



## T. Boone Pickens Media Coverage 5.9.09-5.11.09

### Total of 27 Placements

- Print: 10
- Blog/Online: 7
- Broadcast: 10

### Coverage Summary:

Pickens' latest blog on *The Huffington Post* discusses the April oil import numbers, natural gas and H.R. 1835.

The *Monroe News Star* and the *Shreveport Times*, along with several Louisiana TV stations, covered Pickens' appearance in Chatham on Friday, highlighting the oil import numbers, the Pickens Plan and progress that has been made so far.

*The Toronto Star* featured a profile on CNN chief business correspondent Ali Velshi. The piece mentions Velshi's growing popularity and access to business leaders, citing a drop-in visit from Boone at CNN's NYC studios as an example. Velshi is scheduled to interview Pickens in June for the CNN Money Summit.

*CQ Politics* has a piece on the use of the internet for lobbying purposes. The article leads with Pickens and the online support he has been able to achieve while promoting the Pickens Plan.

*The Boulder Daily Camera* article stems from last week's Windpower Conference in Chicago, highlighting potential job opportunities in the wind industry. The piece ends with a Pickens quote pointing to new legislation that is coming. *Clean Skies TV* and *Ag Day* also reported on Pickens' appearance at the conference.

### Highlighted Placements (Full Articles Below)

- **The Oil Price Roller Coaster is on the Upswing** – *The Huffington Post* – 5/8/09
- **T. Boone Pickens: 'We Need to Run on Domestic Fuel'** – *Monroe News Star* – 5/9/09
- **T. Boone Pickens attends unveiling at Chatham** – *Shreveport Times* – 5/8/09
- **North LA Parish Goes Green** – *KSLA* – 5/8/09
- **From Toronto to CNN, He's All Business** – *Toronto Star* – 5/10/09
- **Lobbyists Use the Web to Target Messages** – *CQ Politics* – 5/11/09
- **Butterfield: Want a job? Think Wind.** – *Boulder Daily Camera* – 5/10/09

### Print Placements (Full Articles Below)

- **The Hedge Fund 100: Acing a Stress Test** – *Barron's* – 5/11/09
- **Value of Diversity** – *St. Louis Post-Dispatch* – 5/11/09
- **Mackinac Policy Event to Reflect Tighter Times, Too** – *Detroit Free Press* – 5/10/09
- **Almost a Fourth of New Homes in Austin are Green** – *Austin American-Statesman* – 5/10/09
- **Denver a Great Place for New Ideas** – *AAPG Explorer* – May 2009

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

- **The Humble Scooter: When Stimulus Packages Collide** – *24/7 Wall Street* – 5/11/09
- **It's Not All Or Nothing In The Oil Versus Alternatives Debate** – *The Business Insider Green Sheet* – 5/10/09
- **Wind Power Ain't Blowin' Smoke** – *Gapers Block* – 5/9/09
- **Reluctant Entrepreneur a Hit in Market with Green Fund** – *San Diego News Network* – 5/8/09

- **AgDay Daily Recap** – *Ag Web* – 5/8/09

## HIGHLIGHTED COVERAGE

### **The Oil Price Roller Coaster is on the Upswing** – *The Huffington Post* – 5/8/09

By T. Boone Pickens

It has been nine months since oil hit its high of \$147 per barrel and the price of gasoline at the pump in the United States topped \$4 per gallon for regular. In California, gasoline topped out at an average of \$4.43 per gallon. Since then, the worldwide recession dampened worldwide demand and oil fell to about \$39 per barrel in February of this year.

But, guess what? OPEC has been fairly successful in cutting supplies and the world's economies are showing the earliest signs of recovery and oil prices are creeping back up.

In March the average barrel of oil cost about \$48 per barrel. In April that oil cost about \$50. Today, it's back above \$55. OPEC wants to push the price up to about \$75 per barrel by the end of the year and they will probably be successful.

The rise in oil (and, therefore gasoline and diesel) prices is not the biggest issue confronting facing the United States on its energy supply. In April 2009, we imported 375 million barrels of petroleum at a cost of about \$18.6 billion. But that represented 68 percent of the oil we used during the month.

Rather than decreasing our dependence on foreign oil, the percentage of oil we use which comes from non-US sources is continuing to rise.

Seventy percent of the oil we import is used as a transportation fuel. And about thirty percent of imported oil is used to fuel heavy trucks - 18-wheelers.

Neither wind, solar, nuclear, hydro, nor thermal - not even ethanol - will work as a substitute for imported diesel to move the goods that have to be transported from coast to coast and from border to border on 18-wheelers.

The only domestic fuel which will work as a substitute for foreign oil in all classes of vehicles is natural gas.

We have a virtually unlimited supply of natural gas in the United States. The new technologies now being employed to recover natural gas from the enormous shale deposits under Appalachia, Arkansas, Louisiana and Texas have led independent researchers to conclude our reserves will last for more than 100 years. That includes using natural gas for electrical generation, as feedstock for the chemical industry, in compressed (CNG) or liquified (LNG) form as a transportation fuel, and for all other current and planned uses.

Using natural gas to replace diesel-fuelled heavy trucks solves a number of issues when we talk about reducing our dependence on foreign oil. The first issue is the size of the current fleet. We have over 250 million cars and light trucks on America's streets and highways. That is an enormous installed base so making dent in gasoline usage is a daunting task. To move just five percent of cars and trucks to natural gas would require the upfitting of about 12.5 million vehicles. That is not likely to happen.

However, the national fleet of heavy trucks comes in at about 6.5 million. A five percent move from diesel to natural gas means replacing only about 325,000 trucks - a number we can get our arms around. And because 18-wheelers are such voracious consumers of diesel, we can make real progress in decreasing our need for foreign oil by aiming at that goal.

In addition, most 18-wheelers tend to run the same routes back and forth. Truckers stop at the same places to eat, rest and refuel so the infrastructure issue of natural gas fueling stations will be easily

handled in the normal course of commerce. You don't need a natural gas refueling pump on every street corner as you would for passenger cars and light trucks.

There is now a bill in Congress, H.R. 1835, which is known as the NAT GAS Act. This bill - which has generated more than 35 co-sponsors from both sides of the aisle - will provide incentives to move heavy trucks from diesel to natural gas.

It is crucial to avoid the "chicken-and-egg" issue - buyers can't find natural gas vehicles (NGVs) to purchase, and manufacturers won't build them until they are sure there is a market for them.

When AT&T announced it was upgrading 8,000 trucks in its domestic fleet to run on natural gas, it found that while Ford Motor Company could (and will) build the chassis, they had to find other domestic vendors to do the upfitting to natural gas.

H.R. 1835 will close that gap between builders and buyers. In 200 the federal government purchased almost 65,000 gasoline, diesel and E85 vehicles. In that same year the federal government purchased only 129 NGVs. Not 129 thousand, but one hundred twenty nine. This bill requires the government to purchase 50 percent of its vehicles purchased over the next five years to run on natural gas.

This will provide a kick start to the NGV production capabilities of our struggling car and truck manufacturers and will have the additional effect of lowering the prices of NGVs as manufacturing ramps up.

H.R. 1835 provides a number of tax incentives which can be utilized by public and private fleet managers. Municipal and school bus fleets; refuse and recycling trucks, taxis, municipal vehicles, express delivery trucks can all be replaced with CNG vehicles.

This is the right time and H.R. 1835 is the right vehicle to show the world that the United States is serious about reducing our reliance on foreign oil.

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### **T. Boone Pickens: 'We Need to Run on Domestic Fuel' – *Monroe News Star* – 5/9/09**

By Matthew Hamilton

CHATHAM — T. Boone Pickens' journey to redirect America's energy dependence made a pit stop in northeastern Louisiana on Friday.

EXCO Resources, Inc., an oil and natural gas producer that claims Pickens as one of its directors, unveiled a compressed natural gas pump station at its Vernon Field near Chatham. The company also pledged to convert 95 percent of its fleet, or 45 trucks, from gasoline to natural gas-powered engines in the next eight months.

Pickens, who has made billions of dollars off oil and natural gas in a career that spans six decades, spoke at the unveiling and argued his proposal to break the nation's dependence on oil.

"We need to run on domestic fuel and get off foreign oil," Pickens said. "Last month we imported 68 percent of our oil from overseas. That's \$18.6 billion, the highest amount this year, and a lot of it is going to countries who don't like us. It's a matter of national security."

Pickens has proposed switching the nation's energy grid from natural gas to more renewable energy sources such as wind and solar power. The remaining natural gas would be used to power vehicles like the EXCO's fleet of Ford F-250 pickup trucks.

Pickens spent millions of dollars to spread his message across the nation's television screens in the summer of 2008 and said he will continue to press businesses and politicians for his program. Since that time the price of gas has fallen from over \$3 a gallon to under \$2. But Pickens said his plan is as urgent as ever with the election of Barack Obama.

"The Obama administration is on board and said we need to be energy independent," Pickens said.

The longtime Republican who helped finance the Swift Boat Veterans for Truth campaign in 2004 said he even met with Democratic leaders Harry Reid and Nancy Pelosi to garner support.

"This is a nonpartisan issue," Pickens said.

Doug Miller, chairman and CEO of EXCO, said the main consideration for converting the vehicles and creating the natural gas filling station was cost. He said with tax incentives and relatively cheaper fuel, the conversion would pay for itself in three years.

Louisiana Secretary of Natural Resources Scott Angelle was on hand at the ceremony and offered his support for what has been called "The Pickens Plan."

"Last year, \$4 gallons of gas made a permanent impression on consumers," Angelle said. "No state has more to gain from an increased use in natural gas, and you can bet that Louisiana will be sitting at the table if not holding the meeting."

State Rep. Jim Fannin, D-Jonesboro, also attended the ceremony and said bills are working their way through the Louisiana Legislature that would provide further incentives to convert cars to natural gas power.

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#### **T. Boone Pickens attends unveiling at Chatham – *Shreveport Times* – 5/8/09**

CHATHAM — Speaking at the unveiling of a newly constructed EXCO compressed natural gas vehicle fueling facility today, energy expert T. Boone Pickens made his plea again to cut foreign dependence on oil.

"Last month, oil imports grew to 68 percent," Pickens said. "That's the highest percentage in 2009-so far-and if we don't move towards a workable energy plan, it will only get worse. ...With our own economy struggling, we can't continue to send billions of dollars a month overseas ... This money could be used in Louisiana to fund education, new roads and housing-endless possibilities. We need to keep this money at home and invest in our infrastructure and our future rather than fill the treasuries of oil rich nations and continue to fund both sides of the war on terror."

In March, the U.S. imported 65 percent of its oil, up from 62 percent in February. In total, the U.S. spent approximately \$475 billion on imported oil in 2008.

Pickens said some progress is being made, such as the so-called NAT GAS act (H.R. 1835), introduced in the House, which will provide incentives to run fleets and heavy duty trucks on natural gas.

Unveiled on July 8, 2008, the Pickens Plan is a detailed solution by Pickens for ending the United States' growing dependence on foreign oil. For more information on the Pickens Plan go to [www.pickensplan.com](http://www.pickensplan.com).

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#### **North LA Parish Goes Green – *KSLA* – 5/8/09**

CHATHAM, LA (KSLA) - More and more parishes in the Ark-La-Tex is going green.

Friday, EXCO Gas Company unveiled its newly constructed natural gas fueling facility in Chatham, Louisiana.

The plant produces natural gas primarily used for heating and cooking. The new fueling area uses natural gas it produces for its large fleet trucks.

Oilman T. Boone Pickens was on hand to talk about the positives of the change over to natural gas fueled vehicles.

"This is a very good place to do it, Vernon Field. They produce 150 million cubic feet of gas a day, they got about 500 wells here, but we'll probably drill another 1,000 wells here, when the price of gas goes up," said Pickens, CEO of B.P. Capital.

Boone also says it's all apart of their plan to decrease America's dependence on foreign oil.

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### **From Toronto to CNN, He's All Business – *Toronto Star* – 5/10/09**

By Leslie Scrivener

NEW YORK – People are always popping out of nowhere wanting to talk to Ali Velshi.

On West 58th St., near CNN's Manhattan studios, a man in a ball cap and jeans, his yellow shirt-tails hanging out, calls out to Velshi, the network's chief business correspondent.

"Hi, Ali," he says, looking as pleased as if he's run into an old friend.

"I like your show. You've got some good tips on it."

A short time later, the Toronto-raised broadcaster is the newsroom at the Time Warner Center when someone pays a courtesy call.

It's T. Boone Pickens, the 80-year-old billionaire Texas oilman and born-again advocate for renewable energy.

Pickens, who has made and lost fortunes several times over, has become a missionary preaching to America about reducing its dependence on "foreign oil" and promoting the benefit of wind farms.

Why visit Velshi? The broadcaster has access to opinion makers and an audience that numbers in the millions. "Just trying to stay in touch," Pickens says at the end of a friendly, 30-minute conversation.

It's been that way since the economy turned sour last year: U.S. business leaders dropping by, just to stay in touch. And over the course of the turbulent winter and anxious spring, through the U.S. government bailout program, the collapse of venerable financial institutions, the credit freeze, the decline in consumer spending and the loss of millions of jobs, Velshi, 39, has become one of CNN's most recognized and valued stars.

He is also the author of a new book, *Gimme My Money Back*, a guide for investors ready to rebuild after the collapse of the financial markets. It's a slim, how-to volume, quickly written – 40 days from inception to publication.

With his three-piece suit, surprising plaid shirts and smooth, hairless head, Velshi is easy to recognize when he's out on the street. And people are always asking him things like, "Should I sell my GM stock?" or "Has the market hit bottom?"

"I don't really give tips," he says, explaining that his work is more "macro." He is an interpreter of the economy, pointing out trends and giving context.

Velshi dispenses his analysis as co-host of the weekend business show Your \$\$\$\$\$, host of the weekly radio/online call-in program The Ali Velshi Show, and regular commentator on The Situation Room with Wolf Blitzer, Anderson Cooper 360°, and other local, national and international news shows.

Next month, he's back home, speaking at ideaCity, Toronto's annual gathering of leading thinkers.

Velshi doesn't have the square-jawed appeal of the late Peter Jennings of ABC World News Tonight, nor the boyish good looks of CNN American Morning anchor John Roberts – both, like him, Canadians who rose to the top in U.S broadcasting. "I have no angles on my face," Velshi laments. "I look like a boiled egg."

But with his rich baritone voice, his personable style and his distinctive, friendly appearance, he has on-air charisma. "It's called 'Q,'" explains Amanda Lang, co-anchor of the business/politics show SqueezePlay on Canada's Business News Network. "It's likeability, a measure of how popular someone is with an audience. Oprah has off-the-charts Q. It's not about how beautiful you are, it's about viewers liking you, and he's always had it."

Velshi's style is intimate, and it's the people side of the story he likes. "Call back, I like talking to you," he recently told John, calling from California. His Canadian sensibility shows in his defence of public health care and a minimum wage: "People who oppose the minimum wage should go out and work for it, for a change," he said on his radio show.

Viewers, like the man on West 58th, feel connected, as if they know Velshi. "People need to trust you," Lang says. "That's exactly what Q is about. Viewers need to think you are looking out for them. They trust (Ali is) going to help them understand."

Last year, before the depths of the financial crisis, Jon Stewart mocked Velshi on The Daily Show. "Who is that hairless prophet of doom and how can we appease his anger, please," Stewart said. "If we give you our hair, will you give us back our money?"

It was a funny metaphor, but especially so for Velshi because at his core, he is an optimist. "Am I worried about the money I invested?" he writes in Gimme My Money Back. "Not really. I've made a long-term commitment to my investment plan. Despite the current turbulence, I know the market will recover and my investments will grow."

The energy of the planet's six billion people, he goes on to say, "will propel us forward."

He partly credits his businessman father, Murad, a former Ontario MPP who was elected in the old riding of Don Mills (now part of Don Valley West), for his sunny view of life. "I think the world's a good place and people are good..." says Velshi. "I grew up with the sense it's gonna work, but you have to take a great deal of responsibility. That meant you had to work."

The atmosphere in the family home was rather serious. "(Conversations were) always fact-based... At no time did entertainment take over what was watched in our house. (News) was our pop culture."

He adds: "There wasn't a lot of conversation about money. That wasn't the driver – justice was a bigger issue."

The Velshis belong to the Ismaili branch of Islam, led by the Aga Khan. Their forebears are from Gujarat state in India, though Murad and Mila, Ali's mother, grew up in South Africa. Ali's great-grandfather was a friend of Gandhi, who arrived in South Africa in 1893; his grandfather was a student in a Gandhi-organized school; and an uncle took part in passive-resistance anti-apartheid actions.

As apartheid became more oppressive, Velshi's parents were forced to sell their bakery, which had been in the family for four decades, and in 1960 they moved to Nairobi, where Ali was born. When he was a year old, they visited Pakistan, England and New York City, looking for a new home, finally settling their young family – which included Ali's elder sister, Ishrath, now an Ottawa mother – in Canada. "The comfort factor was here," says Murad, now 74.

The elder Velshis still occupy the North Toronto house where they raised their children. Murad and Mila ran a chain of travel agencies. Ali was a bright, sociable boy who became student-council president at Northern Secondary – he liked politicking and people.

Later at Queen's University, where he studied religion, he was involved in student government. In between studies, he worked part-time in clothing stores – including Harry Rosen and Stollery's – and though he has a reputation as a dandy, he says he liked selling more than the clothes themselves.

Velshi's photograph ended up on the front page of The Kingston Whig-Standard on Oct. 8, 1992, when he was thrown out of a political rally for Reform leader Preston Manning. Organizers had refused to take questions from the floor, and Velshi, a well-dressed student in khakis, a tie and a blazer, stood up and questioned Manning directly. "I was proud he could take a stand," says Murad, "but seeing him ejected..."

While his family thought he'd become a lawyer or doctor, Velshi chose print journalism – he'd worked at the university's radio station and newspaper, The Journal. He couldn't get a newspaper job, but he did win some prestigious internships – at CNN's Crossfire and in the Paris bureau of 60 Minutes.

In 1993 he became a booking producer on Canada AM. The next year, he was working at CFTO as a reporter. "I was terrible, uncomfortable in my own skin," Velshi recalls. "I hated me on TV."

But he made some friends, among them Tom Clark, now CTV's sometime anchor and senior political correspondent, who remembers Velshi's "volcanic" energy but also the fact that "all the confidence he exuded when he walked in the room seemed to disappear on air. He didn't know how to project or phrase a sentence."

He wasn't suited to chasing the news or covering city council, Clark thought. "When I met his parents, with their civic responsibility – and they were quite the entrepreneurs – I started putting it all together. His future wasn't in fire trucks but financial futures."

After a congressional internship in the U.S., and a year working with his parents in South Africa, where they returned for a time, he was back at CTV as a national news writer. By 1997, he was business anchor for CablePulse 24 and Citytv, by '99, a host at ROB-TV. The week of 9/11 he was riding his motorcycle to New York to begin his job at CNN.

"He was the one who shone," says Pat Kiernan, another Canadian expatriate – he's from Edmonton – who first worked with Velshi on ROB-TV. Now morning anchor on NY1, a 24-hour news channel, Kiernan is as recognizable as Velshi on New York streets.

The two worked together on a CNNfn show called The Money Gang, until the network killed it in 2004. "He was the one they wanted to keep," recalls Kiernan, "but they still didn't know what to do with him."

Velshi won major assignments out of his beat, including Benazir Bhutto's assassination in Pakistan and hurricanes Katrina and Gustav.

Then, with the 2008 presidential election and the economic crisis, Velshi was back in business. "Suddenly, every show wanted a piece of Ali," says Kiernan. Sometimes 10 or more different CNN programs – radio, international, affiliates – will ask Velshi to comment when a business story breaks. Velshi agrees, partly out of a sense of obligation, and partly because he enjoys talking about issues "live," says Kiernan.

The risk of so much exposure is not having the time to be the authoritative journalist Velshi is known to be. "His popularity as an on-air reporter sometimes works against what makes him good at his job," says Kiernan, who notes that his friend loves "reading The Wall Street Journal from front to back without taking five phone calls."

Velshi routinely works 14- to 16-hour days and has a rollout cot in his office. Married briefly in his 20s, he's now engaged to Lori Wachs, a Philadelphia portfolio manager he met on his show.

Though he is part of New York's media elite, his tastes remain modest. Recently, the chief marketing officer for a giant tech company invited him to the posh Jean Georges restaurant ("sea trout sashimi draped in trout eggs" is on the lunch menu). He went, but says expensive restaurants are lost on him. "I'm a Swiss Chalet, KFC kind of guy... I could have eaten for \$8."

This is what his friend Lang calls the "low-brow Ali face...It implies he's kind of a rube, but he's really not... He can tell you the contents of this week's Economist and Harper's, but he'd rather be at KFC when he does it."

Velshi lives on the Upper West Side, a 25-minute walk to work. He rarely drives his Nissan Xterra SUV, and owns a motorcycle, a Suzuki Intruder, which he rode last week to an interview with the hosts of the TV show American Chopper in upstate New York. Despite his Philippe Starck glasses, custom suits and assertive plaid shirts – "I don't have hair; this is the only fun I can have" – he likes the outdoor life: He's gone off-roading in Namibia and has climbed Mount Kilimanjaro twice.

With Velshi's family history of politics, Liberal party honchos have tagged him as a potential candidate, but he says he's not ready. He's thinks about getting an MBA and has spoken to The Wharton School at the University of Pennsylvania. "Just to get better at what I do. I don't have any formal training in business."

But then, how much better could it get? "When the ride's this good, you want to keep riding."

Ali Velshi speaks at ideaCity09, June 19, at Isabel Bader Theatre, 93 Charles St. W. Ticket information: 416-362-4332 or [www.ideacityonline.com](http://www.ideacityonline.com). The Toronto Star is a media sponsor of ideaCity.

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## **Lobbyists Use the Web to Target Messages – CQ Politics – 5/11/09**

By Emily Cadei

Billionaire oilman T. Boone Pickens gave a condensed account of his Capitol Hill education in a speech before this year's National Governors' Conference in Washington: Initially, when Pickens would come to Congress on lobbying trips, lawmakers would keep him waiting half an hour before they would meet him. But, he joked, once he had made his billions, he could make them wait.

Pickens went on to relate that he's discovered a new kind of political currency as he promotes his "Pickens plan" to boost government spending on renewable-energy sources: "I'm a lot more powerful with a million and a half people behind me than I was as a big, rich guy."

Mobilizing constituencies has long been among the most effective tools policy advocates and lobbyists can use to gain the attention of Congress. But that sort of outreach is now going much further, thanks largely to new online appeals that can put citizens advocating in behalf of a given issue or bill more directly in touch with lawmakers and their congressional staffs.

A 2007 survey by the Congressional Management Foundation, a nonpartisan group that assists lawmakers in setting up their offices and training their staffs, reported that 44 percent of Americans had been in contact with their House members or senators in the previous five years. Just as striking was the finding in the latest survey that 84 percent of citizens contacting lawmakers had been prompted by a third party, mostly lobbying and advocacy groups. In 2004, the foundation surveyed lawmakers receiving constituent communications, and found that the volume of such missives increased fourfold, past 200 million, from the levels reported in 1995.

Internet-based advocacy is only gaining steam, said Tim Hysom, the foundation's director of communication and technology services. On issues ranging from the economic stimulus measure enacted in February to the auto bailout to overhauling health care, lobbying and advocacy outfits have stepped up their outreach efforts, pushing already identified populations to speak out for their pet issues.

The emphasis is increasingly on the targeting — or rather what campaign professionals call “microtargeting” — as new social media allow advocacy campaigns to refine their recruiting tactics. Just as important, advocacy campaigns can use online social media to create finer-grained appeals to members of Congress long accustomed to more anonymous-style communications, such as e-mail blitzes and postcard dumps, from constituents and interest groups.

Jeff Mascott, managing director of public affairs for the Adfero Group consulting firm, says his organization is harnessing social media, including blogs and networking sites such as Facebook, to present lawmakers with a seeming critical mass of opinion on an issue. In one recent campaign to support children's hospitals, for instance, Mascott's team engaged mothers and families, using blogs directed to child-rearing issues, asking them to talk about the value of children's hospitals in their own words.

The group will direct those comments to the writers' respective lawmakers — complete with Google maps detailing the number of supporters and their locations in the districts. It's a model that borrows more from door-to-door grass-roots organizing than traditional direct-mail overtures, Mascott said. The campaign has yet to yield legislative results, but Mascott says it presages a new kind of constituent communication that rises above the noise of form e-mails sent in batches of thousands at a time.

These techniques are gaining traction due to simple economies of scale. Online appeals significantly reduce the cost and labor-intensity of old-style grass-roots campaigns that rely on phone and direct-mail pitches — and the Obama campaign's enormous mobilization of online supporters has bequeathed a readily recruited base of online advocates for future legislative battles. Meanwhile, the range of challenges facing lawmakers has broadened the pool of potential grass-roots recruits, said Hysom. “You have this incredible activation machine that came out of the Obama campaign,” he noted, “plus we're talking about a very complicated set of issues that people are very passionate about.”

### Getting the Word Out

One group that's clearly capitalized on the new advocacy landscape is Americans United for Change, a union-backed organization formed in 2005 to counter President George W. Bush's push to create personal Social Security accounts. The group's new mission, as advertised on its Web site, is “to contribute a grass-roots groundswell for progressive policies.”

These days, that means policy-oriented campaigns to push the Obama administration's legislative priorities. One wide-ranging effort along these lines is the “Rebuild and Renew America Now!” coalition of more than 100 liberal interest groups — including the AFL-CIO, Greenpeace, MoveOn.org and Planned Parenthood — that have joined forces to push Obama's budget proposals.

Americans United estimates that the coalition's campaign will end up costing between \$5 million and \$7 million — \$450,000 of which Americans United has kicked in on its own for TV ads. The TV pitches have been bolstered by the group's mass e-mail lists, which "have grown substantially" since the 2008 election cycle, according to the group's press secretary, Jeremy Funk.

By coordinating its messages across multiple platforms — television, Web sites, YouTube videos and social media sites — Americans United is "truly using all the same tools and tactics of a modern-day political campaign," Funk said. He reported that the group's backers have made more than 80,000 calls to Congress, sent more than 8,000 personal letters and held more than 325 grass-roots events in support of the Obama budget during the past month. The home site for the campaign permits supporters to locate events in their states and to access YouTube and radio spots that target congressional opponents of the stimulus and budget plans whom they can then petition.

Groups such as Americans United are large-scale adopters, but the same techniques can be tailored to the needs of smaller advocacy groups as well, and can help them build the basis for bigger single-issue coalitions.

Take the "Fix Housing First" campaign, orchestrated by a group of builders and backed by the National Association of Home Builders, to push for the stimulus package to include a homebuyer tax credit — an effort that proved successful, although the enacted \$8,000-per-buyer benefit was about half as large as builders and real estate agents were advocating.

The microtargeted nature of the effort was as striking as its results, said Pat Cleary, senior vice president of digital public affairs at the public relations firm Fleishman-Hillard, who helped develop the campaign. Using Google's Ad Words system, which links homebuyer online ads to designated search terms, the group pulled in a wide array of builders and real estate professionals. The online ad initiative "clearly allowed us to go far outside our own constituency," Cleary said. "It brought in a lot of people from a lot of places that we otherwise never would have reached."

The coalition also fed its messaging into an eponymous Web site. And the site in turn added a Twitter feed in the days leading up to floor votes on the stimulus bill, allowing the groups' lobbyists and others on Capitol Hill to distribute a blow-by-blow account of the negotiations to subscribers on cell phones and BlackBerrys.

Between these updates, the coalition posted Twitter updates urging tax-credit supporters to contact their legislators and incorporated a software tool to track which supporters had weighed in with lawmakers preparing to vote.

In the day after its Twitter feed got off the ground, the coalition's supporters doubled their e-mails and letters to Capitol Hill, Cleary said. "These tools, in my view, have gone from bells and whistles, fun things," she said, to "essential tools driving advocacy."

Ad Words is at the forefront of such tools, because of its speed and flexibility. "In a matter of minutes you could run a search campaign," said Peter Greenberger, manager of Google's elections and issue advocacy team. The program is geographically flexible, as well, he notes: Advertisers can track, for free, the spikes in the number of searches for certain words in certain locations and shape their messages to users in those locales. Google doesn't disclose its income from advocacy campaigns, but Greenberger tells clients to set aside 10 percent to 15 percent of their ad budgets for online appeals.

## The Mail Deluge

There is, however, a considerable downside for advocacy groups in the online boom: The sheer volume of electronic communications makes it hard for any one message to rise above the din.

"I don't want to be a doomsayer, but communications are really challenging for congressional offices right now," said Hysom of the Congressional Management Foundation, noting that staff sizes have not changed since the 1970s, while district populations and the amount of constituent contact has exploded. "House servers got shut down a couple of times during the stimulus debate," he recalls, "because they couldn't handle the traffic." The foundation has drafted guidelines to optimize authentic constituent contact and minimize monotonous, choreographed e-mail blitzes.

Still, Mascott of the Adfero Group says the quality of constituent messages alone isn't enough to influence members. A good advocacy campaign needs "a mix of both size and authenticity," he said. Lawmakers need to hear from "individuals in the district sending personalized letters," but they also "need to hear from a lot of people."

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### **Butterfield: Want a job? Think Wind.** – *Boulder Daily Camera* – 5/10/09

By Anne Butterfield

CHICAGO — New graduates emerging soon from high schools and colleges always want to hitch their wagon to a star -- and the star most visible now on the American horizon is a three-bladed turbine rotor.

Our new graduates may be glad to know that in this economy that's squalid with bad news, wind power is making jobs like crazy while drawing people and industries together. This was particularly evident at the recent WINDPOWER Conference held this week in Chicago which drew a record breaking 23,000 people, 10,000 more than last year.

Striding across the millions of square feet of the exhibition hall of the conference, I caught wild glimpses, like a 6-foot diameter ring gear framing the white-blonde heads of men with Danish accents leaning in to chat with developers in cowboy hats, their pointed boots peeking out from good trousers.

Passing by a man yelling German into his phone, I heard snatches of English on various levels of tech: "The finishing removes asperities while reducing the surface less than a thousandth of an inch and doesn't change the geometry of the gear," and, "We can retrofit commissioned turbines," and, "Hey check out those temperature sensors!"

Many of the new conference exhibitors were from the auto supply industry, having broadened their mission to serve the wind industry as it rises to the protean task of supplying 20 percent of the nation's energy in the next 20 years.

Having added eight gigawatts of capacity to the grid in 2008 (a 60 percent surge over the prior year) and inventing 35,000 jobs, the industry is promising to match that contribution again this year.

While our country is being slammed with plant closings and layoffs, the wind industry is countering by opening plants every few months, with the German company Siemens announcing this week it will open a 300,000 square foot nacelle manufacturing plant in Hutchinson Kansas. Meanwhile the industry is scrambling with community colleges to ramp up degree and certificate programs to produce the sorely needed technicians to work on brand new wind farms.

"We need welders, pipe fitters, all kinds of vocational skills really, and I would gladly pay a few cents per hour on each laborer's work to fund the education of young people to be able to do this work," said Carole Engelder of Horizon Wind, a prominent wind development company based in Texas.

New technicians need to be ready to work where the wind is and that can mean living in remote locations; they also need to be comfortable in the confined space of a nacelle propped 400 feet in the air. Wind recruits need to love cross-cultural communication because wind energy brings people together from

around the world and often plunges them into backcountry areas steeped in proud tradition. Different customers require different approaches.

To work in manufacturing, strong candidates will have the math skills to grasp tolerances of 2/1000th of an inch on a 14-foot diameter gear, and if they get it wrong that means scrapping the piece.

These requirements challenge employers to the point of poaching other companies' workers or hiring kids out of training too early.

College educated candidates will need training in combinations of engineering and physics, finance, business, tax, and law, to seize the toughest creative challenges like transmission, business development and supply chain management. It doesn't hurt to know some Chinese, either, with China opening a huge drive toward wind as well.

The best chance for Americans to seize these domestic and international jobs is to call Congress and declare "YES on RES" to support the Renewable Electricity Standard that would require a national benchmark of about 20 percent of our power coming from renewables by 2020.

America better call, because the fossil fuel lobby is paying top dollar to lobbyists to keep business going as usual, and that means more nuclear waste, more toxins from coal, and more hundreds of billions going overseas for oil.

The conference was spangled with the star power of governors and federal figures cheerleading our renewable energy future. Featured most of all was Texas oilman T. Boone Pickens, who abandoned oil drilling for the greater promise of energy independence through wind power, with his children and nation in mind. He had this to say to new graduates who are interested in wind: "This is the year that new legislation is coming. So get self-educated about energy to find out what fits you. And on my Web site you'll find the best information anywhere."

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## PRINT COVERAGE

### **The Hedge Fund 100: Acing a Stress Test** – *Barron's* – 5/11/09

By Jack Willoughby

Hedge funds underwent their own stress test in 2008. devastating losses and massive redemptions overwhelmed the limits the funds tried to put on withdrawals, sending assets into a tailspin. From a high of \$1.9 trillion, assets under management dropped to \$1.4 trillion at year-end 2008 and then to about \$1 trillion today. In all 1,471 hedge funds were liquidated last year.

"Even if you saw the Lehman collapse and divined all the government actions, a lot of trades that you might have thought would have worked didn't," says Andrew Redleaf, founder of Whitebox Advisors, based in Minneapolis.

There simply weren't many places to hide last year. The Standard & Poor's 500 dropped 37%. Even supposedly safe money-market funds got burned by reaching for a little extra yield. Previously hot commodities like oil and certain metals lost half their value or more. And you couldn't escape overseas: Japan's Nikkei dropped 42%, China's market fell 65% and the DJ Euro Stoxx Index lost 43% of its value. All those losses exposed still other problems -- most notably Bernard Madoff's Ponzi scheme, because investor demands for sizable redemptions made it impossible for him to shift money around any longer.

Although there were no other spectacular failures last year, there were lots of closings and other changes. In April, Russell Investments closed two of its three main hedge funds of funds after assets dropped to \$2 billion from \$6 billion only six months earlier. In August, Turnberry Capital Management liquidated an \$800 million fund after suffering losses greater than 20%. London-based Peloton Partners, a recent winner in the U.S. subprime market, liquidated a roughly \$2 billion asset-based-securities fund because of deterioration in asset values. The fund sponsors suspended net-asset-value calculations and redemptions. By November, Tontine Associates announced it would liquidate two of its funds, Tontine Capital and Tontine Partners, over the next year and a half.

The horrid environment makes the accomplishments of members of this year's Barron's Hedge Fund 100 all the more impressive. Unlike the mutual-fund arena, there actually were many hedge funds that posted double-digit gains in 2008, giving them stellar three-year performance.

Our No. 1 fund, Paulson Advantage Plus, rose 37.80% on the year, putting its three-year annualized return at 62.67%. Runner-up Balestra Capital Partners rose 45.78% in 2008 and now has posted a three-year return of 61.24%. Although their specific tactics differed, both of these winning funds were short financial stocks or their derivatives and profited from the subprime mortgage mess. In a recent interview with Barron's, James Melcher, who runs Balestra, said he was heavily in cash and focusing more on the weakness of foreign banks these days. Paulson, headed by John Paulson, also took the fourth spot on our list with its Paulson Enhanced fund, a merger-arbitrage vehicle.

As you will read on the following pages, winning firms, many of them actively trading in the futures markets, tended to make the right call on oil -- long in the first half and short in the second. They shorted areas like gaming stocks and bonds and financials; they were long food companies, which benefited from their role in consumer staples and from lower commodity prices.

Corroborating the difficulties was the poor performance of many formerly top-tier funds. Suffering sizable losses, Renaissance Technologies, Atticus Management and Andrew Redleaf's Whitebox Advisors fell off our list this year. A glimpse at some of the casualties from 2008 offers a small example of what the banking business might look like without the huge bailout orchestrated by the Fed and Treasury.

The Barron's 100 is our attempt to highlight funds (we include Commodity Trading Advisors) that have posted strong returns not just for one year, but over a three-year span. We eliminate funds that invest in a single sector, country or region. We set a minimum fund size of \$300 million to make sure the group

offers stability. We worked with two hedge-fund database companies, BarclayHedge ([www.barclayhedge.com](http://www.barclayhedge.com)) and CASAM CISDM, to sort through literally thousands of firms. A free-lance journalist who specializes in the markets, Eric Uhlfelder, then confirmed the figures and supplemented the information with additional reporting

Like their counterparts in the banking and brokerage businesses, even winning hedge funds face a future different from what they might have expected 18 months ago. "It's been a taxing time for all hedge funds across all asset classes," says Ferenc Sanderson, chief operating officer at Rocky River Ohio's Cranwood Capital, a hedge fund with \$117 million. "The volatility blowout of 2008 has knocked around performance results enough to shake the system to its roots. Now management, size, capacity, strategy, fees and liquidity are all up for discussion. The change is bound to produce radical results."

Regulators on both sides of the Atlantic are working on rules that will bring new trading, pricing and capital requirements to firms that deal in credit derivatives. Various governmental bodies have already started to tighten regulation of many commodities and futures markets, tapping the expertise of both the Commodities Futures Trading Commission and the Securities and Exchange Commission. Look also for some efforts to create a supranational securities regulator, even though such cross-border efforts are doomed to fail, according to former SEC enforcement chief Stanley Sporkin, because of interference from international diplomats.

But it is clear that oversight of one kind or another is on many investors' minds. Already, one of America's biggest and most influential pension funds, the California Public Employees Retirement System, with \$179 billion in assets, sent a memo to hedge-fund managers stressing the need to tighten its bond with the funds.

Certainly fees will also be scrutinized. "The big names haven't changed their fee structure. But smaller funds will probably have to give ground," says Aureliano Gentilini, global head of hedge-fund research for Lipper. "The sources for margin lending have dropped. This can ultimately reduce the price for certain assets, because access to leverage has become more difficult and thus reduces the number of bidders."

A new study by asset-management consultants Casey, Quirk & Associates and the Bank of New York Mellon projects assets on balance will fall \$500 billion this year, taking them back down to about \$1 trillion by midyear.

"This was the result of deteriorating investment returns, a need for liquidity, and overall investor [risk aversion] in the face of a systemic financial crisis," according to the special study. "Combined with absolute underperformance, these factors created an abrupt drop in industry assets," says the report.

Hedge funds, says the study, are headed into a new growth stage that should take assets to \$2.6 trillion by 2013. "You really have an industry very much in its first generation. Pressure from the capital markets has forced this rapid-fire transition," says John F. Casey, head of Darien, Conn.-based Casey Quirk. "The model was beginning to look broken. We concentrated on making sure the alignments were in place to make things work better. Questioning things like high-water marks and annual payouts, we hope to transform the system into one where the managers and the clients take a longer-range view," he says. (High-water marks are levels managers must achieve before they qualify for a performance bonus, and annual payouts tend to focus managers on the short term.)

Although there have been numerous reports about institutional investors pulling out of hedge funds, that is unlikely to be true longer term, says the Casey Quirk study. It estimates that institutions accounted for less than 17% of the redemptions in 2008 and 2009. The stampede: European, Asian and American high-net-worth and retail investors, who accounted for more than 80%. (They also represent about 57% of hedge-fund investment, versus 43% from institutional investors.) American investors proved the least of the retail problem, because they weren't as leveraged as their European counterparts. The Americans pulled 19% of the retail money that came out of hedge funds, compared with 52% for the Europeans and 25% for Asians.

Overall, investors maintain their faith in the legitimacy of hedge-fund investing. Eighty-one percent of investors that Casey Quirk surveyed still believed hedge funds have a valid place. According to the study: "The greatest proportion of investors said that they view hedge funds as a necessary source of diversification, primarily away from equity-market volatility, that provides superior returns to traditional fixed-income investments."

Moreover, institutions are increasing their hedge-fund allocations and redefining what they are. "Slowly the investment community will come to view hedge funds not as an asset class but as an investment framework. Over time, investors will bunch strategies into three broad categories," says Daniel Celeghin, a director with Casey Quirk. They are:

Market Directional Liquid -- Publicly traded instruments with market exposure, not fully hedged, encompassing most long-short equity strategies.

Classic Hedge Liquid -- Publicly traded liquid securities without a market exposure, such as global macro and trading arbitrage strategies.

Illiquid Strategies-Capturing illiquidity premiums, such as merger-arbitrage and distress-driven strategies.

If that is the distant future, what does the near-term hold for investors? Balestra's Melcher, who's gotten just about everything right in the past few years, thinks it is probable that the stock market will hit new lows in the next year as the financial underpinning to the global economy continues to weaken. "Who is China going to sell to?" asks Melcher, noting how fragile the global economy is.

Whitebox's Redleaf suspects that stock prices will fluctuate in a trading range as they did from 1966 to 1982, unlike the extended bull run of 1982 through to the 1990s. Says he: "The bull market was fueled by rising earnings and rising valuations. Profit margins are not likely to regain the high ground they enjoyed in the most recent cycle."

It seems that this stress test isn't over, but here, Contributing Editor J.R. Brandstrader and free-lance writer Karen Hube profile five managers who easily passed 2008's portion.

Kenneth G. Tropin

Graham Capital K4, No. 32

Tropin is a successful investor, but deep down he is a systems guy. Chairman of Graham Capital Management, Tropin started the firm 15 years ago, after teaching himself to write computer programs that told him when to buy and sell to exploit trends in pricing.

He believes there are opportunities in any market, but that sophisticated trading technology is needed regardless of whether a fund is run quantitatively or with discretionary bets -- Graham does both. "I sometimes feel it's a nuclear-arms race between hedge funds to have the best technology," says 55-year-old Tropin, whose Rowayton, Conn., firm manages some \$5 billion in assets and employs 150 people.

All 13 of his funds had positive returns for 2008, with his flagship quantitative portfolio -- K4 -- up 35.7%. K4, which primarily invests in futures and forward contracts, uses 37 trading systems to diversify in stock indexes, fixed income, currency and commodities. It invests in 100 markets around the globe. It made money in all four areas last year by being quick to spot trends and follow them, and quick to cut losses when the trends turned.

In the first half of last year, that meant shorting stocks and the dollar and going long in commodities. "In the second half of the year, some of the themes reversed," Tropin says. The fund benefited by shorting energy, agriculture and stocks, while going long in fixed income as it became clear that the Fed was going to cut rates, he says.

"Last year there were inefficiencies we were able to take advantage of that five years ago we wouldn't have been able to," says Tropin, formerly president and chief executive of John W. Henry & Co. and director of managed futures at Dean Witter Reynolds. Big investments in technology enable the firm to conduct rapid data analyses and high-frequency trading -- 30,000 trades per month last year, up from 500 five years ago. In some ways, Tropin says, "each trade is enormously dull. But we've had lots of bunts -- little trades that in the aggregate add up."

-- Karen Hube

Oren M. Cohen

Brownstone Partners Catalyst Fund, No. 82

Cohen, 50, and his partner, Douglas Lowey, 43, led Brownstone's \$310 million Catalyst Fund to impressive gains last year with a concentrated book of high-yield debt. The fund can go either long or short these distressed credits, depending on its view of a particular company or the entire marketplace. Successful bets in 2008 included going short gaming names and, later in the year, being long food companies as they regained favor.

"We aren't just clipping coupons," Cohen says, explaining that every trade must have a recognizable catalyst to set off significant price moves.

For instance, the recession put a severe crimp in travel-and-convention business, which had a huge negative impact on the casino-and-gaming industry. Las Vegas also got stuck with billions of dollars of new construction projects that hadn't been fully funded. These forces caused many gaming bonds to decline by more than 50 points last year.

In all, the Catalyst Fund was up 6.97% in 2008, particularly impressive in light of the Credit Suisse high-yield index's 26% nosedive. That gives Brownstone an annualized three-year gain of 10.08%. At year end, firm assets stood at \$325 million, rising to \$370 million more recently.

The two bring a lot of fixed-income expertise to the New York firm. A Columbia grad with an MBA from Wharton, Cohen worked at Salomon Brothers, Bear Stearns and Merrill Lynch before focusing on the high-yield/distressed market at Trilogy Capital in Greenwich, Conn. Lowey, who holds a political science degree from Duke University, traded high-yield and convertible bonds at Mabon Securities for six years before managing the high-yield dealer sales and trading group at Bear Stearns. In 1998, he founded Brownstone Investment Group as an independent broker-dealer that specializes in wholesaling corporate debt to regional dealer firms.

-- J.R. Brandstrader

Salem Abraham

Abraham Trading, No. 38

We spoke with Abraham just after he dined on a wild turkey (captured by one of his eight children) at the Cattle Exchange, a restaurant below his office in Canadian, a tiny town in the Texas Panhandle. Abraham, 43, is so fond of the place where his Lebanese and Irish ancestors settled that when he married a local girl, he renovated the theater so he would have somewhere to take her. Unfortunately, there wasn't much for him to do there when he was about to graduate with a finance degree from the University of Notre Dame. That was 1987, when oil was trading at 10 bucks a barrel.

So he bought a satellite dish, secured it to the roof of his student apartment with sandbags, and wrote a trading program on a Tandy 1000 computer. That gave him the ability to trade futures anywhere, and he has been doing so ever since for his investors, including his neighbor T. Boone Pickens.

Abraham has managed to trade futures with remarkably little overall price fluctuation in his portfolio. The Abraham Trading Diversified Program's daily swing is a mere 50 basis points, or half a percentage point. He trades in 60 futures markets around the world and won big last year in metals, especially nickel, which he shorted as the global economy soured. Even so, "less than 7% of our profits were from our best trade," he says, explaining the relatively modest exposure.

As Abraham puts it: "There are old traders, and there are bold traders, but there aren't a lot of old bold traders."

He focuses on the downside risk. "When volatility increases, we dial back our positions," he says. Although he thinks deflation is a near-term threat, long term he is worried about the return of inflation, which is why about 95% of his assets are in Treasury inflation-protected securities (TIPS) or T-bills, some of which can also be used as margin for futures positions.

"Right now we have trades on in 40 different markets. Three trades...that look particularly interesting are for hog prices to move lower, sugar prices to move higher, while 10-year interest rates rise," he says. The \$309 million program was up 28.78% in 2008, 18.69% annually for the last three years.

-- J.R. Brandstrader

Tim Wong

Man AHL Diversified, No. 30

For Wong, building bridges and building wealth aren't too dissimilar. The Oxford-trained engineer entered finance with the belief that making money in the markets is largely a scientific pursuit. "There is no human element in deciding whether we take a long or short approach," says Wong, CEO of London's AHL, a division of Man Investments, and manager of its flagship \$3.89 billion Man AHL Diversified fund, which invests primarily in managed futures. "We rely completely on our systems approach," Wong says.

The results are impressive. Man AHL, which makes computer-directed trades in managed futures around the clock, returned 33.20% in 2008 and 19.20% a year over three years.

While AHL made money last year across the board -- in stocks, fixed income, commodities and currencies -- "we did particularly well in the energy markets," Wong says. AHL built a long position in oil as its price soared to \$140 a barrel. "As oil turned, we gave back some profits, but it continued to fall, so we profited from that downward trend," Wong says. "We make money not so much predicting when trends turn, but by capturing the trend after the turn."

AHL was one of the early adopters of black-box-style investing, in which computers use historical data to analyze current market movements and spit out trading orders. There actually is a human element: managing risk. "There are things that a computer wouldn't be able to identify," he says, adding that last year, "the thing we had to worry about was the state of the financial system."

Looking ahead to this year, there are likely to be signs of recovery in the markets, but a big concern is liquidity risk, Wong says. "While the futures markets remain very liquid, the market hasn't gone back to normal yet. If players start disappearing, we'll have to shift to more liquid markets and limit the size of positions," he says.

-- Karen Hube

Jaffray Woodruff

Quantitative Global Program, No. 57

Woodruff and his co-founders at Quantitative Investment Management in Charlottesville, Va., eat their own cooking. They account for 10% of their \$3.2 billion in firm assets.

The commodity-trading advisor invests in stock-index futures, interest-rate futures, currencies, metals and energy.

Woodruff, 40, founded the fund in 2001 with fellow University of Virginia alumni Michael Geismar, 38, president, and Greyson Williams, 36, chief operating officer. The trio got their first client in 2003.

The team has been adept at exploiting the recent volatility in the markets, holding trades for only a week or two. You will find them only in the most liquid spaces. The trick, they say, is to spread the trades around so they don't influence the markets they enter. "We quietly execute our trades throughout the day," says Woodruff.

Their strategy, developed by Woodruff, is based on proprietary statistical techniques that help identify patterns. For instance, they went short natural-gas prices last August when Hurricane Gustav was threatening production in the Gulf of Mexico. They were vindicated when the Department of Energy suspended oil shipments to the Strategic Petroleum Reserve, and newly available petroleum drove natural-gas prices down. Trading stock-index futures also was especially successful both short and long. Shorting these futures was one of the best performers in 2008.

The Global Program finished 2008 up 11.94% and has a trailing three-year return of 14.79%.

Traders in managed futures (commodities, stock-index futures, currencies and interest rates) strive to have a low correlation with equity markets. Woodruff says, however, that he doesn't need a bear market in equities to shine. In fact, he says that the better the overall stock market does, the more interest he sees in the fund, because people have money.

"We prefer prosperity to depression," he says.

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#### **Value of Diversity – *St. Louis Post-Dispatch* – 5/11/09**

T. Boone Pickens' approach to energy is fundamentally flawed in that it depends too heavily on wind and natural gas ("T. Boone Pickens wants to remake America's energy policy," May 1). Wind generates only 30 percent, on average, of the power possible from windmills because of the unreliability of the wind. Natural gas prices already have shown volatility, and the greater use of it would be dangerous economically.

Both energy sources are important, but they cannot be centerpieces of a policy. We need proven technologies, such as nuclear power, for electricity production. Today's nuclear plants run around 90 percent capacity on average and produce electricity at least as cheaply as wind. We also need to improve energy efficiency and continue to use coal, burning it as cleanly as possible.

Too narrow a view of energy will be a loser. Mr. Pickens should know the value of diversification.

William B. Briggs - Town And Country

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#### **Mackinac Policy Event to Reflect Tighter Times, Too – *Detroit Free Press* – 5/10/09**

By Tom Walsh

Reflecting austere economic times, the Detroit Regional Chamber's annual Mackinac Island shindig for Michigan's business and political power players will be a somewhat subdued affair this year.

Registration will probably top out around 1,400 people, instead of the usual sold-out 1,700, for the 29th Mackinac Policy Conference May 27-30 at the Grand Hotel.

Corporate sponsorship for various receptions and events is off 40% from 2008, chamber officials say.

Automobile companies and banks that are receiving federal aid to survive the economic crisis are notably absent from the list of sponsors.

Fewer festivities this time

Hotel rooms on the island, normally scarce, are fairly easy to find. And invitations for dozens of parties and dinners that kept bars and restaurants on the island packed all week in the past, well, they've slowed to a trickle this time around.

"And that's not all bad," said Sandra Pierce, president and CEO of Charter One Michigan Bank and conference chair.

"Fewer parties, more content," she added. "The focus is how do we come together and make a difference in dealing with the challenges we face."

More than 95 state legislators and staff members will be on hand, along with newly elected Detroit Mayor Dave Bing; leaders of Oakland, Wayne and Macomb counties, and Gov. Jennifer Granholm.

Renewable energy investment will be a major focus, with T. Boone Pickens, the former corporate raider who has become a big proponent of wind energy and natural gas, one of the keynote speakers.

Some who won't be there

Missing from Mackinac this year, however, will be perennial attendees such as U.S. Rep. John Dingell and wife Debbie Dingell, vice chair of the General Motors Foundation.

The timing of the Mackinac event, occurring the week before GM's June 1 deadline to meet tough federal viability targets or be forced into bankruptcy, virtually ensured that neither Debbie Dingell nor other GM executives would be at Mackinac this year.

GM usually sponsors a hospitality suite during the conference, but not this time.

Whatever the business argument for relationship building at events like Mackinac, the image of pouring drinks for all the swells hobnobbing in a suite at the elegant Grand Hotel -- while your company is on life-support with U.S. taxpayer dollars -- is horrible.

Ditto for banks receiving federal money from the Troubled Asset Relief Program. "There's a lot of scrutiny of how you're spending money if you're one of the TARP recipients," Pierce said. Her own bank, Charter One, is foreign-owned by Royal Bank of Scotland Group and does not receive TARP money.

Pierce said improvements to the conference this year will include more opportunities for direct input and feedback from all participants.

While this year's Mackinac conference may be less frenetic, the issues to be tackled are no less daunting. And 1,400 attendees is still a far sight more than the 130 people who attended the first chamber conference on the island in 1981.

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**Almost a Fourth of New Homes in Austin are Green** – *Austin American-Statesman* – 5/10/09

By Carrie Alexander

Home building in Austin is greener than ever.

Long known for its save-the-planet ways, the city continues to be a national leader in producing eco-friendly homes, says Richard Morgan, Austin Energy's green building manager.

More than 20 percent of homes built in the Austin Energy service area now are being rated green by the city program, Morgan says. The city always ranks among the top 10 in the country in green production - and by some reckonings, the city ranks No. 1, Morgan says.

"Over the last few years, we've been rating anywhere from 18 to 23 percent of homes - more than 1,000 homes each year," Morgan says. "It was probably about 24 percent last year.

"Even with the downturn, we're still rating a lot of homes."

Worth noting is the number of green-certified homes built in Austin by production builders, Morgan says.

"One of the interesting things that's happening in Austin is, early on back in the 1990s, everybody assumed green building would be for high-end custom homes, but now probably about 90 percent of what we rate are built by production builders. In most places, it's the custom builders doing green, but here, the production builders have really adopted green. And that is something that's unique to Austin."

Also, he says, Habitat for Humanity is building all of its Austin homes to green standards, which is not true in most other cities.

Helping drive Austin's green building success, Morgan says, is the 711-acre pedestrian-friendly Mueller community - a redevelopment of the former Robert Mueller Municipal Airport site.

"Everything out there is green," he says. "All of the homes are required to get at least a three-star rating (out of a possible five stars from Austin Energy's Green Building Program). The density is better than what we have traditionally seen in Texas and in the U.S. It's transit-oriented, and all of the irrigation is with reclaimed water."

Beyond Austin

While Austin is a leader in the movement, the U.S. green building market is enjoying strong growth across the nation, making green construction one of the few bright spots in a struggling housing market.

"Texas can take a bow for being at the forefront of this (green movement)," says Kevin Morrow, program manager for green building standards at the National Association of Home Builders. "It's really sprung up from Texas - but we're seeing it all over the country."

McGraw-Hill Construction's Green Outlook 2009: Trends Driving Change report estimates that the green building market will more than double by 2013, reaching to between \$96 billion and \$149 billion. The analysis is based, in part, on data from construction industry surveys and statistics in the U.S. Green Building Council's LEED certification program.

"Today's homes are significantly more energy-efficient than those built 20 and even 10 years ago," says Joe Robson, chairman of the National Association of Home Builders, "and we continue to make advances in building science and new construction techniques. The home building industry is getting greener every day."

The National Association of Home Builders reports more than 180 certified green projects in 41 states, with 300 more in the pipeline. This includes a mix of homes and one development using either the group's new National Green Building Standard or the Model Green Home Building Guidelines.

"People are starting to understand how green building affects them personally and positively," Morrow says. "At least 75 percent of the interest is related to energy efficiency."

#### Consumer demand

The success of the green building movement, Morrow says, is largely being driven by consumers, who now are taking an interest in issues such as indoor air quality and environmental stewardship.

"More and more builders are incorporating (green) in their business models," Morrow says, because "more and more consumers are demanding it. Builders will build what the consumer wants them to build."

This year, the NAHB Research Center, which is a subsidiary of the National Association of Home Builders, introduced its "Green Approved" seal of approval, which endorses building products that comply with specific green practices for certification to the National Green Building Standard.

Among the approved items are engineered wood products from iLevel by Weyerhaeuser and tubular skylights from ODL Inc.

Morrow says manufacturers recognize that consumers today are seeking environmentally friendly home products - especially those that focus on energy and water efficiency - and they're adding new ones to the marketplace every year.

This year, the U.S. Environmental Protection Agency finalized its WaterSense certification system, which can help consumers choose toilets and other products that are at least 20 percent more water-efficient than conventional models. The Energy Star program already points consumers to energy-efficient appliances and other products.

"What you're seeing taking off is those features that are a part of every green home: efficient insulation, very efficient windows, things you'll expect to find in any green home," Morrow says.

But consumers, too, are increasingly interested in other innovative and attractive eco-friendly goods such as recycled glass countertops and reclaimed hardwood flooring.

#### National conference on tap

Morrow says construction professionals often discover the latest products at industry shows and conferences such as the National Association of Home Builders' National Green Building Conference being held in Dallas this weekend.

Attendees can get an up-close view of green building products and materials at manufacturer exhibits as well as on a tour of six green-certified projects, including the 4,800-square-foot Colleyville Eco House, which is a demonstration project for the U.S. Department of Energy's Building America program, aimed at encouraging homeowners and builders to live and build in a more fiscally and environmentally sensitive manner.

The new home sits on a one-acre lot previously occupied by a 3,500-square-foot home that was disassembled.

Eighty percent of the old home was recycled, and the windows and other parts were donated to Habitat for Humanity.

GreenCraft Builders of Lewisville built the new house with a variety of resource-efficient, environmentally friendly products and materials including a pricey geothermal heat pump that is expected to lower energy bills by as much as \$500 per month from what it would be with a more traditional heating and cooling system.

The conference this year has scheduled more than 30 educational classes on topics such as building science, design and marketing, with a variety of speakers including Austin architect Peter Pfeiffer and Texas financier and alternative-energy advocate T. Boone Pickens.

"We've really gotten away from making the case for green ? and are getting down to the brass tacks for making it work," Morrow says.

Building professionals today know what green building is, but they might not know how to incorporate eco practices into their business, Morrow says.

During the conference, builders, remodelers and other home-building industry professionals also can earn credits toward becoming a Certified Green Professional , a designation from the National Association of Home Builders. The program has more than 2,850 green-certified professionals so far, and Texas has the most at more than 850; Austin has more than 100.

"As home buyers return to the market and as homeowners look to make cost-effective improvements to their homes, these professionals have already determined what consumers will be looking for: environmentally friendly, resource-efficient design and construction. That's green building," Robson says.

During an awards dinner at the conference, the National Association of Home Builders recognizes the best in green residential design, new home construction, remodeling projects and green advocacy efforts, as well as state and local green building programs.

Texas winners this year include Tonti Properties in Frisco, which won for Multifamily Rental Project of the Year for La Valencia at Starwood; and Imagine Homes in San Antonio, which garnered the Affordable Single-Family project award. Also, San Antonio's green building program was named Green Building Program of the Year.

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## **Denver a Great Place for New Ideas – AAPG Explorer – May 2009**

By Rick Fritz

I heard a comedian say, "Adults are always asking kids what they want to be when they grow up – 'cause they're looking for ideas."

If you are looking for some great ideas then I have just the place for you. It is time for the AAPG Annual Convention and Exhibition (ACE) in Denver, and we are scheduled for a week of great technical talks and professional opportunities.

ACE officially starts this year on June 7 and ends on June 10, but there will be many activities before and after the meeting – especially a number of excellent field trips.

Randy Ray is this year's general chair, and he has a passion for developing the best possible experience for attendees. That passion starts with science and has resulted in an incredible technical program.

The development of the Denver program is led by general technical program chair Steve Sonnenberg and technical program vice-chair Paul Weimer. The technical themes are broad and include sessions from "Global Deepwater E&P" to "Unconventional Reservoirs" worldwide.

In addition to the technical talks the committee has produced a number of special events. Highlights include:

- The opening session (Sunday) – Something new will be added to this year’s opening session: entertainment by the award-winning Rocky Mountain Children’s Choir, which will provide both pre-show music and a grand finale that could have you dancing all the way to the Icebreaker. Plan now to arrive early to enjoy the show.

Of course, the more traditional trappings of the opening session will be offered as well. AAPG President Scott Tinker will give his presidential address and our profession’s top scientists and leaders will receive well-deserved awards, including the presentation of the Sidney Powers Memorial Award to Marlan Downey.

- AAPG’s annual Management Forum (Monday), which this year is built on the theme “Challenges for Global Energy Demand – Short-term Variability and Long-Term Solutions.”
- There will be several other special sessions and forums, including this year’s Discovery Thinking Forum (Monday), featuring seven more explorers and geoscientists from the AAPG’s 100th Anniversary Committee’s list of “100 Who Made a Difference.” This year’s group includes Bill Barrett, Richard Findley, Steve Kneller, Doug Strickland, Ray Thomasson, Bob Weimer and Marv Brittenham.
- The Michael T. Halbouty Lecture (Monday) will once again offer a very special guest at the podium: Guilherme de Oliveira Estrella, the director of exploration and production of Petrobras, will discuss the oil and gas potential and impact of Brazil’s newest plays.
- This year’s All-Convention Luncheon (Monday) will feature AAPG’s own T. Boone Pickens, the high-profile entrepreneur, philanthropist and creator of the “Pickens Plan,” who will discuss his experience in the oil and gas industry and the economic and political changes that will control our future.

Tickets for this event are selling at a very brisk rate – the event may be completely sold out before the meeting begins – so if this is an event you’d like to experience (and who wouldn’t?), here’s a suggestion: Buy your tickets now.

The AAPG Divisions also have luncheons on Tuesday and Wednesday with good opportunities for professional development. Slated for those events are:

The DPA luncheon speaker (Tuesday) will be Denver Mayor John Hickenlooper, an AAPG member whose geologist-turned brewpub pioneer-turned elected official career has resulted in his being called one of the country’s top five “big city” mayors by Time magazine.

The DEG luncheon speaker (Wednesday) will be Mike Jacobs, with Pioneer Natural Resources USA, who will discuss the “Cooperative Aquifer Restoration Project, Fort Peck Indian Reservation – A Multi-Agency Success Story.”

The EMD luncheon speaker (Wednesday) actually offers an out-of-this-world experience; Jeffrey Kargel, adjunct professor and senior research scientist at the University of Arizona, will discuss “Unconventional Far-Out Petroleum and Gas: Hydrocarbons from Mars to Titan and Beyond.”

And as always, the latest in technology will be on display in the ACE exhibition hall. New technology is an integral component in the success of new plays, and this will be an excellent opportunity to observe and talk to those who provide the services.

Another key part of the annual meeting is the opportunity for the various AAPG committees to conduct the business of the Association.

If you are interested in serving on a committee, this is the best time of the year to become active; most committees add new members at the end of the AAPG fiscal year (June 30).

The easiest way to join a committee is to go online at [aapg.org](http://aapg.org), search the committee pages for your area of interest and then contact the committee chairs.

You also can contact me or other AAPG staff members and we can help with the process.

Although science and technology represent the heart of the ACE experience, the overarching importance of attending the meeting is the tremendous opportunity that we all have for networking.

Networking is extremely important as the industry cycles through the current economic conditions – and there are many opportunities throughout the entire event to greet and meet your peers, including receptions and alumni events.

Of course, Denver and the mountains are always great in June.

Please take the time and opportunity to join us for a little Rocky Mountain High in Colorado.

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## **BLOG/ONLINE COVERAGE**

### **The Humble Scooter: When Stimulus Packages Collide – *24/7 Wall Street* – 5/11/09**

By Douglas A. McIntyre

As the government tries to dig the economy out of recession, the Administration is beginning to see that some of its stimulus packages are beginning to compete with one another. Congress and the President have been careful not to give taxpayers credits for tuition at private schools but not public ones. Parents have no incentive to do unintentional economic harm to the vast university systems established by the states.

There is also no evidence that renters are getting any special tax breaks that would make them less likely to buy homes rather than remaining in their apartments.

Some competition between programs, competition that helps stimulate one part of the economy while undermining another, is impossible to avoid with the hundreds of new projects, incentives, and tax credits that the Administration has built into a stimulus package based on new federal government spending and tax incentives.

One new program allows Americans who buy an electric scooter to get a 10% tax credit. Some states are also giving incentives for two-wheel transportation because they are attempting to keep gasoline demand low and air quality high.

Scooter demand has already begun to eat into car sales, and the government is probably in the process of making that worse. According to the AP, "Scooter sales reached their highest annual level ever last year at roughly 222,000, largely due to soaring gas prices, said Ty van Hooydonk, spokesman for the Motorcycle Industry Council. " Some of the people who bought those scooters bought them in the place of a car.

The federal government will spend over \$40 billion bailing out Detroit. That is the lowest possible number. If the Chrysler and GM (GM) restructurings do not work, it will be hard to simply close them. Taxpayers will be on the line for a second and perhaps third set of loans or equity investments in the US car industry.

Helping people buy scooters does not encourage people to buy cars. There are probably some consumers who will buy one of each. But, that is not likely in a recession.

Congress is considering a bill that will give car buyers credits to turn in old, fuel inefficient cars. That should help auto sales, in theory. It makes the initial cost of buying a new car lower. That does not matter much if the consumer opts to own a scooter.

The scooter incentive may seem trivial, but the problem it exemplifies is not. Once the government gives consumers and businesses a reason to behave in one way rather than another, there are almost always unintended negative consequences.

Part of the government stimulus package includes capital for renovating secondary schools. There is not a single municipality in the country that will not take that money and put it to what would appear to be good use. Rebuilding and refurbishing schools creates jobs. It can also create situations in which schools which should be torn down continue to operate. In a town where the number of school-aged children is decreasing, it makes sense to avoid having too many schools because these facilities keep local property taxes high. Stimulus money may add jobs, but it may also lead to excess taxation.

The stimulus package contains almost \$20 billion to be put toward programs that improve energy efficiency or create renewable energy sources. Geothermal energy is a renewable source, but, so far, it has not proven to be an energy alternative that has much practical application. There is some evidence, however, that wind energy is an excellent alternative to other sources of electricity generation, at least according to T. Boone Pickens. The federal government will probably give some level of support to geothermal and wind energy projects. It will also provide capital to ethanol and solar projects. It is not possible that all of these alternatives to fossil fuels are equally effective. In a system where stimulus spending is efficiency-blind, the best projects may not get the most money.

In 2010, if scooter sales continue to pressure auto sales and the government has to put another \$100 billion into Detroit, someone will have blundered by supporting an industry that helps keep the air clean but puts tens of thousands of auto workers out of jobs.

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### **It's Not All Or Nothing In The Oil Versus Alternatives Debate – *The Business Insider Green Sheet* – 5/10/09**

By Chris Nelder

I saw a parade of oil industry representatives plead for a transparent and fact-based public dialogue about our energy options for the future at the American Petroleum Institute (API) 2009 Offshore Technology Conference (OTC) last week.

We should step away from the all-or-nothing debate on fossil fuels vs. renewables, they said, stop demonizing any of our potential energy sources, and get serious about addressing our energy problem before it's too late. As the head of the API said, "The energy issue will intensify until cooler heads prevail," and the debate desperately needs to be depoliticized.

But in the next breath, apparently unaware of the obvious contradiction in it, I saw those same executives complain bitterly about the policymakers who stand in the way of their progress. I heard them discount the potential of wind and solar to meet our energy needs, while trumpeting the much smaller footprint of modern oil and gas production. I heard overblown claims about how technology will continually increase reserves, and how offshore drilling in America could solve our problems if only they were allowed to do it.

One executive decried the "cheap shots" taken at the oil and gas industry by climate change activists, and then a few moments later mentioned how much he liked a print ad that offered a false choice between offshore drilling and high gasoline prices.

I asked a panel of oil company executives how a potential 2 - 3 million barrels per day (mbpd) of new oil production from the OCS by 2030 (according API and EIA data) would figure against the background of

steadily declining North American supply. The only response I received was that 2 mbpd is a lot, we'd be happy to have it, and if we don't start drilling for it now, we'll regret it.

I heard not one word suggesting that oil production may have in fact peaked, no mention of decline rates, nor any hint that there might be any limits on supply other than the political will to develop new sources.

The oil and gas industry does acknowledge that the burning of their products probably contributes to climate change. They are resigned to the fact that carbon will soon come with a price, and they are intent on helping to define how that will be done under the rubric that "If you're not at the table, you're going to be on the menu." At the same time, they seem to have a greater appetite for a political approach to the climate change debate than an objective evaluation of the data.

The green side of the debate is, unfortunately, no better. An attendee stood before a panel of major oil company executives and ask how the energy industry could engage more fruitfully with policymakers and the public on climate change, then admitted that she had boycotted a recent local presentation by T. Boone Pickens about his energy plan for the country simply because he was an oil baron. She considered it an act of conscientious objection.

The contradiction of her position apparently escaped her as well, along with the fact that of all the oil barons in America's history, Boone is arguably the most forward-thinking and realistic, and a major proponent of moving beyond oil. Her story offered a classic demonstration of how too-principled positions on energy so quickly lead to stalemates.

As a longtime advocate for renewable energy and a former solar system designer, I have been to my share of "green" conferences. I have often heard the utterly unrealistic claims of renewable energy advocates, and listened to them vilify the oil industry. They seem to have as little appetite for the facts on fossil fuels as the fossil fuel industry has for objective evaluation of renewables.

So while I agree with the conference speakers who called for a balanced, non-demonizing policy debate, what I see is both sides—the green/climate change side and the fossil fuel side—retreating to their corners, throwing up walls of propaganda, and demonizing the other side.

The middle ground, where truth and progress reside, feels virtually empty.

I am left to ponder, once again, why that is. And once again I come to the conclusion that you can't make policy without politics. What we have here is simply political maneuvering with each side trying to gain an edge by overstating their positions, in hopes that when the dust settles, they'll be left holding something. It is most emphatically not a neutral and balanced dialogue.

In fact, there is no dialogue at all. Cleantech people go to cleantech conferences, and oil and gas industry people go to oil and gas conferences, and rarely do the two crowds mix. In the halls of Congress there is much shouting, but little listening. At the end of the day, it is the art of political compromise, not data, which drives policymaking.

The oil and gas industry remains mired in denial about the peak and decline of its products. Renewable advocates are still lost in a dream about quickly replacing fossil fuels with green energy and an infrastructure that runs on it. Climate change concernists continue to pin their hopes on visions that cannot possibly be realized in the time frames they need. No side trusts the other.

#### Ten Inconvenient Truths

Allow me then to stake out a bit of middle ground, based on what I believe to be the objective facts, in an effort to bring the parties together and perhaps make some actual progress on the policy front.

1. We have extracted nearly all of the world's easy, cheap oil and gas, and now we're getting down to the difficult, expensive stuff. The largest untapped resources that remain are in extreme places

like deepwater and the Arctic, and marginal formations like shale. As a result, global oil production has for all intents and purposes peaked. Natural gas production will also peak in 10 to 15 years. Neither technology nor high prices will change that. Therefore we must begin to replace those fuels with renewables, and use what remains much more efficiently, with the expectation that most of the world's oil and gas will be gone by the end of this century.

2. Drilling for oil and gas drilling in the OCS and ANWR must and will be done; our need for those fuels is simply too great to pass them up. An additional 2-3 mbpd will put a dent in the roughly 12 mbpd we now import, but if we drill for it now, it won't come to market for 10 years or more. By that time, it probably won't even compensate for the depletion of conventional oil in North America, nor will it do much to reduce prices. But it will be crucially necessary, and producing it won't make an ugly mess of the environment.
3. Renewables are clearly the long-term answer, as is an all-electric infrastructure that runs on its clean power. However, it will likely take over 30 years for renewables to ramp up from a less than 2% share of primary energy today to 20% or more. They probably won't even be able to fill the gap created by the decline of fossil fuels. Oil and gas currently provide about 58% of the world's primary energy, and they will remain our primary fuels for a long time to come.
4. It will take many decades to reconfigure our transportation systems to run on electricity. It will take decades to fix our wasteful, leaky built environment so that it doesn't need as much energy to begin with. None of the solutions will come quickly or easily.
5. Neither renewables nor fossil fuels nor nuclear power alone can bring "energy independence." Indeed, if independence means isolating ourselves from the rest of the world's energy commerce, it might not even be desirable.
6. We must pursue all sources of energy immediately and aggressively if we hope to meet our future needs, and pitting one against another is counterproductive.
7. Nuclear power will not grow significantly in the next several decades, as nearly all of the existing reactors will need to be decommissioned within the next 20 years, and a new generation of reactors must be built to replace them. After we do that, a renaissance for next-generation nuclear energy may be a possibility but it will only happen after we have confronted the crises of peak oil and peak gas. It may produce no net reduction in emissions at all.
8. It is quite possible that even our best efforts on all fronts will not achieve the carbon emission targets we have set. Climate change must be confronted via a unified policy on emissions and energy supply, which is to say that in our zeal to control emissions, we must take care not to squelch the production of the oil and gas that constitutes the majority of our energy supply, at least until we have something to replace it. To do so could have unintended and paradoxical consequences, like impeding the manufacture of renewable energy devices, and contributing to tight supply situations that once again cause fossil fuel prices to skyrocket and further damage the economy. Rather than emphasizing the uncertainty on climate change data, and fomenting fear about the cost of mitigation, all sides must come together in a depoliticized dialogue strictly based on neutral scientific analysis.
9. We should use accurate and unbiased models of the future growth and decline curves of all forms of energy for policymaking—models based on historical data, not faith. If the data says we're likely to recover another 1.2 trillion barrels of oil worldwide and no more, then we should not assume that future drilling and technological progress will somehow turn that into 3 trillion barrels of recoverable oil.
10. Carbon emissions will soon come with a price. Drilling the remaining prospects for oil and gas will be expensive: From the decision to invest until first oil is produced, it can take 10 years and \$100 million dollars to drill the first well in a new deepwater resource, using rigs that cost \$1 million a

day to run, and the production platform can cost as much as \$5 billion. Deploying thousands of wind turbines and square miles of solar will be expensive, slow, and difficult. Replacing millions of inefficient internal combustion engine vehicles with electric and plug-in hybrids will be expensive. Rebuilding the nation's rail system will be hugely expensive. In short, the good ol' days of cheap electricity and gasoline are likely gone forever, and all the solutions going forward will be expensive.

I share the industry's concern about energy illiteracy, but it cuts both ways. It's true that as long as oil and gas provide the majority of our energy supply, we must continue to invest and drill for it, and the industry must work hard to educate the public and policymakers about that. But to claim that limits on drilling are the only problem, or that renewables cannot provide the energy we need in time, exploits that illiteracy and deliberately confuses the debate.

The fact is that there are good people and good intentions on all sides of the issues, and none of them wants to destroy the environment or the economy.

As I see it, neither the fossil fuel industry nor renewable boosters are yet willing to come out of their corners and work with each other in an honest fashion to develop a truly viable path forward on energy. Until both sides put aside their exaggerated claims and partisan bickering, the public will remain confused about the true options and continue to use politics, not neutral data, as their guide. That cannot produce good policy, and it does all of us a grave disservice.

Such unhelpful contentiousness, denial, and cheating on the numbers is a luxury we can no longer afford. Our energy and climate change problems are real, they're urgent, and they're getting more so every day. It's time to set the tactics of the last war aside, wring politics out of the dialogue, and start grappling in an honest and direct way with real solutions. Nothing else will do.

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### **Wind Power Ain't Blowin' Smoke – *Gapers Block* – 5/9/09**

By Jeff Smith

I was fortunate to be able to spend a little time at Windpower 2009, the just-concluded 4-day expo at McCormick Place. There was surprisingly scant local coverage of the world's largest windpower conference being held here in the Windy City, of all places, so I'm posting these notes, because it was an amazing event. From a gathering that, longtime attendees told me, had about 200 people here 10 years ago, and only 1,000 attendees as late as 2001, this has grown into a massive conference, sprawling across the entire South Hall of the expo center. According to The American Wind Energy Association, the conference had 23,200 attendees, close to double the size of last year's gathering, and over 1,200 exhibiting companies.

In keeping with the green theme of the conference, I took a multimodal route to get there: I biked to the Metra, took the train downtown, walked to a bus stop, then took the CTA to McCormick Place. I was glad I made the effort. Any policymaker, activist, reporter, or general member of the public who stopped by this show would have come away convinced that wind is no longer, in any fashion, an "alternative" energy source or science fiction. Rather this is a burgeoning industry with tremendous growth ahead.

In addition to the five governors who came by the conference, speakers included Secretary of the Interior Ken Salazar, financier T. Boone Pickens, FERC Chairman Jon Wellinghoff, and Energy Secretary Steven Chu (via video). Illinois Governor Pat Quinn used the conference to announce an agreement by which the Illinois Department of Central Management Services (CMS) will purchase all of its energy for facilities in the capitol from wind-generated sources, through the city of Springfield.

The financial and economic crisis is impacting the wind energy industry adversely in two ways: first, with the same blows to general revenue and capital availability felt by most other industries; but also because the plunge in world oil prices, helpful to most businesses, makes wind energy less competitive.

Despite those obstacles, 2008 for wind was still a year any other industry would drool over, with domestic sales up 50% and an estimated 8358MW connected in the U.S., constituting 42% of all new energy capacity. That enormous growth puts the total domestic wind energy production at 25,170MW installed, vaulting the U.S. ahead of Germany, to #1 in the world. Yep, you heard that right: America now leads the planet in wind energy production. Texas, with 7,116MW accounts for more than ¼ of that, and Iowa is second with 2790. Illinois has 915MW, better than most states, but not up to our potential.

The stats show that Obama isn't kidding about green jobs, at least in wind. Even in this recessionary year, 4,451MW worth of projects are currently under construction across the US. The wind industry employed 85,000 people in the US as of the beginning of 2008. Vestas alone added 5,500 jobs worldwide last year. The picture above shows their show "sphere," an Epcot-like enclosure in which you could watch a short video about their tower and turbine testing regimen, and modular delivery system.

Bureaucracy is lagging legislative initiative. For example, the DoE in theory will back loans to developers for wind projects. Unfortunately, as one vendor told me, this money remains theoretical because the Department has not yet promulgated the rules that will allow the funds to flow.

Right: a cutaway nacelle. Many of the exhibits were highly technical and more BTB than intended for the general public. Still, even if you skipped all the bearing and tower-climbing-safety-harness suppliers, there was way more to take in than was probably possible in even 4 days, and even a lot of the technical booths were informative for those looking to soak it all in. More than one exhibitor told me that they wished the exhibitors were better grouped, so folks looking for, say, blade maintenance supplies, could find them all near each other rather than scattered over many acres.

Still, with a little persistence, you could find almost anything related to wind energy that you were looking for, as well as a live human being to talk about it. For instance, I was able to hunt down an organization specifically addressing how to mitigate bird and bat collisions with wind turbines; the radar screen you see at right is connected to an extremely fine tracking system that picks up individual animals, and even large bugs, for analysis of environmental impact as well as connection to systems that can shut down a turbine when large flocks approach, or during conditions when birds have the most trouble detecting the towers and blades.

The Obama administration wants the U.S. to be producing 20% of its electricity from wind by 2030. Amazingly, we are on track to do that. The key determinant is continued government support; tax credits play an important part in purchase, development, and installation decisions. Illinois is lagging in part because of the lack of targeted tax credits or equipment write-offs; as a result, all our commercial projects have been located in "enterprise zones," the only real incentive offered.

The state's own study shows that renewable energy has great economic potential as well as environmental benefits for Illinois. While the state has a laudable renewable energy standard, it also needs the policies to make those standards reality. Anyone concerned with this issue ought to be pressing elected and appointed officials at all levels, as well as candidates for office, to become both more knowledgeable and more proactive on the benefits of wind power and other renewable energy sources.

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**Reluctant Entrepreneur a Hit in Market with Green Fund** – *San Diego News Network* – 5/8/09

By Wehtannah Tucker

Robert Wilder never imagined his academic inclinations would take him to Wall Street. Nevertheless, the Olivenhain resident has found himself there on more than one occasion touting the success of his vision for saving the world. Today, he keeps company with the likes of former Vice-President and Nobel Peace Prize recipient Al Gore and billionaire wind-power enthusiast T. Boone Pickens.

After years of studying the legal aspects of environmental coastal regulations as well as researching the accumulating affects of land and air pollution on coastal environments, Wilder decided that he needed to focus on the source of the damage rather than the impacts.

In 1999, Wilder launched a stock index listing 42 clean-energy companies along with Josh Landess, a San Diego resident. In creating WilderHill Clean Energy Index, Wilder intended to show that “green” businesses could be profitable as well as good for the environment. “We were simply trying to show that clean energy was here and it was real.” The index was listed on the American Stock Exchange under the symbol ECO.

His hunch proved right on target. Within a short amount of time, the index grew considerably. However, the index was merely a list of companies within a similar field that tracks the strength of a particular business sector.

Wilder saw the potential for greater capitalization and created a clean energy fund in 2004. The PowerShares Wilder Hill Clean Energy Portfolio-listed under PBW-mirrors the performance of the index. Beginning with \$10 million in capital, the fund grew to over \$1 billion by 2007 according to Wilder. “We’re still by far the largest clean-energy fund.”

While the volatile market has had a negative impact on the fund Wilder isn’t deterred. He says interest is still high. “Some people want to add it to their portfolio because it moves differently than other sectors like financial.”

“I want to help change the world by creating opportunities to invest in clean energy companies,” he said. Wilder practices what he preaches. The Olivenhain home he shares with his wife, Diane, and their two children is powered by solar. The couple is working towards growing most of their own food and just purchased a Tesla electric-powered sports car.

As if this were not achievement enough for the self-described accidental entrepreneur, Wilder launched a second fund, WilderHill Progressive Energy, which represents 36 companies that work to reduce pollutants from conventional energy that comes from such fossil fuels as coal, oil and natural gas. Wilder was in New York to ring the bell at the American Stock Exchange Oct. 24, 2008 officially opening the trading day.

Another Wilder endeavor, Global Energy Efficient Transport Index takes into account innovation and efficiency in emerging transportation technologies. “We can become more efficient through existing green technology and investment in up and coming ideas,” he said.

“I believe in ecological solutions that make economic sense,” he said.

On a national level Wilder seeks to create a viable economic alternative to foreign oil dependence. “I don’t understand our (country’s) blind eye we have to our addiction to oil,” he said. By exposing companies that use alternative energy sources that create less waste to the market, Wilder said his fund has the potential to make a difference in the way policymakers think about “green solutions.” “This isn’t just for the green investor,” he said.

Act Locally, Think Globally

Wilder’s vision of sustainable growth through alternative, clean-energy sources seems to be catching on at the state level. Through government incentives, new home builders in California and several other states are encouraged to install solar panels. “These ideas are working, we are changing,” Wilder said.

“The problems I think stem from developing too rapidly. That comes back to bite us when there is a housing downturn.”

Locally, Wilder envisions Encinitas as a leader in economically viable, environmentally sound solutions. “We can act locally and regionally to make a difference,” he said. Although he is amazed at the pace of change in environmental policy over the past decades he cautioned against complacency and the quest for a perfect energy solution. “We can’t let perfect be the enemy of good,” Wilder said.

As an environmental advisory commissioner for city of Encinitas Wilder said he sees opportunity for advancement in the use of ecologically sound technology and planning by municipalities. “I think we’re more environmentally aware, we’re more attune to issues of over-development,” he said. “On the other hand, we could look at Solana Beach and the model of the Cedros Design District. It’s fair to say in comparison that we’ve got a long way to go.”

Wilder pointed to what he perceives as progress in the city. “There are small instances of great activity- Cottonwood Creek (Park), solar panels on City Hall,” he said. “In each of the city’s five communities there are ways to maintain uniqueness and make it better.”

Wilder continues to live by example. Through a link on his site WilderShares.com, visitors are invited to view how much energy in his home as compared to how much he is creating using solar power. The excess energy flows to SDG&E, which credits him for the hours when he needs to use their power.

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#### **AgDay Daily Recap – Ag Web – 5/8/09**

**Budget cuts:** New details are emerging from President Obama’s budget...and, as we previously reported, some take aim at some farm programs. Obama is proposing seventeen billion dollar in cuts to his three-and-a-half trillion dollar budget. The White House listed one-hundred twenty-one government programs in the bulls eye. The administration wants to cut direct payments to farmers with annual revenues that top five-hundred thousand dollars...but they face an uphill battle. Our reporting partners at Pro Farmer Newsletter say any plan to cut those popular, long running, programs will come under fire from lawmakers on both sides of political spectrum.

**Discrimination case:** On Thursday, President Obama announced plans to include settlement funds for black farmers in the fiscal years 20-10 budget to bring closure to a long-standing lawsuit against the Department of Agriculture. Obama said it was an issue he worked on while in the Senate and hopes the farmers and their families who were denied access to USDA loans and programs will be made whole, and now have the chance to rebuild their lives and their businesses. Secretary of Agriculture Tom Vilsack says he is very pleased that the President is taking swift action on the matter, as it will help the USDA chart a new course where all USDA customers and employees are treated equally and fairly.

**Wind power-Pickens:** Texas oil and gas tycoon T-Boone Pickens joined wind industry leaders and government officials this week at the Windpower 2009 Conference to discuss the future of America’s energy needs. A strong supporter of wind energy, Pickens is from the Lone Star State – number one in the nation in wind energy development. Pickens talked about his involvement in the industry and shared some of his plans to strengthen US energy security by harvesting wind energy and other renewable energy resources. Pickens says the government needs to quit playing politics, and start thinking in a bi-partisan way about the needs of this country. For his efforts to advance the development of wind energy in this country, The American Wind Energy Association named Pickens as recipient of the industry’s Person of the Year Award.

**Climate change:** Wind energy will play a role in any climate change legislation that’s authored on Capitol Hill. But one veteran democratic lawmaker from Minnesota has some harsh comments about any such legislation. Pro Farmer Washington editor Roger Bernard has details.

Smart Crop: New technology has some farmers waiting by the phone or surfing the web looking for answers to bigger yields and profit. Some new technology called "smart crop" can help guild farmers on how to make the most out of their irrigation schedule throughout the growing season. AgDay regional reporter Erica Goss tells us how this new technology works. Erica says the smart crop system has been tested on a wide variety of crops, including corn, wheat, soybeans and sorghum. She says developers have experimented with the system for more than twenty years in places like California, Southeastern United States and Australia.

Analysis: Gary Wilhelmi

In the country: All across farm country, antique tractor rides have become a popular way to spend a day. Take Hannah, Missouri for example – each year this small town plays host to the Annual Show-Me Tractor Cruise. In 2008, more than three-hundred tractors came out for the event. Farmers and non-farmers alike joined forces to help kids battling a terrible disease. The 2009 Show-Me Tractor Cruise is set for June 27TH. For more information, head online to [SHOWMETRACTORCRUISE.COM](http://SHOWMETRACTORCRUISE.COM)".

Hunger Drive-peanuts: In food and your Family.... America's peanut growers hope you can help their industry and fill the shelves of food banks at the same time. This weekend, the nation's postal carriers are holding their annual food drive called "Stamp Out Hunger" the Georgia Peanut Commission says folks should put a jar of peanut butter into the donation. The peanut growers tout the protein benefits of their crop. Of course, demand was slumping just a few months ago as a result of a food recall associated with peanut paste. In many parts of the country, if you put a bag of non-perishable food at your front door or mailbox, mail carriers will pick it up for the nation's food banks.

Common Food Allergies: A food allergy can trigger symptoms such as abdominal pain, itchy or swollen lips or diarrhea. And while food allergies most often first occur during childhood, in many cases, children eventually outgrow them. According to a health day report, the U-S National Library of Medicine made a list of the most common childhood food allergies so parents can be aware, and on the lookout for symptoms that your child may be allergic. First on the list is shellfish – including clams, shrimp, lobster, snails and crab. Eggs, peanuts and tree nuts round out the top three. Also on the list, milk products, wheat products, and products made of soy.

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## BROADCAST COVERAGE

### 1. The Kudlow Report

CNBC (---) National

05/08/2009 07:00 PM - 08:00 PM

DMA: N/A

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

[CC] 00:28:27 ...He got the word that day two nights ago that the mill was shutting down. Why? Because there is no demand for steel. The most substantial of all commodities. We did get to \$47 a year ago. That was nothing but a speculative bubble, Michelle. It wasn't even demand back then. It was a joke. I spent the summer of '07, look, I speak, I have clients from opec, MBP Shell on down the line. In '07 no one believed \$75 oil in a healthy economy could last back then. The notion that \$150 makes sense, yeah. That makes sense to guys like **Boone Pickens** and Matt Simmons who have a profit motive or ideological bent on the market. When I've got opec telling me \$75 oil is too expensive? I'm going to listen to them before I listen to Matt Simmons. .... 00:29:47

### 2. Washington Journal

CSPAN 1 (---) National

05/09/2009 07:00 AM - 10:00 AM

DMA: N/A

[CC] 01:28:46 We hear first from James in Texas. Good morning. . Caller: yes. We have gas deposits here. I have land, not leased that runs the biggest fields in the country, gas deposits discovered all over the country. They're pulling drilling rigs out. And why couldn't --Then they're developing means of cars, notice Ford has just opened up a plant they're going to build electric cars. They're talking about it. And I saw an ad on the news on television last week that had a Hummer that said it got 100 miles to the gallon. . Host: it sounds like what the caller is referring to is trying to encourage the greater use of natural gas as a transportation fuel for vehicles I believe that's been an element of the **Pickens Plan** by **T Boone Pickens**. Like you run buses here in D.C.? Correct. And so that idea is out there. That has been promoted by Mr. **Pickens**. One of the issues there is to what extent should you put mandates on the auto makers to build more vehicles that can run on natural gas. The auto makers already have a number of mandates on them to build alternative fuel vehicles, to build vehicles that get better fuel economy. And then if you were to mandate greater use of natural gas as a transportation fuel, what impact would that have on, say, the manufacturing sector.... 01:30:44

**3. Clean Skies Sunday**  
**WJLA-TV CH 7 (ABC) Washington, DC**  
**05/10/2009 09:30 AM - 10:00 AM**

**DMA: 9**  
**Spot Cost: \$394**  
**Est. Audience: 40,076**

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

[CC] 00:09:10 **T. Boone Pickens** was here stumping for **wind**, and he talked to Clean Skies. Tv news to tell us he thinks his message about renewable **energy** is getting across. A big part of the crusade, of course, your **Pickens Plan**, is a big push for **wind**. Tell me, with the financial crisis, the way it hit the **wind** industry last year, how is it looking now? Good, because, since last year, what's happened --The stimulus package. We got the **wind** and the solar and the high-voltage grid into the stimulus package. So we're on our way. Certainly, looking around here, **wind** seems to be the power of the future. There's no question that --I see we're at a tipping point. The American people want it. We got a poll out yesterday, and 70% of them knew what the **Pickens Plan** was, and 78% of them agreed with what we were doing. ... 00:11:01

**4. KSLA News 12 At 6**  
**KSLA-TV CH 12 (CBS) Shreveport**  
**05/08/2009 06:00 PM - 06:30 PM**

**DMA: 84**  
**Spot Cost: \$370**  
**Est. Audience: 46,875**

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

[CC] 00:09:09 .... Today Exco Gas Company unveiled its newly constructed natural gas **fueling** facility in Chatham. The plant produces natural gas primarily used for heating and cooking. The new **fueling** area uses natural gas it produces for its large fleet trucks. **Oilman T. Boone Pickens** was on hand to talk about the positives of natural-gas **fueling** the change over to "this is a very good vehicles. Place to do vernon field, they produce 150 million cubic feet of gas a day, got about 500 wells here, but we'll prolly drill well here, when another thousand the price of gas goes up." **Boone** say it's all a part of their plan to decrease America's dependence on foreign **oil**. 00:10:20

**5. TV8 Report**  
**KNOE-TV CH 8 (CBS) Monroe/EI Dorado**  
**05/08/2009 06:00 PM - 06:30 PM**

**DMA: 136**  
**Spot Cost: \$386**  
**Est. Audience: 41,863**

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

[CC] 00:02:49 Jackson Parish, is going green! Exco Gas Company unveiled its newly constructed, natural gas **fueling** facility earlier today in Chatham. The plant produces natural gas primarily used for heating and cooking. The new **fueling** area, uses locally produced natural gas for large trucks. Exco board member **T. Boone Pickens**, talked about alternative **fuels**. **Pickens** is pushing America to wean itself from foreign **oil** and turn to **wind** power and natural gas. "This is a very good place to do it, Vernon Field, they produce 150 million cubic feet of gas ..., got about 500 wells here, 00:03:55

**6. Region 10 News At 10**  
**KTVE-TV CH 10 (NBC) Monroe/EI Dorado**  
**05/08/2009 10:00 PM - 10:35 PM**

**DMA: 136**  
**Spot Cost: \$165**  
**Est. Audience: 12,619**

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

[CC] 00:06:32 **Oil** executive **T.Boone Pickens** was in Chatam today. **Pickens** is on the board of Exco Resources which unveiled its new natural gas refueling station today. Located in Jackson Parish, Exco runs Caney Lake Gas Plant and Vernon Natural Gas Field. The company began building the refueling station in January and unveiled the first of a fleet of trucks that will run on natural gas. **Pickens** is an advocate of using natural gas instead of **oil** for **fuel**. 00:06:58

**7. Region 10 News At 6**  
**KTVE-TV CH 10 (NBC) Monroe/EI Dorado**  
**05/08/2009 06:00 PM - 06:30 PM**

**DMA: 136**  
**Spot Cost: \$95**  
**Est. Audience: 10,290**

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

[CC] 00:00:21 We'll tell you why **oil** executive **T.Boone Pickens** was in Jackson Parish today, 00:00:28

[CC] 00:06:30 Exco Resources unveiled its new natural gas refueling station today. Located in Jackson Parish, Exco runs Caney Lake Gas Plant and Vernon Natural Gas Field. The company began building the refueling station in January and unveiled the first of a fleet of trucks that will run on natural gas. **T. Boone Pickens**, a Texas **oil** executive and Exco board member spoke at the event. **Pickens** is an advocate of using natural gas instead of **oil** for **fuel**. 00:06:56

**8. Region 10 News At 5**  
**KTVE-TV CH 10 (NBC) Monroe/EI Dorado**  
**05/08/2009 05:00 PM - 05:30 PM**

**DMA: 136**  
**Spot Cost: \$118**  
**Est. Audience: 14,160**

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

[CC] 00:06:58 Exco Resources unveiled their new natural gas refueling station today. Located in Jackson Parish, Exco runs Caney Lake Gas Plant and Vernon Natural Gas Field. The company began building the refueling station in January and unveiled the first of a fleet of company trucks that will run on natural gas. **T. Boone Pickens**, a Texas **oil** executive and exco board member spoke at the event. **Pickens** is an advocate of using natural gas instead of **oil** based **fuels**. 00:07:27

**9. Ag Day**  
**Syndicated TV (---) National**  
**05/08/2009 05:00 AM - 05:30 AM**

**DMA: N/A**

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

00:01:41 **Wind Energy**: Texas **oil** and gas tycoon **T. Boone Pickens** joins **wind** industry leaders and government officials this weekend, at the '**Wind** Power 2009 Conference'. I; **T. Boone Pickens**, AWEA Person of the Year, saying the government needs to stop playing politics and think in a bipartisan way for this country. V; **Wind** turbines. 00:02:55

**10. Matt And Ramona**  
**WLNK-FM 107.9 (---) Charlotte**  
**05/07/2009 04:00 PM - 05:00 PM**

**DMA: 24**  
**Spot Cost: \$108**  
**Est. Audience: 10,300**

00:46:00 Obama's budget also would largely abandoned the Bush administration's push to develop hydrogen as an energy source. I'm fine with that. So am I. But the reason why they're saying its emergence as a viable fuel is unrealistic for the near future. This is government **picking** and choosing winners. Nuclear we don't like you so you don't get any money. Hyrdrogen we don't like you don't get any money. So who is getting money? Someone like **T Boone Pickens** or GE and their **Windmills**. 00:47:59