



## T. Boone Pickens Media Coverage 6.26.09

### Total of 5 Placements

- Print: 2
- Blog/Online: 3

### Coverage Summary:

*The Motley Fool* looks at jobs that could be created with the development of additional domestic oil and gas resources, which appears to be the direction the Obama administration is heading. A labor union has been formed and the piece suggests this might help push the nation's energy policy. The piece outlines the natural gas portion of the Pickens Plan, highlighting its use in fleet vehicles and Pickens' support of current legislation moving through the House.

### Highlighted Placements (Full Articles Below)

- **Can Big Labor Save Big Oil?** – *The Motley Fool* – 6/25/09

### Print Placements (Full Articles Below)

- **Solution is Natural Gas** – *Arkansas Democrat Gazette* – 6/25/09
- **Local GM Hopes Riding on Chinese Company** – *Shreveport Times* – 6/26/09

### Blog/Online Placements (Full Articles Below)

- **Upstart Auto Company Lures Designer with Big-Time Resume** – *Car Tech Blog* – 6/26/09
- **Congress, Think Small: We Don't Need a National Supergrid, We Need Microgrids** – *AlterNet* – 6/25/09

## HIGHLIGHTED COVERAGE

### Can Big Labor Save Big Oil? – *The Motley Fool* – 6/25/09

By Liz Peek

Several developments suggest that the Obama administration will embrace development of domestic oil and gas resources. That would be a cheery turnabout for oilfield companies like Nabors Industries (NYSE: NBR) and Baker Hughes (NYSE: BHI) that depend on ongoing drilling activity.

It's a beginning

The big breakthrough is that oil and gas producers have for the first time enlisted labor unions to further their cause. It's a shrewd move for the industry, given the current emphasis within the administration toward creating new jobs.

A group called the Oil & Natural Gas Industry Labor-Management Committee took out a full-page ad in The New York Times last week, touting a "labor-industry initiative to support policies that develop America's oil and natural gas resources -- and preserve and create high-quality jobs." They describe a partnership formed to increase the number of Americans -- now at 1.8 million -- working in the oil and gas industry.

According to the group, developing federal oil and gas reserves could create more than 160,000 jobs, especially in refinery and pipeline construction. Among others, unions that compose the Building and Construction Trades Department of the AFL-CIO, as well as the International Union of Operating Engineers, have joined the 15-union coalition, whose trustees include ExxonMobil (NYSE: XOM) CEO Rex Tillerson and Devon Energy (NYSE: DVN) chairman Larry Nichols.

Pressure from labor might push the nation's energy policy in what seems to many an obvious direction -- namely, trying to exploit our domestic oil and gas supplies as part of a multifaceted program aimed at reducing our dependence on imported oil.

A worthy target

With our balance-of-payments deficit almost as alarming as our budget shortfall, the \$400-billion-plus spent last year on imported oil is a worthy target for future reduction. While the White House is ever enthusiastic about the potential of "green energy" -- and indeed has marked more than \$60 billion in the American Recovery and Reinvestment Act for "clean energy investments" -- there has been nary a whisper about drilling for oil and gas.

That could change, and not just because of union pressure. Recent data on gas reserves argues strongly for pushing natural gas development in particular. A newly released study from the Potential Gas Committee raised its estimates of natural gas reserves in the U.S. by 39% over its previous estimate from just two years ago. The current level of reserves represents a 100-year supply of the fuel, not taking into account any future consumption increases.

The jump reflects improvements in recovery rates from traditional sources, as well as important breakthroughs in developing shale-gas plays like the Barnett, Marcellus, and Haynesville fields. Companies like Chesapeake Energy (NYSE: CHK), Cabot Oil & Gas (NYSE: COG), and Range Resources (NYSE: RRC) are among those with exposure to these shale-gas fields.

Meanwhile, the Department of Energy's latest data showed says that proved natural gas reserves (as opposed to potential) increased 13% in 2007, thanks in large part to resources available through advanced technology like horizontal drilling, which can significantly raise the output from existing wells. For instance, in Texas, not exactly a newfound territory, proved reserves went up 17%. In each year since 1998, natural gas reserves have increased, while proved reserves of crude oil have remained mostly flat.

The natural solution

This abundance has led T. Boone Pickens to identify natural gas as the obvious fuel to help reduce oil imports during the next decade while we work to develop alternative renewables like wind power. The challenge is to substitute natural gas for oil where possible, and in transportation in particular. The Pickens Plan calls for using natural gas to drive fleet vehicles such as buses and taxis, which return regularly to a central location where they can be refueled. Pickens supports a current House bill that would offer incentives for fleet owners switching over to natural gas.

The second important fact about natural gas is that it is relatively clean. With the administration's emphasis on green energy, cleaner fuels will clearly have an advantage in building a larger role in energy policy going forward.

#### Public will

Will concerns about climate change short-circuit oilfield drilling? Voters are fickle; polls suggest that their affection for oilfield drilling -- and for the environment -- waxes and wanes with the economy. Americans understand that there is a trade-off between the environment and industrial activity; when jobs are scarce, they tend to worry more about putting bread on the table than about the amount of CO<sub>2</sub> released into the atmosphere. Faced with last year's sharp hike in gasoline prices, polls showed that anywhere between 60% and 75% of respondents thought offshore drilling was a fine idea.

Given the current shortage of jobs, many Americans would doubtless welcome the resurgence of an industry that tends to pay more than twice the national average, according to the American Petroleum Institute (API).

#### What will unions do for energy?

Will the newfound coalition of labor and industry fight for oilfield spending? An early test will be its response to the American Clean Energy Security Act, which is about to emerge on the floor of the House. API chief Jack Gerard sent a letter to Congress citing the Heritage Foundation's conclusion that the bill would hike gasoline prices, lower employment and is "fundamentally flawed."

Tom Owens, director of communications for the Building Trades Union of the AFL-CIO, says that they are watching the legislation closely, but have not yet formed a response. Their interest, he told me, is creating "good-paying American jobs." He adds, "A lot of people think we can turn on a dime and move to renewables without any economic impact," he says. "But we have to strike a balance which includes renewables as well as a traditional energy portfolio and also nuclear."

Sounds like maybe oil and gas producers have found a friend at last.

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## **PRINT COVERAGE**

### **Solution is Natural Gas – *Arkansas Democrat Gazette* – 6/25/09**

Since the April 7 news story covering Boone Pickens' plan to eliminate oil imports from the Middle East, there has been coverage of Central Arkansas Transit discussing buying natural gas-fueled buses instead of diesel.

If CAT and the heavy truck transport industry follow the Pickens plan and create the need for construction of fueling facilities for liquid and compressed natural gas throughout our major urban areas, including Pulaski County, I will join Pickens in driving a natural gas-powered car.

By the way, natural gas companies should be building the fueling facility, not CAT. Are they not in the business of selling natural gas? Let's not be of such short memory that the country will return to \$4-per-gallon gasoline and continue to send young people in the military to protect oil supplies around the world, notwithstanding sending the wealth of the nation to those who do not like us.

Listen to Pickens if you think drilling offshore for more oil will solve the problem. He basically said on a C-SPAN program good luck in drilling and that whatever is found will not be cheap. If you want a large pickup or SUV, natural gas will do the job. The reason to go to natural gas is our collective self-interest.

DALE GOSSIEN Little Rock

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### **Local GM Hopes Riding on Chinese Company – *Shreveport Times* – 6/26/09**

By John Andrew Prime

In the days after reports that General Motors Corp. will allow its Shreveport operations to close by no later than summer 2012, hope persists that Chinese manufacturer Sichuan Tengzhong will rush to the rescue.

At the start of the month, just after details of GM's unprecedented Chapter 11 bankruptcy became public, it was revealed that the Chinese industrial giant asked to buy the niche Hummer brand and the facilities that make the rugged vehicles. The deal is reported to be worth about \$500 million.

Hopes the Chinese manufacturer will pump new energy and purpose into the upgraded, state-of-the-art facility in Shreveport form one of three planning tracks by city and state leaders.

"First, there's an ongoing dialogue with GM that will entail scenarios on how the plant might become part of the GM of the future," Mayor Cedric Glover said. That would depend on whether GM's plans include the local plant's body-and-frame capabilities.

The second prong involves the Chinese, who could produce vehicles here and in printed reports have suggested an energy-conserving "green" version of the Hummer, or other products the company could make at the facility.

The third prong, Glover said, is to use the plant for neither vehicles nor products Sichuan Tengzhong Heavy Industrial Machinery Co. makes, but for other uses altogether.

"It's the least desirable of the three prongs but an eventuality we have to prepare for."

Parallel planning, the mayor said, is for possible use of local GM suppliers to serve the needs of a proposed V Vehicle Co. plant in Monroe. Billionaire oilman T. Boone Pickens and Ruston trucking magnate James Davison, who owns the building that will be expanded for the San Diego-based startup, are investors in that project.

"We have a significant auto supplier community here," Glover said. "So we will try to connect our local suppliers with the new manufacturing. It's a one-hour trip, but we think it will fit with the just-in-time manufacturing. We believe there will be synergy there."

Glover would not go so far as to say a Chinese manufacturer with interests in the energy sector is trying to get a foot in the door in a market region brimming with the promise of the Haynesville Shale and related energy initiatives, cyber and the new Global Strike Command. But he did not discount that, and said it fits with the second prong in the local approach to the crisis.

The mayor said he and state and federal officials also have extended invitations to Tengzhong leaders to visit Louisiana, particularly Shreveport, to see what opportunities exist here.

"We're trying to set up a more permanent relationship" with the Chinese suitors, said U.S. Rep. John Fleming. "We have excellent facilities. Apparently, the stamping equipment at the (Shreveport) plant is cutting-edge, with over a billion dollars invested in that in just the past few years.

"We don't have an immediate solution to the problem, but we do have an excellent facility," the Minden Republican said. "It's a fluid situation, and it is incumbent on us to reach out and find foreign car makers. We don't have any that are domestic that are solvent."

Workers are waiting for work while GM's Shreveport plant sits idle through mid-August. It began a temporary work stoppage June 15.

"We all knew there were no guarantees after July 2012," said Joe Donald, president of United Auto Workers Local 2297, which represents just more than 400 workers at the handful of firms that supply or move parts to GM-Shreveport, down from about 1,200 employees at 15 companies just a few years ago.

"We knew that was possibly the last date for this GM (operation) here," Donald said. "All of us were just hoping something would break loose to where that changes."

As for working with the Chinese, who do not have unions like ones in the United States, Donald is "not really sure. We don't know how successful they're going to be to us and to our ways."

Company responses so far have been carefully phrased.

"Tengzhong recognizes the value of Hummer as a strong American brand and is committed to long-term production in the United States," company spokeswoman Christina Stenson said Thursday.

As for reports that the Chinese government may delay the process, she said, "some people may have views and speculation. But the Chinese government has a process that we respect.

"We do not yet have a definitive agreement but are developing our proposals with GM and Hummer," she said. "And we will continue to engage with the appropriate authorities in an appropriate manner."

Tengzhong leadership said it plans to keep Hummer's management team.

"We plan to ... allow Hummer to innovate and grow in exciting new ways under the leadership and continuity of its current management team," Yang Yi, chief executive of Tengzhong, told CNN just after the purchase negotiations became public. He told CNN the purchase would "allow Hummer to better meet demand for new products such as more fuel-efficient vehicles in the United States."

At one time, there would have been concerns about a Chinese company with deep technology aspects locating close to Barksdale Air Force Base.

But retired U.S. Air Force Brig. Gen. Peyton Cole, who grew up during the Cold War and led 2nd Bomb Wing through much of the 1990s, doesn't think so.

"Those are Cold War concerns, really," said Cole, who thinks a break has to be made from Hummer and the Chinese might just be able to do it. "The Chinese are really good at adapting plants.

"I was in Shanghai and went to the Shanghai 'Long March Missile, Bicycle and Refrigerator' factory. On Mondays and Wednesdays, they built the Long March missile. On Tuesdays and Thursdays, they built bicycles. And on Fridays and Saturdays, they built refrigerators. They're getting better and better."

Cole said the Chinese he saw ran factories efficiently and frugally with "very simple, small programs. The Chinese have a very interesting way of adapting; they are much better at it than we are.

"I wouldn't be surprised if some Chinese company didn't buy that (Shreveport) plant and then started pumping out toasters or something like that," he said. "We have to wait and see what's going to happen on down the line."

John Pike, founder of Web-based defense and security think-tank Global Security.org, agreed the sale of Hummer and GM's closure or sale of its Shreveport and other facilities shouldn't have a significant impact on national defense manufacturing "since military production is such a small fraction of overall vehicle production and since, even after all these closures, the United States will still have a fairly robust automotive industry by world standards."

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## **BLOG/ONLINE COVERAGE**

### **Upstart Auto Company Lures Designer with Big-Time Resume – *Car Tech Blog* – 6/26/09**

LOS ANGELES -- If you had led the design team for the iconic roadster of the last quarter-century, that would be a calling card for quite a while.

But Tom Matano, recently announced as the lead stylist for newly formed venture V-Vehicle Co. of San Diego, has several other resume-toppers to his name besides the original Mazda Miata.

V-Vehicle, a new auto company backed by Texas billionaire investor T. Boone Pickens, last week announced plans to build an "environmentally friendly" car in a former General Motors plant in Monroe, La.

The company withheld details about the vehicle. But news reports quoted Matano as saying, "This car will be another icon of American industry."

Although the company's announcement said the Louisiana plant would be running in 18 months, a time frame of 20 to 22 months is more likely, a source said.

The plant is scheduled to employ about 1,400 people. A source said the supply chain will be almost entirely subcontracted.

V-Vehicle, formed in 2006, has "just under 100 employees," said spokesman Joe Fisher. Its founder and CEO is Frank Varasano, a former executive vice president with Oracle Corp. who spent 26 years at the Booz Allen Hamilton consulting firm.

Private sector investors also include the Silicon Valley venture capital firm Kleiner Perkins Caulfield & Byers and James Davison, of Ruston, La. Davison is the owner of the plant, most recently operated by auto lighting supplier Guide Corp. before its demise.

Matano is a part-time employee of V-Vehicle. He will keep his current job as director of industrial design at the Academy of Art College in San Francisco.

Matano followed the Miata, penned with Mark Jordan, with the 1993 edition of the RX-7, the last of the Japanese sports cars to be approved as Tokyo's bubble economy burst. Matano's 19-year career at Mazda also included work on the late-1990s Protege and 626 sedans.

Matano made sure his design team worked extra-hard on the rear fascia of a car. His rationale: While the front makes a first impression, it is the rear of other cars that most people spend their time staring at in traffic.

Before Mazda, Matano worked for GM's Holden division and for BMW, where he was part of the team that created the E36-generation 3-series sedan.

From 1998 to 2002, while leading Mazda's U.S. design arm, Matano was acting head of design for Mazda globally. During that time, Mazda's designers created the Mazda6, RX-8 and Demio hatchback.

When Moray Callum was named head of Mazda's global design, Matano became director of industrial design at the Academy of Art College in San Francisco.

Matano, 61, enjoys lively, wry, debate about design. When told by a reporter that the styling of the 1998 Mazda 626 looked like a Japanese Checker Cab, Matano quickly grabbed a pen and paper and drew a cartoonish taxi for comparison.

He also does not play favorites. He will poke barbs at his own company's designs as well as those of the competition. Matano collects rolling sculpture; he was known to show up at Miata club events in his prized 1967 DeTomaso Vallelunga.

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### **Congress, Think Small: We Don't Need a National Supergrid, We Need Microgrids – *AlterNet* – 6/25/09**

By Kurt Yeager

The agenda for Congress summer session is aggressive overloaded with health care, energy and spending legislation. The House of Representatives has promised it will pass both health care and energy bills this summer, putting California Congressman Henry Waxman in a bind. He plays a critical role in both debates, but time is short to develop the comprehensive energy bill necessary to accomplish myriad goals.

The House version of the American Clean Energy and Security Act is burdened with language that suggests the national backbone electricity transmission grid network, made popular thanks to Al Gore's and T. Boone Pickens robust publicity campaigns, is the tool that will deliver clean energy jobs, reduce global warming and establish energy independence for the U.S.

In reality, a backbone grid smart, dumb or otherwise will do little to address the troubles facing our ailing energy system. National grid advocates suggest that new transmission projects are the only way to move renewable energy like wind from the Great Plains and solar power from the sunny Southwest to locales with less access to renewable sources. But as electricity travels long distances, the system inherently becomes less efficient. The existing grid, which will serve as the foundation for a backbone grid, currently operates in the red: More than two-thirds of energy is lost before it ever reaches the customer.

Rather than fast-track legislation that is built on buzz and does little to improve energy efficiency or reliability, Congressman Waxman would be well-served to take a step back and consider some smaller

ideas. He only has to look as far as his own backyard for examples of the innovation necessary to transform the energy system.

California utility companies, including Southern California Edison, San Diego Gas & Electric and the Sacramento Municipal Utility District, recently told the California Energy Commission that contrary to popular belief, smart meters are just part of California's smart grid projects. These major utilities are building smart microgrids, local distribution systems that work in concert with the larger bulk power grid, but are smart enough to rely on their own power sources during blackouts or when local power is more affordable. These community-scale (or smaller) systems generate power closer to the end-user and thus reduce waste. At the same time, these systems are built on smart technologies that allow communities to integrate renewable sources of energy that make sense for each location. This means solar in sunny areas and wind in windy areas, as well as energy storage systems that help every microgrid maintain affordability and reliability.

Waxman's counterparts in the Senate are taking a little more time to consider their version of the clean energy act. Some have wisely given more thought to the role of local distribution in creating an electricity system that will reduce greenhouse gas emissions, protect the environment and give energy consumers what they need: a reliable, affordable, efficient power supply. For example, Senator Debbie Stabenow of Michigan has expressed support for a Distributed Generation Carve-Out that would require utilities to include small-scale renewable resources such as solar in their energy portfolios an approach necessary for the U.S. to truly establish energy independence.

I expect that if Congressman Waxman and his colleagues take the time to consider a local approach to electricity distribution, they will find the means necessary to accomplish the Administration's lofty climate change and energy goals. The microgrid alternative to grid renewal will effectively rebuild our obsolete power system from the bottom up, investing in infrastructure projects that will maximize the benefit to consumers instead of bankrolling a broken system.

With Congressmen Waxman and Ed Markey's leadership, the House should slow down and legislate an energy plan that transforms the system. We need legislation that incentivizes innovation and entrepreneurship in ways that can create new clean energy jobs, protect the environment and provide American homes and businesses with reliable, clean energy. By paving the way for development of smart, green microgrids, we will succeed in building more than a smart grid; we will build a stronger economy and a healthier environment.

Kurt Yeager is the executive director of the Galvin Electricity Initiative and the co-author of *Perfect Power: How the Microgrid Revolution Will Unleash Cleaner, Greener, and More Abundant Energy*. He lives in Palo Alto.

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