



T. Boone Pickens Media Coverage 9.19.09-9.21.09

Total of 26 Placements

- Print: 10
- Blog/Online: 3
- Broadcast: 13

Coverage Summary:

The Albuquerque Journal published an op-ed Sunday by Pickens and H.R. 1835 co-sponsor Harry Teague. The piece discusses America's dependence on foreign oil and the role natural gas can play in reducing this dependence. Details of H.R. 1835 are outlined in the piece, highlighting tax incentives to open NGV fueling stations and to convert trucks and fleet vehicles to run on natural gas.

Several pieces appeared from Pickens' speech at Indiana University on Friday. *WRTV* reported on the need to fix America's growing energy crisis. The reporter did ask Pickens about wind turbine syndrome, which Pickens had not heard of before. There is little evidence from credible third-parties on this condition. A link to the video is below.

The *Herald Times* article highlights the key components of the Pickens Plan, along with Pickens' push for people to support energy legislation moving through Congress. Video from Pickens' press conference can be found on the *Herald Times* website. A link to this is below.

Several other outlets, including TV stations in Massachusetts, Texas and South Dakota, also covered Pickens' speech.

Highlighted Placements (Full Articles Below)

- **Natural Gas Could Cut Oil Dependence** – *Albuquerque Journal* – 9/20/09
- **Oil Billionaire Touts Energy Alternatives** – *WRTV* – 9/18/09
<http://www.theindychannel.com/news/20987707/detail.html>
- **Pickens Urges IU Students to Support his Energy Plan** – *Herald Times* – 9/19/09
 - *Times-Mail*
<http://www.heraldtimesonline.com/stories/2009/09/19/news.qp-7532982.sto>
- **Pickens Presents Plans to Protect National Security** – *Indiana Daily Student* – 9/20/09

Print Placements (Full Articles Below)

- **We Shouldn't Fall Behind in Energy** – *Bismarck Tribune* – 9/21/09
- **Wind Power Just Beginning to Pick up Speed** – *Arizona Daily Sun* – 9/20/09
- **US Stands Idle in Energy Race** – *Middle Tennessee State University Sidelines* – 9/20/09
- **Silicon Valley says Detroit Must Start Over to Survive** – *Reuters* – 9/19/09
 - *Automotive News*
- **Happy Hill Academy Opens Training Center** – *Dallas Business Journal* – 9/18/09
 - *Triangle Business Journal*

Blog/Online Placements (Full Articles Below)

- **Cash Is King in Renewable Energy Development** – *Seeking Alpha* - 9/21/09

HIGHLIGHTED COVERAGE

Natural Gas Could Cut Oil Dependence – *Albuquerque Journal* – 9/20/09

By Rep. Harry Teague and T. Boone Pickens

As two life-long oil-and-gas men, who have also taken leadership roles in promoting energy independence through a focus on alternative fuels, we have something to say: America is importing too much oil.

Dependency on foreign oil is expensive, and it is dangerous. In July alone, we spent \$24 billion on 347 million barrels of imported oil. That's about two-thirds of the oil we needed to power our economy, meaning we as a nation are negotiating with dictators for our economic strength and national security.

So what's the solution? Well, we are developing our wind capacity in the Great Plains and our solar capacity in the Southwest. Those renewable sources can provide more than 20 percent of our electricity requirements, but 70 percent of the oil we use is as a transportation fuel. The oil is refined into gasoline to power our 250 million cars and light trucks, or diesel to power our 6.5 million over-the-road trucks. So unless we see major advances in battery technology, wind and solar are not helping you drive to work in the morning.

The only domestic resource available today to substitute for imported oil is domestic natural gas. The solution is clean, plentiful American natural gas.

We have an abundance of natural gas in the continental United States. One recent study indicated we have 2,000 trillion cubic feet (Tcf) in natural gas reserves; enough for about 118 years. Put another way, we have more energy in our natural gas reserves than all the energy stored in all the oil in Saudi Arabia.

Natural gas is a proven technology. Over 10 million cars and trucks around the world are natural gas vehicles. Of those, unfortunately, only about 130,000 are in the United States.

We must provide incentives to jump start the NGV industry in America. A bill currently moving through the U.S. House and Senate will do just that. H.R. 1835 — the NAT GAS Act — provides tax incentives for owners of trucks and other fleets to begin moving their vehicles from imported gasoline and diesel to domestic natural gas and to open NGV fueling stations.

Another target of the NAT GAS Act are municipal, county and state vehicles; utility and express delivery trucks; municipal buses, and refuse and recycling trucks. All of these go back to the "barn" every night so they can easily, cheaply and efficiently be refueled at those central locations.

In addition to reducing our dependence on foreign oil, H.R. 1835 also will improve our environment. Natural gas burns much cleaner than either gasoline or diesel and produces virtually no particulate emissions. Anyone who has waited at the curb with their child for a diesel-burning school bus knows what we are talking about.

New Mexico in particular has an abundance of natural gas. It is an off-the-shelf technology which can, within a matter of months — not decades — begin to reduce our dependence on foreign oil. It is cleaner than gasoline or diesel. It is cheaper than imported oil. And it will keep precious American dollars in America rather than going to places like Venezuela, Saudi Arabia or Angola — three major suppliers of oil.

H.R. 1835 has 84 bi-partisan co-sponsors. That is an indication of how important the members of Congress think the problem of our dependence on imported is, and how vital this legislation is in helping to solve it. We hope the House leadership will bring H.R. 1835 to the floor for a vote as soon as possible.

Rep. Harry Teague represents New Mexico's 2nd Congressional District. His Web site is www.teague.house.gov. T. Boone Pickens is the founder and chairman of BP Capital Management.

Oil Billionaire Touts Energy Alternatives – WRTV – 9/18/09

<http://www.theindychannel.com/news/20987707/detail.html>

BLOOMINGTON, Ind. -- A Texas billionaire oil tycoon who spent \$60 million promoting a plan to wean the nation off foreign oil spoke at Indiana University Friday about advances in wind power and natural gas.

T. Boone Pickens, 81, has written a book, made numerous media appearances and gone on tour to support his plan, 6News' Jennifer Carmack reported.

"It's not my problem. I can make it to the finish line ... and my standard of living's not going to change, but for you and the generations to come, you better get it fixed," Pickens said.

Pickens envisions his plan as a grassroots effort that touts wind energy and natural gas as the solutions to the nation's growing energy crisis.

"It has nothing to do with politics, but we are going to get legislation in this country that is going to fix the energy problem that we're facing," Pickens said.

Several new wind farms have been built in Indiana within the last two years, with the largest operation in Benton County, but there is some controversy about those farms.

A recent study found that people who live near turbines suffer from something called wind turbine syndrome, with symptoms of headaches, heart problems and panic attacks, apparently caused by low frequency sound and vibration that leads to an inner-ear imbalance.

"I've never seen one of those studies," Pickens said. "I don't know anything about headaches. I'm not going to spend any time on this, because there's no vibration that I know of. I've been around them."

More Info: [Pickens Plan Web Site](#)

Pickens Urges IU Students to Support his Energy Plan – Herald Times – 9/19/09

<http://www.heraldtimesonline.com/stories/2009/09/19/news.qp-7532982.sto>

By Mike Leonard

While various experts and observers describe America's energy consumption as a complex and multi-dimensional issue, businessman T. Boone Pickens made it sound simple when he spoke to an Indiana University audience Friday.

He described the nation's dependence on foreign oil as a security issue, saying, "Over half the oil we buy comes from countries that aren't friendly to us."

The only means to drastically decrease that dependence, he said, is a quick and targeted emphasis on the use of natural gas.

And the best way to do that, the Oklahoma entrepreneur said, is to support energy legislation moving through the U.S. House and Senate, and sign on as a backer of the Pickens Plan.

Speaking to a large audience at the IU Auditorium, Pickens mixed bravado with folksy charm, explaining that even as a very wealthy man, he can only do so much on his own. "With 1.6 million people, I'm more influential," he said, citing the number of people who have gone to his Web site and supported his plan.

Pickens said his concerns about America's dependence on foreign oil go back to 1971 and President Richard Nixon's pledge to make the country independent of foreign oil by the end of that decade. Every president since Nixon has made the same pledge, Pickens said, and yet the percentage of oil imported by the United States has gone from 20 percent in the early '70s to about 70 percent today.

Part of the problem, the one-time oil tycoon said, is that domestic production peaked in the 1970s and has gone from 10 million barrels a day to 5 million. He said global production peaked in 2005, meaning that the cheap oil that lured the U.S. into heavy importation will strangle the country when diminishing supplies cause increases in prices.

Pickens said America's dependence on foreign oil not only poses a direct economic threat but one of prestige. He framed the oil importation issue as being beholden to "our enemies" and said it makes people around the world question the wisdom of U.S. leadership.

The billionaire oilman and corporate raider said he'd never voted for a Democrat in his life but had formed allies in Senate Majority Leader Harry Reid and President Barack Obama and urged the audience to support House Bill 1835 and Senate Bill 1408. Both provide incentives for gas drilling, new pipelines and wind and solar energy production.

"Anything American," he said. "Geothermal. Nuclear. I'm for anything that will get us off foreign oil." Pickens said a recent study put American reserves in natural gas at 2,000 trillion cubic feet, enough to last 118 years.

He focused especially on the diesel fuel used to power 18-wheel trucks and said 20 percent of all the oil the U.S. imports goes to fuel the trucks that move goods and services across the country. Switching those vehicles out to run on natural gas, at the end of their life spans, would have a huge effect on the country's oil deficit, Pickens said.

He said he views natural gas as a transitional energy source, however, and not a permanent solution to the country's energy needs. He said he thinks it's mostly likely that battery technology will improve to the point batteries and fuel cells will be able to address the country's transportation needs within 20-25 years.

Pickens also noted that modernizing the country's energy grid would not only help to accommodate wind and photovoltaic energy sources but make the existing grid 20 percent more efficient.

Pickens' speech was sponsored by the Kelley School of Business. IU officials named the Oklahoma State alumnus an "Honorary Hoosier Geologist" following his presentation.

Pickens Presents Plans to Protect National Security – *Indiana Daily Student* – 9/20/09

By Brian Spegele

Billionaire energy entrepreneur T. Boone Pickens told campus and community members in a speech Friday that continuing to import upward of 65 percent of the country's oil is among one of the United States' greatest national security threats.

"We're depending on oil from an enemy," Pickens said. "We're paying for both sides of the war."

Pickens said his first and foremost priority is protecting the country's national security, which came as a surprise to environmental activists attending the speech.

During the past year, his \$58 million ad campaign has largely framed the issue of energy use in terms of environmental responsibility.

However, he said in the speech that he was open to drilling in Alaska's Arctic National Wildlife Refuge region, as well as in the waters off the coast of the U.S.

A green economy is the future, he said, but solar and wind technology still needed to catch up. Instead, he described natural gas as "a bridge fuel to the future."

From the 81-year-old Pickens, the message to students was clear: "It's your problem. It's not my problem."

Pickens has lobbied lawmakers and built a support network of 1.6 million people while advocating his plan for energy reform during the past year.

He urged the students, faculty and state business leaders in attendance to get behind his plan.

"For 40 years we've had no energy plan in America," he said. "None."

During those years, he said, each president has promised to reduce dependency on foreign oil. In each case, he said, oil imports have continued to rise.

Between 1970 and today, Pickens said oil imports rose from 24 percent to more than 65 percent.

"I'm an environmentalist, but I'm realistic about it, too," he said.

PRINT COVERAGE

We Shouldn't Fall Behind in Energy – *Bismarck Tribune* – 9/21/09

By Jason Schaefer

We are on the brink of a huge transition. This summer saw the anniversary of the moon landing. Today, we have the energy race. It's a race to develop and deploy low-carbon energy technologies.

At \$6 trillion globally, energy is the mother of all markets, and it's growing.

Right now, other countries are beating us in the clean energy race. Europeans will get 20 percent of their energy from renewables by 2020. Denmark already gets 20 percent of its electricity from wind.

China has the most aggressive energy efficiency program in the world. Their vehicle fuel efficiency standards far exceed ours. The Chinese will soon lead the world in wind and solar production, and they are already building the next generation of cleaner coal gasifiers. China is investing \$12 million every hour to green their economy.

Sustainable technologies in solar, wind, electric vehicles, and other innovations will drive the future global economy. But today, only one-sixth of the world's top renewable energy technology manufacturers are based in the United States despite the fact that we invented many of these technologies.

We can either implement policies to build U.S. leadership in these new industries and jobs today, or we can continue with business as usual and buy wind turbines from Europe, batteries from Japan and coal gasifiers from China.

North Dakota with its world-class wind, biomass and carbon sequestration potential, could dominate the new energy economy.

We must act now if we want to win the clean energy race. Like T. Boone Pickens says, we can not go another 40 years without a plan.

We need comprehensive federal climate and energy legislation. The longer we wait, the further we fall behind.

(Jason Schaefer is the National Wildlife Federation's North Dakota representative.)

Wind Power Just Beginning to Pick up Speed – *Arizona Daily Sun* – 9/20/09

Our view: NAU researchers and local entrepreneurs deserve more support in mapping sites and obtaining financing.

Wind power in northern Arizona is picking up. That's not because this region has the best wind. The reason is because it has some of the best wind research going.

As Cyndy Cole reports today, NAU has become known as Arizona's "wind university." Its Sustainable Energy Solutions Group not only conducts the basic research on blade shape and bird impacts. It actually loans wind speed measuring devices to landowners and entrepreneurs and builds towers for the devices

Then it pays graduate students and others to go out and take readings or retrieve data from wind speed towers, the better to aggregate data that then goes into wind energy siting maps.

Further, to make sure the research is supporting a viable local industry, the program has constructed an economic model that shows where in Coconino County there is sufficient wind and what the payoff would be.

Those results, as Cole reports, are impressive, starting with the 590 megawatts of higher-quality wind power in the county, equivalent to a mid-sized coal-fired power plant.

For example, a mid-sized wind energy project of 60 MW, similar to one under construction near Holbrook, would have the following economic benefits:

-- 56 jobs during construction, with local earnings of \$1.6 million and overall new economic activity of \$8.4 million.

-- 16 jobs when it is operating, with annual earnings of \$610,000 and economic activity of \$1.2 million.

As NAU researchers point out, Texas and the Great Plains have more consistent winds with a higher average velocity, although they are far away from most major metropolitan areas.

The Southwest benefits from the upper atmosphere disturbances caused by higher temperatures. Those combine on the Colorado Plateau with bare ridgetop terrain to create favorable wind power conditions that can be tapped economically if no major new transmission lines are needed.

CREDIT FREEZE SLOWING GROWTH

The reason that interest in wind power has picked up generally is that advanced blade technology has brought down delivered electricity costs from large projects to between 5 and 7 cents per kilowatt-hour, which is nearing the price of coal.

Last year, there was \$16 billion worth of wind power investment in the U.S.. Of all new power-generating capacity, wind accounted for 42 percent.

Within the wind industry, generating capacity surged 50 percent last year.

But as The Economist has reported, new capacity this year will grow by just 20 percent as bank credit freezes and orders are canceled.

T. Boone Pickens, the oilman turned renewable energy entrepreneur, in July called off plans for a Texas wind farm with 687 turbines worth \$2 billion.

Still, wind power has continued to grow, albeit at a slower pace. Researchers at NAU and elsewhere are finding that larger wind power systems can deliver electricity at 40 percent lower cost than backyard turbines because of lower operational and maintenance costs due to economies of scale.

DIRECT GRANTS, NOT TAX CREDITS

What's needed now is a continued commitment by the federal government on a number of fronts in the interest of a U.S. energy industry less reliant on foreign oil and one that reduces greenhouse gas emissions.

On that score, the federal Department of Energy recently substituted \$14 million in direct grants for wind research and site mapping instead of tax credits, which aren't much good to companies not making profits against which to take credits.

Wind power developers also need more effort by the Federal Energy Regulatory Commission to coordinate state approvals of the transmission grid and other infrastructure that cross state lines.

Wind power advocates, along with the solar industry, also are urging Congress to enact a nationwide renewable energy purchase obligation by utilities, similar to ones in Arizona, California and several other states. Such a requirement was in the House clean energy bill that included the controversial cap and trade provision for emissions, and its fate in the Senate is uncertain.

MORE START-UP FUNDS NEEDED

Wind and solar developers are also looking for access to more start-up funds in their capital-intensive industries. With global credit dried up, it is time, they say, for a federal revolving loan fund dedicated to clean energy projects similar to the one that got nuclear power plants off the ground a generation ago.

NAU's program in sustainable energy solutions is especially valuable to the region because of its applied science orientation. Unfortunately, the \$100,000 grant that funded the loan of wind measuring devices has expired, although the Arizona Science Foundation board has approved four years of funding worth a total of \$8 million, pending matching grants from the private sector. Until the recession ends, however, this is a good example of how a government loan fund for clean energy in place of private capital would come in handy, especially because the NAU program is already in operation.

Wind power, because it is interruptible, will never play a dominant role in supplying industrial electricity until some type of efficient power storage is developed. But its potential to serve peak power needs throughout the West is just beginning to be realized, and it is important for NAU and Coconino County wind entrepreneurs to remain at the forefront of such an important development in alternative energy systems.

US Stands Idle in Energy Race – *Middle Tennessee State University Sidelines – 9/20/09*

By Evan Barker

Germany and China are taking our cookies.

In racing slang, “to take one’s cookies” is to beat someone in a race. If racing for pink slips, it means the winner keeps the loser’s car. It’s what happens when you show up late or unprepared.

In his column Tuesday, Thomas Friedman of the New York Times explains how other countries are seizing golden opportunities whilst the United States is busy with internal squabbles (“Have a Nice Day,” New York Times, Sept. 15). The countries with initiative are the ones who are about to take our cookies, and they’re not all friends of ours.

Friedman mentions a U.S. company that makes high-tech solar equipment. Almost all of its sales are overseas to the two biggest players in solar power: Germany and China. This is the part where dollars fly and ideologies clash.

As has been made abundantly clear by reactionaries of all kinds, Germany is a socialist country in some ways, and China is a communist country in some ways. It is generally agreed that these countries handle their respective economies in a more hands-on way. Either way, they are anathema to fans of laissez-faire or “free-market” economics. Either way, they’re winning the energy arms race.

I use quotation marks because the so-called “free market” is a fallacy. It does not exist. It has not existed in the history of the United States of America, and most other countries on the globe have already admitted the same of their own economies. Clinging to the archaic notion of the free market—as it is currently defined by orthodox laissez-faire economists—will help other countries take our cookies.

To understand why the free market isn’t free, one must take subsidies into consideration. For decades, we’ve subsidized defense contractors, aerospace, big agriculture, heavy manufacturing and most of all,

energy. Meddling in the economy is our standard operating procedure. The “free market” is as free as the proverbial free lunch; it isn’t. We, the people, through our government, pay companies to have their way on a massive scale.

The only distinction to be made is deciding in what way to meddle, and for Republicans and coal state Democrats, the answer has always been in favor of giving the energy industry a leg up. Cheap energy, if good for business, must therefore be good for everyone, right?

Well, no.

In 1992, at the end of the first Bush administration, the coal industry was subsidized to the tune of \$1.1 billion per year, according to the U.S. Department of Energy.

A recent study by the Environmental Law Institute examined energy industry subsidies for the fiscal years 2002-2008. The study found that the various forms of fossil fuels received a nauseating \$72 billion in government subsidies in that period. That amounts to more than \$10 billion per year for nonrenewable fossil fuels. Renewable energy, in contrast, received approximately \$29 billion in subsidies during the same period, or just over \$4 billion per year, half of which went to corn-based ethanol, the energy equivalent of premium snake oil. That leaves less than \$15 billion over seven years, or just over \$2 billion a year in subsidies to actual renewable energy.

How’s that for a free market?

Keep in mind that for the past several years energy companies have shattered profit records left and right. The fossil fuel industries have enjoyed a direct handout from the government for a long time, from many administrations and from all of us.

There are hidden costs as well. Taxpayers who pay for gasoline and home electricity out-of-pocket, pay for the subsidies through taxes, which are a direct loss of wealth, hitting the lower and middle classes the hardest. In the meantime, the companies that provide the energy make obscene amounts of money as the cost to consumers skyrockets.

If it were on a flow chart, it would look like this: you pay more, the government pays more, the energy companies keep more, the supplies diminish and the prices go up, circling back to the beginning, where you pay more.

Now, if we accept that our government meddles in the markets, and we should because it is obvious, than this problem has a solution. Philosophically, subsidies are an expression on behalf of the government that some things are too important to wait for the “invisible hand of the free market” to push them along. Think of the Manhattan Project or the Hoover Dam. However, they’re supposed to go away when the nascent industry reaches adulthood. It is safe to say that the fossil fuel energy industries are well grown up.

The fact is, Germany can be socialist and China can be communist, and they can both take our cookies in the solar race because we stand idly by and let it happen. It doesn’t matter how other countries obtain fully-grown renewable energy; it only matters if they have it and we don’t. They are doing the intelligent thing: using their resources to subsidize the development of these technologies, while the U.S. uses its much larger subsidies to squeeze blood from the proverbial fossil fuel turnip.

At this point, critics such as industry lobbyists and oil millionaires cry foul that the coal and oil industries are being singled out. This is true, if they refer to their preferential treatment. Much of the subsidies of oil go towards foreign trade, i.e. buying oil from other countries.

As eminent oilman T. Boone Pickens rightly points out, this represents the single largest transfer of wealth in the history of humankind. We pay the oil companies to make profit from shipping our money to Saudi Arabia, Venezuela, Kuwait and yes, Iran.

This will be a very serious long-term problem. Think big picture: the U.S. rose to superpower status by manufacturing goods that other countries wanted. Other countries sent us money and we sent them goods. In the past several decades, the converse of this has been true. In a trade deficit situation, we send money out, and receive goods in return. Think of what we're getting, though. From China, we get plastic Wal-Mart knickknacks, electronics, clothing and other consumer goods. From the Middle East, we get oil. We send away the money, then throw out the goods and burn the oil, and are left with nothing.

Renewable energy is the most obvious solution to all of these problems.

China has realized that its environment will simply not sustain its growth to the status of the U.S. If it burned enough coal to make as much energy per capita as we use here, air pollution would be a catastrophic public health problem. Simply put, China needs renewable energy because it cannot survive the use of fossil fuels.

Incidentally, China owns a frightening portion of the U.S. national debt, and is not to be trifled with.

The rest of the intelligent world knows that population growth will make fossil fuels unusable. The countries that get ahead of the curve and meet manufacturing demands for the new technology will be the equivalent of OPEC in the coming years. The U.S. doesn't need cheap junk from China or oil from the Middle East. We need to be the country that sells the rest of the world on renewable energy and becomes massively wealthy again in the process.

In the recent economic turmoil, manufacturing was shredded. There are plenty of factories and workers ready and willing to take up a new torch, if it gets them back to work. In the glory days of American manufacturing, expansion both in and out of the country produced staggering profits, employed armies of workers and fueled the rise of the middle class. Now, we see the opposite. The middle class shrinks, as factory workers are laid off and menial labor is exported overseas. By the way, unemployment is over 10 percent.

The last thing that the U.S. has to offer the global economy is our innovation. We pioneered many of the best technologies in renewable energy, the kind that other countries are seizing. If our government were to subsidize them like it subsidizes the obsolete fossil fuel industry, we would be the manufacturing leaders of the 21st century, selling the world the energy solution that it desperately needs if it is to remain habitable.

Subsidies are key. Free marketers will complain bitterly, but they've already lost. The "free market" doesn't exist, remember? We've subsidized many giant industries for years, some for our benefit, some to our detriment. Besides, if we don't use our subsidies to build an alternative energy empire, China, Germany and a host of others will do it. They are well on the way to becoming massively wealthy by selling our own technologies back to us.

In this case, a New Deal-type liberal approach is absolutely necessary, and absolutely the only way to quickly re-align our retching national economy. The money is already there; it's being spent to convince people to allow oil drilling off of their favorite coastlines and to allow the tops to be blown off of the Appalachian mountains in search of coal.

This is still the USA, possessing wealth beyond that of other nations, for now. We are in a precarious place, but it is certainly within our power to lead the charge into the age of renewable energy, if we quit listening to the energy companies crying crocodile tears.

We need to end the subsidies to fossil fuel production and redirect the same money to renewable energy. This wouldn't even require spending any more than we currently spend. The effects would be thousands of factory workers going back to work and wealth flowing into our country for the first time in decades.

This, more than healthcare or war, is our most pressing issue. If President Barack Obama accomplishes one thing in his tenure in office, let him accomplish this, and instead of the New Deal, let him call it the Good Deal. It would certainly be better than the deal we have now.

Evan Barker is a senior English major and the Opinions Editor of Sidelines. He can be reached at slopinio@mtsu.edu

Silicon Valley says Detroit Must Start Over to Survive – Reuters – 9/19/09

SAN FRANCISCO (Reuters) -- For those who think billions of dollars in federal money has saved the American auto industry, Silicon Valley's venture capitalists have a different view to share.

The U.S. auto industry, they warn, can never become competitive again. It remains too wedded to a dying business model and too out of touch with the sources of innovation, they say.

Instead, they look for a new group of upstart companies to shoot to prominence and profitability, overtaking the automakers once known as the "Big 3" just as Google Inc. came from nowhere a decade ago to eclipse established technology companies.

"I do not believe that the U.S. auto business can be competitive," said Ray Lane, a managing partner at Kleiner, Perkins, Caufield & Byers. "I don't see any of these new car companies based in Detroit."

Lane is backing plug-in hybrid carmaker Fisker Automotive, which is planning to launch a \$39,000 model. He's also slated to be chairman at V-Vehicle Co., an auto company unveiled in June that plans to build "environmentally friendly" vehicles in Louisiana with backing from billionaire T. Boone Pickens.

Detroit has lost its entrepreneurial spirit, Lane said.

"For years they have been led by accountants and lawyers, not engineers and entrepreneurs," Lane said. "That's OK if the industry isn't changing."

'Start over'

So what do Ford Motor Co., General Motors Co. and Chrysler Group need to do to regain marketplace dominance?

"Start over," said Marc van den Berg, managing director of VantagePoint Venture Partners, which backs upstart electric carmaker Tesla Motors and electric-vehicle infrastructure firm Better Place.

The U.S. auto industry has been hit hard by high fixed costs from health care obligations and 27-year sales lows in the past year. After demand did not reach 10 million units in the first half of the year, the cash-for-clunkers program brought July's light-vehicle sales rate to 11.1 million units and August's to 13.7 million. But 2009 sales remain down 28 percent.

GM and Chrysler have restructured in federally sponsored bankruptcies, receiving \$60 billion in government funding. Even Ford, which has avoided federal emergency aid and bankruptcy, is counting on government support in the form of nearly \$6 billion in low-cost U.S. loans to develop fuel-efficient vehicles.

Business model redesign

But the only way the Detroit 3 can succeed is by completely overhauling the business model, moving beyond just designing attractive cars, Silicon Valley venture capitalists say.

"There is room for business model innovation and technology innovation," said Vinod Khosla, managing general partner of Khosla Ventures.

Khosla said U.S. automakers need to embrace innovation at all levels. He pointed to Better Place, which is building charging infrastructure and battery-swapping stations for electric vehicles.

"Better Place is saying, 'Don't let the consumer buy the batteries,' " Khosla said. "That's a business model innovation."

"There's lots of such innovation possible," he said.

The Silicon Valley financiers have high stakes in the transportation sector and are looking to herald the next wave of innovation in cars.

Khosla, co-founder of computing company Sun Microsystems, is backing a number of biofuels makers, including Coskata.

His former firm, Kleiner Perkins, a prolific fund that backed now-household names such as Google and online retailer Amazon, has set its sights on the green technology sector with bets like Fisker and fuel-cell maker Bloom Energy.

Kleiner Perkins' Lane said the success of Google and Amazon stemmed more from their unique business models than their technology.

"It was nifty technology that Google had developed, but there were 10 others that had technology," he said. "It was innovation in the business model that produced the value in Google."

New names

Raj Atluru, managing director of another Silicon Valley venture capital fund, Draper Fisher Jurvetson, said big carmakers will continue to exist. But new names will herald change in the industry.

"Tata Nano is going to change the entire supply chain. They are changing the economics," Atluru said. "Chery has gone from a start-up automotive company to \$6 billion in revenue."

Chery Automobile Co. is among the growing ranks of Chinese firms to have held talks with European or U.S. brands without making any commitments, while India's Tata Motors has made headlines with its \$2,500 Nano small car.

Draper Fisher, which has brought industry-changing companies like Internet phone company Skype and e-mail firm Hotmail to the marketplace, is betting on low-cost Indian electric-car firm Reva.

Kleiner Perkins' Lane said a number of changes in the auto industry, including efficiencies in power train and electrification, "will set us up for the next 50 to 100 years in a totally different industry than the one that was created in the last 100 years."

Happy Hill Academy Opens Training Center – Dallas Business Journal – 9/18/09

By Joyce Tsai

The T. Boone Pickens Training Center and Guest Lodge opened this week at the Happy Hill Farm Academy.

The \$2.5 million, 16,000-square-foot building at the Happy Hill Farm Academy in Granbury was funded by business philanthropist T. Boone Pickens.

It will provide “on the ground” training for other groups that wish to provide residential schools for disadvantaged children similar to Happy Hill, the nonprofit said.

Happy Hill Farm Academy currently has 110 students, but hopes to grow to 250 students. The new training center will enable the private boarding school's program to be replicated throughout the country, aiding several thousand children per year.

Others can learn how to mirror this successful program in their part of the country, said C. Edward Shipman, the academy's founder. Shipman is currently working with groups in New Jersey, North Carolina, Michigan, and Southern California that are interested in creating similar safe havens for children.

The academy helps underprivileged children from elementary through high school ages who are referred by counselors, Child Protective Services and other organizations. At the academy, the students live there, work on the farm and get an education, all at no cost. Students live in 15 homes scattered across 500 acres overlooking a valley, with live-in dorm parents to provide guidance. More than 90 percent of the academy's graduates attend universities or colleges, the nonprofit said.

BLOG/ONLINE COVERAGE

Cash Is King in Renewable Energy Development – *Seeking Alpha* -9/21/09

By John Addison

It is a buyer's market for those developing large wind, solar, bioenergy, biofuel, and other renewable energy projects. In 2009, land is less expensive, equipment cost less, deliveries are faster, and warranties longer. It is a buyer's market if you have cash, yet it continues to be a difficult time to secure debt financing. This message was consistent from the majority attending the FRA Renewable Energy Finance and Investment Summit this week. I chaired the renewable fuels track and had a chance to talk with a number of developers and financiers of renewable energy and fuels.

Demand for renewable energy is at a record high as U.S. utilities in about 30 states struggle to meet RPS (renewable Portfolio Standards). These utilities want to sign PPA (Power Purchase Agreements) for 5 to 20 years of wind power, solar, bioenergy, geothermal, and other renewable production. In the future, to meet targets these utilities may need to directly develop, own, and operate these RE plants. Many would need PUC (public utility commission) approval to make this part of their business model.

RE has been a historic opportunity for developers who would take projects through 3 to five years of analysis, regulatory approvals, securing equity and debt financing, buying equipment, program management, and operating the plant. Now, few investors and lenders have the appetite for risk, as projects such as ethanol plants have gone bankrupt.

Credit worthiness of developers, utilities and end users are scrutinized. For example, major public real estate owners of buildings, hotels, and shopping centers that want MW of solar cannot get the RE because their corporation or REIT has a sub-prime debt rating.

Risk is intensified as redundant regulation and NIMBY (not in my backyard) opposition can delay installation of high-voltage lines for 7 to 10 years from wind or solar farm to major cities that need more electricity. Even billionaire Boone Pickens was unwilling to tie-up money for that period of time.

New high-voltage lines can be done. Prairie Wind went from zero to a transmitting 345kV line in less than 3 years. It is now optimistic about completing a 110 mile 765kV transmission system in Kansas. Prairie Wind Transmission is a joint venture of Westar Energy and Electric Transmission America — a joint venture of American Electric Power and MidAmerican Energy Holdings Company. ITC Great Plains (ITC) and Prairie Wind Transmission are authorized to build different segments of the Kansas V-Plan.

Although large-scale RE development in 2009 is beyond the financing capabilities of most entrepreneurs, it is an opportunity for major public companies with investment-grade bond ratings such as FPL Energy (FPL), GE Energy (GE), Iberdrola Renovables (IBR.MC), and EDF Energy Nouvelles (EEN.PA). Wall Street analysts are forecasting record 2009 and 2010 earnings for Iberdrola and EDF.

Smaller wind and solar developers find that new developments are possible, though more difficult. Utilities are standardizing RFPs and making conditions more reasonable. Private equity money is available if investors can be convinced of high returns and low risk. David Perlman, Managing Director with investment banker Fieldstone Private Capital Group, reports that, "Liquidity is returning, but with fewer banks than before economic crisis, smaller lending commitments, shorter maturities, and club deals rather than syndications. Bankers might offer construction terms and an operating loan of no more than five years for developments that show little risk.

The ARRA (American Recovery and Reinvestment Act) has helped and hurt. More federal bureaucracy and slower release of money is reported. New wind and solar deals are more likely to use ITC than PTC. The cash flow for an ITC is sooner and more predictable. For many projects, the new Treasury Department Grant is even more favorable than ITC. Tax-exempt bonds are another avenue for financing

RE projects reported John M. May, Managing Director of investment banker Stern Brothers. He identifies bioenergy and biofuel from solid waste are good targets for tax-exempt bonds.

Wind and solar developments are difficult. Biofuel debt financing is next to impossible according to conference participants. Bankrupt corn ethanol plants are being sold for pennies on the dollar, with Valero's (VLO) purchase of VeraSun assets being a prime example. Clean Fleet Ethanol Report. Cellulosic plants and algal fuel pilots are moving forward for those who have received equity investments in the tens and hundreds of millions, and do not require bank financing, including Abengoa, Enerkem, Mascoma, Poet, Sapphire, and Synthetic Genomics to name a few.

The demand is growing for renewable energy and fuels. The rewards are significant for the patient investor who can moderate risk with a portfolio of RE projects at various stages of approval. In 2009, the year of the Great Recession, cash is king.

John Addison speaks at cleantech and renewable energy conferences. He publishes the Clean Fleet Report.

BROADCAST COVERAGE

1. Bloomberg News

DMA: N/A

Bloomberg (---) National

09/18/2009 01:00 PM - 02:00 PM

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:52:00 ... You do not convert anything. 5 Million barrels a day from opec. You do not retrofit anything. You go to new vehicles. **Pickens** sees **natural gas**, which is down about 50% this year, as a key in driving America's trucking industry. The **natural gas** engine has been cleared for two years, so the **natural gas** engine is vastly superior to the diesel engine, so we have got to go in this direction. If we do not let it happen now, we have got to be foolish. 00:54:10

2. Good Day Saturday

DMA: 5

KDFW-TV CH 4 (FOX) Dallas/Fort Worth

Spot Cost: \$900

09/19/2009 08:00 AM - 09:00 AM

Est. Audience: 90,181

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:38:41 Billionaire **T boone Pickens** made a stop in Indiana to talk turbines and this country's dependence on foreign **oil**. He's pushing the **Pickens** Plan. ... \$60 million effort focusing on the creation of **energy** through **wind** power. The Texan was also questioned on a **wind** turbine controversy. A recent study found people who high near turbines can have health problems. I have never seen one of those studies. But I don't know anything about headaches or -- called **wind** turbine syndrome. That is something you would look into? I'm not going to spend any time on this because there is no vibration I know of from those turbines. I have been around them. 00:39:08

3. Good Day Saturday

DMA: 5

KDFW-TV CH 4 (FOX) Dallas/Fort Worth

Spot Cost: \$696

09/19/2009 07:00 AM - 08:00 AM

Est. Audience: 65,356

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:30:13 **T Boone Pickens** gets defensive about his **wind** farms. The claims that turbines are actually making some people sick. 00:30:16

[CC] 00:36:54 Billionaire **T boone Pickens** made a stop in Indiana to talk turbines, and the foreign **oil**. A 60 million effort focusing on creation of **energy** through **wind** moother. The Texan was also questioned on a **wind** turbine controversy. A recent study found people who live near turbines can have health problems. I have never seen one of 3 those studies. But I don't know anything about headaches or --It is called **wind** turbine syndrome. Is that something to look into. Noo I'm not going to spend any time of this. There is no vibration I know of from those turbines. I have been around them. According to the study, symptoms of **wind** turbine syndrome include headaches, heart issues and panic attacks. 00:37:10

4. Fox 4 News At Nine

KDFW-TV CH 4 (FOX) Dallas/Fort Worth
09/18/2009 09:00 PM - 10:00 PM

DMA: 5
Spot Cost: \$6,621
Est. Audience: 226,648

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:30:18 **T. Boone Pickens** gets defensive about his **wind** farm, the claims that the turbines are actually making people sick. 00:30:18

[CC] 00:33:19 Billionaire **T. Boone Pickens** is taking some heat for his plan to end America's dependence on foreign **oil**. He's touring the country focusing on the creation of **energy** through **wind** power. A recently published study by a New York pediatrician claims the **wind** turbines may lead to health problems, an issue someone asked him about. I've never seen one of those studies, but I don't know anything about headaches. It's called **wind** turbine syndrome is that something you'll lo into? No. I'm not going to spend any time on this because there's no vibration that I know of from those turbines. I've been around them. According to the study the vibration can lead to an inner ear imbalance. Smpytoms could include headaches, heart issues and panic attacks. 00:34:09

5. News At Midday On RTV 6

WRTV-TV CH 6 (ABC) Indianapolis
09/18/2009 12:00 PM - 12:30 PM

DMA: 25
Spot Cost: \$222
Est. Audience: 39,060

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:09:03 The Texas billiaire who spent \$60 million promoting his plan to wean the nation off foreign **oil** I in Indiana today. **T. Boone Pickens**, Texas **oil** and gas executive brought his message to the IU campus. > I can make to the finish line, and my standard of living is that would change however you in the generations to come you better get it fixed. Reporter > By investing in **wind** power and natural other areas of **energy**, it will reduce the need for gas. Reporter > Over the past two years when it mills have been popping up all over Indiana. It does not come without controversy. People living near **wind** turbines can suffer from panic attacks, headaches, caused by low frequency sound and vibration. > The health issues, I have never seen one of those reports. I don't know anything about headaches, I am not to spend any time looking into that. There are no vibrations Reporter > Students said that the plan on listening to what he has to say. For more on the speech, you can go to our web www. Theindychannel. 00:11:44

6. Eyewitness News At 6:00

WTHR-TV CH 13 (NBC) Indianapolis
09/18/2009 06:00 PM - 06:30 PM

DMA: 25
Spot Cost: \$1,539
Est. Audience: 188,634

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:05:21 Outspoken Texas businessman **T. Boone Pickens** brought his grassroots campaign for reducing **oil** dependency here to the state of Indiana today. Here he told a crowd of students and faculty at Indiana University that the U.S. h as not had an energy plan in 40 years and he believes the country really needs one to reduce dependency on foreign **oil**. If we go forward affect like we have operated for 40 years, in 10 years we'll be importing over 75% of our **oil** and we'll be paying \$300 a barrel for it. Just last year, **Pickens** launched a 58 million-dollar **national** advertising campaign to publicize his **energy** plan. It includes **wind energy** and the use of **natural gas** as a **fuel** for transportation. 00:07:21

7. Eyewitness News 5
KOCO-TV CH 5 (ABC) Oklahoma City
09/18/2009 06:00 PM - 06:30 PM

DMA: 45
Spot Cost: \$633
Est. Audience: 88,194

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:11:13 Tonight Oklahoma companies are pushing for legislation to boost **natural gas** use. Its an 80 million dollar lobbying campaign that includes Devon **Energy** and **T. Boone Pickens**. They say **natural gas** is crucial to Oklahomas economy. Theyre hoping for legislation that leads to new uses.
00:12:48

8. Team 4 News At 5
KGBT-TV CH 4 (CBS) Harlingen/Weslaco/Brownsville
09/18/2009 05:00 PM - 05:30 PM

DMA: 87
Spot Cost: \$243
Est. Audience: 21,584

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:11:46 Alternative **energy** Texas billionaire **T. Boone Pickens** is in Indiana talking about the danger of our country's dependence on foreign **oil**. **Pickens** brought his message of alternative **energy** to students at Indiana University in Bloomington. The **Pickens** plan is a 60 million dollar grass roots effort focused on and investing in **wind** power and **natural gas energy**. ... Over the past 2 years, **wind** farms have been popping up all over Indiana and the rest of the midwest. Students at the speech today say the 81 year old had good things to say and they plan on listening. 00:13:52

9. Fox 28 News
WSJV-TV CH 28 (FOX) South Bend/Elkhart
09/18/2009 10:00 PM - 11:00 PM

DMA: 89
Spot Cost: \$515
Est. Audience: 45,461

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:11:09 Billionaire **T. Boone Pickens** makes a stop in the hoosier state, to talk **wind** turbines. He was at Indiana University in Bloomington today, touting his "**Pickens**' Plan." that's a 60-million dollar effort focused on creating **wind** power **energy** and decreasing the country's dependence on foreign **oil**. **Pickens** calls it a plan for the future. **Pickens** says: "it's not my problem I can make it to the finish line, at 81 years old, and my standard of living's not going to change --But for you and the generations to come you better get it fixed." **Pickens** was also questioned about a controversial new study on "**wind** turbine syndrome." He disputed the claims. A recent study found the low frequency sound and vibrations from turbines can lead to an inner ear imbalance. Researchers say that can cause headaches, heart issues and panic attacks. 00:14:00

10. CBS 3 Springfield News At 11:00
WSHM-TV CH 3 (CBS) Springfield/Holyoke, MA
09/18/2009 11:00 PM - 11:35 PM

DMA: 111
Spot Cost: \$72
Est. Audience: 4,782

[CC] 00:09:58 One of the most well-known advocates for **wind energy** answers questions about turbines allegedly making people sick. What **T. Boone Pickens** has to say... 00:12:21

[CC] 00:18:00 Everyone is talking about alternative **energy**, especially Texas billionaire **T. Boone Pickens**. He made his fortune off of **oil** but he's now "a" huge proponent of **wind energy**. Now, one of the arguments against **wind** fields is they may cause headaches, heart issues, and panic attacks. A recent study shows people who live near **wind** fields experience "**wind** turbine syndrome" caused by low frequency sound and vibration that leads to an inner ear imbalance. **Pickens** responded to "a" question about this syndrome. I don't know anything about headaches." **Pickens**: "no, I'm not going to spend any

time on this because there's no vibration that I know of from those turbines, and I've been around them." the **Pickens** Plan is "a" 60 million dollar grass roots effort focused on and investing in **wind** power and **natural gas energy**. 00:19:41

11. Daybreak
KVII-TV CH 7 (ABC) Amarillo
09/21/2009 06:00 AM - 07:00 AM

DMA: 131
Spot Cost: \$65
Est. Audience: 9,366

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:37:50 The futures price for natural gas, started to climb a lile bit last week. But producers aren't jumping for joy, just yet. America's natural gas alliance, and other lobby' s, are fighting cap trade legislation, in Washington. The Waxman-markey Bill would cap how much, c-2 acompany can produce. To get more, there would have to be a trade with a company, that produces less. Wayne Hughes of the Panhandle Producers and Royaly Owners Association says, it's unfair to lump natural gas, with all the other polluters. Because it's cleaner and greener, than the rest. <Our continued insistence is that natural gas is the cleanest burning hydrocarbon based fuel available in the American market. There is no way we should be lued in with all of those alleged polluters> **T. Boone Pickens** asked congress to underwrite a program, that would convert trucking fleets from diesel, to **natural gas**. Part of the **Pickens** Plan is using more **natural gas**, which helps reduce our dependence on foreign **oil**. 00:40:31

12. Pronews
KVII-TV CH 7 (ABC) Amarillo
09/20/2009 10:00 PM - 10:35 PM

DMA: 131
Spot Cost: \$212
Est. Audience: 15,027

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:07:24 There is no way we should be lumped in with all of those alleged polluters> **T. Boone Pickens** asked congress to underwrite a program, that would convert trucking fleets from diesel, to **natural gas**. Part of the **Pickens** Plan is using more **natural gas**, which helps reduce our dependence on foreign **oil**. 00:08:26

13. The Six
KEVN-TV CH 8 (FOX) Rapid City
09/18/2009 06:00 PM - 06:30 PM

DMA: 174
Spot Cost: \$20
Est. Audience: 925

Available formats: QuickView, transcript

[CC] 00:16:49 Billionaire **T-Boone Pickens** makes a stop in Indiana to talk turbines and the country's dependence on foreign oil. ... **Pickens** is pushing his "**Pickens** Plan" a sixty million-dollar effort focused on creating **wind power energy**. Eighty-one year-old **Pickens** spoke to students at Indiana University in Bloomington. But the Texan was also questioned on a **wind** turbine controversy. ... Live near turbines can suffer from **wind** turbine syndrome. **Pickens** said Friday that he doesn't know of any problems people could face by being around the turbines. The study says the symptoms of **wind** turbine syndrome include headaches, heart issues and panic attacks caused by low frequency sound and vibration that leads to an inner ear imbalance. 00:19:19