TRANSCRIPT
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U.S.-Indo-Pacific Conference

“Fireside Chat with Senator John Cornyn”

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FEATURING
Senator John Cornyn (R-TX)
Ranking Member, Senate Finance Subcommittee on International Trade, Customs, and Global Competitiveness

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John J. Hamre: OK, folks. Could you find your seats? We want to get started. Senator Cornyn has to leave at 9:45. He’s got a vote. So we won’t – we don’t want to waste any time.

I want to say a very sincere thank you to Senator Cornyn for joining us today. You know, I mean, we have a system in the Congress. We elect people from geographical regions, and most members of Congress just kind of focus on their home district or their home state. But there are a few that have a larger vision of their leadership in Washington, and that’s John Cornyn. He has had a much larger vision of his leadership on behalf of all of us in the Congress for many years. We were just talking while we were waiting to get going here that his last time here at CSIS was back in 2019, and – it’s like these last two years were just kind of amnesia or like Rip Van Winkle; you know, we’re waking up again, longer beards. But we are here to have a chance to listen to Senator Cornyn, who is – has had a strong and professional interest in Asia. He’s been to Taiwan this year. I believe he’s the co-chair of the India Caucus. And he’s heading to Japan soon.

So, you know, for a senator from Texas, you know, there aren’t a lot of votes in going to Taiwan and going to Japan. But it’s because the nation needs this leadership. And so we’re grateful that he’s here to share those insights with us today.

With your warm applause, would you please welcome Senator John Cornyn? (Applause.)

Gregory Poling: Well, thank you so much, Dr. Hamre, for opening up the session.

As Dr. Hamre said, we have a pretty short amount of time with the senator. And so I’m going to try to keep this brief. For those of you who were here yesterday, you know me. I’m Greg Poling. I direct the Southeast Asia Program and the Asia Maritime Transparency Initiative here.

And the way we’re going to run this is going to ask a few questions of the senator, and then we’d like to get some questions from the audience. Given how tight the timeline is, if you’re online you can type your questions, as you have been throughout the event. If you’re here in the room, we’ve put some papers on the chairs. We’d like you to write your questions during the first part of the session, and somebody will run them up here so we can get right into them.

And so with that, Senator, I’d like to start with the role of Congress on U.S. Indo-Pacific policy. So it’s become very popular around this building to say that Asia is one of the few bipartisan issues we clearly have up on the Hill.
What are the contours of that bipartisan consensus these days? And what should we expect coming from Capitol Hill in the future as a result?

Senator John Cornyn (R-TX): Well, obviously, Congress has the power of the purse, which is not insignificant. But as you know, most foreign policy is run out of the executive branch. But there also needs to be – in addition to Appropriations, the Armed Services Committee, the Intelligence Committees, the Foreign Relations Committee, all have a pretty rich portfolio of national security and foreign affairs. And each of us sort of have a little different piece of it.

But obviously we are – what happens here in America, including our security here, depends a lot on what happens in other parts of the world. So one of the benefits of being in the Senate – my predecessor, Phil Gramm, told me, when I got to the Senate, he said one of the best things about this job is your ability to travel and to go talk to the principals who are making decisions in other countries and to get to know people on a firsthand basis, and informs you how to do your job better.

But it’s, you know, things like the caucuses that we’ve created, things like the U.S.-India Caucus that Hillary Clinton and I founded in 2000 – I think it was ’04 or ’05. I have a large Indian-American constituency in Texas. About half a million Texans are Indian-American. And we recently – well, it’s been a few years ago now – had Prime Minister Modi there. And the name of the event in Houston, you’ll appreciate, was Howdy Modi. And it was quite an affair. And he’s quite a charismatic individual.

But I think a lot of this depends on the individual members and their interests. But Texas is a pretty diverse place. And obviously I’m concerned about our national security, which I consider to be the most important part of the job.

Mr. Poling: You knew right where I was going to go with the next question. So you co-chair the India Caucus. What do you view as the role of the U.S.-India partnership in maintaining a free and open Indo-Pacific? And also if you have any thoughts on the role of the Quad going forward.

Sen. Cornyn: Well, I think India is a very important country to the United States. And I’m glad to see our relationship getting better all the time. The civilian nuclear deal that was done under the auspices of the Bush – George W. Bush administration was a very important development. India is a big country. They’re a democracy. They were a former British colony. The rule of law is, by and large, observed there, unlike some other parts of the world. And so we have a lot in common.
But as we’ve seen in the recent vote in the United Nations, where India abstained on the Russian invasion of Ukraine, that was quite a disappointment. Senator Warner, Mark Warner, who’s chairman of the Intelligence Committee, and I, also a member of the Intelligence Committee – I mean, in our role now as the co-chairs of the U.S.-India Caucus, did call the ambassador to express our disappointment at India’s vote. We had a civil conversation. And, you know, there’s a lot of history that goes along with this, and part of it is India’s dependence on Russian weapons in order to defend itself historically – and something that we’re trying to change gradually, but they want to be able to produce more of their self-defense equipment domestically. So it’s a very important relationship.

When I was in – on my recent trip, the Indo-Pacific, we did have a chance to visit with the secretary of external affairs, a very urbane and sophisticated gentleman, and I made the comment at lunch that, you know, we were concerned about Taiwan and what the PRC might do with Taiwan. He said, well, Senator, it’s not just a Taiwan problem, this is a China problem, which to me spoke volumes about how they view the threat to their own country.

Mr. Poling: So you led a CODEL last November which included India, but you also stopped in the Philippines, which is the oldest U.S. treaty ally in the region. I imagine you got an earful about the South China Sea, the West Philippine Sea, as the Philippines calls it. There are few interests as long-standing in American foreign policy as defensive sea lanes in the seas. How should we be thinking about this component of a free and open Indo-Pacific?

Sen. Cornyn: Well, Senator Crapo, who’s the ranking member on the Finance Committee, and Senator Tuberville and Senator Lee, we all went, along with two of our House colleagues, on the CODEL, short for congressional delegation, and we had quite a – I think Senator Crapo said we spent 55 hours in an airplane over eight days. It was quite a trip, but very informative. But nowhere else, you know, was it kind of more eye-opening than going to Manila. We got on a P-8, which is a submarine hunter – it’s about a 737 outfitted with a lot of gear – and we ended up flying in part of the South China Sea, and you get a little bit better perspective about the importance of that and the threat to the region, not just Taiwan but also the region, because there are a lot of contested islands, in addition to China building its own islands out of reefs. There’s a lot of contested islands. But their threat to international sea lanes and commerce and national security is real. That’s why, you know, their whole approach is to gradually, you know, sort of wear everybody down and we’ll accept sort of the fait accompli. This kind of reminds me of the old, you know, story about the frog in the pot of water on the oven; as long as you don’t turn it up real fast – you know, the frog will jump out if you do, but if you don’t, before you know it, the frog will actually be cooked, and I think a lot of the approach the PRC’s used toward the region in trying to gain acceptance to what they would consider to be a fait accompli when it comes
to the First and Second Island Chain I think is very concerning and been certainly a huge focus. They obviously need the – since they import a lot of their energy, they also need access to those sea lanes too, but they need to figure out how to cooperate with international – use of international waters. But right now, they are just gradually trying to wear everybody down and force everybody in the region to accept sort of a fait accompli.

Mr. Poling: Well, Senator, I have to say, I’ve been running our South China Sea work here for a long time, and that’s one of the more cogent explanations of China’s what we call gray zone coercion I’ve ever heard. (Laughs.) I hope you don’t mind if I borrow some of it in my next –

Sen. Cornyn: Please.

Mr. Poling: Let’s turn back to Taiwan, which you mentioned. So the Russian invasion of Ukraine has a lot of serious folks in town thinking more seriously about similar contingencies in Taiwan. Do you think we’re doing enough, are our allies doing enough to build Taiwanese resiliency and deter Chinese aggression?

Sen. Cornyn: No, I don’t. You know, President Xi has made it clear that he does intend to take Taiwan and there’s a timeline that people have talked about – I think 2027 is sort of the timeline, but, you know, there’s no rule or law that says he has to wait. But I think Putin’s invasion of Ukraine has been a big eye-opening experience for President Xi and I think changed that dynamic a little bit. Hopefully, it’s changed our understanding of the threat that would mean both to our economy and our national security if President Xi did move on Taiwan.

But I think, you know, one of the things we’ve talked about is that COVID did is expose our supply chains, and whether it’s personal protective equipment – I still remember the first call I had with Governor Abbott. I said, what do you need, when COVID hit. And he said, well, I need testing and I need PPE. And I said, well, what’s PPE. And he said, oh, you know, masks and gowns. I said, oh, OK, yeah, sure. I get it. Personal protective equipment. It’s all made in China. And we can’t get it, because they have a need for it there, because that’s the origins of the virus.

So, you know, it went from there to then realize that 90 percent of the semiconductors in the world are made in Asia, including about 60 percent of the most advanced semiconductors in the world being made in Taiwan Semiconductor in Taipei. So on our trip we visited the Taiwan Semiconductor company. And they’ve got a great business model. They can build semiconductors for about 30 percent less than you could if you manufactured them here in America. And so what they do is companies will
design the semiconductor chips they need and then they will make them for them. So it’s a great business model. They’re booming.

But can you imagine if 60 percent of the semiconductors that run everything from, you know, your cellphone to an F-35 joint strike fighter were blockaded during another pandemic, a natural disaster or, you know, a military conflict, what that would mean to our economy. So that’s the reason why Senator Warner, again, who is my colleague and partner on the CHIPS Act, to try to bring back our capacity to build those semiconductors here in America to eliminate that vulnerability.

And I know people are interested in where all that stands. USICA, it’s got several different names. I think it started out with Endless Frontiers and now it’s, like, called Made in America. We’ll probably name it something else before we’re done. But we’re going to a formal conference committee, which is something we haven’t done in a long time. But I’m still optimistic that we will get it done, although it sure is taking a long time. But it’s a huge vulnerability and we just can’t leave that vulnerability there.

Mr. Poling: Well, thank you. You’re doing an excellent job of anticipating my questions before I get to them. (Laughter.) So I think this is going to be the last question that I’m going to ask. Everybody’s being a little bit shy this morning so, again, I would encourage you if you’re online to go ahead and type questions in online and we’ll run up questions that were written in the audience on paper.

So let’s turn to trade. You co-chair the Subcommittee on International Trade. Last year you penned an op-ed in The Washington Post arguing that the United States should rejoin the CPTPP, the successor to TPP. Do you view the administration’s current Indo-Pacific economic framework as a step in the right direction on that road? And could a more robust trade package – the trade agreement – actually get through the U.S. Congress at this point?

Sen. Cornyn: Well, I’ve come to believe that our refusal to join the Trans-Pacific Partnership was a big mistake. And what we’re seeing – you mentioned the Quad earlier – we’re seeing the United States, Japan, Australia, India join in security organizations. But frankly, for me, the point is we have something that the People’s Republic of China will never have, and that’s friends and allies. And we need to work together in our mutual defense and for our mutual benefit, and national security and trade.

So I would like to be optimistic about the prospects for us joining what is now – I think it’s called the CTPPP – whatever the name is now. But the fact of the matter is that the administration has now shown much enthusiasm for trade promotion authority, which has now expired. And so absent that, I think the obstacles are pretty high. Organized labor has always been fairly
skeptical of these trade agreements, as they were during the USMCA, the U.S. Mexico Canada Trade Agreement.

And Senator Wyden, who’s chairman of the financial committee, and Sherrod Brown, were able to get things that sort of satisfied that part of their constituency. I’m still – I still believe it’s very important for us to continue to build those ties in the region, not just from a security standpoint but from an economic standpoint as well. And that’s, to me, the best way to check China’s march toward consolidating their power, both economic and military, in the region.

Mr. Poling: So we’re still waiting for some questions to come in. So let me make myself a liar and ask one more quick follow up. The next session after this will be with Commerce, and I should let everybody know that Secretary Gina Raimondo is feeling ill so we’ll have a stand in. Deputy Assistant Secretary Pam Phan has agreed to come on. But before Commerce has to take any lumps over IPEF, I wonder if I could ask a quick follow up.

So USTR Katherine Tai was on the Hill last week and testified. How do you feel about the current IPEF, as you understand the framework? How does – what do you think the consensus is on the Hill, if there is one, on the framework?

Sen. Cornyn: I think it’s viewed as sort of a weak substitute for the real thing. And as I said, I think the administration’s reluctance to enter into new trade agreements, this is sort of being offered up as an alternative. But it’s not – I don’t think – it’s not what I would hope for in terms of getting new trade agreements.

Mr. Poling: Thank you. So we do have a question. It’s one that you, OK, sort of already answered, but let’s ask it and see if we can put you under a little pressure, I suppose. (Laughs.) Many of the U.S.’s Asian partners are expressing frustration with IPEF, as you noted, because it lacks market access and tariff reductions. Would this U.S. Congress be able to pass a more robust U.S.-Asia free trade agreement?

Sen. Cornyn: Well, we’ve talked about that a little bit. And you know, I think Texas, which I represent, all 29 million of us, we’re big – we’re big exporters of our agricultural products and everything else. And so I believe that having markets to sell more of what we make and grow in Texas and America is a good thing in terms of our economy and job creation. And someone once observed that countries that trade together rarely go to war against each other, so it actually has a lot of other benefits too. But unfortunately, I don’t see any momentum now.

Senator Carper, who you mentioned a moment ago, who’s the chair of the Trade Subcommittee that I’m ranking member on – we sort of trade
positions depending on who’s in the majority – he’s been – he’s been terrific on this. As you point out, we’ve written an op-ed – several op-eds to try to encourage development of free trade agreements or some alternative or some vision of the Trans-Pacific Partnership or the like, but, frankly, I don’t see much interest in the administration.

Mr. Poling: Here we are. We have one more. Senator, do you have any thoughts on President Biden’s support for U.S. LNG to improve global energy security? What impact do you expect on domestic policy implementation?

Sen. Cornyn: Well, I was thinking earlier today of the events in my life that, you know, sort of – you know, sort of hit the reset button, and certainly the invasion of Ukraine was one of those in terms of the reaction of the – of our NATO partners. I was in Poland and Germany with Senator Ernst and a bipartisan group of senators recently, a huge refugee crisis. Germany has turned on a dime, as you know, in terms of their contributions to NATO, their willingness to meet their obligations for mutual defense there, but also the realization that these countries have been lulled into dependency on Russia for their energy supply and the difficulty that presents.

I think it was 2017 the United States became a net energy exporter. And unfortunately, because of the debate over climate change and fossil fuels and transitioning to renewables, all of that has been, you know, pretty vigorous, but it really has omitted one of the most important parts of that discussion, which is energy security. And unfortunately for Europe and other places, we’re not going to be able to turn on a dime. You can’t build the pipelines, you can’t build the LNG import terminals and the like to build that infrastructure.

But as my friend – since departed – John McCain liked to talk about Russia, he said it was a gas station masquerading as a country. And this is – this is really critical to Putin’s and Russia’s economy, and we have decided not to import any more Russian oil and gas but some of our friends and allies in Europe have no alternative. So that’s part of what I think we need to – need to turn to to try to figure ways to help them.

And obviously, we’re a huge energy exporter here in America. I think the Permian Basin in Texas produces 5 million barrels of oil a day and we consume about 11 million in the United States. But we have that capacity. So I would hope that part of this discussion over climate, over energy, transitioning to green energy and the like, could also include a rational discussion about energy security, because I think some people have an overly ambitious idea about how soon we can transition to purely fossil fuels. Even Germany is rethinking the shuttering of their nuclear-power plants, which, of course, Europe was very – you know, very high on, but had
sort of decided, after Fukushima, that they would try to go strictly with renewables, which is not currently possible.

So I hope this prompts a very serious discussion. And I hope CSIS will help us get the kind of expertise that the policymakers need to make good decisions in that area.

Mr. Poling: Thank you. And the panel just before this one tried to make an initial start of that, moderated by my colleague Jane Nakano and the great work that her team in the Energy Program is doing.

We've got a quick follow-up here from the online audience. As we consider carbon accounting in our energy-supply chain, beyond well-known methane leakage in oil and gas, are we also accounting for the carbon footprint in mining activities required to produce solar panels and wind turbines?

Sen. Cornyn: Well, you know, we've all become, as I said, as part of the climate discussion, interested in ways to reduce emissions. And carbon capture and sequestration and that sort of technology, which is very expensive, is something that we need to continue to support in order to address concerns about carbon.

Again, I think some people have an overly optimistic view about how fast we can do that or what it will take to do that. You know, our energy supply has always been in transition. And even back at the turn of the 19th century, when, you know, we had horse-drawn carriages and transportation, can you imagine the environmental disaster that was, you know, with just all the manure, horse manure, that piled up in cities and all the rats and everything else?

Well, one of my favorite stories – I think it's in the book “SuperFreakonomics” by some Chicago economists – they talk about, you know, almost overnight that went away. And they said, well – you know, and they explained, well, it was the invention of the internal-combustion engine.

And so I'd just make that point to say I think we should focus our efforts on research and development and innovation to answer a lot of these problems for us. You know, there's nobody better in the world than the United States when it comes to innovation. And we just need to find ways to hasten the transition, but also to realistically understand that where we are now, because I think the Energy Information Administration says that by 2050, 75 percent of our energy supply will still be fossil fuels. So – but we can look at other alternatives – hydrogen, nuclear. There's a lot of great ideas out there, but they're not quite ready for primetime yet.
Mr. Poling: Thanks. We have another question online, bringing the conversation back to the CHIPS Act. In addition to support for the U.S. semiconductor industry, what other policy measures should we be taking to improve U.S. competitiveness?

Sen. Cornyn: Well, again, part of the work that Senator Warner and I and the Intelligence Committee are doing is looking at what our competitors are doing in terms of everything from 5G to quantum computing to artificial intelligence and beyond. And obviously the People’s Republic of China is making huge investments there because they want to frankly leave us in their dust when it comes to developing these technologies and becoming the world’s leader.

I think that’s always been our strength. But we need to find ways to encourage private investment. The government, I think, can play some role, as we are, in the semiconductor space. This is a little bit of an adjustment for people like me that are sort of free-market conservatives, but I think absolutely critical, as I’ve explained, to our economy and our national security.

So there are probably going to be some other areas where we’re going to have to look at, where we have vulnerabilities in terms of our supply chains and the like. There is, I think, a role for government to play, but not a dominant role, because the worst thing we can do for innovation in America is be – everything to be run out of Washington, D.C. by the U.S. government. So we need to give the private sector the encouragement, the incentives, and stand back if we can.

Mr. Poling: Thank you. We’re going to do that rarest of thing in Washington, D.C. We’re going to end a session right on time. So please join me in thanking Senator Cornyn for his time this morning. (Applause.)

Sen. Cornyn: Thank you. (Applause.)