

T. Boone Pickens Media Coverage 9.11.09

Total of 15 Placements

- Print: 3
- Blog/Online: 10
- Broadcast: 2

Coverage Summary:

A *WSJ Blog* looks at the testimony of top Treasury economist Alan Krueger, who argued that U.S. laws promote over-investment in oil and gas. The blog highlights energy security as an argument in favor of increased U.S. production of oil and gas, although Krueger said removing tax breaks will barely affect domestic production. Pickens, Nancy Pelosi and Harry Reid are listed as supporters of natural gas, which is seen as a key part of the transition to a clean-energy economy and a boost to energy security. The piece also says that it's hard to see how the cap-and-trade plan would wean the U.S. off oil. A *Dow Jones* piece on the testimony is also included below.

Several outlets, including Reuters, posted yesterday's press release on the oil import numbers. The U.S. spent more than \$25 billion on imported oil in August, more than any other month this year. The *Dallas Environmental Policy Examiner* also reported on the numbers.

A letter to the editor on *TCPalm.com* also calls out the amount of oil the U.S. is importing, mentioning Pickens' prediction that oil will cost about \$300 per barrel in the next 10 years. The piece calls for the need to adopt a reasonable energy policy as well as allowing drilling to take place in Alaska and off the Florida coast

Highlighted Placements (Full Articles Below)

- **Team Obama: U.S. Invests Too Much in Oil and Gas** – *WSJ Blog* – 9/11/09
- **Obama Administration: US Has Overinvested In Oil, Gas** – *Dow Jones* – 9/10/09
- **U.S. Spent Over \$25 Billion on Imported Oil in August** – *BusinessWire* – 9/10/09
 - *Reuters*
 - *MarketWatch*
 - *Ad-Hoc-News*
 - *Earthtimes*
 - *iStockAnalyst*
- **Pickens: Oil Accounts for 65 Percent of the U.S Trade Deficit** – *Dallas Environmental Policy Examiner* – 9/10/09
- **Letter: Numbers Demand a New Program, Including Drilling** – *TCPalm.com* – 9/11/09

Print Placements (Full Articles Below)

- **How Wishful Thinkers Are Forced To Reconnect With Energy Reality** – *Investor's Business Daily* – 9/11/09
- **County and School District Must Align Carts and Horses** – *Idaho Mountain Express* – 9/11/09

Blog/Online Placements (Full Articles Below)

- **Diesel: Could an Old Fuel Become the New 'Hybrid-Killer'?** – *Mother Nature Network* – 9/11/09

HIGHLIGHTED COVERAGE

Team Obama: U.S. Invests Too Much in Oil and Gas – *WSJ Blog* – 9/11/09

By Keith Johnson

For months, the experts at the International Energy Agency in Paris have been warning that the financial crisis and cheapish oil were leading to too little investment in oil production. For the Obama administration, the problem is just the opposite: U.S. laws promote “over-investment” in oil and gas.

The top Treasury economist, Alan Krueger, made the case for the Obama administration’s plans to cut oil-industry tax breaks before a Senate panel yesterday, as noted by our own Siobhan Hughes.

His argument for repealing about \$30 billion in tax breaks was two-fold: Current U.S. tax law distorts the economy by directing too much capital into the oil and gas business. And that’s bad, because what the Obama administration is trying to do is promote clean energy, not more fossil fuels. First, the textbook argument:

[T]ax subsidies that are not designed to correct an existing distortion or market failure lead to an over allocation of resources to the tax favored industries and an under allocation of resources to other industries. These distortions in resource allocation result in inefficiency and generally reduced economic growth.

Okay, but what about energy security? That’s the main argument in favor of increased U.S. production of oil and gas. On the anniversary of the Sept. 11 attacks, energy security and dependence on foreign oil are still relevant, especially as oil imports keep swelling the trade deficit.

Not to worry, says Mr. Krueger: Removing all the tax breaks will barely affect domestic production—“we estimate that the decrease in domestic production due to these proposals will be less than one half of one percent, even in the long run.” The oil industry, based on experience from the late 1970s, might beg to differ.

And energy security, inasmuch as it exists at all, can’t be reached just by drilling more oil and gas wells, he said. Rather, energy security comes when energy gets more expensive:

[C]urrent tax subsidies that encourage domestic production are very unlikely to affect the domestic price of oil and do not significantly promote our energy security. Policies that reduce our dependence on oil, such as a cap-and-trade system or investing in clean technologies, are a more effective way to reduce our vulnerability to an oil price shock and promote energy security.

There are a couple of odd things about this line of thinking. First, natural gas is a fossil fuel that is increasingly seen as a key part of the transition to a clean-energy economy, embraced by everybody from T. Boone Pickens to Nancy Pelosi and Harry Reid. In that sense, more domestic gas production would seem to boost U.S. energy security.

At the same time, it’s hard to see exactly how the cap-and-trade plan would do very much to wean the U.S. off oil. It would raise gasoline prices slightly, but far less than the market did last summer. Most of the plan’s provisions are aimed at the electricity sector, not transportation.

The one way that clean-energy technologies could help wean the U.S. off oil is through a massive deployment of electric cars, but by most accounts, it will take decades for electric vehicles to steal a meaningful share of the U.S. vehicle market.

This whole debate just serves to highlight one big truth: The three pillars of Western energy policy—energy security, a cleaner environment, and proper markets—are devilishly hard to get at the same time.

Obama Administration: US Has Overinvested In Oil, Gas – Dow Jones – 9/10/09

By Siobhan Hughes

WASHINGTON -(Dow Jones)- The Obama administration opened a new front in its effort to impose \$31.5 billion in taxes on oil and gas companies, saying that the nation puts too much emphasis on oil and gas at the expense of other industries.

The chief economist in the Obama administration's Treasury Department testified before a Senate panel that current subsidies "lead to overinvestment" in the oil and gas industry. That went beyond previous statements about the need to protect taxpayers and was the clearest signal yet that the federal government hopes to end its role in nurturing domestic oil and gas production.

"To the extent that current subsidies for the oil and gas industry encourage the overproduction of oil and natural gas, they divert resources from other, potentially more efficient investments, and they are inconsistent with the Obama administration's goals to reduce greenhouse-gas emissions and build a new, clean energy economy," Alan Krueger, the Treasury's chief economist, told the panel.

"That's absurd," said Devon Energy Corp. (DVN) Chief Executive Larry Nichols, the chairman of the American Petroleum Institute, before the panel. "At a time when respected energy studies agree on the need to increase all sources of domestic energy, it makes absolutely no sense to discourage production of our leading sources, oil and natural gas."

For years, Republicans encouraged oil as part of an "all of the above" strategy intended to reduce reliance on imports, especially from unstable parts of the world. But the Obama administration is trying to shift the debate amid a focus on global warming. Oil is viewed by the Obama administration as part of the problem because transportation accounts for more than a quarter of U.S. greenhouse gas emissions.

The new rhetoric isn't sitting well with Congress. Sen. Orrin Hatch, R-Utah, warned that the U.S. would be "at a tremendous disadvantage" if the country turned its back on oil, gas and coal. Jeff Bingaman, D-N.M., a moderate voice in the Democratic party, cited "concerns" about some of the proposals, urging sensitivity to regional interests. Sen. Jim Bunning, R-Ky., used stronger language.

"We are 62% imported from not very friendly countries right now on oil," Bunning said. Krueger replied: "That's correct. The best way for us to reduce" - but Bunning cut him off. "Is to become less independent - is that what you're saying?" Bunning said.

The Obama administration also may run into inconsistencies as it shapes its own energy program. By taking away tax incentives for gas production, the U.S. would be discouraging a cleaner-burning fossil fuel that is seen by some environmentalists as central to transitioning away from coal.

"This counterproductive approach is also at odds with the administration's own carbon reduction policy because it would discourage the production of natural gas, our cleanest fossil fuel," said Nichols.

U.S. Spent Over \$25 Billion on Imported Oil in August – BusinessWire – 9/10/09

Transfer of Wealth Reaches Highest Point Yet For 2009 As Oil Pushes Trade Deficit Higher

DALLAS--(BUSINESS WIRE)--In his ninth consecutive monthly update on the level of foreign oil imports-- on the same day the U.S. Department of Commerce announced the biggest increase to the trade deficit in 10 years, largely due to surging purchases of oil-- energy expert T. Boone Pickens said the U.S. spent more money importing oil in August than any previous month in 2009.

Pickens said that based on the latest figures from the U.S. Department of Energy's Energy Information Administration (EIA), the U.S. imported 60 percent of its oil, or 355 million barrels in August 2009, sending approximately \$25 billion, or \$564,201 per minute, overseas to foreign governments.

"As OPEC holds steady on its goal of sustaining \$75 oil, the U.S. sent over \$25 billion overseas to pay for it in August—more than any other month in 2009, so far," said Pickens. "It's a threat to our national security, and it's not helping our economy recover. Oil accounts for over 65 percent of the U.S. trade deficit, which just had its biggest percentage increase in a decade. With unemployment up and hovering near double digits, there is no more important time to harness our natural resources, like natural gas, to replace foreign oil at the pump and keep jobs and dollars on American soil."

The NAT GAS Act of 2009, H.R. 1835, was introduced in the House of Representatives on April 1 and has 83 bipartisan cosponsors. The Senate version of this bill, S. 1408, was introduced on July 8 by Senate Majority Leader Harry Reid and Senators Robert Menendez (D-NJ) and Orrin Hatch (R-UT).

Pickens continued, "It's back to business in Washington-- call your leaders today and tell them you want true energy reform now."

Since January 2009, the U.S. has imported more than 2.9 billion barrels of oil. A study released in June by the Potential Gas Committee, a group of academics and industry specialists supported by the Colorado School of Mines, estimates that we have more than 2,000 trillion cubic feet of natural gas reserves, the only available source that could immediately replace foreign oil as a transportation fuel.

About the Pickens Plan

Unveiled on July 8, 2008 by T. Boone Pickens, the Pickens Plan is a detailed solution for ending the United States' growing dependence on foreign oil. Last year, when oil prices reached \$140/barrel, America was spending about \$700 billion for foreign oil, equaling the greatest transfer of wealth in human history. That figure has decreased some while oil prices have retreated, but the U.S. is still dependent on foreign nations for nearly 70 percent of its oil, representing a continuing national security and national economic threat. The plan calls for expanding the use of domestic renewable resources, such as wind and solar, in power generation and using our abundant supplies of natural gas as a transportation fuel, replacing more than one-third of our imported oil.

More than 1.6 million people have joined the Pickens Army through the website www.pickensplan.com, which has had over 17 million hits. For more information on the Pickens Plan please visit our website www.pickensplan.com.

Pickens: Oil Accounts for 65 Percent of the U.S Trade Deficit – Dallas Environmental Policy Examiner
– 9/10/09

By Caroline Calais

In these days of intense health care debate, environment and energy-security may be the last thing on your mind. It shouldn't. According to energy executive T. Boone Pickens the U.S spent more money on importing oil in August than any other month in 2009.

"It's a threat to our national security, and it is not helping our economy recover", said Mr. Pickens. "Oil accounts for over 65 percent of the U.S trade deficit, which just had its biggest percentage increase in a decade".

Pickens said that based on the latest figures from the U.S Department of Energy's Information Administration (EIA), the U.S imported 60 percent of its oil in August, sending approximately \$25 billion overseas.

The statement came the same day the U.S Bureau of Economic Analysis, through the Department of Commerce, announced a July trade deficit of \$32 billion, up from \$27.5 billion in June.

The Pickens Plan, launched in July of 2008, calls for expanding the use of domestic renewable resources such as wind and solar in power generation, and for using U.S abundant supply of natural gas as transportation fuel.

Letter: Numbers Demand a New Program, Including Drilling – TCPalm.com – 9/11/09

The United States consumes about 20.7 million barrels of oil each day. Our oil fields produce only 8.7 million barrels per day. This means we import about 4,380 million barrels per year.

Oil baron T. Boone Pickens recently predicted oil will cost about \$300 per barrel in 10 years due to increased world consumption and reduced production. In other words, we will be exporting \$1.3 trillion each year to nations of questionable character. (More than \$4,000 per U.S. citizen.)

Yet our government surrenders to the pressures of environmentalists and prevents drilling in Alaska and off the Florida coast. Maybe officials will change their positions when the voters realize that gasoline produced with natural gas will cost about \$4 per gallon and about \$7 per gallon using wind.

This country must change its position on oil drilling and also adopt a reasonable energy program.

Carlton Miller, Wabasso

PRINT COVERAGE

How Wishful Thinkers Are Forced To Reconnect With Energy Reality – *Investor's Business Daily* – 9/11/09

By Peter C. Glover and Michael Economides

You couldn't make it up even if you tried:

One day Energy Secretary Ed Milliband sets out his proposed expansion of the U.K.'s wind power-led alternative energy revolution; the next day, Vestas, the U.K.'s largest wind turbine manufacturer, shuts down a big part of its British operations citing "low demand" and public opposition to onshore wind farms.

Just bad luck or bad PR? Not quite. Simply another blatant example of the ongoing "disconnect" over energy between those suffering from WTS (Wishful Thinker Syndrome) and the hydrocarbon-fueled present and future energy realities.

In 2006, Germany's Angela Merkel was hailed as the "Green Chancellor" for promising to rid her country of coal and nuclear power in its bid to give a clean energy "world lead." Three years on and Merkel's government actively supports the construction of a new generation of 26 coal-fired power plants as well as keeping Germany's nuclear power stations open.

In addition she wants special protection for German heavy industry via free cap-and-trade permits. A powerful German industry, the need to remain competitive and a desire to work with the lights on all combined to help Ms. Merkel "reconnect."

In 2008, Italy, to everyone's surprise, reversed its decades-long "no nuclear power stations" policy in the interest of its power needs. And Italy's Prime Minister, Silvio Berlusconi, along with leaders from Austria, Poland and a rolling bandwagon of other countries, also now demands protection for its heavy industry when it comes time to handing out free cap-and-trade permits.

Across in the U.K., the government has been wriggling out of its "clean energy" commitments for years as the country inches toward building an urgently needed new generation of coal-fired power plants.

To help critics swallow the bitter pill of yet more coal usage, the U.K. government is subsidizing "clean coal" technology strategies via CCS (carbon capture sequestration).

But adding \$1 billion to the cost of each plant for a hugely speculative unproven technology has already created a politically paralyzing impasse in the U.K. energy strategy.

The specter of the U.K. facing "South African-style power cuts" and being plunged into "Third World darkness" now looms. Hence the U.K.'s grand wind power plan.

Unfortunately, last December, the British Wind Energy Association was forced to scale down its calculation of harmful CO₂ emissions "displaced" from 860 to 430 grams for every kilowatt hour of electricity produced.

In fact, with fewer than 2,400 wind turbines in operation across Britain currently, the U.K. would still require a further 100,000 to meet its targets. Plenty of scope for massive wind turbine growth, we might think. So why the Vestas pullout?

Not that Eurocrats are easily deflated by wind power facts on the ground. Speaking at a key European wind power conference in March 2009, EU Energy Commissioner Andris Piebalgs claimed:

"Wind energy can replace a large proportion of the polluting and finite fuels we currently rely on. It makes good sense to invest in indigenous sources of power, which hedge against unpredictable fossil fuel prices and in which Europe has a real competitive advantage."

He added: "Wind energy is Europe's contribution to peace, progress and prosperity."

Mr. Piebalgs' claims entirely epitomize the energy disconnect. As University of Toronto law professor Michael J. Trebilcock has shown, wind power is a complete disaster with the much-vaunted "Danish green energy miracle" turning out to be a well-worn myth in an industry that would blow out tomorrow without ongoing and massive public subsidy.

And all this is for an energy source that will, in the next few decades, provide only a tiny amount of the world's power.

"Capitalism and consumerism have brought the world to the brink of economic and environmental collapse," the U.K.'s Prince of Wales ruminates, adding that "the age of convenience is over." As international columnist Mark Steyn comments, "The Prince then got in his limo and was driven to his other palace."

Today, the Obama White House is recycling all the same European political energy rhetoric so familiar to Europeans. Yet, the U.S. has its own instructive case study.

One day billionaire T. Boone Pickens has a Grand Wind Plan for Texas, with further plans to forest the nation with turbines "from Canada to Mexico." The next, T. Boone drops his wind plan in favor of ... a hydrocarbon (natural gas) solution instead.

As we have seen, however, national leaders will ultimately refuse to impoverish their industries even to "save the planet." The still-"disconnected" flower-power generation and its idealistic offspring would do well to grasp that the energy future is not green. It is hydrocarbon, and will continue to be for another century at least.

Perhaps it's just that we have yet to learn a language they'll understand? Maybe we should run the energy stats past them one more time, make a peace V-sign and (gently) ask: "Reconnected yet, man?"

Economides is editor-in-chief and Glover is Europe associate editor of the Energy Tribune.

County and School District Must Align Carts and Horses – *Idaho Mountain Express* – 9/11/09

Carts are pesky things—especially in politics. While people are looking one way, carts can suddenly slip in front of the horse. Happens all the time.

Recent local examples include consideration of wind turbines and a \$60 million school facilities bond issue.

The Blaine County Commission is close to wrapping up consideration of zoning ordinance amendments to allow installation of wind turbines mounted on 40-foot-high towers in residential areas.

Consideration began last spring when the commissioners heard a presentation about the benefits of wind power for individual residences from a company that makes the equipment.

Commissioners were enthusiastic. Generating power from wind is a good idea. Even legendary oilman T. Boone Pickens has tried to push the nation into backing wind-generation on a huge scale in the Midwest. Montana is also trying to figure out if it can harness the constant winds in the eastern part of the state.

But there's one hook. Wind turbines need steady breezes at a minimum of 10-12 mph. This is not the case everywhere in the county. While it seems logical that no one would install a turbine anywhere the wind doesn't blow, it's not a given.

The commissioners need to put the horse back in front of the cart, determine where winds are adequate and construct a wind-power zoning overlay in those areas.

The Blaine County School District board of trustees needs to realign its cart as well. This week, it approved putting a nearly \$60 million bond issue on the fall ballot for voter approval. Yet, it hasn't yet adequately established a critical need for the money in the public's mind.

The bond would not increase taxes because the district will soon retire a \$62 million bond that was used to build new schools and rehab old ones. Still, voters must hear better reasons than that to justify a multi-million-dollar bond.

The school board says \$10.1 million is needed for new classroom technology, \$2.2 million for safety and security equipment, and \$47 million for a new elementary school, eight new middle school classrooms, a new maintenance and food storage facility, retrofits and energy conservation improvements at all schools. All of that is called for in the district's master plan.

It's an impressively long list.

Before voters can cast intelligent votes, they must be convinced why the list is essential for education when we are in the grip of the greatest recession since the Great Depression.

Blaine County residents aren't stingy, but the recession has made "thrifty" the new watchword in all financial matters.

BLOG/ONLINE COVERAGE

Diesel: Could an Old Fuel Become the New 'Hybrid-Killer'? – *Mother Nature Network* – 9/11/09

By Eric Mack

You wouldn't know it from looking at them, or at their sales numbers in recent years, but hybrids have reason to be worried. There's a technology out there today that some are calling the new "hybrid-killer" – six little letters that have become the greenest thing on four wheels in the last year, and it's nothing new; in fact, it's pretty darn old - diesel.

You may not have heard, but it was a diesel that won the Super Bowl of efficient auto technology this past fall when the Volkswagen Jetta TDI was named "Green Car of the Year," beating the popular Ford Fusion and Saturn Vue hybrids. The Jetta TDI certainly seems to be going where few diesels have gone in recent years – toward success on American soil. As the Green Car Journal editors put it:

"The 2009 Jetta TDI breaks new ground in the field of clean diesels, achieving emissions certification in all 50 states without the use of special additives or extraordinary measures.... It also achieves estimated highway fuel economy of 41 mpg with greatly reduced greenhouse gas emissions."

That's a pretty strong endorsement of a fuel once almost entirely written off in our hemisphere. To understand the turnaround, here's a quick look at Big D's history, and some of the other burgeoning "green car" technologies giving the "new diesel" a run for its money:

Diesel: Old-school green

Biodiesel fans love to point out that Rudolf Diesel originally ran his internal combustion engine on peanut oil back in 1898. And, at first, Americans warmed up to the powerful fuel, with mechanic Clessie Cummins building diesel up to become the standard for big rigs and fleet vehicles.

In 1936, the first diesel passenger vehicle was built by Mercedes Benz. The engine never really took off in American consumer cars until the OPEC oil embargo in 1973, and ensuing lines and shortages led General Motors to take a more serious look at diesel as an "alternative" fuel. Unfortunately, a design flaw in GM's Oldsmobile diesel V8 engines and a few other models led to a class action lawsuit and turned diesel's name in the United States to mud virtually overnight.

Meanwhile, in Europe, diesel maintained a decent reputation. When gas prices there were double what we paid in the United States during the 1990s, European officials created tax breaks to encourage diesel ownership, and technological improvements essentially eliminated the pollution and performance issues with the fuel.

Diesel manufacturers have long had designs on the American consumer market, but when Hurricane Katrina slammed into the Gulf Coast in 2005, shutting down refineries and oil production there, the cost of stateside diesel skyrocketed, and the focus of green-conscious drivers seemed to be firmly planted on hybrids.

But with the crash of gas and diesel prices, and all the apparent advantages of biodiesel over ethanol, it makes sense that a car like the Jetta TDI is suddenly at the forefront. Even with new, tougher emissions standards for diesels coming in 2010, many major manufacturers are working on consumer diesels.

Hybrids hit back

Less than six months after the hybrid snubbing at the Green Car Awards, the 2010 Prius ups the ante with 50 miles per gallon for the same sticker price as the Jetta TDI. In Europe, many models are already achieving upwards of 70 mpg, and now that gas prices are inching up again, it's likely that the hybrid's real heyday is yet to come. And of course, hybrids offer something that pure diesels can't – the possibility of having the best of both worlds. Just imagine running on renewable biodiesel and reaching 50-plus mpg in your new diesel hybrid.

Not just a two-horse race: CNG, electrics and more

When it comes to green fuels, it can be argued that ethanol won the race a long time ago, with a percentage of each gallon of unleaded now coming from corn. But, for those Flex-Fuel vehicles that can burn E-85 (85 percent ethanol, 15 percent petrol), the jury is still out, with many scientists finding it takes more energy to make a gallon of the stuff than you'll get out in performance.

Biodiesel's fortunes have been looking up, and its fate is inextricably linked with mass acceptance of vehicles like the Jetta TDI.

And what about oil tycoon T. Boone Pickens' plan to run all our cars of good ol' American naturalgas? It has been tried in the past with limited success, due largely to bad timing: As CNG stations popped up in the '90s, gas prices soon crashed. Enough of a public relations and subsidies push could change its fortunes, but that doesn't seem to be on the horizon, not to mention that it's not sustainable.

BROADCAST COVERAGE

1. Fox Business

Fox Business Network (---) National

09/10/2009

11:00 AM - 12:00 PM

DMA: N/A

[CC] 00:09:19 Quickly, natural gas in the basement. Where do you see it going later this year? I see natural gas \$5.36 next year. That compares to \$3 and something on the books right now for near term. I think you'll begin to see it come back. You cannot take this much drilling out. Drilling rigs, gas rigs are down roughly two-thirds. You can't take that much drilling out, because drilling equates to supply, which equates to production. I think that natural gas will have a nice comeback, but it will be 2010, maybe 2011, before you start seeing \$5 and \$6 and \$7 prices... We can no longer rely on oil. We are going to run out of oil. We are ultimately going to run out of natural gas. Washington has already embraced the idea of natural gas as an environmentally friendly fuel. It's been labeled as "not a fossil fuel." That's their trigger saying that natural gas will become part of the energy policy. **Boone Pickens** hopes so. Yes, he does. Guys, thank you so much for joining me here. 00:10:53

2. Trading Day

Business News Network (---) National Canada

09/10/2009

01:30 PM - 02:00 PM

[CC] 00:25:17 Let's head right back down to the NASDAQ where Haag Sherman has been standing by patiently. He's the chief investment officer at Salient Partners. You were just about to tell us about one of the companies you expect could be a takeover candidate, that's E.O.G. Haag Sherman says, "Well, E.O.G. is differentiated from Forest. It doesn't have much leverage. They have an investment-grade rating and they have great cash flow. They're trading at about seven times cash flow. So, again, you have a company that's cheap without a large shareholder controlling the company...The second one is Forest. If you look at Forest, they have much more leverage on their balance sheet, they're much more tilted towards natural gas, so their borrowing base will be redetermined, they will probably have to raise equity capital to reduce their leverage. So, again, they have a nice portfolio of properties. **Boone Pickens** was buying in August between \$14 and \$21, so you're starting to see smart money going into Forest. Again, this stock is well off its highs and highly leveraged. It's a nice leverage play where someone with a nice war chest could acquire this company and integrate their portfolio of properties."... 00:27:34