



T. Boone Pickens Media Coverage 8.1.09-8.3.09

Total of 19 Placements

- Print: 12
- Blog/Online: 2
- Broadcast: 5

Coverage Summary:

CNN host Ali Velshi and author Stephen Leeb discussed Pickens' push for alternative energy sources during a discussion about speculation in the energy market. Leeb said without the high oil prices in 2008, we may not still be talking about green energy sources, which he believes are a must have in this country.

A letter to the editor from the Maryland state director of the Pickens Plan was published in the *Baltimore Business Journal*. The letter highlights key parts of the Pickens Plan and urges support for energy legislation.

An article in the *Grand Junction Sentinel* looks at efforts to boost the use of natural gas vehicles in Colorado. Representatives from Clean Energy recently participated in a forum to look at some of the options to expand the use of natural gas there.

A letter to the editor in the *Press & Sun-Bulletin* highlights the economic growth opportunities the Marcellus Shale can provide. The piece calls out Reps. Hinchey and Carney who oppose development of the natural energy resource due, in part, to fears that drilling may contaminate drinking water.

Highlighted Placements (Full Articles Below)

- **Pickens' Plan Backbone of New U.S. Energy Legislation** – *Baltimore Business Journal* – 7/31/09
 - *Kansas City Business Journal*
- **Fill 'er Up with Natural Gas** – *Grand Junction Sentinel* – 8/2/09
- **Make Way for Drilling** – *Press & Sun-Bulletin* – 8/3/09

Print Placements (Full Articles Below)

- **Sweetwater Businesses Compete Against Wind Jobs** – *Abilene Reporter-News* – 8/1/09
- **Some Inconvenient Truths Undermine the Enviro Agenda** – *Edmonton Journal* – 8/1/09
- **United States: Wind Sector Takes a Battering** – *Petroleum Economist* – August 2009
- **Carbon Plate Said on Course for Price Uptick** – *American Metal Market* – 7/31/09
- **Local Power Gets Big Jolt** – *The Scranton Times Tribune* – 7/31/09
- **BABBLING BROOK: Does Anyone Know Where Are Oil Prices Headed?** – *Las Cruces Sun-News* – 7/31/09
- **COLUMN: Gulf Drilling is a Winning Ticket: Let's Cash It In!** – *Destin Log* – 8/3/09
- **Franken Feuds with T. Boone Pickens** – *Politico* – 8/1/09

Blog/Online Placements (Full Articles Below)

- **The Franken Meltdown Begins** – *The American Spectator* – 7/31/09
- **Natural Gas: Another Great Thing from a Lobby Near You** – *Seeking Alpha* – 8/2/09

HIGHLIGHTED COVERAGE

Pickens' Plan Backbone of New U.S. Energy Legislation – *Baltimore Business Journal* – 7/31/09

Editor:

The Congress is about to pass several important pieces of important comprehensive energy legislation this year. An important part of this legislation is a four-part plan unveiled by oil billionaire T. Boone Pickens in July of 2008 at www.pickensplan.com to:

- Create millions of new jobs by building out the capacity to generate more than one-fifth of our electricity from wind and solar;
- Build a 21st century electrical transmission grid by integrating the existing disparate national grids to take clean power from where it is produced to where it is more needed and to enable the most efficient consumption of energy;
- Provide incentives for residential and commercial energy saving options; and,
- Use America's natural gas to replace imported oil as a transportation fuel in addition to its uses in power generation and chemicals among others.

This energy legislation is something that we must all support in our local communities to create local American energy jobs.

Chandra Tamirisa Md. state director The Pickens Plan

Fill 'er Up with Natural Gas – *Grand Junction Sentinel* – 8/2/09

By Dennis Webb

For Natalia Swalnick, stopping to refuel her Honda with natural gas instead of gasoline inevitably leads to a teachable moment.

"Every time I fuel up, someone hops out of their car. 'What is that? What were you doing?' Swalnick is asked.

Such occasions let Swalnick, manager of the Denver Metro Clean Cities Coalition, preach the merits of natural gas as a clean-burning, cheaper fuel alternative to petroleum for vehicles.

No such educational opportunities exist for Swalnick along the Interstate 70 corridor in western Colorado, however. No public compressed natural gas (CNG) stations can be found along the interstate from Denver to the Utah border.

A broad coalition hopes to change that. It consists of everyone from natural gas industry interests to groups such as Swalnick's to the state of Colorado and local governments.

Gov. Bill Ritter's Energy Office recently applied for a \$10 million U.S. Department of Energy grant to go toward a \$27.6 million project to boost use of natural gas in vehicles in Colorado.

The public-private partnership proposes to deploy 68 heavy-duty natural gas vehicles and build several CNG stations. These include a public station at Grand Junction city shop property on River Road, and a second, private station for Mesa County and Grand Valley Transit at a public works facility in the Whitewater area.

“Obviously, Grand Junction and where we’re at here, it would be nice to have a station,” David Hill of EnCana Oil & Gas (USA) said during a recent forum in Rifle on options for making more use of natural gas in vehicles.

Also participating were Swalnick; a state official; and representatives of Clean Energy, a company that was founded by T. Boone Pickens and owns 170 natural gas fueling stations; and FuelTek Conversion Corp., which is based in Commerce City and converts vehicles to run on natural gas.

Stacey Simms, senior manager of the renewable energy program of the Governor’s Energy Office, joined by telephone in the Rifle forum and was impressed by the fact that it even happened. She had tried to organize something similar four or five years ago.

Much has changed since then. Estimates of domestic natural gas supplies have been boosted. Pressure is mounting to reduce greenhouse gas emissions and other pollutants by converting to cleaner energy forms such as natural gas. U.S. motorists got a scare last year when gasoline prices soared above \$4 per gallon and stayed there for several months. And after the economy slowed, falling natural gas prices helped force Colorado’s energy industry to sharply curtail drilling.

For energy companies such as EnCana, which sponsored the Rifle event, promoting a transportation use for a clean-burning, domestically produced fuel also creates a new customer base for the gas it produces in states including Colorado.

Seeking to lead by example, EnCana has undertaken an effort to make more use of natural-gas-powered vehicles itself.

That effort includes converting four fleet pickups in the Denver-Julesburg Basin to drive on natural gas and buying eight Honda Civic GX cars for employee use.

The company plans to convert its 52-vehicle fleet in the DJ Basin by 2011, and spokeswoman Wendy Wiedenbeck said it hopes to eventually convert its entire U.S. fleet.

EnCana plans to sponsor multiple forums to foster discussion about overcoming the hurdles to increased use of vehicles powered by compressed or liquefied natural gas.

Kathy Hall, Western Slope representative of the Colorado Oil & Gas Association, also thinks circumstances are converging in support of this movement.

“Everything has a time, and this is the time,” she said.

Natural gas can help the country wean itself off foreign oil, she said. And with the pipeline capacity limited for exporting Colorado gas, using the gas for vehicles provides an expanded in-state market.

Mike Braaten, government affairs and energy coordinator for the city of Rifle, said he’d love to see a natural gas fuel station open there.

“We’re always looking at local ways to increase the demand for natural gas,” he said.

Grants and state and federal tax credits and rebates aim to help overcome some of the hurdles. Ninety Clean Cities coalitions exist around the United States, funded by the Department of Energy, with the goal of reducing dependence on petroleum in transportation. The groups provide grant-writing assistance and other support for projects such as Colorado’s.

Todd Hollenbeck, manager of the Regional Transportation Planning Office in Mesa County, said the project would include purchase of several new Grand Valley Transit buses powered by natural gas.

He said using locally produced natural gas “provides a very good option for us,” particularly if grant funding can help offset the cost. Fleet managers are at the mercy of the fluctuating price of diesel, and using natural gas could result in significant savings, he said.

Terry Franklin, deputy director of utilities and streets in Grand Junction, said the city’s CNG station could be supplied in part by biodigester gas generated at the city/county wastewater treatment plant and converted to CNG. That gas could provide an annual savings of \$300,000 to \$400,000 in reduced gasoline costs for the city, through means such as conversion of garbage trucks to natural gas use.

Efforts to boost natural gas use in vehicles received qualified praise from Joyce Wizer, secretary of the Grand Valley Citizens Alliance, which has dealt with the energy industry’s effects on residents of Garfield County, where drilling occurs.

She said natural gas is “definitely better than burning petroleum products,” but it still creates a carbon footprint.

She said she has visited EnCana rigs that burn 800 gallons of diesel a day. “This is definitely not clean-burning,” she said.

EnCana has begun making use of natural gas to power some of its rigs.

Some challenges to meet

Getting motorists to consider natural gas as a fuel choice is complicated by significant up-front challenges:

- The availability of fueling stations is limited.
- Honda makes the only natural-gas-powered vehicle for the U.S. market, unlike the multiple choices available in Europe.
- Converting a vehicle for natural gas use can cost \$10,000 to \$15,000.

Make Way for Drilling – *Press & Sun-Bulletin* – 8/3/09

Marcellus Shale will provide the greatest opportunity for economic energy growth in the country, and our area - Northeast Pennsylvania and the Southern Tier - through jobs and low-cost fuel.

We have a problem with Reps. Maurice Hinchey, D-Hurley, and Chris Carney, D-Dimock Township, and other liberals in Congress who oppose development of our land-based, natural energy resources. Millions of voters who are paying at least \$2.50 for gasoline can thank them for the high cost of gas today. Drilling in Alaska safely would certainly have lowered the cost of gasoline. T. Boone Pickens has also advocated converting gasoline engines to natural gas.

If Congress writes legislation restricting the timely development of natural gas deposits, using extreme environmental laws and fear that use, as a cover, the contamination of drinking water, it will destroy or delay use of our local natural gas resources. That is not to say that reasonable drinking water and drilling restrictions aren't important.

Gas deposits in the shale are not in the same strata formations as in Colorado, so Colorado issues should not be used to prevent development of our local deposits.

Don Franck, Brackney, Pa.

Peter Cirba, Binghamton

PRINT COVERAGE

Sweetwater Businesses Compete Against Wind Jobs – *Abilene Reporter-News* – 8/1/09

By Jaime Adame

They left for the money, and Ronnie Rainey didn't blame them.

Over the past two years, about four workers with his family-owned oil roustabout business decided — like so many in Sweetwater — to choose wind.

The jobs are physical and sometimes require nights spent far from home. But the pay could start at \$14 per hour for unskilled laborers, not including overtime.

Work related to the construction and servicing of wind turbines soon became prized by job seekers in Nolan County.

"All anybody wanted was wind work," said Debra Shamblin, a career specialist at Workforce Solutions of West Central Texas in Sweetwater.

She recalled how meetings with job seekers would sometimes play out.

"We'd say, 'Well, we have production opportunities in USG,' " referring to United States Gypsum, one of the larger manufacturing employers in Nolan County.

The response: " 'No, not interested in that. I want to work for wind,' " Shamblin said.

This was last year, the height of the wind boom in Nolan County, where the first large-scale wind turbines were built only nine years previously. The boom brought in big commercial construction contractors, along with maybe 20 or so service and tooling companies who set up shop in the Sweetwater area.

Many non-wind businesses of all types found it challenging to hire and retain employees.

"There wasn't enough people for them and all of us, I guess," said Rainey, one of the owners of T & R Oil Field Construction.

He boosted entry-level pay a bit and also offered bonuses to workers who brought in other workers.

Mainly, though, he said he focused on trying to keep the employees he had.

"We were able to keep most of the people that worked here, but we did have to give raises to keep them here," he said.

The equation changed in the winter, when layoffs hit the wind industry hard, Shamblin said. Unemployment for June was 6.7 percent, still below the state average but the highest in Nolan County since at least 2000.

Rainey would hear again from his former employees around March, after the completion of some wind construction projects.

"When it all shut down, all four of them came back looking for a job. By then, it'd slowed down for us, too," Rainey said.

There were no jobs to offer, he said, adding that he had already laid off some workers in January.

Businesses affected

A year ago, probably a little more than 1,000 workers from the Sweetwater area were employed in the wind industry, said Ken Becker, executive director of Sweetwater Enterprise for Economic Development.

Now, the number is down to “a minimum” of 350, said Becker, whose organization administers the city’s half-cent sales tax to give incentives for new businesses to come to Sweetwater. The organization also uses sales tax money for business retention.

“We have some very good service companies in town doing quite well,” Becker said.

But the majority of Nolan County wind workers were getting paid by out-of-state commercial contractors, he said.

“The construction part of the wind business has almost slowed down to nothing” in Nolan County, Becker said.

The national recession has combined with banking woes to choke funding for some wind-related projects, he said. Wind companies are also still anxiously awaiting the final approval of transmission lines to carry their wind power to market.

Gaylan Marth said he still sees the benefits of the wind industry walk into his restaurant everyday.

“As the wind industry grew in Nolan County, so did my business,” said Marth, who owns Big Boys Barbecue with his wife, Jane. He said he’s only noticed a slight dip in business during the past two to three months.

But though Marth said the benefits have far outweighed any challenges, the wind industry has been something of a double-edged sword for other businesses when it came to hiring.

“If a guy could work and wanted to work, he was in the wind farm business,” Marth said. “Everybody has had trouble keeping and getting hands.”

Rise in wages?

Before the wind boom, Sweetwater’s biggest factory-type employers, like Ludlum Measurements (about 400 employees) and USG (around 240), “were paying a good, livable wage,” Becker said.

Still, “the wind energy has paid a premium wage in comparison,” Becker said. Shamblin said she thought the difference might have been about \$1.50 an hour last year for entry-level jobs.

In response to the wind-related employers, “Several different companies have adjusted their wages up a little bit,” Becker said, though many companies contacted for this article were reluctant to reveal pay scale information.

Jeanie McPherson, chief financial officer for Ludlum, said competition with the wind industry forced the company to increase pay plantwide, with the highest pay increases going to technicians, a small percentage of employees.

A spokesman for USG said they do not publicly release wage and benefit information.

State data suggests a rise in Nolan County wages that compares favorably with increases in pay rates elsewhere, though it’s difficult to isolate wind wages from non-wind wages.

Weekly average wages from private employers were \$643 in the fourth quarter of last year, an increase of \$83 from the same period in 2006, according to data collected by the Texas Workforce Commission.

Statewide, the increase was \$61 over the same period, though the statewide average wage was higher at \$955 per week.

Some employers didn't or couldn't adjust wages, Becker said.

He said he thought employers with lower-paying janitorial and hospitality jobs faced the most difficulty competing for workers.

"Some companies have had to do more work with less people. They just couldn't find them or couldn't keep them," he said.

Dale Miller, plant manager with National Gypsum in nearby Rotan, said his company lost some employees to the wind industry.

"It's nothing we can't manage but, yeah, we lost some people that had quite a few years here," Miller said.

The company had felt similar losses during various oil booms, but "not near like this, the last two or three years."

Employers now picky

The wind trend has been reversing the past six months, Miller said.

"In fact we had an employee that left to go to work for the wind industry. He came back because he was laid off," he said.

Now, "it's turned around," Becker agreed.

"I don't think wages are going to go down, you're just not going to have some of the increases. I think right now, you've got employers that can be a little more picky," Becker said.

Marth said he is trying to find a meat cutter for his restaurant.

"By far, I've had more applicants this time than in several years," he said.

Shamblin, the career specialist, said wind and oil layoffs began in early December and continued through March before stabilizing.

Such a shift in the labor market means longer odds for job seekers, she said.

"Positions that are open, even if they're lower positions, those employers have their pick of the litter. They have so many applicants for one position," she said.

Suddenly, those with wind experience find that they may be at a disadvantage, Shamblin said.

"Many employers consider them overqualified in that their longevity is not going to be with that company," Shamblin said.

Gone are the days when workers would hold out for the higher-paying wind jobs, she said. Positions like truck drivers and secretaries have all been part of the wind industry cuts.

Becker said he expects construction will shift to transmission towers, with the outlook strong for more wind work in the area. There is also the possibility of a large coal-fueled power plant coming to Nolan County, though questions remain before construction begins on the project.

But, for now, at least, unemployed workers face a poor job market, Shamblin said, and many former wind workers are having trouble even getting interviews.

It was just a few months ago that out-of-state callers were making inquiries to the workforce center, eager for wind jobs after seeing Sweetwater featured on national TV last July. Billionaire T. Boone Pickens used the massive Nolan County wind farms as a backdrop for talking about his views on energy.

"They were just pouring in here for jobs," despite warnings not to come without an offer in hand, Shamblin said.

Now, they've moved on, and Shamblin finds herself giving out similar advice to locals.

"We're encouraging them to use the Work-in-Texas system to get in there and check all throughout the state ... even if temporarily, until the job market picks back up here locally," said Shamblin, referring to the state's online job listings service.

"They want and need to get back to work," she said.

Some Inconvenient Truths Undermine the Enviro Agenda – *Edmonton Journal* – 8/1/09

By Gary Lamphier

OK, I know what you're waiting for. I've read your e-mails and online comments.

Now that I've given Greenpeace campaigner Mike Hudema his say in Thursday's column, you're expecting the right-wing biz guy to take out the carving knife and slice Alberta's most visible "tar-sands" critic into itsy-bitsy pieces, right?

Oh sure, Hudema and I disagree on a bunch of things. That's no surprise. But give him his due.

Hudema is smart, effective and likable. As the media-savvy head of a single-issue lobby group, he deserves top marks for headline-grabbing stunts, focusing public attention on his cause, and for helping to push oilsands enviro issues to the top of the political agenda.

Without activists like Hudema to hold their feet to the fire, I doubt the province or the energy industry would take green issues as seriously as they now do. And like it or not, whether humans are to blame for deep-frying the planet -- a theory many still question--the status quo is dead if the U. S. imposes curbs on carbon emissions.

So maybe Hudema has done Alberta's oilpatch a favour. But (you knew there was a "but" coming, didn't you?) in many ways, Hudema and I do live on different planets. Our differences are as broad as the oilsands tailings ponds the eco-lobby insists are visible from space.

In his world, environmental issues trump all others. Like many in the green lobby, he's young, naive and altruistic. He tends to see issues in black and white terms, and is conspicuously selective in his enthusiasm for clean technologies.

For most of us, life is more complex than that.

While we all care about clean water and clean air, other things matter too, like earning a living, paying the mortgage, feeding our families and putting our kids through school.

These pressures are a tad more immediate than the conceptual possibility of rising sea levels and drying river beds several decades from now.

Hudema believes the path to a cleaner, greener future -- not to mention full employment--is to halt oilsands development, ditch all plans to develop carbon-capture-and-storage technology, and instead pour billions of dollars into new wind, solar and geothermal projects. He also thinks we should pump further billions into high-speed rail, arguing that it could help cut Alberta's carbon emissions.

I think this is pure fantasyland. First, consider the economic context. The timing for a wholesale switch into(expensive and often unreliable) renewables couldn't be worse. Just ask legendary oil tycoon T. Boone Pickens, who was recently forced to shelve plans for a giant wind farm in Texas.

The entire world is in recession, the U. S. is in hock up to its eyeballs, and the only reason we haven't entered a second Great Depression is because central governments have poured trillions of dollars(that they don't actually have) into propping up their ailing economies.

The only engine of growth in the U. S. in the second quarter was government spending. Take that away, and the one-per-cent decline in GDP would have been far worse. Consumer spending is in free-fall.

Second, whatever its faults, Alberta's energy industry is an economic juggernaut. The oilsands are the key to Alberta's economic future, and Canada's too. Even federal Liberal Leader Michael Ignatieff has come to that conclusion.

With most other sectors of the Canadian economy in the ditch--from manufacturing to forestry to tourism and construction--the energy sector is one of the few bright lights. Alberta has a huge vested interest in ensuring that it remains competitive. If that means spending billions on technologies to reduce water use, curb emissions and ultimately eliminate tailings ponds, that's money well-spent.

On the other hand, the myth of thousands of new, well-paid, community-based "green jobs" that Hudema and others in the green lobby often perpetuate is just that --a myth. The rosy projections just don't hold up under scrutiny.

As noted in this column a few months ago, a 97-page study on the subject ("Green Jobs Myths") prepared by academics at four U. S. universities concluded that the Obama government's promise to create millions of new green jobs is really a con job, aimed more at remaking society than boosting employment.

Besides, reality has a way of derailing the fanciful schemes and dreams of the central planners. Just ask the B. C. government.

Thanks to a burgeoning surplus of power, B. C.'s utilities regulator recently rejected BC Hydro's long-term business plan, effectively killing dozens of clean-power projects that had been proposed around the province.

Similarly, Pickens' plan for a massive wind farm in Texas was undone in part by sagging natural gas prices, which have made wind power even less economic.

Hudema is right about one thing. Alberta could--and should--subsidize home retrofits so consumers could reduce their energy use. That would create jobs too.

As for the rest of his ideas, with apologies to planet Earth, they seem only half-baked.

United States: Wind Sector Takes a Battering – *Petroleum Economist* – August 2009

ENERGY magnate T Boone Pickens' decision to postpone plans to develop a large wind-farm project in Texas reflects continuing uncertainty in the country's wind industry, where growth has been stunted by the recession.

Pickens has spent millions of dollars promoting his plan for new energy projects, including a proposed \$10bn investment in a 4 gigawatt (GW) wind farm in the Texas panhandle. But now he says funding and grid connectivity problems have made a project on that scale impractical. "Transmission issues and problems with capital markets make that unfeasible at this point," Pickens said last month. He also cited lower natural gas prices as another complication for renewables developers. A batch of over 650 turbines intended for the project, already on order from General Electric, may now be used in smaller wind projects elsewhere in the country.

The wind industry accounted for 42% of new electricity-generating capacity in the US last year. However, its rate of expansion has slowed. While around 8.5 GW of fresh wind capacity was added in 2008, only 5 GW is expected to come on line this year, according to the American Wind Energy Association (AWEA).

The financing problems common to most big infrastructure projects at the moment have been exacerbated by the lack of a sturdy enough trans-national transmission network. This must be upgraded to distribute the high levels of wind-generated electricity from the mid-west and other remote areas, where much of it is produced, to the more populous coastal states, where almost three-quarters of US electricity production is consumed. However, the necessary spending is likely to be hard to come by at a time of economic hardship and lower overall electricity demand. Last year, the Department of Energy estimated that the development of a national high-voltage network enabling the country to meet a target of deriving 20% of the country's power from wind by 2030 would cost more than \$60bn. Wind supplies about 1% of US electricity at present.

The industry remains hopeful that government renewable-energy funding announced in July – fleshing out measures outlined in the economic recovery package approved by Congress earlier in the year – will provide impetus for new projects. The government said it would make \$3bn available in upfront grants for renewable-energy projects, instead of providing tax credits, the benefits of which would not have been felt until after projects were built.

Denise Bode, AWEA's chief executive, says wind firms are "anxious to ramp up investments" across the country. "As with all industry, the economic conditions of the past eight or nine months have held us back. We believe these grants will help get our companies back on track," she added.

Some in the industry say its fortunes may be improved by building more wind farms closer to coastal population centres. That would mean building more offshore turbines, which are costlier than their onshore equivalents, but the proponents of this approach say the extra expense would be at least partially offset by savings on extending the onshore transmission network.

Carbon Plate Said on Course for Price Uptick – *American Metal Market* – 7/31/09

By Scott Robertson

Demand for carbon steel plate products is improving, leading market sources to predict an uptick in prices in the near term.

No price increases had been announced as of July 31, but sources indicated they expect prices to go up early in August based on perceptions that demand is getting stronger from several key markets.

"Plate was slower to come into the recession and it will be slower to come out," a service center source in the South said. "Prices have increased, but demand is still pretty soft. Demand is better than three months ago. I think a lot of it is service center restocking and there is a little energy business in there."

Plate producers remain optimistic that the market is beginning to turn. Price increases announced last month lifted transaction tags for carbon coiled and cut-to-length plate to the neighborhood of \$600 per ton (\$30 per hundredweight), with talk that another \$30- to \$40-per-ton increase is set to be announced in the next several days. Prices for strip mill plate in 48-, 60- and 72-inch widths are also up, now pegged in the range of \$520 per ton (\$26 per cwt).

The five major plate producers in North America—ArcelorMittal USA Inc., Nucor Corp., the SSAB North America, Evraz Inc. NA and Essar Steel Algoma Inc.—are seeing positive signs develop in the market. The mills generally don't comment on their pricing plans, citing their desire to deal with customers confidentially.

"We enjoy excellent relationships with our customers," ArcelorMittal said in a statement. "We will continue to engage in constructive dialogue with each of them on pricing given present market conditions."

But buyer sources say plate demand remains tepid. There has thus far been little impact on plate usage related to economic stimulus, and most buyers say the uptick in demand is mostly tied to service centers replenishing depleted inventories.

"(The mills) are optimistic—all good sales people are. But saying that you are running at or near capacity when your capacity utilization is 50 percent is a bit hollow," a plate buyer in the Southwest said. "The effect of the cut in utilization of course squeezes the schedules out, giving the appearance of building shortages. For the most part, the activity I have heard about is distributors replacing void inventory. I believe the inventories are at close to record lows and a real increase in demand may well send them all clamoring to the mills, beginning the spiral up again."

The renewed strength in plate prices relates largely to rising raw materials costs, a Midwest service center source said. The higher costs of scrap and iron ore, and the hand-in-hand relationships they enjoy with pig iron and billet costs, are driving tags higher, he said, adding that there appears to be little real demand for plate.

"I don't see any real demand yet," he said. "OEMs (original equipment manufacturers) who use plate and hot-rolled seem to be done declining. The good news with that is that the next move is up. The bad news is that we're at the bottom."

A second Midwest service center source said he has been informed of a number of plate-consuming projects that have been canceled or placed on hold due to a lack of financing. Some of those were due to launch in the August/September time frame.

"I don't think the markets are very strong," he said. "We've heard about several shutdowns for August. People are shutting down for two weeks because there is no business. I think (a lack of) financing is the problem for a lot of them."

The Southwest-based plate buyer agreed with that assessment. "The users that I know are all limping along," he said. "The fundamental problem, of course, is the lack of financing. It's nice that we loaned businesses \$700 billion, but I believe that money went into the pockets of the large investors to cover their losses and little ever made it back into the economy."

Many major projects are being shelved because there is no credit market to fund them, he said, citing T. Boone Pickens' wind tower expansion in Texas and the transmission lines as an example.

"Spot prices for plate are edging up, but contracts have been unaffected as yet," he said. "The recent bump in scrap has had an effect on some contracts, but there are some that are worded in such ways that a modest bump in scrap will have no effect on the contract price. I am speaking with many people and they all seem to be experiencing the same contraction in the market."

Local Power Gets Big Jolt – *The Scranton Times Tribune* – 7/31/09

As PPL continues its effort to impose a massive 100-mile transmission line on Northeast Pennsylvania, in order to deliver power somewhere else, a New Jersey utility has begun to demonstrate the potential for locally generated power.

Public Service Electric & Gas Co. plans to install solar panels on 200,000 utility poles within its service territory. The project will make the Garden State second only to California in generation of solar power.

The company will spend about \$515 million to establish 80 megawatts of generating power by 2013 - half from the pole-mounted panels and half from larger arrays that it will establish at some of its properties. In all, the project will produce enough power for about 80,000 homes. The project will raise rates by 10 cents per month, per customer.

One of the great advantages of the system is that the power will be placed directly on the existing grid. Each pole-mounted unit converts direct current produced by solar cells into alternating current that can be added to the grid, pole by pole.

Reliance on long-range transmission is one of the major problems regarding energy. It is the cause of the PPL transmission line project. And the lack of an adequate grid recently was cited by Texas oilman T. Boone Pickens as the key reason for his postponement of building the world's largest wind farm project on the Texas plains.

The New Jersey project also demonstrates the potential of alternative energy to help drive economic development. Petra Solar Inc. of South Plainfield, N.J., has the \$200 million contract for the solar units. It plans to triple its existing work force by adding 100 full-time jobs.

Pennsylvania, like New Jersey, has imposed targets on utilities for alternative energy generation. State lawmakers and regulators should encourage Pennsylvania utilities to come up with innovative ideas, like the New Jersey project, not just to meet those goals but to reduce reliance on burdensome long-distance transmission.

BABBLING BROOK: Does Anyone Know Where Are Oil Prices Headed? – *Las Cruces Sun-News* – 7/31/09

Last year, oil prices spiked well above \$100 per barrel and we all had to deal with gas prices that flirted with, and in some cases even exceeded, \$4 per gallon.

Of course, fuel costs fell back to earth and then started to climb again this spring.

So where are we headed?

The short answer is: No one knows.

University of Calgary professor and former U.S. government adviser Philip Verleger believes the price of oil will fall to \$20 per barrel this year, according Bloomberg News .

Billionaire T. Boone Pickens, though, said he believes oil will climb back above \$100 per barrel. In fact, earlier this year, Reuters reported Pickens as saying if the U.S. continues to rely on imported oil for 70 percent or more of its supply, prices could reach \$200 to \$300 per barrel in another decade.

Verleger, though, believes that a huge oil surplus is on the horizon and that will lead to a drop in the price.

Here in New Mexico, either result is a double-edged sword. When oil prices are high, we suffer at the pumps but the state reaps more income from the oil and gas industry. That allows the folks in Santa Fe to spend more money on programs and capital outlay projects.

Of course, if the price of oil drops, we would pay less for gas, but lawmakers would have fewer funds to distribute back home.

COLUMN: Gulf Drilling is a Winning Ticket: Let's Cash It In! – *Destin Log* – 8/3/09

By Austin Norwood

I am not T. Boone Pickens, but I don't think most people understand how big this Destin Dome thing is.

The bottom of the ocean in Texas has a natural seepage, and oil was washing up on the beaches of Texas long before there was offshore drilling.

Imagine what offshore drilling would do for the local economy. There would be something besides summer tourism to support local businesses. Look at Orange Beach, Ala. There have been oil rigs off of Alabama for years and no accidents over there — no tar on their beaches.

My family's business depends 100 percent on tourism, and thank God we are one of the fortunate businesses that have been minimally affected by the terrible economy.

I feel that unless we do something, like allow offshore drilling, our local economy will continue to suffer for years.

Let's face it: There are few high paying professional jobs in Destin — probably less than 100.

Unless you own a business that has been in Destin for 20-plus years, it is hard to make any money. There are a few exceptions (i.e. Bass Pro Shops, Bonefish Grill, Dewey's). But other than a select few businesses, the rest are suffering and are in a vulnerable spot right now.

I would like to see more security for business owners and high paying professional jobs for local residents.

Think about your wealthy/successful friends. Chances are they made their money and then moved to Destin. The majority of our friends, who in recent history made six-figure incomes in this town, made it in real estate or some field related to real estate. Now the real estate boom is long gone, and they are most likely broke again.

All I am really saying is, if we are smart we can work this oil thing in our favor. The oil companies know the oil is there. They are not going to have to spend hundreds of millions in exploration.

Actually, we have the biggest known oil reserve left in the Gulf of Mexico — almost half the size of the ANWAR reserve in Alaska, which we hear so much about.

Conservative estimates of the Destin Dome say it holds 3.9 billion barrels of oil or \$261 billion and 2.6 trillion cubic feet of natural gas, about \$9 billion dollars. These dollar amounts are at current oil/natural gas prices and could easily double in coming years.

Our state has a winning lottery ticket to cash in, and our area could be one of the areas to benefit the most. The Destin Dome is a chance to create a stable economic future for our area, which yes, would have to include assurances that tourism and our beautiful beaches wouldn't suffer.

In a letter that Sen. Bill Nelson sent to The Destin Log about offshore drilling back in June, he said “oil money won’t build schools, or roads, or pay teachers. It’ll just mitigate the oil industry’s ruination of the fourth largest state’s economy and environment.”

I have to disagree. Just look at Texas. The Texas economy has remained resilient through these tough times because of oil and energy-related jobs. Also, Texas has the No. 1 housing market in the entire country right now because Texans still have jobs and money to buy houses.

Maybe Big Oil can’t legally just write a check for a new high school in Destin, dredge our Destin Pass every six months, renourish our beaches once a year, or install a Disney World type tram, that could take tourists all over town. (Now, that would be cool!)

But the impact from the tax revenues we would take in, from all that goes along with producing hundreds of billions of dollars of oil, would provide money for these types of projects and many more. I think the benefits far outweigh the risks.

If we allow drilling 30-plus miles offshore, the only thing that we will see will be enormous economic benefits that go along with a stable, thriving economy — an economy without the ups and downs that we are currently experiencing. The tourists won’t ever know the rigs are there and will come just like they always have. And our local economy will thrive like we have never seen before.

Keep the rigs out of sight and enforce strict environmental rules. We can even make our own rules. I am pretty sure Big Oil will do whatever it takes to keep us happy. DRILL! DRILL! DRILL!

Austin Norwood grew up in Destin and has lived here since 1988.

Franken Feuds with T. Boone Pickens – *Politico* – 8/1/09

By Eamon Javers

Five years after he put his money behind the Swift Boat ads that helped tank John Kerry’s presidential campaign, Senate Democrats gave T. Boone Pickens a warm welcome at their weekly policy lunch Thursday.

Or at least most of them did.

Kerry skipped the regularly scheduled lunch; his staff said the Massachusetts Democrat “was unable to attend because he had a long scheduled lunch with his interns and pages.”

Sen. Al Franken managed to make time for the lunch — but then let Pickens have it afterward.

According to a source, the wealthy oil and gas magnate and author of “The First Billion Is the Hardest” stepped up to introduce himself to Franken in a room just off the Senate Floor after the lunch ended

Franken, who was seated talking to someone else, did not stand when Pickens said hello. Instead, Franken began to berate him about the billionaire’s financing of the Swift Boat ads in 2004.

According to a source, the confrontation grew heated.

Said Franken spokeswoman Jess McIntosh: “It was a lively conversation.”

Pickens was on the Hill to address the Senate Democratic Policy Committee lunch about his plans to use wind energy to lower the nation's dependence on oil and gas. But the thought of Pickens being invited to a Democratic event angered some on the Hill and in the liberal blogs.

Pickens' camp appears unmoved by the drama. "If they have a problem, that's their problem," said Pickens spokesman Jay Rosser.

"Boone has clearly moved on and is focused on a mission to solve the foreign oil dependency problem that he believes is a national security and economic crisis that America has to confront. Boone's grateful for the impressive turnout of Democrats at the Democrat Policy Committee yesterday and for the interest they have shown in helping address this problem."

BLOG/ONLINE COVERAGE

The Franken Meltdown Begins – *The American Spectator* – 7/31/09

By Matthew Vadum

As predicted by many, it appears the meltdown of the most emotionally unstable member of the United States Senate is finally underway.

After being a good boy during the Sonia Sotomayor confirmation hearings, the newly fraudulently installed Sen. Al Franken (D-ACORN), couldn't resist letting T. Boone Pickens have it for funding those delightful Swift Boat ads that helped bury John Kerry's presidential prospects.

The Politico reports

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Said Franken spokeswoman Jess McIntosh: "It was a lively conversation."

This sounds like congressional flakspeak for a vicious verbal brawl.

It's just the beginning. Sen. Smalley just can't help himself.

T. Boone Pickens Responds To 'Franken Meltdown' Post

For what it's worth, in response to my post earlier today, *The Franken Meltdown Begins*, which detailed the verbal abuse Sen. Al Franken (D-ACORN) hurled at T. Boone Pickens, Pickens himself responds through his spokesman Jay Rosser.

Here is the Rosser comment provided to me:

If they have a problem, that's their problem. Boone has clearly moved on and is focused on a mission to solve the foreign oil dependency problem that he believes is a national security and economic crisis

that America has to confront. Boone's grateful for the impressive turnout of Democrats at the Democrat Policy Committee yesterday and for the interest they have shown in helping address this problem.

Natural Gas: Another Great Thing from a Lobby Near You – *Seeking Alpha* – 8/2/09

By John Lounsbury

Robert Rapier, writing in *The Oil Drum*, has calculated that we could replace all gasoline currently consumed in the United States with natural gas (NG), while still continuing current NG usage, for as long as 53 years. He arrives at this figure using published totals for proven reserves plus the sum of the nation's probable, possible and speculative reserves. The duration is shortened to about 20 years if only proven and probable reserves are included.

This approach to energy policy was popularized last year by T. Boone Pickens. His Pickens' Plan is still going strong, although Pickens' wind farm plans and advertizing campaigns have been slowed by reduced availability of financing. If the cost of oil continues to rise, this activity will probably speed up again.

If we were to replace all petroleum based imports, Rapier projects that the length of supply for NG is reduced to 43 years (or 14 years counting only proven and probable reserves). So, completely eliminating petroleum based imports with NG soon is not only impractical based on the difficulties in staging the change-over, but also from the limitations on the supply as well.

So, if we were to move in this direction, over some sort of time frame like 10 years, to replacing 1/4 of imported oil, we could very well have a 35 to 65 year supply of NG. The exact number of years would depend on how much of the possible and speculative reserves actually come on line.

Rapier points out a major barrier to moving in this direction by conversion of existing gasoline powered autos to NG is the conversion cost. Currently, there is also a stiff premium to buy an EOM NG vehicle. He says:

According to this source, it can cost \$12,500 to \$22,500 to convert a gasoline-powered car to natural gas. Honda makes a compressed natural gas (CNG) vehicle, but according to this review in *Car and Driver* the premium over the gasoline version is \$8,780. A person would need to drive an awful lot to justify that premium. However, that's what fleets do. They drive a lot. The large price differential explains why fleets would be interested in running their vehicles on natural gas.

However, there is more to this cost story than is evident in the above quote. According to Marc J. Rauch, Exec. Vice President/Co-Publisher, THE AUTO CHANNEL, quoted in the Rapier article:

...the cost of CNG conversions for existing vehicles is as high as it is because of EPA licensing requirements. For an individual (or shop) to be licensed to do a conversion, the person must pay \$10,000 per year, per engine type, per year of manufacture. So that if a conversion shop wanted to do conversions in 2009 for Camrys for the years 1995 to 2005, the shop owner would have to pay the government \$100,000 in licensing fees. Then, if he wanted to do conversions on the same models in 2010, he would have to pay the \$100,000 again, even though they are the exact same models and engines that he has been licensed on already. And if there is more than one engine involved, i.e., a 6-cylinder and 8-cylinder, the cost would double.

Therefore, if a shop owner wanted to do 10 model years of Camrys and Corollas and Celicas, and well as Honda Accords and Civics, unless there were common engines being used in these five models the licensing cost (for just one engine per) would be a half million dollars, which would have to be paid again in 2010. These fees are, needless to say, ridiculous and are only there to ensure that many don't get

done (thanks to the gasoline lobby). The cost of the conversion kits are actually relatively inexpensive. If there was a sensible licensing fee (or no fee) the cost for the work could be just a few hundred dollars.

It seems that your friendly petroleum/gasoline lobby has been at work here. Of course, their motivation was to protect the consumer from unqualified work on their car which could result in dangerous malfunction. (Hint: I am capable of sarcasm.) So what could be done for a few hundred dollars per car costs 20-50 times as much in added licensing fees.

If you Google the subject, you will find a number of on-line sources for CNG conversion kits, at-home garage compressors for fueling and other interesting items related to this topic.

However, even if you have (or know someone with) the competency to install a conversion kit, you may not be able to get your vehicle inspected. In most (if not all states), you will be subject to misdemeanor prosecution for operating an uninspected vehicle after repeated citations are issued.

There are procedures for obtaining vehicle emission inspection certification, as described here:

One potential hoop to jump through could be emissions certification for your particular state—some states require special conditions since you'd be changing the vehicles "engineered" fuel type. They all differ, and some are easier to work with than others. The U.S. Department of Energy offers this emissions certification information and CSA America offers a searchable database of compressed natural gas cylinder inspectors.

All this discussion brings me to one final ranting conclusion: It is not the government that is creating our biggest systemic problems, it is the interests that have bought the government.

I repeat (again) one of the most prescient and pertinent quotes of recent times:

"This place is bought and paid for." Sen. Dick Durban (D, Ill), referring to Capitol Hill.

BROADCAST COVERAGE

1. The Kudlow Report

CNBC (---) National

07/31/2009

07:00 PM - 08:00 PM

DMA: N/A

Spot Cost: \$2,166

Est. Audience: 173,932

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

00:34:23 TZ; Oil Prices: Oil prices and oil speculation is talked about now. SI; Bill Smead talking about his cell phone and companies begging for his business now and talks about bull markets and what happens with stocks and mentions **T. Boone Pickens**. SI; Kevin Kerr, Kerr Trading International, joking that speculators should be blamed for the Apple problem too and talks about everyone pointing out speculators instead of real demand with a weak dollar and what happens with free markets. Kevin Kerr says the demand for energy going to go up and the prices are going to increase because there is no new supply. SI; Dan Fitzpatrick, Stocksmarketmentor.com, President and CEO, talking about tech resources and what is happening with stocks. SI; Peter Schiff, Euro Pacific Capital, President, talking about the dollar going down so Oil is going to be pushed up and what happens with Opec's value. SI; Steve Grassi talking about what Bill Smead is saying. 00:39:51

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

CNN (---) National

08/02/2009

03:00 PM - 04:00 PM

DMA: N/A

Spot Cost: \$4,802

Est. Audience: 507,037

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

[CC] 00:13:08I think it's totally overdone, Christine. For one thing, it wasn't just energy prices going up, it was all commodities. If you look year-to-date, copper has way outperformed oil. Oil has been a very, very strong commodity. Go back to mid-2008, oil at \$147. How many new oil projects were coming on line? None. Oil supply wasn't increasing. One function of the price of oil is to balance supply and demand. And it was really clear, even at \$145, in the context of a major growth in the world, I mean, everybody was growing at that point, we didn't have enough oil. So the only way we could have balanced how much oil there was, and how much oil we need, is to get prices so high that we curbed our demand for oil. By the way, while there weren't new **oil** projects coming online, there were projects for all sorts of alternatives. **Boone Pickens** was talking about **wind**. People were talking about all sorts of alternatives. Exactly right, ali. You're so right about that. And because of that, even though oil did go down to the low 30s, we're still talking green. Thank goodness. The speculators, if they had a part to do with this, and I really don't think they did, but if they did, they did the country a favor. Because what would have been the chances of us still talking about green, which in my opinion we must have in this country. If we didn't have such high oil prices in 2008 it ner would have lasted. Speculation is liquidity. 00:14:35

3. Your \$\$\$\$\$

CNN (---) National

08/01/2009

01:00 PM - 02:00 PM

DMA: N/A

Spot Cost: \$5,792

Est. Audience: 633,161

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

00:09:15 TZ; Gas: There are fears that oil speculators could drive up the cost of gas as the US is addicted to oil. GR; US Consumption. GR; Oil prices. The Commodities future trading commission that regulates oil trading held hearings this week about speculation in the energy market. GR; Speculations. CMTC had an analysis of the oil markets last summer and said it was supply and demand that caused the rise in prices. SI; Stephen Leeb, Author, Game Over, says that the prices of everything went up last summer. He says that Gaul, the head of Schlumberger said that there would be no additional capital expenditures on developing oil unless it is over 70 dollars continuously. **T Boone Pickens** was talking about wind and other alternative when oil was high. 00:16:08

4. Washington Journal

DMA: N/A

CSPAN 1 (---) National
08/03/2009 07:00 AM - 10:00 AM

[CC] 00:49:51 ...Are you seeing any changes in your area? We have a comment on Twitter this morning, "I have noticed people vacatning and traveling, restaurants packed, lines at the gas stations. The economy is fine now." Was signs are you seeing in your c ommunity? We have and drew from Louisiana. Independent line. Hello. Please turn down your TV or radio. Caller: hello? Host: hello. Please turn down your television or radio. Caller: the economy, and I want to hear about the **T. Boone Pickens** Plan. The health-care debate has taken over. Once I hear that these contracts have been awarded and they start to break ground on the wind corridor, that will be a sign that the economy is picking up.... 00:51:09

5. The War Room With Quinn And Rose
Syndicated Radio (---) National
08/03/2009 06:00 AM - 07:00 AM

DMA: N/A
Spot Cost: \$10
Est. Audience: 200

00:26:00 Al Franken is a senator . Al Franken is about as much of a senator as I am because he stole the election . It is pretty obvious ... he is officially a senator ... and he has made his mark ... he managed to himself into a shouting match with **T. Boone Pickens** over the Swift Boat ads ..isn't it great that we got Al Franken into the Senate there to settle this thing about the swift boat ads? Of course in the meantime nobody as far as I know has ever found anything in the Swift Boat ads against John Kerry that was not true ... didn't **T. Boone Pickens** offer a million dollars ..if Kerry could come up with some proof that anything in the Swift boat ads was untrue... 00:27:59