



## T. Boone Pickens Media Coverage 1.20.10

### Total of 18 Placements

#61623 Print: 4  
#61623 Blog/Online: 11  
#61623 Broadcast: 3

### Coverage Summary:

Pickens appeared on *Fox and Friends* this morning where he discussed his new ad, America's addiction to OPEC oil and the NAT GAS Act. The segment can be viewed here:

<http://media.vmsnews.com/MR.pl?id=012010-4383495-E002468727>

Two *Reuters* pieces came out as a result of Pickens interview and speech to 100 Reuters employees yesterday. The first piece discusses Pickens' recovery from major losses incurred in 2008, his prediction for the price of natural gas and oil and natural gas legislation. The second focuses on Pickens' predictions about natural gas and oil prices.

A *New York Times* blog appeared after Pickens' meeting with reporters and editors yesterday discussing his plan to run heavy-duty vehicles on natural gas. The piece mentions the support for the NAT GAS Act, including 127 co-sponsors in the House. The reporter also wrote a piece for *BNET* elaborating on the future of Pickens' wind farm, the NAT GAS Act and Pickens' advertising campaign.

A piece on *Portfolio.com* discusses the likeliness of seeing more natural gas in the U.S. energy mix, highlighting Pickens' push for the greater use of natural gas as a transportation fuel.

*Portfolio.com* also posted the *Dallas Business Journal* piece on Yellow Cab's decision to convert nearly all of its company-owned cabs from gasoline to CNG.

A letter to the editor in the *Crossville Chronicle* calls for people to support the Pickens Plan and the NAT GAS Act, asking them to go to the website and contact local government leaders.

### Highlighted Placements (Full Articles Below)

#61623 **"Fox and Friends" Interview with T. Boone Pickens** – *Fox News Channel* – 1/20/10  
#61623 **Natgas Bets Help Pickens Recover Lost Billions** – *Reuters* – 1/19/10  
#61623 **Pickens Bets U.S. Natgas Prices to Rise After 2010** – *Reuters* – 1/19/10  
#61623 **T. Boone Pickens Tweaks His Energy Plan** – *New York Times Blog* – 1/19/10  
#61623 **T. Boone Pickens Adjusts His Famous Plan** – *BNET* – 1/20/10  
#61623 **T. Boone Turns on the Gas** – *Portfolio.com* – 1/20/10  
#61623 **Yellow Goes Green** – *Portfolio.com* – 1/20/10  
#61623 **Letter to the Editor** – *Crossville Chronicle* – 1/20/10

### Print Placements (Full Articles Below)

#61623 **Who Needs Energy Independence?** – *The Patriot Post* – 1/20/10  
o *WND.com*

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

#61623 **There Is Something To Americans' Love of Cars: Pickens Changes Plans** – *Huliq.com* – 1/20/10  
#61623 **Renewable Energy; Report Details Transmission Needed to Boost Southwest Wind Power** – *Greenwire/E&E* – 1/19/10

- &#61623 **Texas Wind Grows Even Without Pickens** – *AWEA Into the Wind Blog* – 1/19/10
- &#61623 **Lessons in Stealth Communications: V-Vehicle Tries to Keep Technology Details Under Wraps** – *Xconomy* – 1/20/10
- &#61623 **Oil Slumps As Dollar Gains; Eyes On DOE Report** – *MidnightTrader* – 1/20/10

## HIGHLIGHTED COVERAGE

**“Fox and Friends” Interview with T. Boone Pickens – Fox News Channel – 1/20/10**

MS. CARLSON: And joining me now, the man behind those ads, billionaire energy tycoon, T. Boone Pickens.

Great to have you in studio, Mr. Pickens.

MR. PICKENS: Yeah. Thank you.

MS. CARLSON: Good to see you.

MR. PICKENS: Thank you.

MS. CARLSON: So some people are saying that that ad is a scare tactic about terror. How do you respond to that?

MR. PICKENS: Well, it's not a scare tactic, but it is scary.

MS. CARLSON: (Laughs.) MR. PICKENS: Okay?

MS. CARLSON: In what way?

MR. PICKENS: Well, we are importing oil from unfriendly nations to us. So I say we're paying for both sides of the war. If you look at John Podesta, CAP, his study that he released last week that our State Department recommends we not visit these countries. How much oil do these countries supply us? Four and a half million barrels a day.

Countries that we say it's not good to visit are supply us four and a half million barrels a day. That's what I want us to cut off. I want to get on our resource, which is natural gas.

MS. CARLSON: And that -- so that -- you're saying that that report by John Podesta magnified the point that you've been trying to make for -- MR. PICKENS: Absolutely.

MS. CARLSON: -- years that Americans cannot be dependent on foreign oil anymore. However -- MR. PICKENS: Wait a minute. Foreign oil.

MS. CARLSON: Foreign oil.

MR. PICKENS: I'm not saying that. You're going to have to be dependent on some foreign oil. I'm focused on OPEC, and that four and a half million barrels comes from the OPEC countries.

MS. CARLSON: All right. So you used to be pushing wind, and you said that you were going to have 687 turbines, right?

MR. PICKENS: That's right.

MS. CARLSON: Now, you've cut that back in half, and now you're pushing natural gas. Why the change?

MR. PICKENS: There was not a change. I was pushing both of them at the same time. Both of them, we need to use. They're both resources in America.

We have to get on our resources and get off of resources from countries that are not friendly to us is what I -- that's the way I started, and that's exactly where I am. And that is exactly what's in these bills that we have in Congress that I think will be coming up pretty quick.

MS. CARLSON: One of the things you say in the ad is that this is a way in which to create American jobs.

MR. PICKENS: Exactly. On the transition team, when they asked for a model from me to them on natural gas -- going to heavy-duty trucks is what I'm after. I want to move to the eight and a half million heavy trucks in the United States, the 18-wheelers.

So if we go to that and we can change those to natural gas, we will cut OPEC in half. Now, we have 250 million vehicles in America. I'm after the heavy-duty vehicles.

MS. CARLSON: You always seem to be on the forefront of this entire mission. What sort of headway do you think you're making right now, specifically with this new ad and this new push?

MR. PICKENS: Okay. H.R. 1835, which is called the Natural Gas Act, has 127 co-sponsors. That is sponsored by -- the leader on that is John Larson from Connecticut. And Larson and I have worked very close on this bill.

And this is the one that will put natural gas into transportation fuel. I think that will come up for a vote within the next two months.

MS. CARLSON: All right. Very interesting.

T. Boone Pickens, great to have you here as a guest.

MR. PICKENS: Thanks.

MS. CARLSON: Thanks for traveling today.

MR. PICKENS: Sure. Thanks.

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### **Natgas Bets Help Pickens Recover Lost Billions – Reuters – 1/19/10**

\* Pickens recovers from his losses

\* Net worth dropped 66 percent

\* Texas tycoon goes long natural gas futures

\* Investing in potential takeover targets

\* Sees U.S. oil prices rising to \$90 in 2010, \$100 in 2011 (Updates with interview, adds byline)

By Joshua Schneyer and Edward McAllister

NEW YORK, Jan 19 (Reuters) - T. Boone Pickens, the 81-year old Texas energy tycoon, is recovering from major losses he incurred in oil and equities trading in 2008, by betting on a gradual rise in natural gas prices as the United States moves toward cleaner fuels.

In an interview Tuesday, Pickens said his net worth, which rose to \$3.5 billion in 2007, plunged by two-thirds in 2008 to as little as \$1.2 billion, a loss he called "a serious bruise."

Oil prices hit a record near \$147 a barrel in mid-2008, but later fell by up 77 percent, battering investors who were expecting further increases.

Since 2008, Pickens' net worth has grown by 25 percent to 30 percent, he said, and funds controlled by his BP Capital management are also on the rise, after betting on commodities like natural gas. Benchmark U.S. natgas prices NGG0 have more than doubled to \$5.60 per million British thermal units since they fell to seven-and-a-half-year lows near \$2.40 per mmBtu in July.

Pickens now hopes that U.S. energy legislation will mandate a major shift to natgas as a vehicle fuel, helping to wean the United States off its dependence on foreign crude, including around 5 million barrels a day from OPEC countries.

U.S. lawmakers introduced legislation in July that would provide incentives for the use of vehicles fueled by natural gas. The bill, which Pickens supports, could be passed with climate or energy legislation this year..

"I think that legislation will pass before Memorial Day (May 31)," he predicted.

Pickens said rising demand for gas should nearly double the commodity's price to around \$10 per mmBtu by 2013, but ample supply of unconventional, U.S. shale gas could limit any natgas rise this year, to around \$6.50 per mmBtu.

#### BETTING ON MORE BUYOUTS

That may also bolster Pickens' recent equity investments.

A legendary corporate raider in the 1980s, Pickens said he's positioning his funds to benefit from more potential mergers and acquisitions in the U.S. oil and gas sector, after ExxonMobil (XOM.N: Quote, Profile, Research) said in December it planned to buy XTO Energy (XTO.N: Quote, Profile, Research), a U.S. gas driller, in a deal worth \$41 billion.

"Exxon and XTO, I love the deal," Pickens said. "I think you are going to see activity that is similar to Exxon-XTO."

Pickens' BP Capital's top holdings in its latest SEC filing included Devon Energy (DVN.N: Quote, Profile, Research) and Chesapeake Energy (CHK.N: Quote, Profile, Research), two U.S. companies which, like XTO (XTO.N: Quote, Profile, Research), have large roles in U.S. shale gas production, as well as deepwater driller Transocean (RIG.N: Quote, Profile, Research), and large independent U.S. oil and gas companies Hess (HES.N: Quote, Profile, Research) and Occidental Petroleum (OXY.N: Quote, Profile, Research).

"All of them that are heavily endowed in the (gas) shale play are going to be looked at by the majors," he said.

The United States is estimated to have some 2,000 trillion cubic feet of technically recoverable natural gas reserves, or enough gas at current production rates to supply the country for more than 90 years.

"I'm long natural gas, not in 2010, but out beyond 2010," he said. "As economic recovery occurs, demand will go up for natural gas. It is going to happen, it is just going to take a little while to get there."

But the Texas investor has scaled back earlier plans to make huge investments in wind farms for power generation, such as a \$10 billion plant he planned to build in the Texas Panhandle. Pickens said he may revisit the investment when more transmission lines are built in Texas. He is planning to build much smaller wind plants in Canada and Minnesota, starting in 2011. (Reporting by Joshua Schneyer, Edward McAllister; additional reporting by Rhonda Schaffler; editing by Leslie Gevirtz)

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\* U.S. natgas prices to reach \$6-\$6.50 per mmBtu in 2010

\* Natgas prices capped by ample supplies

\* Bullish after 2010 due to economic and demand recovery

\* U.S. oil prices seen rising to \$90 in 2010, \$100 in 2011

By Rhonda Schaffler and Edward McAllister

NEW YORK, Jan 19 (Reuters) - Texas oil tycoon T. Boone Pickens said on Tuesday U.S. natural gas prices were unlikely to "run away" in 2010 but that he was long on the fuel after this year.

In a video interview with Reuters Insider, the billionaire said he expects natural gas prices, currently around \$5.50 per million British thermal units, to reach between \$6 and \$6.50 per mmBtu this year.

"(Natural gas) prices are not going to run away (this year) because we have too much natural gas," Pickens said.

The United States is estimated to have some 2,000 trillion cubic feet of technically recoverable natural gas reserves, or enough gas at current production rates to supply the country for more than 90 years, thanks to recent increases in production from unconventional plays like shale.

Pickens was bullish on natural gas after this year due to a recovery in the economy boosting demand for the clean fuel.

"I'm long natural gas, not in 2010, but out beyond 2010," he said. "As economic recovery occurs, demand will go up for natural gas. It is going to happen, it is just going to take a little while to get there."

Pickens also said oil prices, currently near \$79 a barrel, could hit \$90 a barrel this year and reach \$100 a barrel in 2011.

"I think (oil) could get to \$90 this year, and in 2011 \$100," he said. (Reporting by Rhonda Schaffler and Edward McAllister; Editing by Marguerita Choy)

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## **T. Boone Pickens Tweaks His Energy Plan – *New York Times Blog* – 1/19/10**

By Jim Motavalli

T. Boone Pickens, the Texas billionaire, got his first car, a 1942 Ford, in 1946. But in an interview today at The New York Times, he made it plain that the national romance with the automobile was beyond his reckoning. "America is nuts about cars," he said. "I don't quite understand this thing about horsepower. Cars are not a big deal to me, but they are a big deal to a lot of people."

Nevertheless, the Pickens plan he began in 2008 seeks to transform the way Americans drive by powering vehicles with what he calls our "abundance of clean, cheap, domestic natural gas." But, in New York, Mr. Pickens said he was refocusing the plan, not only de-emphasizing wind energy, but also turning his natural gas focus from cars and pickup trucks to big commercial vehicles, including buses and the 18-wheelers that move American freight.

"We have to target the heavy-duty vehicles, which is where you can get the volume," Mr. Pickens said. He said he had been meeting with large trucking companies, hoping to persuade them to switch at least part of their fleets to natural gas. Mr. Pickens said he once explained to Al Gore that battery propulsion was

not likely to work well for large trucks. "Natural gas is 130-octane fuel, and it is 25 percent cleaner than diesel," he said.

Mr. Pickens drives a natural gas-burning Honda Civic GX, he said, but he appears to be backing away from trying to put its equivalent in American driveways. Mr. Pickens, who has met with President Obama about his plan, likes the idea of requiring large freight haulers to run on domestic fuel. And he's not talking about ethanol. "Ethanol is a stupid fuel," he said.

Mr. Pickens is a supporter of legislation introduced last April that, among other provisions, offers new and stronger tax credits for purchasers of natural gas cars and the companies that produce them. The legislation, H.R. 1835, would also require 50 percent of new federal government vehicles bought before the end of 2014 to be capable of operating on either compressed or liquefied natural gas. "It has 127 co-sponsors," he said.

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## **T. Boone Pickens Adjusts His Famous Plan – *BNET* – 1/20/10**

By Jim Motavalli

NEW YORK—T. Boone Pickens says that, at 81, he's impatient to give something back to the country that allowed him to become a billionaire. And thus was born the Pickens Plan, which when launched in 2008 had two key provisions: Launch a crash program to generate clean electricity with large-scale wind farms (of the type he himself proposed for the Texas panhandle) and get the U.S. on to domestic fuel by powering our transportation fleet with natural gas.

In a wide-ranging interview at the New York Times on Tuesday, Pickens made it plain that the plan was a work in progress. He's already spent something like \$60 million on television ads, but he's got a new one that emphasizes the fact that the people who sell us the nearly 70 percent of the oil we import don't really like us all that much. And if you missed the point of who "they" are, the Arabic script was a clue.

Here's a look at one of Pickens' television commercials, which have cost him deep in the purse. This is the second one:

<http://industry.bnet.com/auto/10003400/t-boone-pickens-adjusts-his-famous-plan/>

Pickens is downplaying wind development, and in New York he outlined his own frustrations with restrictive state laws. "Wind is priced off the margin, and the margin is natural gas," he said. "The credit markets also dried up, which slowed the whole thing down." A further issue, he said, was his own company's misinterpretation of a state law that he thought guaranteed his right to build electric transmission lines, obtaining property rights through eminent domain. "I had a \$2 billion commitment, negotiated to half that, and \$200 million equity in the deal," Pickens said. "I had stars in my eyes about how it would unfold, but 60 percent of the turbines I ordered are being deployed in smaller projects, two in Canada and one in Minnesota. And I think the Texas opportunity will come again, maybe around 2013."

Another big change to the Plan, or at least to the way Pickens describes it, is in the vehicles targeted for natural gas. Although he would no doubt still want to power our entire transportation fleet with this clean, domestically obtained fuel, Pickens is now concentrating on heavy commercial trucks—which, as he says he pointed out to Al Gore, are unlikely to be running on batteries anytime soon.

Pickens points to the California's South Coast Air Quality Management District, which is converting all its garbage trucks to natural gas. "They went looking for the biggest polluters, and that was the trash trucks," he said. Instead of enjoying retirement, the billionaire is keeping a very busy schedule visiting trucking companies such as J.B. Hunt and Swift Transportation and trying to convince them to convert their fleets to natural gas.

Pickens is pessimistic about the high cost of hydrogen (which can be produced from natural gas), considers ethanol “a stupid fuel,” and has some issues with electric cars, too. “You better be sure the batteries don’t come from China,” he said. The whole point is building a self-contained U.S. industry, he said. Some U.S. EV companies, such as Coda Automotive, are indeed sourcing batteries from China, but most (including Coda) have long-term plans to build such production in the U.S.

Pickens likes H.R. 1835, which has 127 co-sponsors, because it provides a plethora of tax breaks for people who buy natural gas cars, as well as the companies that produce them. He predicted in New York that it would become law by Memorial Day.

Right now, the only natural gas car on the U.S. market is the Honda Civic GX, though Pickens said that “30 to 40” are available in Europe, from Mercedes to General Motors. Clearly, it is an uphill battle to get America hooked on the natural gas it has in abundance, and weaned away from the fossil fuel it imports (five million barrels a day from OPEC alone, he said)

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### **T. Boone Turns on the Gas – *Portfolio.com* – 1/20/10**

By Kent Bernhard, Jr.

T. Boone Pickens’ new message isn’t so new. But one thing that’s missing is the emphasis on wind power that drew support from environmentalists for the oilman’s push for energy independence.

After spending \$62 million, though, Pickens is concentrating on his first love, natural gas, as a way to wean the nation off foreign oil. That’s always been part of his so-called Pickens Plan.

In new television commercials, though, he doesn’t emphasize another part of his original plan, the planting of wind farms throughout the Great Plains to offset natural-gas use for utilities. The original plan was to take that natural gas used for utilities and power cars and trucks—especially trucks—with it.

But prices for natural gas are so low that they’ve made wind power less attractive than when Pickens first proposed his plan in the summer of 2008.

The United States also has a lot of natural gas, much of it trapped in shale in Texas, Louisiana, and Pennsylvania. So Pickens is now pushing just tapping that without the wind component as a substitute for foreign oil.

Pickens, who has invested heavily in natural gas, is not new to the game of pushing it as a transportation fuel. He’s wanted to see such a move for years.

But this time it seems likely that whether gas is used as a transportation fuel or whether its use is increased for power production, there will be more natural gas in the U.S. energy mix.

That’s because there’s a new emphasis on reducing greenhouse gas, and burning natural gas emits less greenhouse gas than burning petroleum products or coal.

Exxon recently graphically illustrated natural gas as the wave of the future, betting \$31 billion on the purchase of XTO, a company that specializes in cracking shale to get at the natural gas within.

So Pickens probably isn’t far off the mark with his latest pitch.

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### **Yellow Goes Green – *Portfolio.com* – 1/20/10**

By Jeff Bounds

In a bid to cut costs and get front-of-the-line privileges at Dallas/Fort Worth International Airport, the biggest taxi company in North Texas plans to convert nearly all of its company-owned cabs from gasoline to compressed natural gas.

Despite a total conversion cost that could exceed \$8 million, Yellow Cab President Jack Bewley believes the change will ultimately lower expenses, in large part because compressed natural gas runs about \$1.99 a gallon compared to \$2.60 for a gallon of regular gasoline. Yellow Cab officials also believe prices of compressed natural gas will be more stable in the long run than those of gasoline.

In addition, Yellow Cab wants to take advantage of a program that D/FW Airport implemented late last year allowing taxis fueled by natural gas to jump to the front of the line for fares, Bewley said.

However, a state judge in Dallas this week issued a temporary restraining order putting a halt to the program, court documents show. Bewley declined to comment about how that might impact his company's plans.

Beyond that, Yellow Cab is a member of a public-private initiative called the North Texas Green & Go Clean Taxi Partnership, which encourages the use of cabs with low emissions of greenhouse gases and other pollutants.

"It's a major initiative," he said. The company has 10 natural gas-powered vehicles on the road at the moment and orders for another 50, he added.

Yellow isn't the only North Texas cab company that's going green. For instance, in December, Cowboy Cab announced that it was adding seven natural-gas taxis to its fleet.

Yellow is the largest local cab company as measured by the number of drivers — 767 — that are authorized to do business at Dallas/Fort Worth International Airport, according to data from the airport.

In addition, the company owns or manages six other taxi services with a combined 325 drivers with authorization at D/FW Airport, according to Bewley and airport data. In total, that suggests Yellow and affiliated companies control roughly 52% of the airport's taxi traffic.

As with other cab companies, Yellow's drivers are independent contractors, and company cabbies who own the vehicles they drive will decide whether to convert them to compressed natural gas, Bewley said. "It will be up to them," he said.

Yellow is paying for the conversions to compressed natural gas in-house, Bewley said. As many as 500 taxis could be converted at a cost of \$10,000 to \$15,000 per cab, he added.

Not all company-owned vehicles in the Yellow fleet will go through the conversion process, Bewley said.

There are some 30 vans that carry patrons in wheelchairs that will continue to run on gasoline. The reason: At the moment, nobody does conversions of vans of this type to natural gas, according to Bewley.

Yellow has between 30 and 40 hybrid vehicles that won't be converted, he added.

Small market — for now

As of this week, there were 19 natural gas-powered taxis with permits to operate at D/FW Airport, according to David Magaña, the airport's manager of public affairs.

By comparison, there are about 2,000 cabs with permits to serve D/FW Airport, Magaña said. The program giving front-of-the-line privileges to natural gas-powered taxis — at least temporarily on hold — is still in its infancy, he said.

And to be sure, natural gas isn't yet suitable for all vehicles.

The tanks that hold compressed or liquefied natural gas take up nearly twice as much space in vehicles than do tanks that hold regular fuel, according to Jimmy Ramsey, business development manager at Clean Energy Fuels, a California company that supplies natural gas used in vehicles by Yellow Cab and Cowboy Cab, among others. Clean Energy Fuels was founded by North Texas energy investor T. Boone Pickens, who remains the largest shareholder of the business.

In addition to taking up more room for fuel tanks, natural gas is harder to find at the pump. There are only nine fueling stations in the Dallas-Fort Worth area for natural gas vehicles that are open to the public, Ramsey said. One of those fueling stations is located at the front of the line at D/FW Airport, and another is near Dallas Love Field.

As a fuel for vehicles, natural gas is "not ready for the every-day driver because you can't go across America on it," he said. But as driver fleets switch over to it, other users will follow, he said.

Clean Energy is looking to add another three to five natural-gas fueling stations in North Texas in the next year or so, Ramsey said.

Jeff Bounds is a staff writer for the Dallas Business Journal.

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**Letter to the Editor** – *Crossville Chronicle* – 1/20/10

Dear editor,

There has been much talk about our nation's oil dependence. There has been little action from our government leaders to "fix" the problem by creating an energy policy and making a huge start by supporting the Natural Gas Act for use by all large commercial fleet trucks! We can't wait any longer!

I support the Boone Pickens "Pickens Plan" ([pickensplan.com/boonecam](http://pickensplan.com/boonecam)) and the Natural Gas Act (H.R.1835 and S.1408) currently in Congress. It's time for all of us here in the Cumberland Plateau area to take this easy action (like I did!) to show your support to our government leaders for their action now!

Don't wait any longer for more beautiful green trees and shrubs to be killed/browned by the diesel exhaust from 18-wheelers along the highways like our Route 40.

Today, show your support for the "Pickens Plan" by signing it's petition! ([pickensplan.com/boonecam](http://pickensplan.com/boonecam)) Boone has provided some great Web site tools to help you easily understand his plan and to contact our government leaders. Let them hear from each of us in Cumberland County! (Go to — [pickensplan.com/boonecam](http://pickensplan.com/boonecam) — view the short video, then use the links on the right side of screen to sign the petition and contact our Cumberland Plateau government leaders.) It's that easy to make a big difference today! I did.

Let's make our Cumberland Plateau voices heard. Show your support for the Natural Gas Act and the "Pickens Plan" today ([pickensplan.com/boonecam](http://pickensplan.com/boonecam)). It's a great first step to energy independence for our nation.

Ruth Fifer

Fairfield Glade

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## PRINT COVERAGE

### Who Needs Energy Independence? – *The Patriot Post* – 1/20/10

By John Stossel

When you gas up your car, do you think that you're doing something evil? After all, I'm told that burning gasoline helps "murder the Earth," not to mention fills the coffers of terrorists and despots.

So we must move away from oil. Al Gore says, "The future of human civilization is at stake."

But I need the gas. I need to drive. I need electricity to light my home. What can I do? Is there an alternative? There is, I'm told.

"What if we could use fuels that are not expensive, don't cause pollution and are abundantly available right here at home? We have such fuels," Gore says.

"In fact, we can start right now using solar power, wind power and geothermal power to make electricity for our homes and businesses."

In 10 years, he says, we can get all our electricity from these carbon-free sources.

Global warming hysteria is just one reason Gore and others push for alternative fuels. We're also told that America's goal should be energy independence. Today, we do buy oil from some very nasty people: dictators in Venezuela and the Middle East. What if they cut us off? That fear is one reason almost every president and presidential candidate -- from Richard Nixon to Barack Obama -- promised to end our "intolerable" reliance on oil imports.

When Nixon was president, we imported 25 percent of our oil. Since then, our "leaders" have wasted billions on subsidies for alternative energy. The result? Today we import nearly 70 percent of our oil.

Terrible as that sounds, I say, "So what?" Interdependence is just fine! And journalist Robert Bryce, author of "Gusher of Lies: The Dangerous Delusion of Energy Independence," agrees. He'll be my guest on "Stossel" tomorrow night (Fox Business Network, 8 Eastern, and again Friday at 10).

Bryce points out that while Saudi Arabia and Iran are oil exporters, they are gasoline importers. "If even Saudi Arabia and Iran are energy interdependent, why wouldn't we be?" he says<sup>1</sup>. "Energy interdependence" is just a way of saying "division of labor" and "comparative advantage."

Our biggest foreign oil suppliers<sup>2</sup> are Canada and Mexico. Do they threaten us? Venezuela or Iran might, but they need the oil money. They would hurt themselves if they tried to cut us off.

Even if they did try, we'd still get their oil. All the world's oil ends up in the same bathtub. The dictator sells to someone who sells to someone who will then sell to us. Chasing energy "independence" is pointless. Free trade is better. It makes us richer and more secure.

Yet among those pushing for subsidies, along with Gore, is someone smart: oil billionaire T. Boone Pickens. He'll be a guest on my TV show, too.

You've probably seen Pickens in his television ads, saying: "I have a plan! We can unleash wind power to free up America's natural gas to power our big trucks and bus fleets. And save billions of American dollars."

But if we can save billions by using wind and natural gas, why do he, Vice President Gore and today's Congress need our tax dollars? If there is a good alternative to oil, it won't need subsidies. The free market will simply make it appear. Let the entrepreneurs compete.

Pickens' commercials say: "Over \$700 billion are leaving this country for foreign nations every year. That's four times the cost of the Iraqi war. We need action."

But that's misleading. The \$700 billion leave America for a reason. We get useful oil for the money. Trade is a win-win situation. There's no comparison with destructive war spending.

Pickens' website<sup>3</sup> carries videos about how good government-subsidized windmills are for towns like Sweetwater, Texas.

Windmills may be great for Sweetwater, but that only looks at what's seen. What's unseen are all the people who are hurt because they are taxed to pay for Sweetwater's windmills. That money could have gone elsewhere. It's the broken-window fallacy identified by 19th-century French free-market economist<sup>4</sup> Frederic Bastiat. Maybe Fox will let me break a window to make the point.

Pickens is wrong. We don't need government to choose which fuels to subsidize. The free market is the way to go.

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## **BLOG/ONLINE COVERAGE**

### **There Is Something To Americans' Love of Cars: Pickens Changes Plans – *Huliq.com* – 1/20/10**

By Michael Sheena

Billionaire T. Boone Pickens, who has made national headlines with its approach on natural gas and green energy now shifts to heavy duty cars because of America's love for cars.

It is no secret that billionaire T. Boone Pickens is betting big on alternative energy. Back in 2008 he introduced the Pickens Plan which amongst other things advocated that natural gas should comprise 38% of the nation's fuel for transportation.

Two years into things, Pickens is having a slight change of heart. It seems he underestimated his nation's love of the automobile, Pickens told the New York Times "America is nuts about cars. I don't quite understand this thing about horsepower. Cars are not a big deal to me, but they are a big deal to a lot of people."

All Pickens would have needed to do was visit any auto show or watch the Barrett-Jackson collector car auction on television to figure out that for many Americans, the automobile is heart and soul and not just transportation.

In the face of this reality, Pickens now is moving away from converting cars and pickups to natural gas power and instead focusing on larger commercial vehicles. Pickens told the NY Times, "We have to target the heavy-duty vehicles, which is where you can get the volume."

Fleet vehicles are usually fueled and serviced at centralized facilities, which would require less of an infrastructure roll-out. Time will tell if Pickens is on the right path.

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### **Renewable Energy; Report Details Transmission Needed to Boost Southwest Wind Power – *Greenwire/E&E* – 1/19/10**

By Katherine Ling

Adding 1,500 miles of new transmission lines between Arkansas and New Mexico would let wind contribute 20 percent of generation without harming regional power reliability, according to a study released today by the Southwest Power Pool (SPP).

The addition of high- and low-voltage lines would bring the wind concentrated in the western part of the electricity market to the eastern part and ease power flow issues without significantly affecting voltage or reliability, the report says. Wind currently accounts for 4 percent of the region's generation.

Charles River Associates prepared the report for the Southwest Power Pool, the transmission organization for Arkansas, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma and Texas. The pool serves more than 5 million customers.

In particular, the addition of 1,260 miles of the 345-kilovolt lines for 10 percent wind penetration and 1,251 miles of 765-kilovolt and 345-kilovolt lines for 20 percent penetration is necessary, the report says. Higher-voltage lines are much more expensive, but the report does not analyze the economic cost of wind integration. The report suggests SPP perform an economic analysis of the transmission expansion and additional voltage device support needed.

"The study reinforces the criticality of coordinating transmission expansion plans with plans for building infrastructure to generate wind energy," said SPP Vice President of Engineering Bruce Rew in a statement.

The report also says SPP should centralize its balance authority and forecasting ability to improve flexibility and the efficiency in using generation reserves. Wind generation should be constructed in "clusters" to help interconnection and also in areas with less wind development to help integrate the power sources into the system, the report said.

The study results come less than a week after oil tycoon T. Boone Pickens announced he would not proceed with a planned Texas wind farm, which would have been the largest in the world, because of a lack of transmission and the low price of natural gas. Pickens said he would build the wind farm once the transmission to carry the power is constructed.

The Energy Department tomorrow is expected to unveil an in-depth, comprehensive report on wind penetration for the eastern United States that concludes 20 percent wind is achievable by 2024 with a combination of onshore and offshore wind and transmission infrastructure upgrades.

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### **Texas Wind Grows Even Without Pickens – AWEA Into the Wind Blog – 1/19/10**

By Chris Madison

Back in the summer of 2008 T. Boone Pickens became the nation's biggest booster of wind energy. He spent a fortune on advertising, carried his whiteboard wherever he went, and promised to build the biggest windfarm ever, in Texas. Then the credit market seized, and natural gas boomed, and the wind part of the Pickens Plan went flat.

But the Pickens Pullback has not kept Texas from continuing to grow its wind capacity. Texas continues to lead the U.S. in installed wind capacity, with 9000 MW.

Wind accounted for 6 percent of the electricity produced in Texas last year, according to the Electric Reliability Council of Texas (ERCOT), up from 4.6 percent in 2008 and well above an estimated 2 percent nationwide.

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### **Lessons in Stealth Communications: V-Vehicle Tries to Keep Technology Details Under Wraps – Xconomy – 1/20/10**

By Bruce V. Bigelow

One problem with being a stealthy company is the difficulty in setting the record straight.

The News-Star of Monroe, LA, reported yesterday that V-Vehicle, the San Diego-based startup automaker building a factory in Northeastern Louisiana, is "apparently testing prototypes of its mystery car," but that may be overstating the matter.

The newspaper quotes David Hitchcock, V-Vehicle's director of Louisiana assembly operations, as saying, "Our product has entered the testing and validation stage. A lot of the testing and validation conducted so far has been in a virtual environment, but we've moved on to the physical testing phase."

V-Vehicle has disclosed few details since June, when the startup founded by former Oracle executive Frank Verasano announced plans to develop and build a "high-quality, environmentally friendly, and fuel-efficient car" in Monroe. The announcement attracted attention in part because V-Vehicle has raised

at least \$75 million in venture capital from investors that include Kleiner Perkins Caufield & Byers, Google Ventures, and maverick investor T. Boone Pickens.

But as I reported at the time, V-Vehicle provided no details about the car itself, such as what type of fuel it will use or why the startup describes it environmentally friendly. Verasano told reporters V-Vehicle is trying to be protective of many details because of potential competition. I contacted V-Vehicle spokesman Joe Fisher to confirm details of the news report, and we got into the verbal dance (one-two, sidestep, one-two) that often occurs between reporters and their sparring partners in public relations.

The bottom line is that Fisher would not confirm certain details of the Star-News report. For example, when I asked if V-Vehicle is testing multiple prototypes, or just one prototype, Fisher told me, "We haven't commented yet on prototypes." He added that "entering the testing and validation stage" does not refer to prototypes. When asked what it does refer to, Fisher said it means the startup has begun engineering on test vehicles. But he declined to define the meaning of a test vehicle, saying, "I'm not sure that we're going to go beyond" what V-Vehicle has said in its official statements.

I also asked Fisher if he could confirm another detail from the News-Star story, that V-Vehicle's car will be "a gasoline-powered vehicle that will get 40-plus miles per gallon and costs about \$10,000."

Fisher responded, "We don't talk about the price of the car or the fuel system. That's just not something we have commented on."

Fisher was willing to discuss aspects of its pending application for \$320 million in government loans under the Advanced Technology Vehicles Manufacturing program, which is administered by the U.S. Department of Energy. He confirmed that V-Vehicle has asked the DOE for a \$70 million loan for engineering and a \$250 manufacturing loan.

The state of Louisiana has pledged another \$87 million through a state incentive package—providing V-Vehicle raises at least \$350 million through other sources. Because V-Vehicle has raised about \$75 million from its venture investors, Fisher says the federal loans (if approved) should carry the company over that threshold. Fisher says the company wants to provide more details, but intends to withhold additional information until the DOE acts on V-Vehicle's federal loan application.

Until then, the only online source of information about V-Vehicle is on the Louisiana Economic Development website.

Bruce V. Bigelow is the editor of Xconomy San Diego. You can e-mail him at [bbigelow@xconomy.com](mailto:bbigelow@xconomy.com) or call 858-202-0492

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### **Oil Slumps As Dollar Gains; Eyes On DOE Report – *MidnightTrader* – 1/20/10**

Boston, Jan 20, 2010 (*MidnightTrader* via COMTEX) -- Oil prices continue to trend lower in early morning trade Wednesday, as the greenback's rise against the euro makes dollar-denominated assets more expensive to foreign investors.

A Morgan Stanley forecast that oil prices will have a weaker link to the greenback amid growing concerns about inflation also hurt oil prices. The investment bank reported that while the dollar may rise as much as 10 percent against other major currencies, this would only be an "absence of tailwind for oil prices."

At 0840 ET, February Brent Crude is down 1.6 percent to 76.42 per barrel, while spot Light Crude is down 1.2 percent to 77.87.

Oil producers have already been hit by the slide in prices. Chevron Corp. (CVX) reported Tuesday that it would cut an undisclosed number of refining jobs in order to cut over costs.

Meanwhile, ExxonMobil (XOM) reported that output at its Russia-based Sakhalin-1 project fell over 14 percent last year due to natural depletion. Crude extraction fell last year to about 8.2 million tons from more than 9.6 million tons in 2008. There are also reports that ExxonMobil's refinery in the Red Sea port of Yanbu, which is a joint venture with Saudi Aramco, will shut down for scheduled maintenance for about 45 days from mid-March.

Chevron is opening at 79.68, while ExxonMobil is at 69.27.

Investors will be eyeing the U.S. Department of Energy's crude inventories report to be released Thursday for further clues on the direction of the market. Most analysts expect the supply to continue to grow for the third consecutive week.

Natural gas prices, meanwhile, were little swayed by cautious comments from U.S. oil tycoon T. Boone Pickens late Tuesday. In an interview with Reuters, Pickens said that while gas prices were likely to remain fairly steady, rising to about \$6 to \$6.50 per million British thermal units this year, he was "long on natural gas, not in 2010, but out beyond 2010." He added that as the economy recovers, demand will go up for natural gas.

Natural gas futures is trading up 0.6 percent at 5.59.

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## BROADCAST COVERAGE

### 1. Fox & Friends

DMA: N/A

Fox News Channel (---) National

Spot Cost: \$11,836

01/20/2010 07:00 AM - 08:00 AM

Est. Audience: 1,743,995

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

[CC] 00:15:32 And **T. Boone Pickens** going wherever the wind takes him. Why the billionaire is changing his opinion on renewable energy and invoking terrorism at the same time. That's straight ahead. 00:18:32

[CC] 00:45:47 Straight ahead, **T. Boone Pickens**, you know him. He's the man who has been pushing hard for wind energy using millions of his own money to make it happen. He's dumping that plan for natural gas. He joins us next. 00:48:47

[CC] 00:49:11 ... And joining me now, the man behind those ads, billionaire energy tycoon **T. Boone Pickens**. Great to have you in the studio. Thank you. Thank you. Some people are saying that that ad is a scare tactic about terror. How do you respond to that? Well, it's not a scare tactic. But it is scary. Ok? In what way? Well, we are importing oil from unfriendly nations to us. So I say we're paying for both sides of the war. If you look at John Podesta cap his study that he released last week, that our State Department recommends we not visit these countries. How much oil do these countries send us? 4 1/2 million barrels a day. Countries that we say it's not good to visit are sending us 4 1/2 billion barrels a day. That's what I want us to cut off. ... 00:52:42

### 2. Fox Business Morning

DMA: N/A

Fox Business Network (---) National

01/20/2010 05:00 AM - 06:00 AM

[CC] 00:55:57 **T. Boone Pickens**, talking about **energy** prices, Texas **oil** tycoon telling Reuters he thinks **natural gas** prices will go as high as \$6.50 per million btu's this year t his year. It is currently around \$5.50 and he predicts **oil** prices will jump back up to \$90 a barrel and hit \$100 in 2011. 00:58:22

### 3. Opening Bell On Fox Business

DMA: N/A

Fox Business Network (---) National

01/19/2010 09:00 AM - 10:00 AM

[CC] 00:52:00 Walt in Shady Valley, Tennessee writes this, Charles likes natural **gas** as a stock, but with the vast reserves located in at least 37 states, isn't that way overpriced?....Charles-Walt, that is a terrific question. Electricity demand down 2 years in a row, first time that has happened since 1949. Over the next 5 years demand is going to skyrocket and if we use **natural gas** in our truck fleet, which I think we will, forget about it, it will be very scarce . Stuart: that is years away. Charles: absolutely not. There's bill in the house and the senate and they're going to pass this year, already... catch **Boone Pickens**, Clean **Energy** is a great play on that. ...How would you play?.... I like Chesapeake and CLNE on pullback... 00:54:56