

# PickensPlan

## T. Boone Pickens Media Coverage 7.16.10

### Total of 14 Placements

- Print: 4
- Blog/Online: 8
- Broadcast: 2

### Coverage Summary:

*The Oklahoman* ran an article profiling the new whiteboard presentation, focusing on holding President Obama accountable on his campaign pledge to eliminate imports from the Middle East in 10 years. The piece notes the acceptance Pickens' ideas are getting in Washington and includes supportive comments from ANGA. It also features two photos of Pickens and a link to the video. *Domestic Fuel* and the *Globe and Mail* also linked to the video.

*Clean Skies* interviewed Pickens about the benefits of switching 18-wheelers to run on natural gas and how this would reduce oil imports and improve national security. The video can be found here: <http://www.cleanskies.com/videos/pickens-says-technology-ready-18-wheelers-switch-nat-gas>

A post on *Mullings* by Rich Galen discusses Pickens' vision to use the abundance of natural gas in this country to cut oil imports and how it is likely to be included in the Senate's version of an energy bill next week.

*The Wall Street Journal* published an op-ed by former Department of Energy under secretary and MIT professor John Deutch calling for people to look past the Gulf oil spill and focus on the potential of natural gas.

### **Highlighted Placements** (Full Articles Below)

- **T. Boone Pickens Puts Polish On Plan To Curb Oil Imports** – *The Oklahoman* – 7/16/10
- **Pickens Says Natural Gas Only Diesel Replacement; Biodiesel Says Wha....?** – *Domestic Fuel* – 7/15/10
- **Pickens Says Technology is Ready for 18-Wheelers to Switch to Nat Gas** – *Clean Skies* – 7/15/10
- **What Market Watchers Are Saying This Week** – *Globe and Mail*– 7/16/10
  - *CTV.ca*
- **Full of (Natural) Gas** – *Mullings* – 7/16/10
  - *CNSNews.com*

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

- **The Natural Gas Revolution** – *Wall Street Journal* – 7/16/10

### **Print Placements** (Full Articles Below)

- **BP Cautiously Tests Gulf Of Mexico Oil Well After New Leak Setback** – *The Daily Telegraph* – 7/15/10

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

- **Friday's Caught on the Web** – *WSJ Blog* – 7/16/10
- **U.S. Senate: Pass an Alternative Energy Bill with Carbon Caps Now** – *Investing Daily* – 7/16/10
- **BP Announces Cessation Of Oil Flow Into Gulf Of Mexico** – *Industrial Fuels and Power* – 7/16/10

## HIGHLIGHTED COVERAGE

### T. Boone Pickens Puts Polish On Plan To Curb Oil Imports – *The Oklahoman* – 7/16/10

*Billionaire T. Boone Pickens is offering a new look at his pitch to curb oil imports. He said there is still time to make good on President Barack Obama's campaign pledge to eliminate imports from the Middle East in 10 years.*



Oilman T. Boone Pickens discusses his plan to end oil imports from the Middle East in a video posted Thursday on [pickensplan.com](http://pickensplan.com)

By Jay F. Marks

T. Boone Pickens has no intention of letting President Barack Obama out of his campaign pledge to eliminate oil imports from the Middle East.

The billionaire oilman posted a whiteboard presentation on his website Thursday, updating the eponymous plan he has touted at his own expense for more than two years. It is the first in a series of planned video presentations.

Pickens maintains it is vital for the United States to stop importing oil from unfriendly nations.

"There are eight years left on the president's campaign pledge to eliminate Middle East oil in 10 years, and we want to help him and our nation get there," he said. "The Pickens Plan is the only real plan that can make dramatic progress on that goal using our abundance of natural gas as a transportation fuel.

"We encourage Congress and all Americans to get behind this plan now. There is no more time to waste. We have an opportunity, and we need to take advantage of it."

Pickens said Americans use 21 million barrels of oil a day — about a quarter of what is being produced worldwide — with 13 million barrels a day coming from foreign sources. Five million barrels a day comes from the Middle East, the Organization of the Petroleum Exporting Countries.

"That's my target. I want to get rid of this, because I think we're importing oil from the enemy," he said, circling that figure. "We're paying for both sides of the war when we're buying OPEC oil."

"This is not smart."

CNG for trucks

The main pillar of Pickens' plan remains increased use of natural gas as a vehicle fuel. He said it is abundant and cheaper and cleaner than diesel.

Pickens is targeting 8 million 18-wheel trucks in the U.S. He said converting those trucks to run on compressed natural gas can cut America's OPEC oil habit in half.

The rest can be addressed by increased use of CNG by drivers of the other 240-plus million vehicles in the United States, he said.

"I somehow see this as a great opportunity to pull America together," Pickens said. "You are going to create a tremendous number of jobs out of this."

Pickens' latest presentation drew plaudits from America's Natural Gas Association.

"He makes some great points about the abundant supplies of natural gas in the United States and the benefits that presents to our country," spokesman Dan Whitten said. "In addition, we think increased natural gas use for power generation provides an incredible opportunity for the environment, for energy security and for the economy."

Oklahoma City University professor Steve Agee, who oversaw a study into the benefits of switching to natural gas, said the United States is lagging behind other countries in using it as an alternative fuel.

"Many other countries are ahead of the United States with respect to the use and development of natural gas powered automobiles," he said. "Pakistan, for example, has an estimated 2 million natural gas vehicles; and Argentina and Brazil are close behind.

"In comparison, the U.S. had 110,000 as of 2009."

Agee said natural gas is an excellent source of energy, but the United States needs more fueling stations and affordable ways to convert vehicles to run on CNG before it takes hold as a transportation fuel.

Ideas gaining acceptance in D.C.

Some facets of Boone Pickens' plan to cut oil imports are among several pieces of legislation, including:

- The New Alternative Transportation to Give Americans Solutions Act (HR 1835 and S 1408);
- The American Power Act (S 1733) introduced by Sens. John Kerry, D-Mass., and Joe Lieberman, independent-Conn.;
- The Next Generation Energy Security Act (S 3535) introduced by Sens. Saxby Chambliss, R-Ga., and Richard Burr, R-N.C.

Pickens spokesman Jay Rosser said some facets of the plan are expected to be included in a new energy plan being discussed in the U.S. Senate.

He said Senate Majority Leader Harry Reid on Wednesday stated the bill will incorporate Pickens' call for tax incentives to fuel America's heavy duty fleet vehicles on domestic natural gas.

Boone Pickens is confident a national energy plan is on the horizon:

"America is as close to an energy plan as it's been in 40 years," Pickens said. "We can't let any more time go by as we continue to spend \$27.3 billion per month on foreign oil.

"We have to act now or risk watching oil rise to \$300-\$400 a barrel in the next ten years, with import numbers jumping to 75 percent.

"So instead of spending \$365 billion a year on foreign oil, we would be wasting \$1 trillion a year. That just won't work.

"Congress needs to move fast to enact legislation promoting the greater use of natural gas as a transportation fuel. The future of our economy and national security depend on it."

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**Pickens Says Natural Gas Only Diesel Replacement; Biodiesel Says Wha....? – Domestic Fuel – 7/15/10**

By John Davis

T. Boone Pickens is making a new pitch for natural gas to be the fuel of the future, especially in America's big rigs. However, while declaring natural gas as the only replacement for petroleum diesel, the billionaire oilman seems to forget that biodiesel is already a great source to replace petroleum-based products... without having to convert any engines.

(Embedded Video)

In [the latest video from Pickens, he goes "back to the whiteboard"](#) to make the case that out of the 21 million gallons of petroleum used each day in the U.S., 13 million gallons come from imports, and 5 million comes from the "bad guys" at OPEC. He says that 5 million is the real problem, as we are funding both sides of the war on terror with those purchases. Pickens proposes that if the 8 million 18-wheelers in this country were to run on natural gas, that would take care of 2.5 million gallons of OPEC oil each day, effectively cutting the oil cartel in half. He goes on to say that conversion could be done in just seven years.

But while Pickens makes a good case, pointing out how much cheaper natural gas would be than petroleum diesel (about one-fourth the cost) and how much cleaner burning it is, I think he steps in it a bit when saying that "natural gas is the only resource we have that's going to replace diesel." Biodiesel will run in any diesel engine, especially the big rigs, without having to change anything on the engines.

He does say that various biofuels, including biodiesel and ethanol, are also good for American cars. But I hope that not everyone takes his "only resource to replace diesel" comment too much to heart. Biodiesel is ready now.

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**What Market Watchers Are Saying This Week** – *CTV.ca* – 7/16/10

By David Parkinson

## MUST HAVE BEEN THE GRAPPA TALKING

*“China is a very important market for GE. It’s one that we do quite well in. It’s one that we’re committed to for the long term.”* – The week after he told an Italian dinner audience that he doubts that Chinese authorities want foreign businesses to succeed, General Electric CEO [Jeffrey Immelt goes into full-backpedal mode](#).

## THE iREDGREEN

*“It does spoil the look, don’t you think?”* – Mike Gikas of Consumer Reports says the consumer-watchdog publication can’t recommend Apple’s iPhone4 after uncovering a design flaw that causes it to lose reception, but it can recommend a [temporary fix: Duct-tape](#).

## GASSING THE ENEMY

*“I think we’re importing oil from the enemy. We’re paying for both sides of the war when we’re buying OPEC oil. This is not smart.”* – Billionaire-oilman-turned-U.S.-energy-dependence activist T. Boone Pickens launches a new series of Internet videos to pitch his [plan to eliminate U.S. oil imports](#) by converting the country’s vehicle fleet to natural gas.

## WRONG-WAY CSRA

*“I think that what this proposal does is it really cuts away significantly at the rationale for a national commission. I see it as a huge step backward.”* – Prominent securities lawyer Joe Groia criticizes the federal government’s plan for the Canadian Securities Regulatory Authority, its new national securities regulator, to operate [without a national head office](#).

## PLAYING WITH BUNNIES, NOT BUYERS

*“Playboy isn’t in play. I’m buying, not selling.”* – Playboy Enterprises founder [Hugh Hefner takes to Twitter](#) to stress that he wants to take back full ownership of his media empire himself, not sell out to rival girlie-mag publisher Penthouse. (He then went back to playing Uno with the bunnies at the mansion; Anna won, he tweeted.)

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**Pickens Says Technology is Ready for 18-Wheelers to Switch to Nat Gas – *Clean Skies* – 7/15/10**

A new study from Resources for the Future and National Energy Policy Institute tested out ways to cut down on oil imports, and found the single largest saving could come from switching U.S. long-haul 18-wheelers to run on natural gas.

Clean Skies News' Margaret Ryan spoke with T. Boone Pickens, chairman of BP Capital, who has been advocating that switchover -- as one of several ways to reduce oil imports and improve U.S. national security -- since 2008. They discussed the status of those efforts and Pickens' predictions for Congressional action.

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**Full of (Natural) Gas – *Mullings* – 7/16/10**

By Rich Galen

A moment of personal privilege.

One of the ways I supplement my income, allowing me to spend countless hours researching, writing, and publishing *Mullings*; then responding to the many nanny-nanny-boo-boo emails about the typos, malapropisms, and outright factual failures which so many of you glory in sending, is to do some writing for commercial enterprises.

One such enterprise is the Pickens Plan, founded and largely funded by Texas oil & gas man T. Boone Pickens.

As uncomfortable as I am about tooting my own horn ...

DEAR MR. MULLINGS:

Uncomfortable about tooting your own horn? You? The Walking, Human VUVUSELA?

We have two words for you: Puh-Leeze!

Signed,

The 35,000 people who are on the Mullings e-mail database.

Every ... single ... one ... of ... us.

... I have become pretty knowledgeable about natural gas, and to a slightly lesser degree, the issues attendant to the generation of electric power from wind and solar energy.

I'm bringing this up now because the Senate is going to try and get an energy bill to the floor next week and, Majority Leader Harry Reid (D-Nev) said yesterday, according to the NY Times, that "he was prepared to incorporate a plan championed by T. Boone Pickens, the oil and gas executive, to sharply expand the use of natural gas as a transportation fuel in large vehicle fleets. The proposal, supported by Senators Orrin G. Hatch, Republican of Utah, and Robert Menendez, Democrat of New Jersey, would provide tax breaks for natural-gas-powered vehicles and fueling stations."

Boone Pickens is one of the few billionaires I have ever spent any significant amount of time with. I once had breakfast with Bill Gates and Newt Gingrich when Newt was speaker, so that pretty much covers my billionaire elbow-rubbing.

When Pickens announced the Pickens Plan in July 2008 he promised to keep clear of partisan politics. Very few Democrats believed him. But, over the ensuing two years he did not take sides in the Presidential campaign, and has spent a considerable amount of time on the phone with and in the offices of everyone from Orrin Hatch (R-Utah) to John Kerry (D-Mass).

If you have been following American politics for more than 20 minutes, you understand the import of Pickens and Kerry sitting in the same office at the same time.

Pickens has spent north of \$60 million promoting the idea that we need to reduce our dependence on OPEC oil and we can do that by using our enormous domestic reserves of natural gas.

He may make a couple of bucks out of this, but as he has thought this out pretty fully and, as he says "I'm 82 years old. I don't have time for R &D."

I've written about this a good deal: America has over a 100-year supply of natural gas. We have more natural gas reserves in North America than the Saudis have oil. How much more? According to the CIA's Factbook, Saudi Arabia has 264 billion barrels of oil. We have seven hundred billion barrels of oil equivalent in our natural gas reserves - about 2.5 times more.

Boone's vision is to spend the next seven-or-so years moving our national fleet of eight million 18-wheelers off foreign diesel and onto domestic natural gas. Over-the-road trucks tend to run the same routes back and forth so the issue of building a refueling infrastructure for America's 250 million passenger cars and light trucks is not difficult to solve.

Why not go right to batteries? Because batteries won't push an 18-wheeler. There is no current substitute for heavy-duty trucks running on foreign oil but domestic natural gas.

We continue to import oil to power our national fleets at the rate of about a billion dollars a day. Oil imports account for a huge proportion of our trade deficit and our money is funding the

infrastructure and social programs of countries which are unstable, don't have our interests at heart, or both.

Boone told me the other day that he was too young for World War II, was not eligible for Korea and was too old for Vietnam. He said that spending the past two years (and all that money) trying to get Americans familiar with the dangers of our dependence on foreign oil was his way of repaying the debt to his country of not having served in uniform.

I understand that.

As anyone who has ever dealt with the Congress knows, until a bill has been voted on, passed by the House and the Senate, and signed by the President it is nothing more than a hope and a prayer.

I hope Boone gets his bill. For him, and for us.

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## NOTABLE NATURAL GAS COVERAGE

**The Natural Gas Revolution** – *Wall Street Journal* – 7/16/10

By John Deutch

Even energy experts tend to forget the enormous impact unanticipated events can have on markets and public policy. Today there are two developments that have the potential to cause dramatic change: the existence of enormous reserves of natural gas and the BP spill.

As recently as two years ago, we had no idea that there were vast natural gas resources in unconventional reservoirs like coal seams, tight sand and shales in the United States and elsewhere. That's the positive surprise. On the negative side, the severity of the oil spill in the Gulf of Mexico could well turn the global public against oil and natural gas exploration.

If the past is any guide, accidents in the energy sector profoundly affect this country's energy outlook. Reactor incidents at the nuclear power stations at Three Mile Island in Harrisburg, Pa., in 1979 and in Chernobyl, Ukraine, in 1986 interrupted nuclear power plant construction in the U.S. and Europe for two decades. The 1973 oil embargo by OPEC and the 1978-79 oil crisis caused by the fall of the Shah in Iran permanently changed expectations about the security of the oil supply and the long-term price trend.

The BP spill will certainly lead to a major review of the risks involved in offshore drilling. Re-examining operating practices and regulations will likely take more than a year, during which time new deepwater operations will be curtailed. The danger is that public attitudes and government policy will lead to an extended period of reduced investment and licensing.

Some observers will characterize the blowout as an exceptional case due to chance or negligence. Others will see it as evidence of general inattention. Few will recall the facilities in the Gulf survived Hurricane Katrina in 2006, an unusually stressing event, without appreciable problems.

Yet even as we endlessly debate U.S. energy and climate policy in the wake of the BP gusher, we aren't spending enough time considering what's on the horizon—particularly natural gas's transition from a dwindling to an abundant resource. According to the Energy Information Agency (EIA), natural gas could become a much more important fuel for the U.S. in the coming decades.

In its 2010 International Energy Outlook, the EIA predicts growth in natural gas production principally from shale in Latin America, China, Australia, North Africa and the former Soviet Union. Global unconventional gas production is projected to increase to 7.9 trillion cubic feet in 2035 (1/3 of total natural gas production) from its 2008 level of 3.5 trillion cubic feet (about 1/6 of total production). The 2010 EIA projection of world-wide production of unconventional gas increases at 5.2% per year between 2008 and 2035, compared to 1.4% for total gas production.

What will this mean? In the short run, natural gas will displace coal in the electricity sector. This will significantly lower carbon emissions. In terms of renewable energy, low-cost natural gas will make hybrid solar plants that use both sunlight and natural gas to make electricity more economically attractive.

As oil gets more expensive and natural gas cheaper, there will also be an enormous incentive to use far more natural gas in the transportation sector. Compressed natural gas can power buses, medium-duty trucks and light-duty vehicles that operate in urban environments close to fueling stations.

But the U.S. is far behind the rest of the world in using this source of energy for transportation. As of 2009, Pakistan led the world with 2.4 million vehicles fueled by compressed natural gas and over 3,000 fueling stations. By comparison, the U.S. had about 100,000 such vehicles and 1,300 stations, consuming 0.1% of the 12 million barrels of oil per day devoted to transportation.

The penetration of natural gas into the U.S. market will be determined by the cost of kits to convert gasoline-fueled vehicles to natural gas. That cost should decline sharply with scale, new vehicle offerings, the availability of fueling stations, and, of course, continuation of the favorable cost of natural gas compared to motor gasoline.

Even 10% penetration in the next decade or two would displace 1.2 million barrels of oil per day. This may not be decisive, but it certainly could have as big of an impact as other proposals to reduce import dependence, like gasohol (a mixture of motor gasoline and ethanol from corn).

Natural gas can also be transformed into liquid fuels, such as methanol, for transportation or industrial use at a production cost that I estimate to be approximately \$45-\$60 per barrel of product. This is expensive, but lower than the likely price of crude oil and the anticipated cost of synthetic liquids from coal or shale (plus it has less carbon emissions).

The continued expansion of gas pipelines around the world, as well as the expanding trade of liquefied natural gas, indicate a movement toward a global market for natural gas similar to oil, and ultimately with a single world price. A global price implies major changes in patterns of gas trade between the North American market, where gas is priced to coal, and the Asian market, where gas is priced to oil. Because coal is cheaper than oil on an energy efficient basis, this means that current natural gas prices in North America are \$4 per thousand cubic feet compared to \$10 per thousand cubic feet in Asia.

That's where things seem to be heading now, but our thinking should remain agile. There undoubtedly will be other energy surprises that will disrupt conventional thinking.

Political instability or military conflict in the Persian Gulf could create a lengthy supply disruption, while a resolution with Iran could lead to welcome additions to world supply. An extended global economic downturn would reduce demand but also reduce energy investment critical for the future. Unexpected advances in photovoltaics, batteries or biofuels likely will change the affordability of new technologies.

The U.S. should have a comprehensive, long-term energy strategy. But when unforeseen events arise, we should adjust as necessary to take advantage of unexpected opportunity.

*Mr. Deutch is a professor at MIT and former under secretary of the Department of Energy. He currently serves on the board of directors of Cheniere Energy and was formerly on the boards of Schlumberger, CMS Energy and Citigroup.*

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## **PRINT COVERAGE**

### **BP Cautiously Tests Gulf Of Mexico Oil Well After New Leak Setback – *The Daily Telegraph* – 7/15/10**

By Rowena Mason

The company is proceeding slowly with its attempt to stop the flow, amid concerns that deepwater pressure could cause more ruptures, worsening the situation. However, it hopes to have completely sealed the leaking well over the weekend for the first time since the accident on April 20 that killed 11 men and triggered a giant oil spill.

US-listed shares in the company rose 9pc after it said early tests suggested there was no oil leaking into the Gulf of Mexico.

BP has been capturing 25,000 barrels of oil a day, and if the capping operation does not work, it hopes instead to siphon 60,000-80,000 barrels to the surface through pipes. The latest tests – taking between six hours and two days – will show whether piping and cement in the well is stable following the original blowout.

The US Government on Thursday maintained its pressure on BP by insisting that it must pay tax on the oil it has captured from the Gulf of Mexico. However, BP will not lose any extra money from this decision, because it plans to deduct the tax bill from the proceeds it has already pledged to environmental charities to help repair the Gulf coastline.

A US political panel also approved new rules ensuring that oil company chief executives vouch for well designs.

BP's share price remained almost flat in London at 401¾p, on news that the tests are proceeding cautiously. It dropped in early trading, after a bill proposing a seven-year ban on BP's US exploration activities passed through a Senate committee on Wednesday.

Hillary Clinton, the US Secretary of State for foreign affairs, also pledged to look into allegations that BP lobbied for the release of the Lockerbie bomber as it sought contracts in Libya.

However, BP found financial supporters on Thursday in two high profile investors.

T Boone Pickens, the billionaire energy investor, told Bloomberg News: "You're going to have to stand a little more heat, but I think they'll kill the well by mid-August. They will further damage their image when they start the investigation, but on Thursday BP is [a] good buy."

Meanwhile, Anthony Bolton, the Fidelity fund manager focusing on China, claimed that buying BP was a "once in a life-time opportunity".

Mark Fletcher, an analyst from Citi also sounded a positive note, estimating total costs for the disaster at \$39bn – much lower than the \$80bn high end of expert forecasts.

"The conclusion we draw is that our assumed \$40bn of value loss to shareholders is toward the pessimistic end of expectations.

"However, while the atmosphere remains highly politically charged, it is always possible that fines and costs are inflated higher," he added.

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## **BLOG/ONLINE COVERAGE**

**Friday's Caught on the Web – WSJ Blog – 7/16/10**

New York Times: [Private Sector's Health Determines a Nation's Risk](#)

“Which governments will not be able to pay their bills? The ones with private sectors that are not doing well enough to bail out the government. That should be one lesson of the near default this year of the Greek government. Government finances are important, but in the end it is the private sector that matters most.”

Economix Blog: [The Future of Finance: International Edition](#)

“Bankers and hedge fund managers are fond of saying, “If you place restrictions on our activities in New York, we’ll just move elsewhere — like London.” This makes attitudes toward the financial sector in other countries — particularly Britain — highly relevant to the American public policy debate on financial regulation.”

DealBook: [Banks Seek to Keep Profits as New Oversight Rules Loom](#)

“So after spending many millions of dollars to lobby against the legislation, bankers are now turning to Plan B: Adapting to the rules and turning them to their advantage.”

Businessweek: [Pickens Says BP a ‘Good Buy’ After Five-Week High](#)

“You’re going to have to stand a little more heat, but I think they’ll kill the well by mid-August,” T. Boone Pickens, chairman of Dallas-based BP Capital LLC, said in a Bloomberg Radio interview today. “They will further damage their image when they start the investigation, but today BP is good buy.”

Dismal Scientist: [Global Recovery Status](#)

An interactive map of the world's economic recovery, country by country.

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**U.S. Senate: Pass an Alternative Energy Bill with Carbon Caps Now** – *Investing Daily* –  
7/16/10

By Jim Fink

We are grossly over dependent on oil for our energy needs, in part because the oil companies have chosen not to invest their massive profits in the domestic production of clean and renewable alternative fuels that would make our nation more secure and reduce the risks of environmental disasters.

The United States has less than 3% of the world's oil reserves, yet consumes approximately 25% of the world's oil production. This grave imbalance means we send hundreds of billions of dollars overseas to pay for oil every year instead of investing in clean energy jobs at home.

-- Senate Majority Leader Harry Reid

The only way the transition to clean energy will ultimately succeed is if the private sector is fully invested in this future -- if capital comes off the sidelines and the ingenuity of our entrepreneurs is unleashed. And the only way to do that is by finally putting a price on carbon pollution.

-- President Barack Obama

The New York Times is reporting that President Obama and Senate Democrats have capitulated to energy special interests and will seek a scaled-down energy bill that doesn't impose a carbon cap-and-trade regulatory system on the U.S. economy. At most, the Senate bill, which is scheduled to be introduced the week of July 26th, will impose carbon emission limits on public utilities.

This is completely UNACCEPTABLE.

## Economy-Wide Carbon Cap is Needed

Public utilities produce only one-third of the nation's carbon emissions. Limiting the cap to utilities means that two-thirds of carbon emissions remain unrestricted. How does that solve anything? We need a cap that applies to transportation, industrial, commercial, and residential sources as well. It's simply unfair to impose all of our environmental regulations on public utilities and let the rest of the economy get a free pass.

Crude oil is a dirty fuel. Not as dirty as coal, but much dirtier than natural gas. Just look at the environmental devastation the BP oil spill is wreaking on the Gulf of Mexico and the southeast U.S. shoreline. Forty percent of the country's seafood supply comes from Louisiana and food safety is in severe jeopardy from the oil spill. The National Oceanic and Atmospheric Administration (NOAA) is now saying that the environmental damage from the BP oil spill is probably permanent. My college classmate Dan Froomkin is reporting that the damage is so bad that the NOAA is hiding critical data on the scope of the oil spill from the American public. This cover up has to stop.

## U.S. Addiction to Foreign Oil Must End

Oregon Senator Jeff Merkley has a great plan for reducing America's dependence on crude oil. He notes that oil dependency poses national security risks for our country:

Of all the oil used in America each day, 57 percent is imported, and 70 percent of these imports come from outside North America. In total, the United States sends \$1 billion a day overseas to fuel our oil habit.

The four countries outside of North America that export the most oil to the United States . . . too often do not share our interests and are too unstable to safely make up such a large portion of our energy supply.

## U.S. Money is Supporting Dangerous Foreign Governments

According to the U.S. Energy Information Administration (EIA), the four hostile and/or unstable countries outside of North America that Merkley is referring to are Saudi Arabia, Nigeria, Venezuela, and Angola. Each of these countries is troublesome from a national security standpoint:

1. Saudi Arabia -- ground zero of Islamic fundamentalism and hatred of Western culture
2. Nigeria – 35th out of 53 African countries in governance quality (higher is worse), 130th out of 180 countries in corruption, and a growing source of terrorist activity
3. Venezuela – most corrupt country in Latin America, links to terrorism
4. Angola – 42nd out of 53 African countries in governance quality, 162nd out of 180 countries in corruption

Senator Merkley's plan for energy independence would eliminate the need for 96% of foreign oil imports and has a three-prong focus: (1) promoting electric cars and requiring higher vehicle fuel efficiency standards; (2) switching freight traffic from gas-guzzling trucks to trains; and (3) developing alternative transportation fuels, such as cellulosic ethanol and natural gas.

### Alternative Energy Investment Opportunities

Investment opportunities that match the themes in Senator Merkley's plan for U.S. oil independence include:

■ Electric cars: Tesla Motors (NasdaqGS: TSLA) and BYD Co. (Other OTC: BYDDF.PK). A private company that looks like a great investment once it goes public is Palo Alto, California's Better Place.

■ Railroads: Berkshire Hathaway (NYSE: BRK-A) (NYSE: BRK-B), Union Pacific (NYSE: UNP), Norfolk Southern (NYSE: NSC), and CSX (NYSE: CSX).

■Cellulosic Ethanol: DuPont (NYSE: DD), Weyerhaeuser (NYSE: WY), Chevron (NYSE: CVX), and Novozymes (Copenhagen: NZYM-B.CO).

■Natural Gas: T. Boone Pickens' Clean Energy Fuels (NasdaqGS: CLNE).

■Fuel Efficiency: You'll have to wait for EcoMotors International to go public. But Microsoft's (NasdaqGS: MSFT) Bill Gates and Sun Microsystems founder Vinod Khosla are investing now.

■Clean Energy ETFs: PowerShares WilderHill Clean Energy (NYSE: PBW) and a number of less liquid "alternatives" (pun intended): PBD, QCLN, ICLN, PZD, and GEX.

President Obama isn't waiting for additional funding from an energy bill to promote alternative energy. He is using already-appropriated economic stimulus money to push electric cars, wind power on Cape Cod and the rest of the Atlantic seaboard, solar power, and not-so-clean nuclear energy.

### Serious Private Sector Investment in Alternative Energy is Crucial

But government subsidies are not enough. As Obama said in his June 2nd Carnegie Mellon speech, a commitment from the private sector is required for alternative energy to become economically viable. Similarly, Elliott Gue, editor of The Energy Strategist investment service, recently wrote in Alternative Energy: Don't Believe the Hype:

In the European Union (EU) -- as in the rest of the world -- renewable energy stocks amount to a play on government largesse and subsidies. Accordingly, the sector likely will be hit hard by the ongoing sovereign debt turmoil in the EU and European governments' fiscal-austerity measures.

Don't buy the hype surrounding alternative energy; this sector faces severe headwinds that will only intensify as EU nations prune budgets. I'm researching potential short plays for The Energy Strategist, my energy-focused newsletter.

Elliott is so negative on alternative energy that in his short-term trading service, Stocks on the Run, he recently told co-editor Yiannis Mostrous -- in their highly-entertaining monthly repartee -- "Trust me: The best way to profit from green energy is by going short." He then proceeded to recommend that subscribers short a prominent solar energy firm. Which one? You'll have to give Stocks on the Run a test drive for only \$5 per month to find out.

Bottom line, alternative energy will never take off unless the private sector joins the government and invests serious amounts of money in it. Lip service and token investments are not enough. The only way to get the private sector to commit to alternative energy is through a cap-and-trade system that puts a cost on the dirty carbon spewed into the atmosphere. Without cap-and-trade, the fossil fuels will remain cheaper than alternatives, polluters will not internalize the true cost of their destructive activities, our dangerous dependence on foreign oil will continue, and planet Earth faces a global warming disaster on a scale seen in the awesome Vietnam-era movies *Soylent Green* and *Silent Running*.

#### U.S. Senate Must Be Pushed to Do the Right Thing

The Senate should follow the example set by the House of Representatives last year when it passed a strong cap-and-trade provision in H.R. Bill No. 2454. Let's all listen to formerly-handsome movie star Robert Redford and ensure that the U.S. Senate passes a strong energy bill NOW. Contact your Senators today before it's too late. The planet – and your alternative energy investments – will thank you.

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#### **BP Announces Cessation Of Oil Flow Into Gulf Of Mexico – *Industrial Fuels and Power* – 7/16/10**

BP has announced that the fitting of a new temporary cap to its damaged Deepwater Horizon well has completely stopped the flow of crude oil into the Gulf of Mexico, at 19:25GMT June 15 for the first time since the blow-out occurred on April 20. The flow could, however, resume if the pressure on the cap becomes too great. As a result, the drama is unlikely to be concluded until relief wells are completed, which would allow a permanent cap to be fitted. The company is currently monitoring the pressure levels on the well.

The clean-up operation could continue for months, if not years, particularly given that it is now estimated that the well was releasing 25,000bpd of oil into the Gulf of Mexico. BP has set aside US\$20bn to pay for losses and damages to local businesses and individuals affected by the spill and will begin making payments early next month. Mark Fletcher, an analyst from Citi has estimated that total costs could amount to US\$39bn, considerably lower than the US\$80bn predicted by some experts, while T Boone Pickens has predicted that the relief wells will be in place by mid-August.

According to Admiral Thad Allen, National Incident Commander, "It remains likely that we will return to the containment process using this new stacking cap connected to the risers to attempt to collect up to 80,000 barrels of oil per day until the relief well is completed."

The news has been received with some incredulity from Gulf coast residents, with some expressing disbelief and others pointing to the years of work it will take to return the region to its former beauty.

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## **BROADCAST COVERAGE**

### **1. InBusiness**

**Bloomberg, National | DMA: 0**

**07/15/2010, 11:00 AM - 12:00 PM**

[EC] 00:23:12 Most Americans say that the BP **oil** spill was an accident. As for who is to blame, 44% say it is BP. Drilling, and 22% say no one is , 12% say the inherent danger of to blame. Taxpayers could see a big, big return. Lizzie O'Leary has the story. Underneath all of the rigs, BP still has a massive reservoir of **oil**. It is going to be one of the largest discoveries. That means BP will likely want to drill here again. At some point in time, they will redrill the well for **oil** production. They say they are focused on killing the well and on cleanup, but this well could have further operations, sending money back to the federal government at a royalty rate of 19%. The government collects over \$0.5 billion in royalties. Now that you have screwed up, we need to get this sealed up, get that **oil** flowing in the U.S. economy. But the profit will not come quickly, given the raw emotion and politics surrounding the spill. Nothing will happen until the **oil** commission ends its work. **T. BoonePickens** says BP is a good buy now. The oil magnate says he thinks the stock will bounce back. He believes BP will kill the well by mid-August. BP shares have lost \$73 billion in value since the rig exploded, but the stock has been rebounding as late. 00:25:26

**Keywords:**BP :

**Visuals:**Footage from **oil** spill; President Barack Obama; **TBoonePickens**; BP Shares.

**Speakers:**Fadel Gheit, Oppenheimer and Co; Ed Ruth, TransOcean Rig Manager; Eric Smith, Tulane University.

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

### **2. Bloomberg News**

**Bloomberg, National | DMA: 0**

**07/15/2010, 08:00 AM - 09:00 AM**

[EC] 00:08:39 How does the public feel about the deep water offshore drilling ban? This is something we got from our Bloomberg poll. Americans oppose the ban. 73% think this is not a

good idea. 44% of those polled put the blame on BP. There is always a bit of a disconnect. The fact they are looking at a moratorium, they do not think that is a good idea either. Lizzie O'Leary, thank you so much. Staying with BP, **T. BoonePickens** is bullish on the company. He told Bloomberg Radio that today BP is a good buy , but also said you will have to stand a little more heat if you invest, and warns there will be further damage to the company's image. He says he is holding on to his shares of Transocean. 00:09:04

**Keywords:**BP: Bloomberg Radio; Transocean;

**Visuals:**T. BoonePickens;

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