

PickensPlan

T. Boone Pickens Media Coverage 4.17.10-4.19.10

Total of 16 Placements

Print: 4
Blog/Online: 7
Broadcast: 5

Coverage Summary:

Pickens discusses the Center for American Progress study and the recent op-ed by former CIA Director James Woolsey in his latest *Huffington Post* blog. He also discussed the need for Congressional action to reduce our dependence on foreign oil in the piece.

Congressman John Fleming (R-LA4) recently met with the editorial board at the *Shreveport Times*. During the meeting, he discussed pushing natural gas as a transitional form of energy, mentioning how Pickens told him the technology is in place to hit the ground running with vehicles powered by this fuel. The editorial board agrees with the need to spread the message to use natural gas as a bridge fuel.

Clean Skies Sunday highlighted Pickens' testimony before the Ways and Means Committee last week. In the clip, Pickens discusses the NAT GAS Act and support for the bill. *Clean Skies* describes the tax incentives in the bill and potential savings for truckers who convert their vehicles to run on natural gas. Here is a link to the clip, which begins at the 7:15 mark.

<http://www.cleanskies.com/videos/cs-sunday-countdown-senate-climate-bill>

Highlighted Placements (Full Articles Below)

The NAT GAS Act (H.R. 1835 and S. 1408) Continues To Gain Momentum And Support –

Huffington Post – 4/16/10

Something Fleming Can Hang His Hat On – *Shreveport Times* – 4/18/10

Print Placements (Full Articles Below)

Judge Blocks Privilege For Natural Gas-Powered Cabs At Love Field – *Dallas Morning News*
– 4/17/10

○ *Texas Cable News*

○ *WFAA*

Ning Moves to Phase Out Free Accounts – *Wall Street Journal* – 4/19/10

Farms Are For Food, Not Wind Turbines – *Post-Bulletin* – 4/19/10

Blog/Online Placements (Full Articles Below)

Industry Briefs – *Natural Gas Intelligence* – 4/19/10

API Economist Warns of Potential of Bad Energy Policy – *Trucking Info* – 4/19/10

T. Boone Pickens On Green Jobs – *Mother Nature Network Blog* – 4/16/10

Our Nation's Wealthiest Need To Invest In Jobs – *AnnArbor.com* – 4/18/10

HIGHLIGHTED COVERAGE

The NAT GAS Act (H.R. 1835 and S. 1408) Continues To Gain Momentum And Support – *Huffington Post* – 4/16/10

By T. Boone Pickens

The Center for American Progress (CAP) has released a study titled "Developing Natural Gas for Heavy Vehicles" on the need to get our heavy trucks and buses off imported oil and on to domestic natural gas. By focusing on heavy vehicles we can reduce our oil imports by 1.2 million barrels a day, which is 25 percent of what we import from OPEC on a daily basis. It's verification of what we've been saying since we introduced the Pickens Plan.

Former CIA Director James Woolsey wrote in his Wall Street Journal Op-Ed that "We should pay attention to T. Boone Pickens's recommendations to switch to natural gas for fleet vehicles such as buses, and for interstate trucking. Buses and trucks are easily modified to run on natural gas and would only require new pumps at a few central locations and interstate truck stops."

Earlier this week I testified about it before the full Ways & Means Committee in the U.S. House of Representatives. The need for Congressional action to reduce our dependence on foreign oil is becoming more and more obvious. Oil is back up to \$85 per barrel on the world market and it will just keep going up.

Every President since Richard Nixon has pledged to reduce our dependence on foreign oil. President Obama has vowed to eliminate our dependence on OPEC oil in 10 years. We can do that. And when we do, President Obama will be the only one to have made good on his promise.

We should not send out money nor our jobs overseas. We have to create American jobs, not OPEC jobs, and not jobs which can be "off-shored" anywhere else.

The Pickens Plan will enhance the economy, improve the environment and resolve the national security threat caused by our dependence on foreign oil, much of it from OPEC and many other nations who don't have our best interests at heart.

I'm for any fuel, as long as it's American. For power generation, that means using everything, including wind and solar, nuclear, natural gas, and coal.

But, two-thirds of our foreign oil is used as a transportation fuel. Building more nuclear plants or more solar or wind farms will not make a dent on oil imports. The only way we can solve the OPEC oil threat is by replacing their expensive, dirty, foreign fuel with cleaner, cheaper, American natural gas in our trucks and fleets.

We have well over a 200-year supply of natural gas according to current estimates. We have enough to do everything, and we're going to look like fools if we don't use it in transportation.

The Congress should adopt legislation that significantly enhances the use of domestic natural gas as a transportation fuel for heavy duty trucks and fleet such as that which is contained in H.R. 1835, the NAT GAS Act.

More organizations are coming on-board with this approach. The Center for American Progress (CAP) has just released a report showing the benefits of going to natural gas for heavy trucks. That important report can be read at <http://bit.ly/aAal6H>.

Let's dismiss two concerns I hear over and over:

First, government doesn't have a role in this. "Let the free markets work," they say.

If you think OPEC is a free market, you're nuts. Look at China. It's been on an oil-buying binge, acquiring production around the world from major suppliers--in anticipation of its growing needs. China's state-owned oil companies have an economic advantage by financing these, and other purchases, with money borrowed from China's state-owned banks. Does that sound like the free market?

There is a full discussion of the China issue on the Pickens Plan web page available at:
<http://www.pickensplan.com/china/>

Second, the skeptics say there's no natural gas fueling infrastructure. Forget it. If you create the market, the private sector will build it. Can you imagine what would have happened if we had told Henry Ford: "Forget about building Model Ts. There's no place to fuel them"?

The hearing was focused on jobs. The NAT GAS Act will produce them. It will put 236,000 clean natural gas trucks on America's roads. That will have two effects: You will displace 5 percent of foreign diesel demand each year; and, you will create more than 600,000 American jobs; roughly the same number of temporary jobs created for the 2010 census. Each Class 8 truck -- the heaviest of the heavy duty -- converted to natural gas creates 6 jobs.

The best time to plant a tree was 20 years ago. The second best time is today. We should have had a national energy plan 40 years ago. We didn't, so the second best time is today.

Congress should move the NAT GAS Act quickly to the floor for action. It will create jobs, reduce the deficit, improve the environment, and protect our national security.

Something Fleming Can Hang His Hat On – *Shreveport Times* – 4/18/10

Congressman John Fleming, we've found something you can do.

Being a member of the minority party, it's virtually impossible to get a bill passed in the Democrat-dominated Congress, the Republican said at least twice during a recent sit-down with The Times' Editorial Board.

One such response was occasioned by discussion of health care reform. The other was elicited by a query as to what he can do to protect northwest Louisiana's interests in the Haynesville Shale, specifically with respect to cap and trade and regulation of hydraulic fracturing, the latter being a method of extracting natural gas from the formation.

Fleming, again because his party is in the minority, said he can't legislate anything along these lines. All he can do is spread the message and help change the landscape of Congress this fall. Part of his message is that it makes sense for the federal government to fund research into alternative fuels but it makes no sense at this time to offer tax incentives to roll out the still developing technology nationally, subsidizing alternative fuel supplies when you have natural gas readily available.

Another part of Fleming's message rightfully is pushing the idea of using natural gas as this nation's transitional form of energy, a bridge to the days when alternative fuels become more scientifically and economically feasible.

The technology is there for the United States to hit the ground running with vehicles powered by natural gas, Fleming said he was told by T. Boone Pickens. People conceivably now could be driving natural gas-powered cars and trucks and refueling them at home.

Toward that end, Congressman Fleming, here's what you can do. Get behind an effort to create a major energy research wing in northwest Louisiana.

LSU Chancellor Michael Martin is discussing such a concept, among others, with Louisiana Tech University in Ruston because the two schools' technical and engineering orientations are similar. LSU also would look to have its sister institution here, LSU-Shreveport, to be a part of that, Martin said.

There is no time line per se. The chancellor of Louisiana's flagship university wants to get the project going as fast as possible but says the school must first keep itself from sinking, avoiding further budget cuts this legislative session.

But a 21st century energy university would provide "a lot of opportunities for us to be on the cutting edge," Martin said.

A goal would be to make natural gas exploration economically viable and environmentally acceptable, both key to northwest Louisiana's stake in the Haynesville Shale. And an energy research facility in northwest Louisiana would be a great place to work on the economics as well as the geology and ecology of natural gas exploration.

Here's where you come in Congressman Fleming. If you can't legislate, you can indeed spread your message of using natural gas as this nation's bridge to alternative fuels.

But you also can throw your support behind this still-forming notion. You can use your negotiating skills to help ensure anything connected to this endeavor is on the fast track so northwest Louisiana does not miss out on this opportunity. You also can lobby for Energy Department grants and other funding to augment energy partners eager to invest in such a project, ensuring its start and continued viability.

PRINT COVERAGE

Judge Blocks Privilege For Natural Gas-Powered Cabs At Love Field – *Dallas Morning News* – 4/17/10

By Rudolph Bush

A federal judge has halted the city of Dallas' enforcement of an ordinance that gave special privileges to taxis that run on compressed natural gas.

In March, the city adopted an ordinance that gave CNG taxis the right to go to the front of the cab line at Love Field, enabling the cleaner-running cabs to make many more trips per day than gasoline-powered cabs.

The ordinance had been in effect for just five days when U.S. District Judge Ed Kinkeade granted the Association of Taxicab Operators a temporary restraining order late Thursday.

Many cabdrivers, particularly those who own their own taxis or who work for small firms that can't purchase CNG vehicles, were furious when the City Council unanimously adopted the ordinance March 11.

They filled the council chambers to protest, calling the vote a sop to big cab companies and politically connected natural gas purveyors such as T. Boone Pickens.

Indeed, Pickens had personally come to City Hall to urge the council to adopt policies that promote natural gas.

A longtime oilman, Pickens has enormous natural gas holdings and has campaigned nationally to get America to use more domestically produced fuel vs. foreign-produced petroleum.

The council voted to assist CNG vehicles because the city has a major air-quality problem and CNG burns much cleaner than gasoline.

But cabdrivers like Atef Abusaad said that they were unfairly targeted, and that it has cost them dearly.

"All of us, we have families. All of us, we are married. We cannot make it," he said.

Kinkeade ruled that the cabbies could well succeed in their suit and that leaving the ordinance in effect while the matter was litigated would have caused them "irreparable injury in the form of lost revenues."

City Attorney Tom Perkins did not respond to a request for comment.

In November, Dallas/Fort Worth International Airport enacted a similar policy allowing CNG cabs front-of-the-line privileges. That policy has also been suspended by a judge.

Ning Moves to Phase Out Free Accounts – *Wall Street Journal* – 4/19/10

Internet Start-Up to Slash Work Force, Emphasize Paid Service to Increase Revenue and Eliminate Misuse of Services

By Don Clark

A high-profile Silicon Valley start-up that hosts social networks is overhauling its strategy to phase out free accounts—not only to make more money, but also to battle misuse of its services for spam and pornography.

Ning Inc., which was co-founded by Internet pioneer Marc Andreessen, says it plans to slash its work force by more than 40% as a result of the move to emphasize paid services. The company said the number of employees will be cut—to 98 from 167.

The company's decision is the latest sign of disenchantment among some entrepreneurs with Web advertising as a foundation for their businesses. While some high-flyers such as Facebook Inc. seem to be generating ample revenue from ads, others—including Web sites offered by many newspapers—have lately been racing to charge monthly fees.

Ning, founded in 2004, developed a platform of servers and software to help individuals and organizations set up and manage Web sites that it calls Ning Networks. It offers a log-in system that works across the networks, along with tools for designing sites with features like blogs, chat and photo and video uploads.

The company—amply funded with \$120 million from investors that include Mr. Andreessen—says it has grown to 300,000 active networks and has 46 million registered users.

Gina Bianchini, the company's co-founder and original chief executiveFast Company magazines. sMs. Bianchini tepped down last month and was succeeded by Jason Rosenthal, a longtime colleague of Mr. Andreessen who had been chief operating officer. In an interview Friday, Mr. Rosenthal said a key reason for the strategy shift is that customers who use premium services—which he put at about 5% of the company's networks—accounted for about 80% of its revenue. The company had originally thought such paid services would be a sideline, he said, expecting to rely mainly on revenue from ads placed on Ning's free networks.

"The paid service was going like gangbusters, and we wanted to make sure that we were taking advantage of that," Mr. Rosenthal said.

Ning's decision, and some of the motivations for it, were reported Thursday by Web sites that include TechCrunch. But there were additional problems associated with operating free services, Mr. Rosenthal said.

Since users could set up networks for free, and remain anonymous, some engaged in abuses like sending spam across the network, he said. Another problem was pornography; the company initially allowed customers to set up porn sites, but in late 2008 stopped the practice after concluding that such services created burdens for the company's staff such as requests to remove copyrighted material, Mr. Rosenthal said.

Some people continued to misuse the company's services for child pornography, Mr. Rosenthal said, largely because Ning allows users to set up private networks that limit who can view their content. The company adopted automated technology to scan and block uploads of such illicit material, and works with agencies that combat child porn.

Mr. Rosenthal said that "disgusting and illegal activity," as well as spam, came from users of Ning's free services. By getting rid of free networks "we are removing a lot of the junk that disreputable people have tried to use Ning for," Mr. Rosenthal said.

People who sign up for paid services must supply credit cards that help identify them, he noted. "It makes those issues nonexistent," Mr. Rosenthal said.

The company has plenty of company among online services in grappling with child pornography, said Michelle Collins, a vice president at the National Center for Missing and Exploited Children to aid in prosecution. She said Ning is among about 50 online services that actively report suspected illegal

activity to the center, which shares information with law-enforcement agencies that have successfully found and prosecuted law breakers.

Ning plans to offer details about new service plans on May 4. Its paid offerings today start at \$4.95 a month, Mr. Rosenthal said, and he predicted it will offer a lower price to keep serving teachers, individuals or small non-profits that can't afford high monthly fees.

Playing Host

A sampling of people and organizations that use Ning's Web hosting services:

www.BrooklynArtProject.com: For artists and art lovers

www.pickensPlan.com: Pushes energy-independence goals of T. Boone Pickens

www.TuDiabetes.org: A community of people touched by diabetes

www.This50.com: Online community of rapper 50 Cent

www.BJPenn.com: Martial artist BJ Penn's site

Farms Are For Food, Not Wind Turbines – *Post-Bulletin* – 4/19/10

I just read about Texas oilman T. Boone Pickens, who wants to wreck the looks of a farming community and take 32,000 acres of good, prime farmland out of production and make a wind farm. Who in their right mind thinks we should use up all this good land that produces food and trade it for electricity? Have we absolutely gone crazy?

I've read that so many thousands of acres have already been lost, and they will be surrounding my farm soon. Just look toward Dexter at night and see all those blinking lights, and it's no wonder people don't like them.

I still say as much technology as we have, why can't we think of something much smaller to produce electricity, instead of these giant, atrocious, massive turbines that destroy the beauty of the country and waste good farmland.

Do we want future generations to starve? Wake up America! with the wind turbines, the new power lines and the idea of Mayo's Southern Corridor bypass, we won't have any land left to farm. Do you think other countries will provide all of our food? Think again!

Arlene Bjornson, Hayfield

BLOG/ONLINE COVERAGE

Industry Briefs – *Natural Gas Intelligence* – 4/19/10

Spectra Energy Corp. is holding a transportation services binding open season for up to 200 MMcf/d of firm transportation service from its Fort Nelson Gas Plant in British Columbia (BC) to existing and proposed delivery points into the NOVA Gas Transmission system. The planned expansion has a targeted in-service date of January 2012. Spectra is also seeking nonbinding expressions of interest for incremental transportation capacity required in 2012 or later between receipt and delivery points on the Transportation North system. Interested parties must submit a service request by 3 p.m. MDT on May 7. Details and nomination forms are available at www.wei-pipeline.com. For information contact Mel Thorp, director of marketing and business development, at (403) 699-1578 or at melthorp@spectraenergy.com. Spectra is also seeking nonbinding expressions of interest for the expansion of raw gas transmission service and processing service at its Fort Nelson Gas Plant and its Fort Nelson North Processing Facility. The expansion would handle new production from BC's budding Horn River shale gas field. Interested parties must submit a nomination form by 3 p.m. MDT on May 7. For information and nomination forms contact Brian Tanaka, director of marketing, field services, at (403) 699-1810 or at btanaka@spectraenergy.com.

MarkWest Liberty Midstream & Resources LLC said it will expand its processing and fractionation capacity in the Marcellus Shale in support of recently reached agreements with producers, which include significant acreage dedications and other commitments. The partnership will expand its Majorsville processing complex in northern West Virginia to process additional hydrocarbon-rich gas. The expansion is expected to be operational in the third quarter of 2011 and will increase the cryogenic processing capacity at the Majorsville complex to approximately 270 MMcf/d. The natural gas liquids (NGL) produced at the complex will be connected via pipeline to MarkWest Liberty's Houston, PA, NGL complex. When combined with the processing facilities currently operating or under construction at the Houston complex, MarkWest Liberty's total processing capacity in the Marcellus will be approximately 625 MMcf/d by the end of 2011. MarkWest Liberty also said it is expanding the design capacity of its fractionation facility at the Houston complex to 60,000 b/d. When combined with an existing 24,000 b/d fractionation, storage and marketing facility near Portsmouth, OH, MarkWest's midstream offering in the Marcellus and Appalachian Basin will include nearly 85,000 b/d of fractionation, storage and marketing capacity, the partnership said.

Enbridge Energy Partners LP plans to process natural gas liquids (NGL) from the Texas Panhandle in a cryogenic plant it will construct on its Anadarko gathering system, the company said. The plant, with a planned capacity of 150 MMcf/d, is needed to accommodate a resurgence of horizontal drilling activity in the NGL-rich Granite Wash formation, it said. The plant would increase the Anadarko system's total processing capacity to more than 650 MMcf/d. The partnership also plans to add field compression and pipeline facilities to accommodate the increasing Granite Wash gas volumes. The new plant is anticipated to be operational by the end of the first quarter of 2011.

Piedmont Natural Gas and Progress Energy Carolinas have agreed for Piedmont to provide gas delivery service to the utility's new generating unit to be built at its existing Sutton site near Wilmington, NC. Piedmont said the infrastructure to be developed "alleviates the need" for its Robeson liquefied natural gas peak-shaving storage project. Piedmont said it will construct approximately 133 miles of transmission pipeline and install 23,000 hp of compression to serve the 620 MW combined-cycle unit at Sutton. The company's investment in the facilities is estimated at \$217 million. Progress Energy Carolinas has a long-term service agreement with Piedmont for the capacity, Piedmont said. Subject to approval by the North Carolina Utilities Commission, Piedmont will begin construction of the pipeline and compression facilities early in 2011 to have them in service in June 2013.

Halliburton Co. agreed to buy pressure control services provider Boots & Coots in a cash-and-stock transaction worth an estimated \$240.4 million. Houston-based Boots & Coots has two core businesses: Pressure Control, which involves prevention and risk control services for well fires and blowouts; and Well Intervention, which enhances production for natural gas and oil operators. The well intervention business

is expected to benefit Halliburton in the trend toward more unconventional shale resource plays. The merger, expected to be completed this summer, would give Boots & Coots shareholders about \$3 for each share they own, with \$1.73 in cash and \$1.27 in Halliburton common stock.

A federal appeals court vacated a Federal Energy Regulatory Commission order that allowed MoGas Pipeline LLC -- an interstate pipeline system that was created in 2007 as a result of the consolidation of three pipe affiliates -- to include "acquisition premium" costs in the pipeline's initial rates. The Missouri Public Service Commission (MoPSC) challenged the initial rates of MoGas Pipeline. It claimed that the proposed rates passed on to consumers contained certain acquisition premium costs related to asset purchases by Missouri Interstate Gas LLC (MIG) as well as acquisition premiums associated with Missouri Gas Co. LLC (MGC) and Missouri Pipeline Co. (MPC) -- the three affiliate pipelines that combined to form MoGas Pipeline. "In its petition for review before this court, MoPSC argues that FERC's decision regarding the inclusion of acquisition premium costs in MoGas's initial rates is arbitrary and capricious. We agree. FERC's action is plainly inconsistent with its own precedent," said the U.S. Court of Appeals for the District of Columbia Circuit. The court remanded the case to the Commission for "prompt resolution." In April 2007 FERC gave the green light to the three pipeline affiliates -- a small interstate and two intrastates -- to combine their facilities to form one new interstate system to better serve the Missouri and Illinois gas markets. MIG, MGC and MPC created a 263-mile, up to 16-inch diameter interstate system delivering gas to the two Midwest states. All three pipelines are based in St. Peters, MO, and are wholly owned subsidiaries of United Pipeline Systems LLC.

Independent oil billionaire T. Boone Pickens continued to voice his support for gas-friendly legislation last Wednesday, telling members of the House Committee on Ways and Means that the NAT GAS Act (HR 1835), which seeks to establish a sustained market for natural gas vehicles (NGV) and rein in gas market volatility, would create 600,000 jobs and help wean the country off imported oil. Pickens said foreign oil is responsible for approximately 75% of the U.S. trade deficit, including \$27.5 billion of the \$37.3 billion trade deficit racked up in January. Based on the price of oil in March, the country will spend \$326.4 billion on oil in 2010, nearly 25% more than in 2009, he said. The NAT GAS Act may become part of a comprehensive jobs package, according to Rep. Dan Boren (D-OK), co-chair of the House Natural Gas Caucus (see NGI, Nov. 23, 2009).

California's San Bernardino Associated Governments (SANBAG) said that it will apply \$19.3 million in state and federal American Recovery and Reinvestment Act (ARRA) funds to an agreement with Florida-based vehicle rental firm Ryder System Inc. in which Ryder will start a heavy-duty natural gas truck rental and leasing project in cities that are part of SANBAG about 50 miles east of Los Angeles. Separately, Phoenix-based Republic Services, a national waste hauling and disposal firm, committed to purchasing 226 natural gas heavy-duty waste hauling trucks for its operations mostly in Southern California, along with the Bellevue-Kent, WA, and Boise, ID areas in the Pacific Northwest. Seal Beach, CA-based Clean Energy Fuels Corp. will build the fueling infrastructure for Republic. The waste company said this will push its alternative fuel vehicles to more than 459. Republic has committed to make 20% of its 2010 new truck orders natural gas-powered vehicles, and it will begin deploying them later in April, according to Jeff Andrews, senior vice president for Republic's west region. The trucks eventually will be part of Republic Allied Waste divisions in six Southern California cities (Anaheim, Chula Vista, Gardena, Long Beach, Pacheco and Sun Valley) along with the three cities in Washington state and Idaho. Of the 226 added vehicles, 173 will be compressed natural gas (CNG)-powered and 53 will use liquefied natural gas (LNG), Republic said. Ryder will add both CNG- and LNG-powered heavy-duty vehicles. Ryder will construct new natural gas refueling stations within the region and work with its customers to identify and use what is considered an extensive CNG/LNG refueling infrastructure already in place in Southern California, much of it developed by Clean Energy.

The Los Angeles County Metropolitan Transportation Authority (LAMTA), the largest public transportation system in car-laden Southern California, is operating the nation's largest natural gas-powered bus fleet, and Seal Beach, CA-based Clean Energy Fuels Corp. said it has signed a contract to upgrade four of LAMTA's fueling stations. Under a \$8.4 million contract Clean Energy will rehabilitate four compressed natural gas (CNG) bus fueling sites. LAMTA operates 2,506 CNG-powered buses, more than 95% of its fleet. The CNG buses consume more than 30 million gallons of CNG annually. Currently the operator of

the LAMTA stations, Clean Energy said during the next 18 months its new contract calls for reconfiguring and upgrading the CNG fueling stations' compressor equipment. LAMTA obtained a federal stimulus package grant for funding the CNG station upgrade project under last year's American Recovery and Reinvestment Act. Clean Energy so far is partnering with a number of public transit fleets to allow buses to run on natural gas -- CNG or liquefied natural gas (LNG), according to James Harger, Clean Energy's chief marketing officer. The company's clients operate more than 5,000 CNG-powered buses.

API Economist Warns of Potential of Bad Energy Policy – *Trucking Info* – 4/19/10

By Deborah Lockridge

CINCINNATI -- The general public doesn't know much about the oil industry - and a lot of what they think they know is wrong, said John Felmy, chief economist for the American Petroleum Institute, Sunday during an educational session at the National Private Truck Council annual meeting. And that lack of knowledge, he says, can lead to misguided public policy.

For instance, Felmy says, in a survey of people who said they were knowledgeable about the petroleum industry, only 11 percent could correctly identify the largest supplier of oil to the U.S. - Canada. "If people don't know the facts and they're talking to their elected representatives, you can have very bad policies developed based on misunderstandings." It's that kind of bad policy, he said, that led to gas rationing in the '70s.

People often point to the huge profits reported by major oil companies. When fuel prices are high, that leads to calls for taxing oil companies more heavily. However, Felmy said, according to the U.S. Energy Information Administration, if you divide up what goes into the cost of a gallon of gasoline, the crude oil makes up 62 percent of that, 21 percent is refining and retailing, and 17 percent is taxes. In fact, he said, only 4.3 percent of that dollar last year was profits - far less than many other industries, such as 5.5 percent for all manufacturing industries and 27.7 percent for the pharmaceutical industry.

Felmy also said that critics often bring up the fact that the industry has built no new refineries since 1986, and accusations that the industry is purposely trying to keep the keep supplies of fuel low to drive prices up. Yet, Felmy said, in March the industry produced an all-time record amount of gasoline. "The refinery system is squeezing more and more out of the bottom of the barrel," he said, and in the case of gasoline, they are also adding more ethanol to meet government mandates. In addition, he said, the industry has been expanding existing refineries, which is much more efficient than building new ones - the equivalent, he said, of a new refinery every year since the mid '90s.

Despite calls to regulate speculation in oil markets, Felmy said the primary driver of high gasoline and diesel prices is supply and demand. He showed how gasoline and diesel prices move practically in lockstep with crude oil prices. "Since the middle of February, we've seen crude oil prices rise from \$71 to \$86 a barrel, an increase of 36 cents per gallon," he said. "At the same time, we've seen the cost of gasoline and diesel go up about 25 cents a gallon."

ALTERNATIVE FUELS

Felmy said the petroleum industry is already the largest investor in alternative fuels. "We're looking for the next energy source, but it takes a long time," he said, noting that oil was discovered in the U.S. in 1859, but it took 90 years before oil surpassed coal as an energy source. He also touted the large investment in "clean diesel," the ultra low sulfur diesel fuel that has been part of the elimination of soot and smell from today's new diesel engines.

Solar, wind and geothermal energy creation, which are being pushed in Washington, D.C., Felmy said, are all well and good, but they are not going to do much to reduce our dependence on petroleum products, he said. That's because 71 percent of the petroleum is used in transportation, which depends

on petroleum for 95 percent of its fuel. Solar, wind and geothermal produce electricity, but that doesn't do much good for transportation, he said. "Until we have a fleet of electric cars, you're not going to see that as a mechanism of reducing oil use," he said. "We need energy policies that are going to use ALL of these things."

Felmy said that even though we will see significant growth in biodiesel, ethanol and other green liquid fuels, by 2035, we'll still use more oil than we do today. Natural gas, he said, is an option that could be used to convert some trucks off of petroleum, thanks to recent huge discoveries of shale gas in the U.S., as is being pushed by energy magnate T. Boone Pickens through his Pickens Plan.

GOVERNMENT ACTIONS

The oil industry is against the Waxman-Markey climate change bill that passed the House last summer but has not passed the Senate. Felmy said the bill put nearly the entire burden on the oil industry and oil consumers. He also questioned the greenhouse gas emissions targets in that bill, noting that an 83 percent reduction would take us down to below levels seen in the 19th century.

He also said the Obama administration's FY2010 budget proposal would mean a more than \$80 billion tax increase on the American oil and gas industry. Putting more burdens on the industry, he said, could drive struggling refineries out of business, result in less investment in looking for new sources of oil and energy, and actually result in less oil being produced domestically and increased dependence on foreign oil.

"We think going forward we're going to need more oil. So if we're going to need more oil, why don't we product more here?" Felmy said. "Every dollar we produce here means we're not sending a dollar somewhere else," and that could improve the trade deficit, generate jobs, and generate revenue for the U.S. Treasury.

Felmy said while the Obama administration recently took steps to open some parts of the U.S. to offshore drilling, they also closed the door on other potentially oil-rich areas.

The API is also concerned about proposals in the Northeast to mandate ultra-low sulfur diesel fuel. "You're talking about suddenly throwing the Northeast into a situation where you could suddenly have a surge in demand," and the industry just does not have the refining capacity to meet that much need for ultra-low-sulfur fuel - and home heating oil is very similar to diesel fuel. "The last thing you want is a major spike in demand for diesel in the winter."

The American Petroleum Institute represents all aspects of the U.S. petroleum and natural gas industry. You may be most familiar with it from the API "donut" used to identify engine oils meeting standards set to make sure the oils work properly in vehicle engines.

T. Boone Pickens On Green Jobs – *Mother Nature Network Blog* – 4/16/10

By Melissa Hinch-Ownby

T. Boone Pickens and others testified before the Ways & Means committee to discuss energy tax incentives and their place in a green economy. Pickens wants to know when do we stop investing in OPEC and start investing in America. Pickens wants to replace OPEC's dirty fuel with American-made clean energy, most notably natural gas.

The purpose of the hearing was to assess current energy tax policy and plot a course to support job growth. Combining Recovery Act dollars with private investment and additional clean energy tax incentives can help launch the nation out of this nearly jobless recovery.

Our Nation's Wealthiest Need To Invest In Jobs – *AnnArbor.com* – 4/18/10

There was an article on the Internet that told the story of how Denzel Washington, the actor, wrote a check on the spot for a unit to house families of veterans being treated in veteran hospitals. It's possible that Denzel may be among or very close to the nation's richest top one percent.

As I read this story, I wondered why there aren't more Denzel Washingtons. I'm sure that there are enough rich Americans who with a few strokes of a pen could greatly benefit the nation's welfare without missing a beat in their lives.

As I thought more about the possibilities, I came across other articles that declared that the richest one percent of the population owned anywhere between 34 to 44 percent of the nation's wealth. The richest 10 percent owned about 80 percent of the nation's wealth. That would indicate that the bottom 90 percent owns about 20 percent of the nation's wealth or less than the combined wealth of the top one percent.

The nation's total wealth seems to be in a range between 44 and 50 trillion dollars. If we use the lower figure of 44 trillion and the lower 34 percent for the wealth held by the top one percent, we get a figure of around 15 trillion dollars for the total wealth held by the richest one percent. The top 10 percent would have a combined wealth of around 35 trillion dollars. Doesn't this analysis suggest that there is a glut of capital held in investments that are not benefitting anybody but a handful of people?

In the Great Depression of the 1930s, an era I was born into, the big problem was that money was tough to come by because the distribution of wealth was worse than it is today. In today's economy, I would estimate that the lion's share of the economy is being driven by 70 to 80 percent of the population while the bottom 20 to 30 percent is struggling. In the '30s, a lot of people never realized how poor they were because just about everybody was poor.

Finally, I concluded that even if only a trillion dollars was transferred from the useless investments held by the top 10 percent into creating new industries and new jobs, it would be a big impact toward healing the economy. Note that a trillion dollars could pay two million workers each \$50,000 for 10 years.

If the three to one multiplier for new jobs created by one job is true, then the two million jobs could create six million jobs. Ironically, who has the most to gain from such a chain of events, none other than the top 10 percent? If T. Boone Pickens can see possibilities by investing in wind powered energy, surely some of his fellow fat cats should see similar opportunities.

Edward Jacobs, Ypsilanti

BROADCAST COVERAGE

1. AgriTalk LIVE

AgriTalk, National | DMA: 0

04/15/2010, 11:06 AM - 11:50 AM

00:02:05 The House Ways and Means Committee held a hearing yesterday that focused on the importance of renewable **energy** tax credits to the continued evolution of renewable **fuels** industry .In particular committee members heard about the importance of growing our domestic renewable **fuels** industry through continued sound tax policy Assistant Secretary of Treasury reiterated the Obama's administration support for continuing tax incentives for the use and production of ethanol from all feed stocks . Even **oilmanTBoonePickens** stated his support for ethanol ... 00:05:00

Audience: N/A **Spot Cost:** N/A

2. Your \$\$\$\$ (Rebroadcast)

CNN, National | DMA: 0

04/18/2010, 03:00 PM - 04:00 PM

[CC] 00:30:38 (guest is Jeff Rubin).... Is there danger? In history oil price spikes have triggered recessions. This one was triggered by an oil price spike. It was a very unusual recession are we worried about double dipping or somehow having a problem with our economic recovery because of the increased price of oil that you are predicting? It's not clear to me that the world economy is any better to handle \$147 barrel of oil next year as it was back in 2008. I think what we're going to see is, we're going to keep running into the ceiling of triple-digit oil prices causing back-to-back recessions until we start to reengineer our economies. And I think that's what's going to happen. **BoonePickens** tried to do that with **wind** and **naturalgas**. Others have tried it with solar. If we get up to \$100 or beyond in **oil**, guys like Stephen Leeb and I think you agree say that that stimulates production of alternative **energy** that's been stymied a little bit because **oil** prices went down. It will, Ali. It's all a matter of time. If we have 10, 15 year, there's no question we'll develop new technology. Unfortunately, our rendezvous technology. With triple-digit **oil** prices isn't in 10, 15 years. It's maybe in 10, 15 weeks. So instead of trying to figure out how to turn cow dung into high-octane **fuel**, we've got to learn to get off the road , and that's exactly what we're going to do. Give me something for my viewer to work with. Okay, we're going to get hit by this high price of **oil** and everything we buy, ship and drive, is there some way I can make money off this? I think there's a lot of ways you can make money on this. I think we're going to find there's a lot of silver linings. I think you'll find a lot of industries that we thought were gone forever, everything from steel to farming is soon going to be coming back. Not just in America, but in a whole lot of places. Jeff, good to see you. Jeff Rubin is author of "Why Your World Is About To Get A Whole Lot Smaller." Controversial but worth reading. Take care.00:33:24

Audience: 500,450 **Spot Cost:** \$4,743

3. Your \$\$\$\$

CNN, National | DMA: 0

04/17/2010, 01:00 PM - 02:00 PM

[CC] 00:32:00 (guest is Jeff Rubin).... Is there danger? In history oil price spikes have triggered recessions. This one was triggered by an oil price spike. It was a very unusual recession are we worried about double dipping or somehow having a problem with our economic recovery because of the increased price of oil that you are predicting? It's not clear to me that the world economy is any better to handle \$147 barrel of oil next year as it was back in 2008. I think what we're going to see is, we're going to keep running into the ceiling of triple-digit oil prices causing back-to-back recessions until we start to reengineer our economies. And I think that's what's going to happen. **BoonePickens** tried to do that with **wind** and **naturalgas**. Others have tried it with solar. If we get up to \$100 or beyond in **oil**, guys like Stephen Leeb and I think you agree say that that stimulates production of alternative **energy** that's been stymied a little bit because **oil** prices went down. It will, Ali. It's all a matter of time. If we have 10, 15 year, there's no question we'll develop new technology. Unfortunately, our rendezvous technology. With triple-digit **oil** prices isn't in 10, 15 years. It's maybe in 10, 15 weeks. So instead of trying to figure out how to turn cow dung into high-octane **fuel**, we've got to learn to get off the road , and that's exactly what we're going to do. Give me something for my viewer to work with. Okay, we're going to get hit by this high price of **oil** and everything we buy, ship and drive, is there some way I can make money off this? I think there's

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Audience: 583,707 **Spot Cost:** \$5,488

4. News

KFWB-AM (IND) Freq. 980, Los Angeles | DMA: 2

04/16/2010, 08:00 AM - 09:00 AM

00:38:00 Talking Points well understands that America continues to send billions of dollars overseas to buy oil...And many of those dollars are helping our enemies ...Iran , in particular ... Alternative **fuel** would be good but my question is why don't we have it?... You may remember **TBoonePickens** spending millions of dollars promoting **windenergy** ... But I if I want wind to heat my home I would have to stand on my roof with a kite .. There's simply no **windenergy** available on Long Island, Same thing with solar .. I'd like sun driven energy but the cost is crazy ... And I'd love to put **naturalgas** rather than **oil** based gas in my car ut there are no **naturalgas** stations ... So I think it is time to put up or shut up ..The Fed should explain exactly why we don't have alternative **energy**and what might be viable in the near future ... I want hot air but not frm the politicians.I am Bill O'Reilly 00:39:59

Audience: 33,900 **Spot Cost:** \$334

5. Clean Skies Sunday

WJLA-TV (ABC) CH 7, Washington, DC | DMA: 9

04/18/2010, 09:30 AM - 10:00 AM

[CC] 00:06:23 That 2008 record run for **oil** prices that we mentioned was the main selling point behind the **Pickens** plan, a **nationalenergy** strategy pitched by **T. BoonePickens** himself. Well, last week the legendary **oil** and **naturalgas** man appeared before the House Ways and Means Committee, discussing tax credits for **energy** production --Sources like **wind**, ethanol, biodiesel --But **Pickens** wants to add another kind of credit --\$65,000 for truckers who convert their diesel-powered big rigs to run on **naturalgas**. After that hearing, **Pickens** talked with clean skies news. Our approach is very simple. We are hunting with a rifle. We are aimed at the 8 million 18-wheelers and the 65,000 incent. So, I don't see anything complicated about it. Standing alone, it will pass in a minute, I promise you. We've got 141 cosponsors for the bill. But right now they're holding it back to put some other stuff on it, which, I'm watching that very closely and I don't want any tax problems to come into the indusy.**Pickens** tells us the tax credit is needed to offset initial conversion costs. They can run as high as \$80,000 for an 18-wheeler. But, according to **Pickens**, owners of some trucks could recoup their cost inuel savings in just about four years. Along the way, they could also cut U.S. d iesel demand by about 5% each year.00:10:03

Audience: 22,532 **Spot Cost:** \$218