



## **T. Boone Pickens Media Coverage 6.11.11 to 6.13.11**

**Total of 4 Placements** • Print: 2 • Blog/Online: 2

### **Coverage Summary**

Over the weekend, commentary from Pickens was included in an Associated Press article (based off a piece from the Pittsburgh Tribune-Review) regarding the push by some natural gas companies for government approval to export gas overseas, which would significantly increase domestic prices. Pickens states that if the government approves such a move, it would be bad policy and we would “go down as the dumbest generation.”

Also, the Pickens Plan was briefly mentioned on Fox News Channel’s Saturday show, The Cost of Freedom. In the midst of discussing America’s prospects for job creation, guest John Layfield stated that “Unless you have something like a Boone Pickens plan that creates this new economy, nothing is being done because housing and unemployment are the biggest drags in this economy, that’s not going to change.” Full text of the discussion is below.

**Highlighted Placements (Full Articles Below)** • Paper: Exporting US natural gas will hike US price – Associated Press – 6/12/11 <http://www.seattlepi.com/news/article/Paper-Exporting-US-natural-gas-will-hike-US-price-1420827.php> • Economic Blip or Double-Dip? – Fox News – 6/11/11 <http://www.foxnews.com/on-air/cost-of-freedom/transcript/cashin/economic-blip-or-double-dip> • Natural gas prices set to jump with exports – Pittsburgh Tribune-Review – 6/12/11 [http://www.pittsburghlive.com/x/pittsburghtrib/news/s\\_741745.html](http://www.pittsburghlive.com/x/pittsburghtrib/news/s_741745.html)

**Blog/Online Placements (Full Articles Below)** • Center for American Progress Shills for T. Boone Pickens – [GlobalWarming.org](http://www.globalwarming.org) – 6/13/11 <http://www.globalwarming.org/2011/06/13/center-for-american-progress-shills-for-t-boone-pickens/> • Slick argument from oil salesman – Times Union –

6/13/11 <http://www.timesunion.com/opinion/article/Slick-argument-from-oil-salesman-1421217.php>

## HIGHLIGHTED COVERAGE

### **Paper: Exporting US natural gas will hike US price – Associated Press – 6/12/11**

PITTSBURGH (AP) — Exporting natural gas overseas, as some companies are pushing for government approval to do, will significantly drive up prices in the United States, a newspaper reported Sunday.

The Pittsburgh Tribune-Review says prices of natural gas overseas are as much as triple those in the United States, and the largest expected customers for U.S. gas exports would include China and, other Asian nations as well as Europe.

On May 20, the Department of Energy gave approval for Cheniere Energy Inc. to export 2.2 billion cubic feet of natural gas per day from its Sabine Pass, La., port terminal — the first approval of overseas export of U.S.-produced gas from the lower 48 states. Cheniere said declining prices of U.S.-produced natural gas had slowed drilling, and access to international markets would induce more drilling and boost U.S. employment.

While no one knows the amount that such exports would increase domestic prices for natural gas, since that would be affected by supply and amount of exports, the department cited a consultant's report submitted with Cheniere's permit application in estimating that natural gas prices in the United States would increase up to 11.6 percent when the Sabine terminal begins exports in 2015.

Rep. Tim Murphy, R-Pa., who represents a western Pennsylvania district with Marcellus gas resources and co-chairs the congressional Natural Gas Caucus, questioned the department's decision.

"Sending natural gas overseas is the medical equivalent of bleeding a patient in order to cure him," Murphy said. "I fear what this would do to prices."

Two other concerns have requests pending before the energy department to export domestic gas. Freeport LNG Expansion LP, together with Liquefaction LLC, applied on Dec. 17 to export 1.4 billion cubic feet of natural gas per day from a terminal port near Freeport, Texas. Lake Charles Exports LLC, a subsidiary of British-based BG Group and Houston-based Southern Union Company, applied to DOE on May 6 to export 2.0 billion cubic feet a day from its Lake Charles, La., facility.

The Tribune-Review said those requests, if approved, combined with the Sabine permit would represent

8.4 percent of U.S. production. And at least two other companies have indicated that they are considering similar applications.

San Diego-based Sempra Energy, with terminals in Louisiana and Mexico, announced last week that it might ask to export natural gas. Earlier this year, Dominion Resources, a Virginia-based energy company with transmission operations in Pennsylvania, told the paper that it is talking to customers about applying to turn its Cove Point importing terminal in Maryland into an LNG exporting facility to send gas from the Marcellus shale formation overseas.

The Tribune-Review said its analysis indicated if Sempra and Dominion Resources were allowed to export the average of the amount of natural gas requested by Sabine and the two pending applicants, that would mean that 13.9 percent of America's annual natural gas production could be exported based on 2010 figures.

Paul Cicio, president of the Industrial Energy Consumers of America, which represents American manufacturers, called the prospect of four or more exporting facilities "absolutely frightening" in terms of its impact on manufacturers. David Schryver, executive vice president of the American Public Gas Association, which represents 700 public gas companies in 36 states, told the paper he thought it would be "bad policy."

Texas billionaire T. Boone Pickens, an advocate of natural gas, told the paper that exporting large amounts of natural gas overseas would not only be a mistake but a security issue that would mean "we're truly going to go down as the dumbest generation."

"It's bad public policy to export natural gas — a cleaner, cheaper domestic resource — and import more expensive, dirtier OPEC oil," he said.

Stanford professor Jeremy Carl, who studies China and Indian energy issues, said he is not certain that the Cheniere approval would set off a chain reaction because of potential market price variability and the high cost of building export facilities. Equipment needed to convert natural gas to a liquefied form suitable to put into special tankers can cost billions of dollars, he said.

Still, Carl said, "the Pittsburgh story is particularly compelling. ... First, Pittsburgh lost its steel industry to China. Now it's going to export its natural gas there."

## **Economic Blip or Double-Dip? – Fox News – 6/11/11**

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### **PRESIDENT OBAMA SAYS JUST A BLIP IN ROAD TO RECOVERY, NOT A DOUBLE-DIP**

Todd Schoenberger: We are headed for a double-dip, Cheryl, because when you start looking at the economic data from everything with housing, durable goods, jobs, you name it, we're headed for that double-dip. We're not there yet, but we will be by the fourth quarter of this year.

Jonathan Hoenig: Well, I don't know if you want to call it a double-dip, Cheryl, but the economy isn't strong. Look at housing, look at jobs, look at all the areas the government has spent so much time- and unfortunately- money trying to better, but in my opinion has only made it worse. Now, we don't only have the weak economy, but we've also got the bills coming. If I'm putting money to work right now it's going to Singapore, and it's going to faster growing parts of the world.

Christian Dorsey: The official dating of a recession is something that has a lot of complex factors that go into it, and officially we've been in recovery for the last two years. Yet, for most people, it feels like the recession has just continued. So, for the average American, especially those who have been unemployed or know people who are unemployed, are experiencing stagnating wages this really feels like a recession. So, our conversation about whether a double-dip is upon us is largely irrelevant to those people who are already feeling great pain from this very stagnating economy. And, it's very clear evidence in my mind that more needs to be done to increase jobs and to grow wages.

Tracy Byrnes: Christian's right, nobody's cares about the textbook definition of when a recession starts or begins, what inflation is, what we know is we're struggling to make ends meet and it's really expensive to buy food for our family. So that's all you need to tell me, and anybody else out there these days. You know why the President's not worried about a double-dip? Because he darn well knows they're going to just infuse more money into this economy. Call it whatever you want, call it QE3 in drag, because that's what I've been calling it, because it's never going to be a QE3. The Quidity will be pumped in, and all will be well in President Obama's world.

John Layfield: Reagan had the opportunity to increase the federal government, to increase the deficit to create jobs. Bill Clinton had the black swan of internet coming along that helped create jobs. There is no job creation on the horizon right now. McKinsey Report came out Friday saying we would have to create twenty-one million jobs by 2020 just to keep up with population. Their estimate is that we're going to be at 9 percent unemployment through the rest of this decade; that is 9 more years because there is no job creation on the horizon. Unless you have something like a Boone Pickens plan that creates this new economy, nothing is being done because housing and unemployment are the biggest drags in this economy, that's not going to change.

ANTHONY WEINER ADMITS TO SCANDAL BUT WILL REMAIN IN OFFICE -- DOES THIS EPITOMIZE WHAT'S WRONG WITH D.C.?

Tracy Byrnes: D.C. has gone full-blown, egomaniacal. Take the private sector CEO Mark Hurd from Hewlett Packard. The guy admitted to inaccurate expense reports and a week later he resigned. He did something wrong. He stepped down. Why? Because he had an ethics clause just like we do. Instead, the poor taxpayer has to pay for ethics committee meetings to see if our politicians are right or wrong. These guys are creeps. They're putting pictures out there. They're doing whatever they're doing. They're wrong! Get them out!

John Layfield: But, they've always been held by a different standard. We have to have an ethics committee to show this guy's a creep? What else do you need to know? Look, I agree with Tracy, but this has been going on for quite some time. I think if King David could have sent a nasty text to Bathsheba, he probably would have done it, but the problem is, you don't have wise politicians making stupid decisions. That's gone on since the beginning of time. We have stupid politicians making stupid decisions. The problem in D.C. right now is so much bigger than a few nasty pictures being sent over twitter.

Todd Schoenberger: That's right and there is zero accountability when you look at D.C. right now and this is a great example of that. You have somebody who's out there actually going through this process, and we have to have an ethics committee investigation, and now you're going to have all of these other subcommittees talking about it. How are they supposed to get their job done in D.C., when they're busy doing this kind of stuff? They have way too much time on their hands.

Christian Dorsey: We can just go back the last two years; Eric Massa, Chris Lee. He's the latest in the pantheon of political perverts. It seems like a lot of them are from New York, so I don't know exactly what's going on there, but listen, what Representative Weiner is alleged to have done is not criminal,

and if the voters of New York want to see him leave, they can fire him in the next election. Or, if they feel strongly about it, they can recall him now. That private sector analogy doesn't even work.

Jonathan Hoenig: The point is that Weiner himself holds CEO as criminals. Weiner supported the 2002 Sarbanes Oxley Bill, which holds CEO's, who sign off on statements that are untrue, as criminals. Here's a guy who gave blatantly false interviews to every media outlet day after day after day, telling lie after lie after lie. By his own standard, he should be held as a criminal. So, I don't know where you get off saying he did nothing wrong. I mean this is his own standard. Warren Buffett said it best. It takes 20 years to build a reputation and five minutes to ruin it. He's ruined it.

#### NEW STUDY SHOWS YOUNG ADULTS GET SELF-ESTEEM BOOST BY RACKING UP DEBT: IS D.C. TO BLAME FOR SETTING BAD EXAMPLE?

Tracy Byrnes: They won't stop anytime soon and look what they're doing to these kids. Let's expand the earned income tax credit so they qualify. Expand food stamps so we have more people on it than ever in the Obama administration. No one is embarrassed to file for bankruptcy anymore Cheryl. There's just no sense of I should do this and take care of myself. 14 trillion dollars in debt; we throw that number around all the time and nobody seems to care. We're sending an awful message to our young people.

Jonathan Hoenig: I think this is BS, Cheryl, honestly. Maybe they feel better about having a credit card or the ability to take on debt, but self-esteem comes from thinking rationally; from thinking objectively, long-term. You don't do that by acting, as you alluded to, like our government has. By spending money now, and hoping that someone else picks up the tab down the way. People feel rational and empowered when they know they are acting in their own self-interest. Running up a big bill with no one to pay for it is not in anyone's self-interest.

Christian Dorsey: Well in most cases, their student loan debt, that's a useful investment for the future, but if you're looking for someone to blame about this lackadaisical view of running up credit card bills, blame credit card companies will give a credit card to anybody with a pulse regardless of your ability to pay. There are documented issues of minors receiving credit card offers. It's an unbelievable situation where people who have not worked for the ability to have the privilege of owning and using a credit card are able to get one without any strings attached. The biggest issue I think that government needs to be worried about in terms of sending a message to kids is not raising the debt ceiling and in other words not spending money you have no intention of repaying down the road.

John Layfield: It's very simple. Don't buy a boat! It's that simple. If you can't afford a boat, don't buy one. You can't blame it on the banker; you can't blame it on the credit card company. Don't buy a boat. You

want to know why they feel better? They live in houses they can't afford; they drive cars they can't afford; they have toys that they can't afford. They come home and see all of this stuff and they don't have a way to pay for it. That's why they feel so much better living in debt, because they come home and see all these toys and think, boy they're mine. They're not yours! They're the banks and you're going to lose them eventually.

## WHAT DO I NEED TO KNOW?

Tracy Byrnes: I love how everyone thinks that raising taxes brings in money. The Chicago Mercantile Exchange is saying we might be out of here. They're thinking about moving headquarters. Corporate tax is at nine and a half percent. Personal income taxes in Illinois are up 66 percent. That's crazy! They might leave because of it.

Jonathan Hoenig: It would be a terrible, terrible tragedy for the city, but it's not uncommon in the state. Earlier in the year Caterpillar was talking about leaving Illinois because of taxes. So of course it would have a tremendously devastating impact on the local economy. That's what happens when taxes are raised.

I'm taking a look at platinum. Platinum is up. It is the most precious of precious metals, but still nowhere near the all-time, inflation adjusted high north of 26 bucks an ounce. It's about eighteen-hundred today. So check out PGM as one. Now, don't go all Montana militia. Don't make it an all or none. Make it one part of your portfolio and not the only part.

John Layfield: Give LeBron James a dollar, he gives you 75 cents back because he doesn't give anybody the fourth quarter. Averaging less than two points in the series because they forgot the Dallas Mavs are ri-Dirk-ulous. Buy some Texas champagne and get ready for the party Dallas!

Todd Schoenberger: Strauss-Kahn, Tiger Woods, Schwarzenegger and now the Weiner. Sex sells! If you look at Weiner's laundry it goes through the roof. Buy Limited Brands for Victoria's Secret.

## **Natural gas prices set to jump with exports – Pittsburgh Tribune-Review – 6/12/11**

By Lou Kilzer

Some companies that control America's natural gas are pushing for government approval to export gas overseas for higher profits on the international market, a move that will significantly drive up prices in the

United States because this nation still imports more than 10 percent of its domestic needs.

Among the biggest expected customers for American gas exports: energy-thirsty China, other Asian nations and Europe.

Legendary Texas oilman, corporate raider and natural gas advocate T. Boone Pickens told the Tribune-Review that exporting large amounts of natural gas overseas is a mistake — and a national security issue.

If we do it, Pickens said, "we're truly going to go down as the dumbest generation."

"It's bad public policy to export natural gas — a cleaner, cheaper domestic resource — and import more expensive, dirtier OPEC oil," he said.

The United States produced 61.83 billion cubic feet a day of natural gas last year, according to government figures, and that production continues to grow. Politicians and some companies have trumpeted that production as the key to the nation's energy independence.

On May 20, the Department of Energy quietly gave approval for Cheniere Energy Inc. to export 2.2 billion cubic feet of natural gas per day from its Sabine Pass, La., port terminal — the first time the government granted permission to export American-produced gas overseas from the lower 48 states. The action allows exports to all countries except those to which the United States bans trade, such as North Korea.

No one knows for sure how much exporting will increase domestic prices for natural gas, which will also affect costs to heat American homes, fuel electric power, run manufacturing plants and even food. The amount of supply and exports affects that.

However, citing a consultant's report submitted with Cheniere's permit application, the DOE stated that natural gas prices in the United States will increase up to 11.6 percent when the Sabine terminal begins exports in 2015.

Republican Congressman Tim Murphy, who represents the Marcellus-rich 18th Congressional District in Western Pennsylvania and co-chairs the Congressional Natural Gas Caucus, questions the DOE decision.

"Sending natural gas overseas is the medical equivalent of bleeding a patient in order to cure him," said

Murphy of Upper St. Clair. "I fear what this would do to prices."

Lining up

Cheniere told the DOE in its application that declining prices of U.S.-produced natural gas slowed drilling in American fields. Access to international markets, where prices for natural gas are as much as triple those in the United States, would induce more drilling and boost U.S. employment, the company said.

Early last week, U.S. gas futures were worth \$4.80 per million British thermal units, compared to nearly \$14 on the Asian spot market for liquefied natural gas (LNG).

Two other concerns have requests pending before the DOE to export American gas. Freeport LNG Expansion LP, together with Liquefaction LLC, applied on Dec. 17 to export 1.4 billion cubic feet of natural gas per day from a terminal port near Freeport, Texas. Lake Charles Exports LLC, a subsidiary of British-based BG Group and Houston-based Southern Union Company, applied to DOE on May 6 to export 2.0 billion cubic feet a day from its Lake Charles, La., facility.

If the DOE approves those requests, combined with the Sabine permit, the total 5.2 billion cubic feet a day proposed for export would represent 8.4 percent of U.S. production, a Tribune-Review analysis determined.

It might not end there. At least two other companies have publicly indicated they are mulling applications to export American natural gas.

On Tuesday, San Diego-based Sempra Energy, with terminals in Louisiana and Mexico, announced it might ask to export natural gas. Earlier this year, Dominion Resources, a Virginia-based energy company with transmission operations in Pennsylvania, told the Trib it is consulting with customers about applying to turn its Cove Point importing terminal in Maryland into an LNG exporting facility to send gas from the Marcellus shale formation overseas.

Dominion spokesman Dan Donovan said the company expects that by the middle of this decade its Cove Point, Md., terminal port will transform from an import facility to export operation. On May 27, Dominion asked the government to force its natural gas customers such as Shell and BP to import LNG through Cove Port to keep it operational. The company hasn't received an import since February because of a seasonal lack of demand and said it foresees no voluntary shipments.

If the DOE agreed to allow Sempra and Dominion Resources to export the average of the amount of

natural gas requested by Sabine and the two pending applicants, 13.9 percent of America's annual natural gas production could be exported based on 2010 figures, a Tribune analysis determined.

Further, the Barclays Capital investment firm predicts that even more ports could open in the western United States and British Columbia, Canada.

Paul Cicio, president of the Industrial Energy Consumers of America, which represents American manufacturers with annual sales of \$800 billion and 750,000 employees, said the DOE did not address the potential "cumulative effect" on U.S. supply and prices from allowing four or more exporting facilities.

Cicio called that impact "absolutely frightening" to American manufacturing.

"This is bad policy," agreed David Schryver, executive vice president of the American Public Gas Association, which represents 700 public gas companies in 36 states.

He said the association is aware of proposed exporters-in-waiting and intends to oppose their DOE applications.

Exports not forecast

The DOE approval of Cheniere Energy's request occurs at a time when the United States must import natural gas, mostly from Canada. Despite vast resources being discovered around the nation and in Pennsylvania in deep underground shale deposits, the United States had to import 2.64 trillion cubic feet or more than 10 percent of its natural gas usage in 2009, according to the U.S. Energy Information Administration, an independent arm of the Energy Department.

The EIA forecasts the United States will continue to import about 10 percent of its natural gas needs by 2015 — the year Sabine is expected to begin American gas exports — and will remain a net importer through 2035.

However, there's one problem with the EIA forecasts: They haven't taken into account the possibility that the United States might export a substantial portion of its natural gas.

Phyllis Martin, who works on the LNG portion of EIA annual forecasts, told the Trib: "We do not at present include the possibility of LNG exports, other than from the long-existing Kenai facility in Alaska, in our model."

Cheniere's consultants based some of its prediction of "moderate price increases" for the U.S. market on these incomplete EIA forecasts.

The EIA will begin to factor exports into annual reports "if the budget allows," Martin said.

Foreign companies certainly recognize the opportunity that American shale formations offer. As the Trib reported on April 10, Chinese, Dutch, Norwegian, South Korean, Japanese, British and Indian companies are buying into American shale plays. Many of those companies are multinationals that sell LNG around the world.

The Federal Energy Regulatory Commission reports that as of February, companies planned to expand or extend nearly 3,800 miles of pipelines to handle 32.47 billion cubic feet of natural gas a day — another indication that exporting gas for higher prices is part of operators' business plans.

Jeremy Carl, a Stanford expert on Chinese and Indian energy matters, said there's little doubt that China — which has surpassed the United States as the world's top energy consumer — would be a destination for any country exporting natural gas. Chinese imports of liquefied natural gas "have grown tremendously in recent years, up about 70 percent last year alone," he said.

Carl said he's not certain the DOE has set off an irreversible chain reaction by approving Cheniere's request, because of potential variability in international market prices and the high cost of building export facilities. Equipment needed to convert natural gas to a liquefied form suitable to put into special tankers can cost billions of dollars, he said.

"It's right to be concerned," he said, "but not apocalyptically concerned."

Still, Carl said, "the Pittsburgh story is particularly compelling. ... First, Pittsburgh lost its steel industry to China. Now it's going to export its natural gas there."

Staff Writer Timothy Puko contributed to this report.

### \*\*\* **BLOG/ONLINE COVERAGE**

**Center for American Progress Shills for T. Boone Pickens – [GlobalWarming.org](http://GlobalWarming.org) – 6/13/11**

By Myron Ebell

The ironically-named Center for American Progress posted a blog by Daniel Weiss and Stewart Boss

this week that argues that conservative groups are opposing the T. Boone Pickens Earmark bill (H. R. 1380) that would provide subsidies to Big Natural Gas on the grounds that subsidies distort the market, while at the same time the same groups are defending subsidies to Big Oil. For the record, the Competitive Enterprise Institute, for which I work, opposes all subsidies and mandates. These include subsidies to oil companies. The claim that groups like CEI support tax subsidies for oil companies is based on the ridiculous re-definition by the left of standard business deductions taken by all companies as tax subsidies when taken by oil companies.

Weiss's lengthy blog is predictably inane. But it is obtuse even by the standards of the Center for American Progress. Big Oil and Big Natural Gas are one and the same. BP America is the largest producer of natural gas in the United States. Exxon Mobil owns the world's largest privately-owned reserves of natural gas. Thus, by supporting multi-billion dollar taxpayer subsidies for natural gas, the Center for American Progress have convicted themselves of being in the pocket of the oil and gas industry. They are almost certainly being paid off by T. Boone Pickens to flack for the Pickens-Your-Pockets Plan.

### **Slick argument from oil salesman – Times Union – 6/13/11**

Letter to the editor

The Times Union gave what amounted to free ad space on the June 5 Opinion page to an American Petroleum Institute representative who seized upon the opportunity to frame his argument around the false assumption that 1) "nothing other than market forces" have impacted oil prices and 2) oil and natural gas are the only players in this game.

Regarding the first point, there are analysts who agree that there has been widespread speculation in oil prices in 2008 and again in 2011. In a "free market," where price is theoretically dictated by a balance between supply and demand, we experienced a 280 percent increase in oil prices between 2003 and 2008, according to [inflationdata.com](http://inflationdata.com), and an increase of 61 percent this year over last year without any significant supply imbalance.

"Market forces" clearly do not explain the remaining differences.

Regarding the future for oil and gas, energy guru C. Boone Pickens estimates there is a 100-year supply of clean-burning natural gas in this country and far less for oil.

That is why the U.S. Department of Energy Strategic Energy Plan for the 21st century includes an urgent need for developing renewable energy sources as we are weaned off fossil fuels.

Just as drilling for domestic oil and gas will mean jobs, renewable sources and infrastructure also will add significantly to employment. But if we act only on the recommendation of the oil salesmen, we will someday be without any energy at all.

Jack Cassidy

Johnstown

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