

# PickensPlan

## T. Boone Pickens Media Coverage 6.11.10

### Total of 13 Placements

- Print: 4
- Blog/Online: 5
- Broadcast: 4

### Coverage Summary:

*Roll Call* executive editor Morton Kondracke wrote a column on how the oil spill should advance clean energy. Pickens is mentioned in the piece for his endorsement of the Kerry-Lieberman bill.

Aubrey McClendon's op-ed in *The Oklahoman* asks mayors to become acquainted with the benefits of natural gas and support policies to promote increased usage.

*The Oklahoman* also has an article that discusses how natural gas will be a central theme at the U.S. Conference of Mayors. ANGA president Regina Hopper is quoted in the piece discussing natural gas vehicles.

### Highlighted Placements (Full Articles Below)

- **Morton Kondracke: Oil Spill Should Advance Clean Energy Effort** – *Roll Call* – 6/10/10

### Notable Natural Gas Coverage (Full Articles Below)

- **Natural Gas: Fueling America's Future** – *The Oklahoman* – 6/11/10

- **Mayors to Get Education on Natural Gas While In Oklahoma City** – *The Oklahoman* – 6/11/10

**Print Placements** (Full Articles Below)

- **Texas Firm Lobbies To Build Transmission Line** – *Tulsa World* – 6/11/10

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

- **Place Your Bets Now: Batteries, Biofuels Or Natural Gas** – *WSJ Blog* – 6/10/10
- **T Boone Pickens On BP Oil Spill** – *GuruFocus* – 6/10/10
- **The Midday Brief: June 10, 2010** – *Texas Tribune* – 6/10/10
- **A Rare Victory Against Global Warming** – *Atlanta Journal Constitution Blog* – 6/11/10
- **Waste More Want More** – *Raise the Hammer* – 6/11/10

## **HIGHLIGHTED COVERAGE**

### **Morton Kondracke: Oil Spill Should Advance Clean Energy Effort – *Roll Call* – 6/10/10**

IF there was any doubt about it, the Gulf oil catastrophe demonstrates conclusively what would happen if the country got hit with another terrorist attack: Americans would start pointing fingers at one another, starting with the president.

It's been a fixation of the media and many Republicans to make the spill into President Barack Obama's "Katrina" or his Iran hostage crisis, with TV commentators counting the days since BP's well began fouling the Gulf of Mexico.

Some right-wingers previously furious at "government takeovers" of this and that have swiveled to demand to know why Obama didn't "do more" to stop the oil flow.

And the left has been using the crisis to allege that the spill is the fault of George W. Bush and Dick Cheney, who sold out the federal government to Big Oil.

Environmentalists want to use the spill to put a halt to all offshore oil and gas drilling, even though the United States depends on oil for 40 percent of its energy needs and hundreds of offshore rigs operate safely around the world.

On top of all that, there's the drama criticism: Is Obama "angry" enough or "empathetic" enough? He's bought into it to the extent of assuring NBC's Matt Lauer that he's looking into "whose ass to kick."

In response to public rage at BP, the administration is threatening criminal action in the case even as it's forced to rely on the oil company to stop the oil flow and pay for the cleanup.

Obama, while furiously shipping resources to the scene and visiting himself, is determined to use the crisis to pass his previously dead climate change agenda, now redubbed "clean energy," with the emphasis on cap-and-trade limits on carbon.

Republicans are determined to block that, labeling it "cap and tax" and claiming it will cost jobs in a recession, even though the main bill on the agenda, sponsored by Sens. John Kerry, D-Mass., and Joe Lieberman, ID-Conn., doesn't take effect until 2013.

At the moment, according to a Washington Post/ABC poll, the public rates the federal response to this disaster worse than its handling of the 2005 Katrina hurricane - largely because that's the way Republicans look at it, by a margin of 20 points.

Obama is as dependent on BP to handle the spill as Bush was on the inept former governor of Louisiana and mayor of New Orleans.

There are legitimate questions about whether Obama should be depending on BP for estimates of the volume of the spill, whether enough equipment has been deployed and whether the government was slow in agreeing to Louisiana Gov. Bobby Jindal's (R) request to get barrier islands built to protect his state's coastline.

What really counts, though, is whether Obama can get Democrats and Republicans to agree on constructive energy and environmental policies that will reduce dependence on foreign sources and move away from polluting fuels.

Obama claims he will be able to persuade at least a few Republicans to back the Kerry-Lieberman bill, though none is in sight so far. Sen. Lindsey Graham (S.C.), who helped write it, has pulled away - though he has not condemned its contents.

Lieberman aides say their bill was specifically designed to be business-friendly and Republican-friendly, expanding nuclear power and offshore drilling and imposing no energy taxes until 2030.

Indeed, the U.S. Chamber of Commerce has been neutral on it, and it's been endorsed by oil companies, natural gas and wind advocate T. Boone Pickens, the nuclear power industry, and the Edison Electric Institute, as well as environmental groups.

Still, according to the Senate's No. 3 Republican, Lamar Alexander (Tenn.), the bill is "premature, unwise and doesn't have a chance of passing the Senate."

He claims it would put caps on carbon emissions at electric utilities before they have figured out how to develop low-cost means to capture or reuse carbon from coal, which produces 50 percent of U.S. electricity.

"There is plenty of clean energy legislation that Congress could pass in 2010 instead of cap-and-trade," he said, including several bills he's introduced.

With Sen. Jim Webb, D-Va., Alexander has proposed extending \$100 billion in loan guarantees to noncarbon energy projects, which he thinks will lead to construction of 100 nuclear plants over the next 20 years.

A centerpiece of Democratic legislation is likely to be a bill sponsored by Energy and Natural Resources Chairman Jeff Bingaman (N.M.), imposing standards for utilities to use "renewable" fuel sources.

Alexander says that nuclear power, which supplies 20 percent of U.S. electricity, is excluded in that bill in favor of wind and solar power, which produce 2 percent.

Another bill that Alexander is co-sponsoring with Democratic Sens. Byron Dorgan (N.D.) and Jeff Merkley (Ore.) would promote rapid development of electric cars and plug-in technology.

And, he said, Republicans would advance such projects as converting carbon from coal into gasoline or limestone pellets for building materials - "making cap-and-trade a dinosaur method of reducing emissions."

The good news from the Gulf spill - if there is any - is that Obama is not yielding to pressure to close down offshore drilling, as expansion of nuclear power was stopped after a nonfatal accident at Three Mile Island in 1979.

Other good news is that the spill could lead to action on clean energy legislation - if Republicans and Democrats can stop finger-pointing at each other.

Morton Kondracke is executive editor of Roll Call.

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## NOTABLE NATURAL GAS COVERAGE

**Natural Gas: Fueling America's Future** – *The Oklahoman* – 6/11/10

By Aubrey McClendon

There is extra energy in Oklahoma City this week with the U.S. Conference of Mayors meeting downtown.

First, we welcome the mayors to Oklahoma City. We are proud of our city. A remarkable public and private partnership has transformed it in the past 15 years. This partnership represents an example of what can be accomplished with strong, united leadership and a common vision.

One of the goals of the U.S. Conference of Mayors is to promote effective national urban policies. With more than 1,200 members, the conference can indeed influence national policy. With that in mind, our country requires the powerful leadership of mayors to secure a new energy future for America anchored by domestically produced, clean, cheap and plentiful natural gas.

In a recent Pew survey, the public ranked the economy and energy as the two most pressing priorities for Congress. Americans understand the danger of inaction. They understand we cannot risk continuing on the same aimless course of past decades. They know our economic and national security, as well as the quality of life for future generations, is at stake. They want to stop the enormous daily transfer of \$1 billion of national wealth to foreign countries, many of which are hostile to us. They know the right energy policy can strengthen our economy, clean our environment and bring about greater security. They know America has enough natural gas to fuel our vehicles and generate power for generations to come. What they don't understand is why it is taking so long to embrace natural gas.

We have twice as much natural gas in America as Saudi Arabia has oil, and it is 70 percent cheaper and more than twice as clean. We lead the world in natural gas exploration. Foreign companies turn to American companies such as Chesapeake for expert assistance on drilling for shale gas. In America, shale gas has made it possible to stop talking about reducing our risky dependence on OPEC oil and do something about it.

Determined to clean the air in their communities and support a reliable American resource, mayors have led the charge to convert municipally operated trucks and vehicles to compressed natural gas. Tougher air standards are prompting mayors to seriously consider CNG-powered refuse trucks and buses because they are cleaner and quieter than diesel-powered vehicles. Private fleet operators like Chesapeake, AT&T and UPS are transitioning to CNG-powered vehicles in ever greater numbers. GM's plan to offer CNG-powered Chevrolet Express and GMC Savana full-size vans underscores the increasing demand for CNG vehicles and the growing national support for natural gas.

Mayors, you can help put America on a stronger, cleaner and brighter energy path. Take a moment to become acquainted with the benefits of natural gas and you will see why your support for policies to promote increased natural gas usage is good for your city and our country.

McClendon is CEO of Chesapeake Energy Corp.

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**Mayors to Get Education on Natural Gas While In Oklahoma City – *The Oklahoman* – 6/11/10**

By Jay F. Marks

Natural gas advocates are stoked about their chance to push their product during this weekend's U.S. Conference of Mayors.

More than 200 mayors from cities with 30,000 or more people will be gathered in Oklahoma City for the conference.

"City leaders ... will be the ones making bold commitments to run their fleets in a cleaner, smarter way by using natural gas vehicles," said Regina Hopper, president of America's Natural Gas Alliance. "In addition to cities, companies like AT&T, UPS and Ryder also have been switching to natural gas vehicles to cut their pollution output."

Visiting mayors will have plenty of chances to learn about the benefits of natural gas as a vehicle fuel.

Many of them were picked up in CNG-fueled vehicles Thursday when they arrived in Oklahoma City. Next up was a reception at the Skirvin Hilton sponsored by the gas alliance, American Lung Association and three local oil and gas companies: Chesapeake Energy Corp., Devon Energy Corp. and SandRidge Energy Inc.

Sixteen mayors, including Oklahoma City's Mick Cornett, were honored for their efforts to promote clean vehicles and healthier air.

Norman Herrera, Chesapeake's senior coordinator for market development, said the reception also allows natural gas advocates to spotlight the benefits of natural gas.

He said natural gas is an abundant, clean resource that can help reduce operating costs and create jobs in the future. It also is essential to reducing carbon and other pollutants that affect air quality.

There will be more than a dozen natural gas vehicles on display in an exhibit hall adjacent to the conference at the Cox Center.

Herrera said the "Clean Urban Vehicle Zone" will include a wide array of city or corporate vehicles that run on CNG.

Each of the vehicles will have a spokesperson standing by to discuss the benefits of natural gas.

Ample opportunities

On Saturday, mayors in the group's transportation and communications committee will discuss natural gas.

"It's a good policy discussion," Herrera said. "From the time we pick them up at the airport to the time they depart, we really want to champion Oklahoma City, share everything that's new here in our city, talk a little bit about our companies, talk more importantly about the message on natural gas and hopefully be able to have some long-term relationships with these mayors."

Taylor Shinn, Chesapeake's director of corporate development, said advocates have been working with the mayors' group for some time because its members will continue to be political leaders for years to come.

He said this is a great opportunity to show them why natural gas is the economical and environmental answer for their cities.

"It's critically important," Shinn said. "All the cities are slashing their budgets and laying off employees because of high operating costs.

"They will leave with a very strong sense about natural gas and the benefits."

The gas alliance's Hopper said natural gas is the right choice for cities.

"Natural gas is substantially cleaner than diesel fuel for trucks and buses and coal used in power plants, and the American Lung Association has found that cutting emissions from both sources can reduce health effects from energy use," she said. "The United States is blessed with a vast supply of natural gas, thanks to new discoveries in shale formations across the country.

"That ensures a stable supply of the fuel for many generations to come."

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## PRINT COVERAGE

### **Texas Firm Lobbies To Build Transmission Line** – *Tulsa World* – 6/11/10

By Rod Walton

Timing, technology and trends are aligned to justify an 800-mile, direct-current transmission line connecting wind farms in the Oklahoma and Texas panhandles to Memphis, Tenn., officials of the company that wants to build the \$3.5 billion project said Thursday.

Clean Line Energy Partners executives Michael Skelly and Mario Hurtado were in Tulsa to generate buzz about the Houston-based company's plan. They hope to apply for public utility status with the Oklahoma Corporation Commission within weeks and — if all the land, environmental and engineering issues go well — complete the transmission line by 2015.

"We believe the cost of wind energy will come down," said Skelly, president of Clean Line, in an interview. "Carbon will be constrained, and the cost of other fuel sources will increase."

Wind farms and high-voltage DC transmission lines are more expensive at the outset but cost-effective in the long run, the executives said.

The company will not seek rate recovery from Oklahoma utility customers because power from the project — called the Plains and Eastern Clean Line — will go to markets in the Southeast.

Project construction could employ about 10,000 people, with a tenth of that permanently involved in upkeep of the system, which will be owned and operated by Clean Line Energy.

"Those are basically renewable-energy pipelines," said Hurtado, executive vice president for development at Clean Line Energy.

The company also is working closely with The Nature Conservancy to locate the transmission lines and wind farms away from endangered bird habitats. Clean Line Energy also must deal with landowners and other entities to gain approval all along the pathway.

Skelly, who previously helped start alternative power developer Horizon Wind Energy, has dealt with wind issues in Oklahoma since 1999. He noted that people used to laugh about the viability of wind farms back then, but not so much any more.

"You're not going to please everybody," Skelly said. "But if we're out talking and, more importantly, listening, our experience is that we'll end up with a better project."

The DC lines, probably 500 to 600 kilovolts, will look slightly different than the traditional "alternate current" transmission that is common across Oklahoma, Hurtado said. The DC lines require less capital, and reactive losses are reduced along the route, according to industry reports.

Clean Line Energy's leaders also believe that wind energy works well with another Oklahoma energy source, natural gas. Power plants that use the fuel can ramp up and down quickly, based on when the wind is blowing, and could connect into the DC line.

"The line won't be exclusive to wind," Skelly said. "But the line won't be built without wind."

The Clean Line project won't benefit from federal stimulus funding but could offset costs with renewable energy incentives, production tax credits and possible U.S. Department of Energy loan guarantees.

And while he shares natural gas proponent T. Boone Pickens' frustration at the lack of a federal energy policy, Skelly believes patience will pay off in the long run.

"This is the direction that the country is headed in," he said. "There's a trend here that transcends the traditional Washington stalemate."

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## **BLOG/ONLINE COVERAGE**

### **Place Your Bets Now: Batteries, Biofuels Or Natural Gas – *WSJ Blog* – 6/10/10**

By Yuliya Chernova

After hearing a few executives of biofuels start-ups expound on the benefits of their technologies, David Demers, chief executive of Westport Innovations Inc., dismissed them wholly.

“We won’t have any need for you guys, making replacements for crude oil,” said Demers. Why? Because Demers believes natural gas - which is cheaper than new biofuels, much more abundant in North America, and far cleaner than crude oil - will take over in the gas tank. Westport makes internal combustion engines that can operate on gaseous fuels such as natural gas, biomethane and hydrogen. Demers and others were speaking on a panel at the Lazard Capital Markets’ Alternative Energy Investor Summit on Wednesday in New York.

In some countries, noted Matthew Beale, president and chief financial officer, of Fuel Systems Solutions Inc., another natural gas-for-vehicles company, natural gas accounts for 20% of the fuel used for vehicles on the road. And adopting an engine that runs on gasoline to using natural gas is fairly easy. Manufacturers, such as Ford Motor Co. and General Motors Co., are already producing many vehicles that can run on both types of fuels.

Among the chief advocates of using natural gas for transportation is T. Boone Pickens, who is an investor in several natural gas companies including Westport.

But while some call natural gas the answer, others refer to it as a “transition” fuel before other cleaner technologies can expand. After all, said Jonathan Wolfson, chief executive of algae-based biofuels company Solazyme Inc., as he patted Demers on the back, natural gas “is not renewable.”

Perhaps the world won't need either biofuels or natural gas for transportation as it moves to using batteries. "We are happy to let the DOE [Department of Energy] pursue its fantasies," said Demers, "as long as they leave heavy duty vehicles alone." The time is not near when 10-wheelers could go anywhere far on a battery, he added.

Toward the end of the panel, everyone seemed to agree that no matter how successful any of the companies in alternative fuels are, it will take a very long while to make a dent in the supremacy of crude oil-based gasoline.

Dan J. Cohrs, chief financial officer of Rentech Inc., which produces synthetic fuels and chemicals out of various feedstocks, compared the current situation to the time when telecoms were challenged by the Internet. "The big difference is [energy] is much more capital intensive," Cohrs said. "The process of eroding incumbents will be much slower," he noted even if every company on the panel ran multi-billion dollar businesses.

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### **T Boone Pickens On BP Oil Spill – *GuruFocus* – 6/10/10**

T Boone Pickens was recently on Larry King Live to talk about the BP plc debacle (ticker: BP). From everything he said, there is no reason to believe that the oil leak will stop leaking any time soon. He gave his thoughts on what has happened and what he expects to happen.

Pickens stated that BP has made some progress. They are collecting more oil now. 11,000 barrels a day. Pickens spoke with BP on June 8 and BP thinks that they can improve on the 11,000 barrels. The current fix is a band-aid in essence. There is no way to turn off the leak right now. At least not the way they are doing things right now. All that can be done is to collect as much oil as possible.

As for the relief well, there is no guarantee that it will do anything and it will not be done till August.

Some think that BP at current levels is an investment. Realize that it is not. It is pure speculation.

T Boone Pickens is a holder of many companies involved in the oil and gas industries. Among them is a personal favorite, Sandridge Energy (ticker: SD). Sandridge Energy is Pickens 4th largest holding. If interested in investing in oil and gas, do not consider BP. Consider one of the many other oil and gas stocks in T Boone Pickens portfolio.

No. 1: Transocean Inc. (RIG), Weightings: 18.36% - 345,980 Shares

Transocean LTD., formerly Transocean Inc., is an international provider of offshore contract drilling services for oil and gas wells. Transocean Inc. has a market cap of \$14.16 billion; its shares were traded at around \$44.27 with a P/E ratio of 4.5 and P/S ratio of 1.2. Transocean Inc. had an annual average earning growth of 22% over the past 10 years.

No. 2: McMoRan Exploration Co. (MMR), Weightings: 10.66% - 1,186,425 Shares

McMoRan Exploration Co. is engaged in the exploration, development and production of oil and gas offshore in the Gulf of Mexico and onshore in the Gulf Coast region, and in the mining, purchasing, transporting, terminaling, processing and marketing of sulfur. McMoran Exploration Co. has a market cap of \$987.5 million; its shares were traded at around \$10.69 with and P/S ratio of 2.3.

No. 3: WEATHERFORD INTERNATIONAL, LTD. (SWITZERLAND) (WFT), Weightings: 8.81% - 903,781 Shares

Weatherford International is one of the world's providers of equipment and services used for the drilling, completion and production of oil and natural gas wells. Weatherford International, Ltd. (switzerland) has a market cap of \$10.1 billion; its shares were traded at around \$13.64 with a P/E ratio of 43.9 and P/S ratio of 1.2. Weatherford International, Ltd. (switzerland) had an annual average earning growth of 18.5% over the past 10 years.

No. 4: SANDRIDGE ENERGY INC (SD), Weightings: 8.52% - 1,799,860 Shares

SandRidge Energy, Inc. is an oil and natural gas company headquartered in Oklahoma City with its principal focus on exploration and production. Sandridge Energy Inc has a market cap of \$1.4 billion; its shares were traded at around \$6.63 with a P/E ratio of 12.3 and P/S ratio of 2.4.

No. 5: Smith International Inc. (SII), Weightings: 8.22% - 312,285 Shares

Smith International, Inc. is a worldwide supplier of premium products and services to the oil and gas exploration and production industry, the petrochemical industry and other industrial markets. Smith International Inc. has a market cap of \$9.96 billion; its shares were traded at around \$40.09 with a P/E ratio of 80.3 and P/S ratio of 1.2. The dividend yield of Smith International Inc. stocks is 1.2%. Smith International Inc. had an annual average earning growth of 19.4% over the past 10 years.

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**The Midday Brief: June 10, 2010** – *Texas Tribune* – 6/10/10

By David Muto

"White, a man of constant and careful calculation as best I can tell, must have decided that his million-dollar investment in BTEC Turbines, a company with which he'd had dealings as mayor, was worth any potential risk." — [Is 'Battlin' Bill' on the ropes?](#), Texas Politics

"Former University of Texas regent Bob Rowling, whose support for U.S. Sen. Kay Bailey Hutchison sparked one of the bitter skirmishes of the GOP primary battle, is one of the statewide campaign chairmen announced today by Gov. Rick Perry." — [Perry announces state leaders, including gone-then-back-again Bob Rowling](#), Texas Politics

"The Texas Democratic Party went to court Thursday to find out who funded a petition drive for the Green Party that could help Gov. Rick Perry and other Republicans win close races this fall." — [Texas Democrats head to court over Green Party ballot funding](#), *The Dallas Morning News*

"In a new push designed to bolster security and curb contraband in Texas' massive prison system, officials for the first time plan to order random drug tests for most all the 41,000 guards and other corrections employees." — [Random drug tests for prison guards](#), Postcards

New in The Texas Tribune:

"Texas' participation in the federally funded summer food service program is dismally low compared to the national average — meaning only a small percentage of the state's 2.5 million low-income kids are getting free meals." — [The Big Hungry](#)

"The oilman told the Tribune on Wednesday that BP's CEO has made some verbal 'boo-boos' but offshore work must continue: 'You know, we can drill those wells in the deep water. I don't think there's any question about that.'" — [T. Boone Pickens: The TT Interview](#)

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**A Rare Victory Against Global Warming** – *Atlanta Journal Constitution Blog* – 6/11/10

By Cynthia Tucker

Mothership Earth and those of us who live aboard her won an important skirmish yesterday against those who don't care about climate change: The Senate defeated a bill that would have prevented the Environmental Protection Agency from regulating power emissions. That means that there will be a higher price on carbon, whether or not a cap-and-trade law passes:

The Senate Thursday defeated 53-47 an effort to limit the Environmental Protection Agency's authority to regulate greenhouse gas emissions, and President Barack Obama said the vote was a reminder of the need to pass more comprehensive climate change legislation.

Alaska Republican Sen. Lisa Murkowski's measure was backed by six Democrats and all 41 Republicans. Had Congress passed it, the White House said earlier this week that Obama would have vetoed it anyway, adding that the proposal would undermine efforts to promote alternatives to fossil fuels, especially as a broken BP well continues to spew as much as 50,000 barrels of oil into the Gulf of Mexico every day.

Murkowski's proposal "would have increased our dependence on oil by blocking efforts to cut the harmful pollution that contributes to climate change," Obama said in a statement.

"The Senate chose to move America forward, towards that clean energy economy — not backward to the same failed policies." . .

Environmentalists also considered it a major victory, but hastened to point out that any potential climate change bill, unlike Murkowski's proposal, would need 60 votes to get to the Senate floor for debate.

The EPA has been working on regulations to limit greenhouse gas emissions as part of its compliance with a 2007 U.S. Supreme Court decision. The court required the agency to determine whether greenhouse gases endanger the country's health and welfare — which the EPA found late last year.

"It is time for Congress to face up to this serious issue, not stick our heads in the sand and deny the irrefutable science," said Sen. Mark Begich, an Alaska Democrat.

Environmentalists have criticized President Obama for failing to push aggressively enough for climate change legislation, but he had warned that he would veto Murkowski's proposal if it passed:

The White House made clear on Tuesday what had been assumed for months – that it does not like a resolution sponsored by Senator Lisa Murkowski, Republican of Alaska, that would thwart the Environmental Protection Agency’s ability to regulate greenhouse gases.

The White House says that if the resolution, scheduled for debate and a vote on Thursday, reaches President Obama’s desk, his advisers will recommend that he veto it. That’s what is known as a veto threat and in this case it is not a bluff.

The White House position, in a one-page document known as a Statement of Administration Policy, makes several arguments against the Murkowski resolution. It says that the measure would undermine the Clean Air Act and prevent the E.P.A. from complying with a 2007 Supreme Court decision requiring it to decide whether carbon dioxide and other climate-altering gases are a threat to human health and the environment.

The resolution would block implementation of a deal worked out between the government and auto manufacturers to increase auto efficiency and reduce vehicle emissions, the statement says. It would also strip the E.P.A. of its power to reduce greenhouse gas emissions from power plants, oil refineries and other large facilities and put the United States at a competitive disadvantage to countries which are adopting new clean energy technologies

The defeat of Murkowski’s bill may give a boost to energy legislation proposed by Sen. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.) Several big energy companies, such as Duke Power, had signed on to support Kerry’s bill — partly because its modest regulation of carbon emissions is believed to be cheaper for big companies than increased EPA regulations. I wrote two weeks ago:

Despite Graham’s withdrawal, Kerry insists that the energy bill, which he and Lieberman unveiled earlier this month, “has a huge amount of support. . .Everybody is uncomfortable with a little something, but that’s a sign of a good bill.” He pointed out that several energy company executives have signed on. So has energy investor T. Boone Pickens, a former arch-enemy who contributed to the “Swift-boat” ads that helped to sink Kerry’s presidential campaign.

But Kerry's unlikely alliance with Pickens isn't enough. Without Republican votes to end a threatened filibuster, the Senate bill goes nowhere. (The House passed an energy bill last summer.)

Nor does the bill have the backing of the Deep South energy giant, the Southern Company., parent company to Georgia Power. A Southern Company spokesman called the legislation "a major improvement" over the House bill, which passed last summer, but said the company is "withholding judgment."

Kerry says he believes Graham will back the bill eventually. He also expects industry executives — many of whom see his bill as a preferred alternative to tougher regulations from the Environmental Protection Agency — to persuade Republicans to sign on. "My hope is these groups are going to reach out to their senators," Kerry told me last week.

Deep South energy giant Southern Co. has been hanging around the sidelines waiting for the Murkowski proposal to pass. Now that she's failed to block the EPOA, perhaps Southern Co. will tell its best defender, Sen. Saxby Chambliss, to get aboard Kerry's legislation.

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**Waste More Want More – *Raise the Hammer* – 6/11/10**

By Andrew McKillop

Consumers in the debt-stressed, anguished "mature democracies" fed with rosy propaganda about their sophisticated and supposed postindustrial status - but avidly consuming every conceivable industrial gadget and gimmick - never have the time to ask the simple question they should ask.

Exactly why are murky, environment crunching energy and natural resource corporations like BP, Exxon Mobil, Sinopec, Suncor, Xstrata, Barrick Gold, Norilsk or Rio Tinto working at the edge of technology and at the edge of continents?

Exactly why do they gouge out and grapple massive quantities of basic resources kilometres below the earth's surface, and far beyond the edge of sane risk limits?

The answer is simple: for the consumers.

When or if they vote with their pocketbooks and stop buying oil, coal, gas, electricity, aluminum doors for their camper wagon, or plastic mops to clean up after the party - and nitty gritty basics such as food, clothing and medication - they can play innocent and decry Corporate Evil.

Until then, they have to accept that flat earth innocence - and dependence on the round earth's real and rarefying resources - is hypocrisy cocktail and will not mix.

Trying that game is as pointless as BP's CEO Tony Hayward bleating he wants his life back.

Use More Waste More

Why was BP drilling in 1.5 kilometres of water ? Why does a quarter of the USA's national oil production come from deep water?

Sarah Palin already has the answer: because cynical despots in the OPEC states and Russia practice resource nationalism. That prevents big energy corporations like BP from coming in and depleting their onshore national oil reserves in record time. Also because misguided and malevolent environmentalists take a pleasure in preventing exploration in US Arctic nature reserves. As Palin knows, oil is wildly abundant in nature reserves.

Under any hypothesis, any theory, there can be no depletion and no shrinkage of the resource base. Whenever the resource is depleted, it is replaced, as Walt Disney or Steven Spielberg (when he isn't dealing with Bernie Madoff) will explain. Big oil corporations drill in fantastic water depths, and as we now are told take a lot of risks doing so, only for technological kudos, to be active and virile, to be bigger and better.

This has nothing to do with the stuff getting rare because of rising demand outstripping supply of non-renewable geological resources. Thinking that could be the cause is so politically incorrect it is out of the question.

To be sure, the press and media will soon tell us nuclear power is cleaner and safer than deep offshore oil, and Canada's tarsand oil could or might be less risky than edge-of-continent high-tech oil production a couple miles below the water surface, where water pressures are several tons per square inch.

## Green And Clean

Alternatively, we can play clean and green, with lurid scenarios of 'unthinkable' nuclear accidents, and flashbacks to the sad strip-mining of tens of thousands of square kilometres of Canada's forest land in the quest to extract tarsand goo, to help us make the choice.

This sales pitch is nice, but it only works for a short while. Results are disappointing, and soon afterwards the same media will show us photo shots of gaunt but efficient, low polluting, giant deep offshore rigs - reliably producing oil for all of us in the setting sun. Until the next catastrophe.

This is an endless cycle, to some, but underlines we live in the world Nassim Taleb describes, shaped by Black Swan events that nobody predicted, until after they happened. Black swans swarm when we endlessly raise the stakes by scooping out the low hanging fruit resources. Risk has to rise as the growth game lumbers forward like a giant bulldozer with a leaking tank.

When the risks reach certain thresholds, driven by endless growth in our resource consumption, the catastrophes and disasters become commonplace. It becomes possible - if still not politically correct - to predict them before they happen.

The politically and media correct White Swan fantasy world of the growing economy rigorously bans black-colored swans. This fantasy version of the resource gulping global consumer economy has only White Swans, clean beaches, filling stations with tanks full to the brim, and happy polar bears which gambol on solid ice.

We are told this White Swan world of 2017 or 2027 or 2037 will be almost the same as today - except a lot more so. This is what you should believe, but the only safe bet is that even 2017 will be radically different in ways we can pretend we can't imagine, but in private have no problem imagining, and fearing, right now and today.

The so-called alternate ecological view is now media friendly, allowed into politics and corporate living, but only has one real role: "crisis management". The shop-til-you-drop syndrome is recognized and feared, so the consumer herd must be managed. Short term adjust the consumer herd to austerity, develop their "ecological conscience", tone down their mindless greed a short while and hope the Global Economy can be brought back on stream, full power.

Despite the ominous signs to the contrary.

This alternate ecology delay tactic is strictly for crisis times, shown by the brittle, schizophrenic and incoherent slogan pack broadcast at the increasingly frayed consumer herd almost round the clock, with a Buy Green, Save Energy, Ride A Bicycle bottom line. This adds up to a no alternative message: Consume less but buy more - what could be more rational and more "ecological"?

Brown, Real and Dirty

In fact and reality we have one-only, basically 19th Century model, called urban industrial. It was first built on coal, iron and steel, and today we use over 6 billion tons of coal and 1.25 billion tons of iron and steel every year. Growth is the only goal.

The coal growth goal was not at all replaced - but added to - by the oil and natural gas growth goals. This fossil energy monster then grew 18-fold in 100 years, and nobody had the time to think about what happens afterwards.

At present our dependence is so total it isn't possible to ask if it's rational or ecological to depend on three non-renewable fossil fuels. It isn't possible to suggest we cut, and cut our dependence on fossil energy, whether from under-the-seas or overseas. We can't see that the more we use, the more we lose - pushing us into the hole of no choice but to grapple more where we can.

BP's Gulf of Mexico disaster is a role model: only when disaster strikes is the consumer press and media filled with proof we totally depend on cheap - or at least available - energy from high-risk, high-tech foraging in the bowels of the earth, to extract oil at 250°C.

Only at such times do we get the message clear and straight: to produce more, we risk more and we waste more.

Doing without any one of the three fossil fuels, if we could imagine it, would probably cause a quarter or more of the world's current population to die off or die back in a few years. Total economic collapse would be sure and certain. In fact the chances of the sequels being extreme and bad are as high as Tony Hayward of BP not getting his life back, and deciding to bow out before he gets kicked out.

No Alternative

When the game gets rough, the coal goal, oil goal and gas goal society can and does play very rough: because there is no alternative. Desperate needs generate desperate solutions, violent of course. The politics and economics that went - and go - along with relentless industrial and urban expansion cover every sombre extreme ever known by humanity.

That is slavery, colonial capitalism, genocide, revolutionary marxism, national fascism and nazism, totalitarian communism - and the No Hope no-politics of cynical and fragile neoliberalism whipped up in the wake of the 1970s Oil Shocks.

It's always bad to have No Alternative.

Today, like Tony Hayward, we have no alternative. The mutant and rampant Global Supermarket industrial and urban growth model is pedal-to-the-metal. This aberrant, toxic, cancerous model of society and civilization runs on any and all fossil fuels, gulps huge quantities of non-renewable metals and minerals from anywhere they can be extracted, and lumbers on.

Anywhere on earth where large tracts of natural forest remain, as in Indonesia these are inevitably under attack. Why? To feed the global growth economy.

The latest, crisis management version bolts-on green energy vanity projects, to amuse or befuddle the consumer mass, force fed with ecological propaganda when buying their next car or computer. We can fear that like its 19thC parent, no tinkering or reform will change it - only collapse or revolution naturally terminates this model.

The process is usually preceded by or ends in war, often starts with financial crises like the present, and has outlier civil wars like those of the Middle East and Afghanistan.

Waste It and Want It

The short fuse to the next Oil Shock is smoldering. Carefully hidden by the media until now, tarsand oil production and deep offshore oil production are the dirtiest of all, but in total produce only 4% or 5% of world total oil supply. Their potential for warding off the vampire of scarcity is low. Both of these post-crisis and pre-collapse oil supply sources leak and lose the most, consume the most energy and resources for their own production, or otherwise destroy the biggest percent of their "nameplate capacity".

Carefully ignored by the media in Old World consumer countries, big energy corporations have for years raised production of coal, and now natural gas and uranium, much faster than oil. With ever rising losses, also. Reasons for this explain the media blackout, because real waste clashes with glitzy images of high-tech leading edge industry.

Dirty coal powers industrial China and industrializing India, and provides a lot more electric power in Europe than windmills. Nearly two thirds of world electricity now comes from coal power stations: Google geeks and iPhone idiots can babble Green Eco Friendly slogans, but they run 65% on coal, even when their mouths are open 100% of the time.

Strip-mined coal, like strip-mined uranium ores, or strip-mined tarsand oil in Canada guarantee environmental devastation - as well as cheap electricity, iron and steel, cellphones, computers and cars - for the urban consumer mass. This is the reality, and without coal, like we said above, total economic collapse would be certain. Ditto for oil, but perhaps only near total collapse without natural gas.

Using less can start right now, in homes offices and factories, trimming the consumption rate and cutting the loss rate: call it energy conservation and efficiency raising. An old song, dating from at least 35 years back in time.

### Stretch The Resource and Buy Time

The new and windfall reserves of cheap natural gas can be stretched. Produced through shale gas reservoir fracturing using solvent chemicals, sand and water, similar to the alternate 'in situ' method for producing tarsand oil, the new supplies depend on constant drilling and are from environment friendly.

None other than soon-to-quit BP CEO Tony Hayward, renowned for truth telling, estimates shale gas reserves as equivalent to "a hundred years" of world gas supply.

Drilling in several countries but primarily the USA is now frenzied, also because gas reserves - once found - deplete at typical rates above 40% a year and incur very large production loss rates.

Massive spending on raising LNG supplies using vast, dangerous and expensive cryogenic supertankers also leads to the same result: huge loss rates of methane gas, at the industry standard rate of 1% of any shipment, every day the ship moves, or stands by awaiting the green light to discharge its load.

The natural gas windfall can go to stretching oil, as T Boone Pickens says, using gas-powered car and truck fleets, instead of hoping for technology miracles with electric cars and their batteries. Big uranium tracks the same no-alternative curve to bigger risk, more environment damage and more wasted output, to feed the consumer herd with cheap electricity.

In fact and reality, nuclear power is a small size, expensive and dangerous cousin of coal fired electricity, but the hunt for cheap uranium is forcing a production shift to open pit strip-mined ventures, the lowest wage the better. Cutting corners on safety, this spreads radiological dust and debris to the four winds and into the lungs of low paid mining labor in Niger, Namibia, Kazakhstan and their low-cost producer rivals outside the developed countries.

The answer, you guessed, is the same: cut electric power demand, renouncing the all-day all-night lighting of offices in city centres. Call the whole process Demand Side Management (DSM) if that sounds a nicer thing than using less.

Far away, the consumer herd will always claim its entitled to not know about reality. As ever, public ignorance is bliss, except when it concerns corporate crime - as Obama now calls BP's edge-of-continent high-tech oil gamble that went wrong.

In the wake of this highly predictable, not-even-slightly-surprising-disaster, we can ask the news media to dust off DSM and recycle root-and branch energy saving from its present "don't talk about that one" status.

Andrew MacKillop is a writer and consultant on oil and energy economics. Since 1975 he has worked in energy, economic and scientific organisations in Europe, Asia, the Middle East, and North America. These include the Canada Science Council, the ILO, European Commission, Organisation of Arab Petroleum Exporting Countries, the UN Economic and Social Commission for Asia and South Pacific, and the World Bank. He is a founding member of the Asian chapter of the International Association of Energy Economics. He is also the editor, with Sheila Newman, of *The Final Energy Crisis* (Pluto Press, 2005).

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## **BROADCAST COVERAGE**

### **1. The Michael Smerconish Show**

**WOR-AM (ABC) Freq. 710, New York | DMA: 1**

**06/10/2010, 08:00 PM - 09:00 PM**

00:18:00 I look at Steve Jobs parding the new phone and I ask are those folks among us? the Steve Jobs , Bill Gates Sergei Brin ... **TBoonePickens** obviously is, these techno guys ..Are they involved in this battle because their country needs them now? 00:19:59

**Audience: 30,250 Spot Cost: \$182**

### **2. Ralph Bristol**

**WWTN-FM (IND) Freq. 99.7, Nashville | DMA: 29**

**06/10/2010, 06:00 AM - 07:00 AM**

00:00:30 Tom in State College ... Hey Derek is anybody in government seriously considering **TBoonePickens** idea ... shifting to **naturalgas** for cars and to **wind** and solar for the electric grid? It makes so much sense given the mess were making with **oil** 00:03:22

**Audience: 12,100 Spot Cost: \$85**

### **3. KETK56 News Today**

**KETK-TV (NBC) CH 56, Tyler/Longview | DMA: 109**

**06/11/2010, 05:00 AM - 06:00 AM**

[CC] 00:40:59 Texas **oil** tycoon **T. BoonePickens** is giving his "two cents" when it comes to the **oil** leak in the gulf. In a recent television interview, **Pickens** insists o ffshore drilling must continue. "You know, we can drill those wells in the deep water. I don't think there's any question about that. People that don't know the business, don't undersand the business. Things like this really panic them." **Pickens** says a long term solution to the oil spill, will not be found until the two relief wells are drilled. And BP says those should be ready in August.00:42:18

**Audience: 2,350 Spot Cost: \$20**

#### **4. KETK56 News At 6**

**KETK-TV (NBC) CH 56, Tyler/Longview | DMA: 109**

**06/10/2010, 06:00 PM - 06:30 PM**

[CC] 00:05:30 **BoonePickens** is giving his "two cents" when it comes to the **oil** leak in the gulf. In a recent television interview, **Pickens** insists, continue. "you know, we can drill those wells in the deep water. I don't think there's any question about that. People that don't know the business, don't understand the business....00:07:04

**Audience: 11,278 Spot Cost: \$109**