONE PICKENS: Thank you.

MARK HAMRICK: And Ted.

[applause]

MARK HAMRICK: See you're collecting a set now. So we're grateful for that. And next, of course, is the last question. And there is another wealthy individual these days who's making the rounds, and that is Donald Trump. And he seems to be flirting with the notion of running for President. What advice would you give him? Ted?

TED TURNER: Good luck. [laughter] Anybody-- The more the merrier. Maybe we'll find somebody that'll shake things up.

MARK HAMRICK: Would you vote for him?

TED TURNER: I know him. [laughter] I kind of like him, to tell you the truth. I mean, you know, he's colorful. [laughter]

MARK HAMRICK: You have that in common. Boone, what do you think about Donald Trump?

T. BOONE PICKENS: Well, I know him too. But he was on CNBC ahead of me the other day. We were both on satellite. And he was telling about how to solve the energy problem for America. And he said, "Let me tell you." He said, "The way to handle that OPEC crap," he said, "You tell them what you're going to pay them for the

oil. You tell them. If you want to pay \$50 dollars a barrel, tell them it's \$50 dollars a barrel and send us the oil." [laughter] It's interesting approach, you know. And so, I came on after him and I said, "Donald, I'll tell you what. If you won't say anything more about energy, I won't ever mention real estate." [laughter]

[applause]

MARK HAMRICK: How about a round of applause for our speakers today.

[applause]

MARK HAMRICK: Thank you.

[applause]

MARK HAMRICK: Thank you for coming today. I'd like to thank the National Press Club staff, including our Library and Broadcast Center for organizing the event. And again, you can find more information about the Club at www.press.org. Thank you. And we're adjourned.

[sounds gavel]

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