

Dan Rather Reports

Episode Number: 614

Episode Title: Gas Pains

Description: What's behind the sudden jump in gas prices may have nothing to do with supply or politics in the Middle East. Also, the electric car - building the infrastructure to keep cars going. And rhino poaching in S. Africa is booming.

TEASE:

DAN RATHER (VOICE OVER)

TONIGHT... GAS PAINS...THE PRICE AT THE PUMP IS BEING PUSHED TO RECORD HIGHS -- SOME SAY WITH A LOT OF HELP FROM WALL STREET.

MICHAEL MASTERS, HEDGE FUND MANAGER, FOUNDER AND CHAIRMAN OF THE BOARD, BETTER MARKETS INC.

There's enormous amount of money going into these markets from investment pools, large institutional investors that has transformed these markets to a sort of full-fledged casino.

RATHER (VOICE OVER)

ALSO... READY OR NOT, HERE THEY COME... THE ERA OF THE ELECTRIC CAR IS HERE WITH A JUMP START FROM UNCLE SAM.

RICHARD LOWENTHAL, COULOMB TECHNOLOGIES

The federal government in programs like this are accomplishing two goals -- a strategic goal of getting off of oil and also accomplishing a secondary goal which is to get people to work.

RATHER (VOICE OVER)

AND...THE MOST VALUABLE HORN OF AFRICA...RHINOS...SLAUGHTERED BECAUSE OF A MEDICAL MYTH.

LORINDA HERN, RHINO OWNER

Poaching has become such a slick operation that can literally be in and out of a property in under 10 or 15 minutes.

RATHER (VOICE OVER)

WE'LL BRING YOU THE NEWS, TONIGHT ON DAN RATHER REPORTS.

GAS PAINS:

RATHER (ON CAMERA)

GOOD EVENING. TONIGHT AN INVESTIGATION INTO THE SOARING PRICE AT THE PUMP...ACCORDING TO THE LATEST GOVERNMENT ESTIMATES, AN AVERAGE FAMILY WILL PAY \$337 MORE THIS SUMMER THAN LAST FOR GASOLINE.

SO WHY THE BIG JUMP? DON'T BLAME SUPPLY AND DEMAND...THERE'S PLENTY OF OIL. AND YOU CAN'T BLAME TENSIONS IN NORTH AFRICA OR THE MIDDLE EAST. THE OIL IS STILL FLOWING. BUT SOME ANALYSTS BELIEVE YOU CAN BLAME IT, AT LEAST IN PART, ON ONE OF THE HOTTEST WAYS TO MAKE BIG MONEY ON WALL STREET...COMMODITIES TRADING...

DESPITE CONGRESSIONAL ATTEMPTS TO REGULATE THIS MARKET, INVESTORS CONTINUE TO RAKE IN HUGE PROFITS WHILE THE AVERAGE DRIVER CAN ONLY WINCE AT PRICES THAT WERE, NOT SO LONG AGO, UNTHINKABLE.

RATHER (VOICE OVER)

THERE'S NOTHING SUBTLE ABOUT THE PRICE OF GASOLINE. THE SIGNS ARE EVERYWHERE...YOU CAN'T MISS THEM— AND LATELY WHEN YOU FILL UP, THE SPIN OF THE PRICE GAUGE IS ENOUGH TO MAKE YOU DIZZY—AND LIGHT IN THE WALLET.

FEMALE CONSUMER 1

I'm noting everything I spend because I know now I have to budget a lot more for gas.

MALE CONSUMER 1

I use to fill this up for five bucks now it's fifteen.

MALE CONSUMER 2

I watch my gas tank more when I drive and I dread coming to the gas station more now that prices are soaring.

RATHER (VOICE OVER)

PRICES ARE NEARING AN ALL-TIME HIGH. A GALLON COSTS A DOLLAR MORE THAN IT DID LAST YEAR... AND A FULL TANK CAN COST YOU MORE THAN A CNOTE.

FEMALE CONSUMER 2

You know listen to different things on news in the newspapers it's not intended to go down anytime soon. So that's concerning more than anything, it's just how far are they going to go? I guess is the bigger question.

MICHAEL MASTER, HEDGE FUND MANAGER, FOUNDER AND CHAIRMAN OF THE BOARD, BETTER MARKETS INC.

Commodities exist to be consumed, to be used.

RATHER (VOICE OVER)

MICHAEL MASTERS IS A HEDGE FUND MANAGER WHO'S MADE A NAME FOR HIMSELF CRITICIZING WHAT HE INSISTS IS EXCESSIVE OIL SPECULATION ON THE COMMODITIES MARKETS, WHICH HE SAYS IS A FACTOR BEHIND TODAY'S GASOLINE SPIKE.

RATHER

I'm no economist. But I thought, and I think a lot of people think, that the market is driven by supply and demand.

MASTERS

Well, the reality is is the markets are driven in part by supply and demand. But they are also driven by the supply and demand of speculators. And there's been an enormous influx of new kinds of speculators into these markets-- with a lots-- lot of dollars.

RATHER (VOICE OVER)

OIL IS BOUGHT AND SOLD ON TRADING FLOORS ALL OVER THE WORLD, SUCH AS THIS ONE AT THE NEW YORK MERCANTILE EXCHANGE. AND IT'S NOT JUST OIL; IT'S ALL KINDS OF COMMODITIES, FROM METALS TO LIVESTOCK TO CROPS.

IT USED TO BE THAT MOST OF THE PEOPLE MAKING TRADES EITHER OWNED OR NEEDED THE PRODUCTS. BUT NOW, MOST ARE SPECULATORS WHO DON'T REALLY WANT TO OWN THE COTTON, WHEAT OR OIL. THEY'RE BETTING ON THE PRICE TO MAKE MONEY. AND MASTERS SAYS RECENTLY THEIR NUMBERS HAVE GROWN SIGNIFICANTLY.

MASTERS

Speculators today have about 70 percent of the open interest in the commodity markets. Ten years ago—they controlled roughly 30 percent of the market.

RATHER

I think your argument; correct me if I'm wrong, it's contributing-- contributing quite a bit to the rising price of oil.

MASTERS

Well, that's right. I mean, money ultimately moves markets. One could make the analogy that it's just like having a house where-- one person shows up to buy your house, there's one price. But if six people show up to buy your house, there's another price. And so the more participants you have in a market, you can definitely change the market.

RATHER (VOICE OVER)

MOST ECONOMISTS AGREE THAT SOME SPECULATION BRINGS STABILITY TO COMMODITY MARKETS. FOR EXAMPLE, SPECULATORS HELP FARMERS AND CONSUMERS LOCK IN A PRICE FOR SOMETHING LIKE CORN, PROTECTING AGAINST EXTREME PRICE SWINGS FROM A POOR HARVEST OR OVERSUPPLY.

BUT MASTERS SAYS THAT A RECENT SURGE IN SPECULATION HAS THROWN THE OIL MARKET OUT OF BALANCE... MAKING PRICES AT THE PUMP RISE AND FALL AT THE WHIM OF WALL STREET.

MASTERS

There's enormous amount of money going into these markets from investment pools, large institutional investors that has changed these markets from-- sort of a backwater to a sort of full-fledged casino.

RATHER

Now are the big Wall Street players, Goldman Sachs-- go down the line, are they in this?

MASTERS

Of course. They're-- they're-- central to the story. Because they are the financial intermediaries behind the scenes and the more they can promote commodities to institutional investors-- the-- the-- the higher they can effectively drive the price.

RATHER (VOICE OVER)

OVER THE PAST DECADE, GOLDMAN SACHS AND OTHER WALL STREET FIRMS HAVE PROMOTED COMMODITIES FUTURES LIKE OIL TO INVESTORS AS AN ALTERNATIVE TO STOCKS AND BONDS. AND MASTERS SAYS IF THERE'S ANY QUESTION THAT WALL STREET CAN DRIVE THE PRICE OF OIL, YOU DON'T HAVE TO LOOK ANY FURTHER THAN WHAT HAPPENED LAST WEEK.

MASTERS

Goldman Sachs made a recommendation to sell crude to their clients. And-- crude fell the most its f-- fell in several months. It fell about eight dollars a barrel. And what's more interesting is the price fell without any supply and demand changes. There was no changes in--

RATHER

Blame it all on the speculators.

MASTERS

There was no change in Libya. There was no change anywhere else in those two days. But Goldman Sachs sells recommendation had a significant amount-- caused a significant amount of selling.

REP. BARNEY FRANK, (D-MA)

Did we discover more oil? Did people stop driving? I mean-- a-- major financial entity speculates that it's gonna go down, and-- and the price drops.

RATHER (VOICE OVER)

CONGRESSMAN BARNEY FRANK IS THE CO-AUTHOR OF LAST YEAR'S LANDMARK FINANCIAL REFORM BILL THAT BEARS HIS NAME. AMONG THE HUNDREDS OF NEW REGULATIONS IN THE 'DODD-FRANK' LAW, IS A PROVISION THAT REQUIRES FEDERAL REGULATORS TO RESTRICT HOW MUCH MONEY SPECULATORS CAN POUR INTO THE OIL MARKET.

FRANK

We did this because it was clear to us that speculation in commodities, particularly oil at this point, is a factor, not the major factor, but a factor, in driving up prices.

RATHER (VOICE OVER)

NEW GOVERNMENT NUMBERS RELEASED JUST LAST WEEK ESTIMATE EXCESSIVE SPECULATION COST AMERICANS AN ADDITIONAL 8 TO 16 DOLLARS EVERY TIME THEY FILL UP.

BUT LESS THAN A YEAR AFTER THE DODD-FRANK LAW PASSED, THE NEW REGULATIONS TO POLICE THE SPECULATORS HAVE STALLED.

JOHN DAMGARD, PRESIDENT, FUTURES INDUSTRY ASSOCIATION

I for one don't want the government telling me what I can buy and what I can't buy.

RATHER (VOICE OVER)

JOHN DAMGARD IS A LOBBYIST AND THE PRESIDENT OF THE FUTURES INDUSTRY ASSOCIATION. HE REPRESENTS MANY OF THE BIG PLAYERS IN THE COMMODITIES MARKET AND HE SAYS EVERYTHING IS WORKING AS IT SHOULD.

DAMGARD

You talk to any of these people that are knowledgeable about the markets, and they will say, "These markets are working to our benefit. And we simply don't want the government in there trying to determine what we should do and what we shouldn't do."

RATHER (VOICE OVER)

DAMGARD TOLD US THAT ANY EFFECT SPECULATORS COULD HAVE ON THE PRICE OF OIL, PALES IN COMPARISON TO OTHER FACTORS LIKE INCREASED GLOBAL DEMAND...

DAMGARD

Ten years ago, the-Chinese were all riding bicycles and today they all own cars. And-- there are a lot more Chinese drivers than there are drivers in the United States. And-- and let's talk about India. You know, India's got two billion people, and they've got some of the largest car manufacturing plants in the world.

RATHER (VOICE OVER)

LAST YEAR, THE FINANCIAL INDUSTRY SPENT MORE THAN \$100 MILLION LOBBYING CONGRESS. ALMOST HALF A MILLION DOLLARS OF THAT CAME FROM DAMGARD'S GROUP. HE SAYS THE PROBLEM IS CONGRESS JUST DOESN'T GET IT.

DAMGARD

Quite honestly, you will not find market experts running for office. The people that really understand the way these markets work, frankly, are not Congressmen and Senators and yes, the Congressmen and Senators are constantly hearing from the people who believe that they're being disadvantaged by high prices. They are reacting to the pressures that

they're hearing, but I think we need to resist those pressures. Speculators are incredibly important to the market.

FRANK

They are the ones whose irresponsibility, lack of understanding, arrogance, over-confidence, and in some cases excessive greed, gave us the worst economic crisis in 70 years. How could he say we don't understand it? His problem is that we do.

RATHER (VOICE OVER)

DESPITE ALL THE LOBBYING -- AND RESISTANCE FROM NEWLY ELECTED REPUBLICANS, FRANK IS STILL HOPEFUL THAT THE DODD-FRANK LAW WILL BE FULLY ENFORCED. REGULATION, HE SAYS, IS NOT A BAD THING...

FRANK

You know, if you want to read stories about how this is all so terrible, you could read the current comments, or you could go back to the '30s, when Franklin Roosevelt was creating the Security Exchange Commission, and beginning the regulation, and they predicted then it would be the end of the world as-- as we-- as-- as we knew it. And, of course, it was better for the market.

DAMGARD

And we're proud of our industry, we're proud of the growth of our industry. And our job is to make sure that nobody kills the goose that laid the golden egg.

RATHER (ON CAMERA)

COMING UP NEXT ON OUR PROGRAM...A POSSIBLE ANSWER TO THE HIGH PRICE OF GASOLINE. ELECTRIC CARS ARE HITTING SHOWROOMS AND HIGHWAYS ACROSS THE COUNTRY NOW, WHETHER AMERICA IS READY OR NOT. THAT STORY WHEN WE RETURN.

PLUG - INS ACT 2:

RATHER (ON CAMERA)

WELCOME BACK. TONIGHT WE'VE GIVE YOU A LOOK AT THE HIGH PRICE AT THE GASOLINE PUMP. WHETHER THAT'S THE FAULT OF SPECULATORS OR JUST THE LAW OF SUPPLY AND DEMAND, WE'RE BEING REMINDED ONCE AGAIN THAT THE AMERICAN ECONOMY REMAINS VULNERABLE TO THE VOLATILE PRICE OF OIL.

EVER SINCE THE OIL SHOCKS OF THE 1970'S, AMERICANS HAVE BEEN AT THE MERCY OF BIG OIL. THE LAST EIGHT PRESIDENTS HAVE CALLED FOR

BUILDING VEHICLES THAT RUN ON A FUEL OTHER THAN GASOLINE. BUT ALL THAT WAS MOSTLY TALK... UNTIL NOW. FOR THE FIRST TIME, CARS ARE ACTUALLY POPPING UP IN SHOWROOMS ACROSS THE COUNTRY THAT COULD FREE AMERICANS FROM THE GRIP OF GASOLINE.

THERE ARE MANY WHO SAY ELECTRIC VEHICLES ARE THE ANSWER TO OUR DEPENDENCE ON FOREIGN OIL AND GLOBAL WARMING. BUT ARE WE, AS CONSUMERS AND AS A COUNTRY, READY?

RATHER (VOICE OVER)

MODERN AMERICA WAS BUILT AROUND THE AUTOMOBILE. IT'S HOW MOST OF US GO TO WORK... IT TAKES US TO THE STORE AND TO THE MOVIES... TO SCHOOL AND SOCCER PRACTICES. IT'S BEEN MORE THAN 100 YEARS SINCE THE MODEL-T TOOK THE AUTOMOBILE MAINSTREAM AND LAUNCHED AMERICA INTO A LOVE AFFAIR THAT IS STILL GOING STRONG.

THERE ARE 4 MILLION MILES OF ROADS IN THE UNITED STATES AND EACH OF US DRIVES AN AVERAGE OF 13,000 MILES A YEAR -- THE EQUIVALENT OF DRIVING CROSS-COUNTRY FOUR TIMES.

BUT THE PRICE OF GASOLINE, THE UNCERTAINTY OF IT, THE ENVIRONMENTAL MESS IT CREATES ... HAS LED US TO A TURNING POINT. READY OR NOT, A REVOLUTION IS COMING DOWN THE PIKE. DOWN IN THAT SEA OF GAS GUZZLERS ARE A FEW PIONEERS...DRIVERS LIKE MINDY KIMBALL...ARE MAKING A SMALL CONTRIBUTION IN A VERY SMALL CAR.

MINDY KIMBALL, ELECTRIC CAR DRIVER

When people look at me on the highway. It's kind of fun. People will wave at me and I'll wave back.

RATHER (VOICE OVER)

SHE'S BEHIND THE WHEEL OF A CAR THAT IS ALL ELECTRIC.

MINDY KIMBALL

I have not had to change my daily routine almost at all. I've actually saved a little bit of time because I don't make that weekly trip to the gas station. And it's been wonderful.

RATHER (VOICE OVER)

MINDY KIMBALL IS THE COUNTRY'S FIRST OWNER OF AN ELECTRIC SMART CAR - A DIVISION OF MERCEDES BENZ. THE SMART CAR IS PART OF A CLASS OF NEW VEHICLES POWERED NOT AT A PUMP, BUT BY A PLUG.

MINDY KIMBALL

So you're ready for the Pinewood Derby?

DANIEL KIMBALL, MINDY'S SON

Oh yeah.

RATHER (VOICE OVER)

KIMBALL IS A MAJOR IN THE U.S. ARMY. AND ABOUT A YEAR AGO ... WHILE FLYING HOME FROM HER DEPLOYMENT IN IRAQ ... SHE HAD AN EPIPHANY WHEN SHE SAW ALL THE OIL PLATFORMS IN THE PERSIAN GULF.

MINDY KIMBALL

It just really hit home for me how much oil we get from that area, how much fossil fuel we use and how little of it we have for the future. So this is your car, huh? You're all set!

RATHER (VOICE OVER)

KIMBALL DECIDED THAT AS SOON AS SHE RETURNED TO THE U.S., SHE WOULD PUT HER NAME ON WAITING LISTS AT ALL THE ELECTRIC CAR DEALERSHIPS NEAR HER HOME IN SUBURBAN WASHINGTON DC...

MINDY KIMBALL

You want to give me a high five?

DANIEL KIMBALL

I saw that it had a lithium ion battery.

MINDY KIMBALL

Nice. That's a good battery.

DANIEL KIMBALL

I have idea what that means, but I'm pretty sure it's pretty cool.

MINDY KIMBALL

It's pretty good. With my gas-powered car I was spending about \$45 a week to fill it up with gas. Now that I have the electric I'm spending about \$5 a week on electricity. So it's about 1/8 of what I spent before for my commute, to power my commute.

RATHER (VOICE OVER)

OVER THE NEXT YEAR, MORE AND MORE AMERICANS WILL BE LIKELY GETTING INTO ELECTRIC CARS...

TV NEWS VOICEOVERS

Two reasons the atmosphere at the Detroit Auto Show is electric...
Ford, rolling out an all-electric version of its Focus Sedan...
It could be the new gold standard for fuel efficiency...

RATHER (VOICE OVER)

THE BUZZ IS EVERYWHERE...AUTOMAKERS FROM AROUND THE WORLD ARE RUSHING OUT WITH THEIR OWN ELECTRIC MODELS. FROM THE MAGAZINES ... TO THE BILLBOARDS ... TO THE AUTO SHOWS ...TO THE TV ADS...

ADVERTISEMENT VOICEOVER

The Volt only needs a buck fifty of charge a day ...

RATHER (VOICE OVER)

IT SEEMS LIKE THE AGE OF THE ELECTRIC VEHICLE MAY FINALLY BE HERE.

RATHER

We ready to roll?

MARK DUVALL, ELECTRIC POWER RESEARCH INSTITUTE

We're good.

RATHER

Ok, here we go.

RATHER (VOICE OVER)

MARK DUVALL IS TAKING US FOR A TEST DRIVE IN HIS NEW CHEVY VOLT.

DUVALL

Normally you get about 30-40 miles out of the battery every day or with every charge.

RATHER (VOICE OVER)

IT WAS MOTOR-TREND'S CAR OF THE YEAR LAST YEAR AND IT'S GM'S BIG BET FOR RE-INVENTING THE AMERICAN CAR INDUSTRY. WHAT MAKES THE VOLT SPECIAL IS THAT IT IS A PLUG-IN HYBRID -- AFTER DRIVING THE FIRST 40 OR SO MILES ON ELECTRICITY, IT SWITCHES OVER TO A BACK-UP GAS POWERED ENGINE THAT EXTENDS THE RANGE BEYOND 300 MILES.

BUT OUR STORY TONIGHT, ISN'T ONLY ABOUT THE LATEST, NIFTIEST ELECTRIC CAR... YOU SEE, WHILE YOU'VE BEEN PAYING AT THE PUMP THE LAST FEW YEARS, PEOPLE LIKE MARK DUVALL HAVE BEEN LAYING THE GROUNDWORK FOR AMERICAN DRIVERS TO SEAMLESSLY SWITCH FROM GAS TO ELECTRIC.

DUVALL

Before last December, you couldn't buy a car that didn't run on gasoline or diesel. You couldn't-- you really couldn't do it. And now, you have that choice. If enough consumers make that choice, the vehicles will be there. If they don't, they won't. It's a simple market economics.

RATHER (VOICE OVER)

DUVALL HAS A PHD IN MECHANICAL ENGINEERING AND HAS BEEN TINKERING AROUND WITH ELECTRIC CAR TECHNOLOGY FOR YEARS. IN GRAD SCHOOL, HE EVEN RETROFITTED A CHEVY SUBURBAN WITH AN ELECTRIC ENGINE. HE NOW IS A LEADER AT THE ELECTRIC POWER RESEARCH INSTITUTE IN PALO ALTO CALIFORNIA. IT'S A NON-PROFIT THAT SERVES AS THE RESEARCH ARM FOR THE UTILITY INDUSTRY, AND IT STUDIES, AMONG OTHER THINGS, WHAT ALL THESE ELECTRIC CARS WOULD MEAN FOR AMERICA'S POWER GRID.

DUVALL

So this is our employee charging lot. While only two EPRI employees have plug-in vehicles to date, this lot will be full, probably by the end of March.

RATHER

If the future as you laid it out, as you hope for and you think is a realistic possibility, do we need a whole new national electric grid?

DUVALL

I think if we fully electrified our passenger car fleet as much as realistically possible. It would be nothing the industry couldn't account for. This is the job of the electric utility industry. When we electrified kitchen appliances like stoves and other things, they had to adapt to that. When residential air conditioning came out, they had to adapt to that.

RATHER

Right.

DUVALL

When plasma TVs and home computers and all these other devices came out, they had to adapt to this. So this is one more adaptation.

RATHER (VOICE OVER)

AND IN MANY WAYS ALLAYING THE PUBLIC CONCERNS ABOUT ISSUES LIKE THE POWER GRID ARE KEY TO THE FUTURE OF ELECTRIC VEHICLES. IT'S ONE THING TO ENGINEER A CAR THAT RUNS OFF A BATTERY. IT'S QUITE ANOTHER TO CONVINCING THE AMERICAN PUBLIC THAT THESE NEW INVENTIONS CAN FIT INTO THE FABRIC OF OUR DAILY LIVES.

RATHER

In your opinion, and based on your studies and experience, are consumers very well informed about electric cars?

DUVALL

Th-- it's one of the biggest things that we have to do. Short of making the cars and making them make sense to the average driver, we really have to educate people on-- on what they represent, how they work, and help people understand how to use 'em so that they're not afraid of new technology. People tend to make very conservative car buying decisions. So, that's really the hard part right now. And it takes quite a bit of courage for any auto company to do something new.

PRESIDENT BARACK OBAMA

With more research and incentives, we can break our dependence on oil with biofuels, and become the first country to have 1 million electric vehicles on the road by 2015.

RATHER (VOICE OVER)

IN ORDER TO ENCOURAGE AMERICAN AUTOMAKERS TO TAKE THE PLUNGE INTO THE MARKET, THE OBAMA ADMINISTRATION HAS MADE ELECTRIC CARS A CENTERPIECE OF ITS ENERGY POLICY. PART OF THE STIMULUS PACKAGE IN 2008 INCLUDED 5 BILLION DOLLARS TO PROMOTE ELECTRIC CARS.

PRESIDENT BARACK OBAMA

We've created incentives for American companies to develop these vehicles, and for Americans who want them to buy them.

RICHARD LOWENTHAL, COULOMB TECHNOLOGIES

So my car has been charging while I work today ... I plugged it in at 8:00.

RATHER (VOICE OVER)

RICHARD LOWENTHAL IS ONE OF MANY WHO HAVE BENEFITED FROM THE STIMULUS MONEY FOR ELECTRIC CARS. HE GOT A 15 MILLION DOLLAR GRANT TO GROW HIS FLEDGLING BATTERY CHARGING BUSINESS. AND HE THINKS THESE INVESTMENTS ARE PAYING OFF.

LOWENTHAL

The federal government in programs like this are accomplishing two goals. A strategic goal of getting off of oil and they're also accomplishing a secondary goal which is to get people to work.

RATHER (VOICE OVER)

LOWENTHAL IS THE FOUNDER OF COULOMB TECHNOLOGIES, A CALIFORNIA COMPANY THAT MANUFACTURES CHARGING STATIONS.

LOWENTHAL

There was a time when we feared a chicken and egg problem where people would be concerned about buying this vehicle because there was no place to charge.

RATHER (VOICE OVER)

SO LOWENTHAL IS TAKING ON THAT CHALLENGE. HE NOW EMPLOYS OVER 100 PEOPLE WHO ARE BUSY DESIGNING AND IMPROVING WHAT COULD SOON BE YOUR NEXT FUEL PUMP....

YOU CAN PLUG ELECTRIC CARS INTO YOUR HOME OUTLET, BUT A FULL CHARGE WILL TAKE UP TO 10 HOURS. INSTALL ONE OF THESE 220 VOLT CHARGING STATIONS AND THE TIME IS CUT IN HALF. OR YOU CAN TOP OFF YOUR TANK, AS A MANNER OF SPEAKING, AT A PUBLIC CHARGING STATION.

AND WHAT MAKES COULOMB'S CHARGING STATIONS UNIQUE IS THAT EVERY ONE OF THEM IS CONNECTED TO A CELLULAR NETWORK...

LOWENTHAL

This will connect to an account that has a credit card attached to it and it debits from my credit card when I charge my vehicle.

RATHER (VOICE OVER)

CUSTOMERS CAN SIMPLY SWIPE A SPECIAL PASSKEY OR CREDIT CARD TO PAY FOR THEIR FUEL, JUST LIKE A MODERN DAY GAS STATION. THERE ARE SIGNS ACROSS THE COUNTRY THAT LOWENTHAL'S TECHNOLOGY IS TAKING OFF. FROM THE BIG APPLE... TO SAN FRANCISCO... TO THIS BUFFALO WILD WINGS RESTAURANT IN FLORIDA.

MALE VOICE

Here at Buffalo Wild Wings our guests come in for -- usually for sporting events which usually last three hours, and it's a good opportunity to charge up their car.

RATHER

Can you envision the time when we have as many electric car charging stations as we have gasoline stations?

DUVALL

That will happen very-- that will happen actually probably a lot quicker than we think. Yeah. That could happen in the next five to ten years.

RATHER (VOICE OVER)

BUT EVEN IF AMERICANS ARE SOLD ON SWITCHING TO ELECTRIC CARS THAT QUICKLY, SUPPORTERS OF THE AMERICAN ELECTRIC CAR INDUSTRY WORRY THAT OTHER COUNTRIES ARE ALREADY AHEAD OF US...

TAKE THE LITHIUM ION BATTERIES... THE HEART OF TODAY'S ELECTRIC CARS ... 95% OF THEM ARE CURRENTLY PRODUCED IN JAPAN, KOREA, AND CHINA. THAT'S RIGHT, 95 PERCENT.

BUT THE OBAMA ADMINISTRATION HAS SPENT BILLIONS OF TAX DOLLARS TRYING TO ENSURE THAT THE CARS OF THE FUTURE WOULD BE FUELED BY TECHNOLOGY MADE IN THE U.S.A. AND THE WHITE HOUSE IS SENDING OUT HIGH LEVEL OFFICIALS LIKE ENERGY SECRETARY STEPHEN CHU TO UNDERSCORE THAT CHARGE.

STEPHEN CHU, ENERGY SECRETARY

Under no circumstances should the United States cede manufacturing, especially hi-tech manufacturing, to any other part of the world.

RATHER (VOICE OVER)

.... AND THANKS TO STIMULUS FUNDS, SOME OF THOSE ASIAN MANUFACTURING JOBS ARE NOW STARTING TO RETURN TO AMERICAN SHORES ... EVEN TO THE STATE WHOSE ECONOMY WAS POWERED FOR SO LONG BY THE INTERNAL COMBUSTION ENGINE...

JASON FORCIER, A123

We've hired over 500 people in Michigan to date to support this build out. We'll be around 1000 people by the end of the year and we'll have several thousand in place over the next couple of years.

RATHER (VOICE OVER)

JASON FORCIER IS A VICE PRESIDENT AT A123 -- AN AMERICAN BATTERY COMPANY WITH A FACTORY IN LIVONIA, MICHIGAN. HERE THEY PRODUCE LITHIUM ION BATTERIES FOR MANY ELECTRIC VEHICLES THAT ARE JUST BEGINNING TO APPEAR ON THE MARKET ... LIKE THIS HIGH END CAR ... CALLED THE FISKER KARMA.

A123 PREVIOUSLY OUTSOURCED ALL OF ITS MANUFACTURING TO ASIA, BUT A \$250 MILLION DOLLAR STIMULUS GRANT, ALONG WITH \$100 MILLION IN TAX CREDITS FROM THE STATE OF MICHIGAN, MADE IT COST EFFECTIVE TO OPEN UP SHOP HERE. AND FORCIER SAYS IT'S FITTING, BECAUSE A TECHNOLOGY PIONEERED IN THE UNITED STATES IS NOW FINALLY BENEFITING AMERICAN WORKERS.

FORCIER

You saw the start of a typical cycle. The technology was developed here in the US; our technology was developed at MIT like a lot of technology is developed. It was then scaled up in Asia from a manufacturing perspective because it's cheaper to do manufacturing there. I think the positive thing that the U.S. did was they realized that this shift was happening and they stepped in to help promote the battery industry in the United States.

RATHER (VOICE OVER)

EVEN IN THE POLITICALLY-CHARGED ATMOSPHERE OF WASHINGTON D.C., ELECTRIC CARS ENJOY BI-PARTISAN SUPPORT. BUT SOME QUESTION WHETHER ALL THIS INVESTMENT OF TAX DOLLARS IS MONEY WELL SPENT IF THE GOAL IS TO RE-BUILD THE U.S. ECONOMY.

MARGO THORNING, AMERICAN COUNCIL FOR CAPITAL FORMATION

I think it's misguided to think that this will be a net job creator because you'll be trying to put people in more expensive cars.

RATHER (VOICE OVER)

DR. MARGO THORNING IS CHIEF ECONOMIST AT THE "AMERICAN COUNCIL FOR CAPITAL FORMATION" -- A CONSERVATIVE THINK TANK IN WASHINGTON. SHE'S BEEN STUDYING THE BUDDING ELECTRIC CAR INDUSTRY FOR YEARS. AND SHE THINKS THAT EXPENSIVE ELECTRIC CARS DO NOT MAKE GOOD BUSINESS SENSE.

THORNING

The average gasoline powered car sells for \$22,000. The average electric vehicle is 33,000 to around 45,000. I think gasoline prices would have to be much higher before people will, you know, be willing to make that kind of investment.

RATHER (VOICE OVER)

THE OBAMA ADMINISTRATION DISAGREES. IT BELIEVES THAT WITH SOME FINANCIAL SUPPORT, DRIVERS WILL BE WILLING TO PARK THEIR GAS-POWERED CARS FOR GOOD. SO THE GOVERNMENT IS OFFERING THE FIRST 200,000 ELECTRIC CAR BUYERS A \$7,500 TAX CREDIT. THORNING THINKS THIS IS A BAD BET.

THORNING

Once consumers understand the very short range of these cars, and the fact that they're costing between 30 to 50 percent more than an-- than a gasoline powered car, I think the-- consumer sentiment for these cars may-- may fade.

RATHER

Well, are you or are you not suggesting that as taxpayers we haven't gotten our money's worth?

THORNING

That's exactly my point. When congress is struggling to reduce the federal deficit, when you realize that the federal government has spent 35 billion of our taxpayer dollars since 2007 on this enterprise it's-- you know, that seems to me a clear case where we might be able to cut back without-- reducing welfare.

RATHER (VOICE OVER)

AND SHE SAYS THAT THE IMPACT ELECTRIC CARS WILL HAVE ON THE ENVIRONMENT IS OVER-HYPED. AFTER ALL, SHE SAYS, YOU HAVE TO GET

ELECTRICITY FROM SOMEWHERE.

THORNING

Half of all US electricity is generated by coal fired plants, So if everyone's going home at night and plugging in an electric vehicle, we're gonna be using more coal and adding to CO2 and other pollut-- other pollutants in the atmosphere. So it's probably not an overall net plus. It probably would not reduce greenhouse gas emissions.

RATHER

Environmentally, true or untrue, the electric car is better than the gasoline combustion engine?

DUVALL

We've done extensive research in this area, and we believe that that the net effect is ju-- is almost overwhelmingly positive in favor of electric vehicles.

RATHER (VOICE OVER)

AND MARK DUVALL SAYS HE HAS THE DATA TO PROVE IT. IN 2007, HIS ORGANIZATION JOINED WITH THE NATIONAL RESOURCES DEFENSE COUNCIL TO STUDY THE ENVIRONMENTAL EFFECTS OF ELECTRIC CARS. THEY FOUND THAT EVEN IF COAL IS THE ELECTRICITY SOURCE, GREENHOUSE GAS EMISSIONS FROM ELECTRIC VEHICLES ARE UP TO 34% LOWER THAN FROM CONVENTIONAL CARS.

BUT THE ENVIRONMENT IS ONLY ONE OF MANY FACTORS DRIVING GLOBAL INVESTMENT IN ELECTRIC VEHICLES. WHILE AMERICA IS JUST GETTING BEHIND THE WHEEL, OTHER COUNTRIES ARE ALREADY HITTING THE GAS...

DUVALL

China is building an entire electric vehicle industry. Europe is-- is very gung ho on the electric vehicle industry. South America has some of the most successful alternative fuel programs-- in the world today. And they're gonna--

RATHER

Brazil, for example?

DUVALL

Yes. Exactly. And they're getting very interested in electric vehicles.

RATHER (VOICE OVER)

AND DUVALL SAYS THAT THE GLOBAL COMPETITION TO DOMINATE THIS LUCRATIVE MARKET IS ONLY HEATING UP.

DUVALL

We just completed one very long race, which was to develop technology suitable to put into the hands of the everyday consumer. And it's the start of another much longer race, which is to really transform the way we drive from petroleum-dependent transportation, to giving people options to drive entirely or primarily on electricity as their fuel of choice.

RATHER (ON CAMERA)

AS WE IN THE UNITED STATES TAKE OUR FIRST STEPS TOWARDS ELECTRIFYING OUR AUTO INDUSTRY, THE REST OF THE WORLD IS RUSHING AHEAD. THE EUROPEAN COMMISSION RECENTLY ANNOUNCED THERE WILL BE NO GASOLINE-POWERED CARS ALLOWED IN EUROPEAN CITIES -- NONE -- AFTER 2050.

AND THE CHINESE GOVERNMENT SAYS THEY WILL INVEST WHATEVER IT TAKES TO BECOME THE GLOBAL LEADER IN ELECTRIC VEHICLES, INCLUDING PLANS TO PRODUCE 100 MILLION ELECTRIC VEHICLES EVERY YEAR BY 2020.

IT'S A BATTLE FOR THE FUTURE OF TRANSPORTATION. AND WE'LL BE WATCHING.

WHEN WE COME BACK, WE TAKE YOU TO AFRICA AN INVESTIGATIONS INTO THE SLAUGHTER OF ANIMALS BASED ON AN INTERNET RUMOR HALFWAY AROUND THE GLOBE. THAT STORY, AFTER THESE MESSAGES.

THE HORN OF AFRICA ACT 3:

RATHER (ON CAMERA)

AND NOW THE STORY OF AN ANIMAL THAT'S BEING SLAUGHTERED ALL BECAUSE OF A MYTH. THE RHINOCEROS IN SOUTH AFRICA ARE ON A COMEBACK DUE TO A DECADES-LONG CONSERVATION EFFORT. BUT THE FRAGILE REBOUND IS IN JEOPARDY -- THE RHINO'S DISTINCTIVE HORNS ARE RUMORED TO BE A MIRACLE MEDICINE. COME ALONG TO THE WILDS OF THE AFRICAN PLAINS WHERE IT'S AN ALL OUT WAR TO SAVE A SPECIES.

RATHER (VOICE OVER)

THIS IDYLIC AND PROTECTED PLACE IS AN HOUR OUTSIDE OF JOHANNESBURG, SOUTH AFRICA.

LORINDA HERN, RHINO OWNER

And then we are going to leave the calves with them for a little while

RATHER (VOICE OVER)

IT'S AN ANIMAL RESERVE, OWNED BY LORINDA HERN AND HER FATHER, ED. TWENTY-FIVE YEARS AGO HE TURNED THE PROPERTY INTO A SANCTUARY WHERE HIS CHILDREN AND TOURISTS COULD GET CLOSE UP WITH SOME OF THE MOST REMARKABLE CREATURES ON EARTH.

THERE ARE HUNDREDS OF ANIMALS HERE BUT IT'S LORINDA'S SMALL HEARD OF RHINOS THAT HOLD A SPECIAL PLACE IN HER HEART. THESE BEASTS, WHICH CAN WEIGH UP TO THREE TONS, ARE A LEFT OVER FROM PREHISTORIC TIMES - WITH A THICK ARMOR-LIKE SKIN AND IMPRESSIVE HORNS THEY LOOK INDESTRUCTIBLE. BUT HERN SAYS THEY ARE ONE OF THE MOST VULNERABLE CREATURES IN AFRICA TODAY.

HERN

Vuma is much more scared to come to humans. He associated humans with what happened to his mother and he had a terrible fear.

RATHER (VOICE OVER)

FOR THE PAST TWO YEARS LORINDA HAS BEEN HAND REARING TWO ORPHANED BABY RHINOS - THEY WERE BROUGHT TO HERN'S RESERVE WHEN THEIR MOTHERS WERE SLAIN BY POACHERS

JUST TWO OF THE MANY VICTIMS OF THE HEARTLESS SLAUGHTER SWEEPING SOUTHERN AFRICA - RHINOS BUTCHERED FOR THEIR HORNS.

HERN

The sad thing with the current poaching situation is that now with the crazy prices that horns are selling for, a rhino is unfortunately worth more-- the-- dead than it is alive. So that's why it happens. Greed.

RATHER (VOICE OVER)

A RHINO HORN IS WORTH HUNDREDS OF THOUSANDS OF DOLLARS ON THE BLACK MARKET AND THAT IS DRIVING PEOPLE TO DO THE

UNTHINKABLE - STEAL THE HORNS RIGHT OFF THE HEADS OF THESE ENDANGERED RHINOS.

HERN

We had a poaching incident on the reserve in May, 2010. It was a shock. But it was almost as though it was expected with-- with the poaching situation as it is now. It was really only a matter of time before it happened.

RATHER (VOICE OVER)

IN THE MIDDLE OF THE NIGHT ON THE HERN FARM A TEAM OF POACHERS DRUGGED A 40-YEAR OLD, GENTLE RHINOCEROS WITH A LARGE HORN - NAMED QUEENSTOWN, AND HER CALF

HERN

It's likely that they shot the calf first, because a rhino mother will never leave her calf. And-- and then went for the mother. They hack the horn from underneath the-- the flesh. They hack it out completely so that they get the entire base of it. And then that animal is left to bleed to death and die on its own, hours later, however long it takes. This is the industry of poaching.

RATHER (VOICE OVER)

QUEENSTOWN AND HER BABY WERE NOT THE ONLY VICTIMS LAST YEAR. 333 ENDANGERED RHINOS WERE KILLED IN SOUTH AFRICA -- THAT'S A FOUR TIMES THE NUMBER OF RHINO POACHED IN 2008.

FOR DECADES RHINO HORN POACHING HAS BEEN A CHRONIC BUT LOW LEVEL CRIME IN AFRICA - FUELED MOSTLY BY DEMAND FROM ASIA WHERE IT IS BELIEVED TO LOWER FEVER. BUT HERN SAYS POACHING NOW HAS EVOLVED INTO AN ILLEGAL RACKET

HERN

Poaching has changed, I think, from being-- a localized problem where, maybe, one person would go in on foot with a rifle. They would take out one rhino and they would go. It's become much more organized and it is such a slick operation that can literally be in and out of a property in under 10 or 15 minutes.

RATHER (VOICE OVER)

AND JUST DAYS LATER, THE HORNS ARE SMUGGLED HALFWAY AROUND THE WORLD...WHERE RHINO HORNS ARE SEEN AS THE GIFT OF LIFE.

THE CENTER OF THE ILLEGAL TRADE IN HORNS IS OF ALL PLACES, VIETNAM. HERE ON THE STREETS OF HANOI, THE RHINO HORN HAS TAKEN ON A MYSTICAL QUALITY...IT'S CALLED A MIRACLE MEDICINE...AN AVERAGED SIZED HORN OF ABOUT TEN POUNDS HAS A STREET VALUE IN VIETNAM OF \$285 THOUSAND. THE HIGH PRICE IS A RESULT OF A NEW AND DUBIOUS STORY THAT RHINO HORN CAN DO MUCH MORE THAN BREAK A FEVER.

TOM MILLIKEN, EAST/SOUTHERN AFRICA DIRECTOR, TRAFFIC

We've seen a resurgent demand for rhino horn in Vietnam. And it seems to be driven by new uses for rhino horn. That is to say it's being marketed as a cure for life threatening cancer.

RATHER (VOICE OVER)

TOM MILLIKEN IS THE SOUTHERN AFRICA DIRECTOR FOR "TRAFFIC" A PART OF THE WORLD WILDLIFE FUND ORGANIZATION THAT WORKS CLOSELY WITH GOVERNMENTS TO MONITOR THEIR ENDANGERED SPECIES. MILLIKEN TRAVELS AROUND THE WORLD, SEARCHING FOR CONTRABAND PRODUCTS, INCLUDING RHINO HORN. HE SAYS THE INCREASING DEMAND IS ALL BASED ON A MYTH

MILLIKEN

There is a story in Vietnam, it's widely told that a former prime minister was dying of liver cancer, he took rhino horn and was cured. Now, we are trying to put a face and a name to the story no matter where we query, government, individuals, we're not able to get to the bottom of it. But on another level, this story is everywhere.

RATHER (VOICE OVER)

WE WANTED TO SEE FOR OURSELVES HOW HARD IT IS TO BUY RHINO HORN. WE WENT TO THIS TRADITIONAL MEDICINE SHOP IN AN ALLEY IN HANOI. WE ASKED THE PHARMACIST IF HE KNEW WHERE WE COULD FIND RHINO HORN.

TRAM KIM QUANG, TRADITIONAL DOCTOR (TRANSLATED FROM VIETNAMESE)

I have rhinoceros horn but it has been turned into medicine yet. That means, yes. If you want to see it, I can get it for you to see.

RATHER (VOICE OVER)

TO OUR SURPRISE HE OPENED A CABINET WHERE HE HAD LOCKED AWAY A RHINO HORN.

TRAM (TRANSLATED FROM VIETNAMESE)

I split it and sell it. The people who buy it will grind it and drink it. Rhinoceros horn is very rare and valuable. Sometimes I do offer it but only wealthy people can use it.

RATHER (VOICE OVER)

THE PHARMACIST TOLD US HE SELLS AN OUNCE OF HORN FOR ABOUT \$500.

MILLIKEN

In the traditional literature going back centuries in Asia. Rhino horn was used to reduce fever. It's not going to cure you of lung cancer.

RATHER (VOICE OVER)

RHINOS USED TO LIVE IN LARGE NUMBERS IN SOUTH EAST ASIA, BUT THEY'VE BEEN HUNTED TO EXTINCTION IN VIETNAM. SO A NEW SOURCE HAD TO BE FOUND. AND ABOUT THE SAME TIME THE CANCER MYTH BEGAN CIRCULATING IN VIETNAM SOME VERY UNLIKELY SPORT HUNTERS STARTED TURNING UP IN THE SOUTH AFRICA -- VIETNAMESE.

SOME OF THESE NEW HUNTERS SEEMED UNFAMILIAR WITH RIFLES AND NEEDING HELP TO HOLD THEIR GUNS, BUT THEY WERE PAYING HUNDREDS OF THOUSANDS OF DOLLARS TO SHOOT A RHINO.

MILLIKEN SAYS THE HUNTERS WERE NOT INTERESTED IN THE HUNTING EXPERIENCE THEY WERE AFTER THE TROPHY PRIZE - THE HORNS.

BUT FEW OF THESE HORNS WERE DESTINED FOR THE TROPHY CASES.

MILLIKEN

They were all going into illegal trade. They were being brought into Vietnam without being declared. And, you know, probably within a few hours, it's on the internet for sale, or it's going through some channel.

RATHER (VOICE OVER)

AND THE SMUGGLING REACHED TO THE HIGHEST LEVELS -- GOVERNMENT EMPLOYEES WERE CAUGHT RED HANDED. THIS VIDEO TAKEN BY A NEWS CREW SHOWS A VIETNAMESE EMBASSY STAFFER IN

PRETORIA, SOUTH AFRICA BUYING RHINO HORN OUT OF THE TRUNK OF A CAR RIGHT IN FRONT OF THE EMBASSY. THE WOMAN WAS RECALLED TO HANOI AFTER THIS VIDEO AIRED. AND A MAN WITH TIES TO THE VIETNAMESE EMBASSY INVOKED DIPLOMATIC IMMUNITY TO AVOID CHARGES WHEN HE WAS CAUGHT TRYING TO BUY RHINO HORNS.

WHEN MILLIKEN ALERTED THE SOUTH AFRICAN GOVERNMENT TO HOW THE VIETNAMESE WERE ABUSING THEIR HUNTING INDUSTRY THE SOUTH AFRICANS QUICKLY ISSUED NEW RESTRICTIONS LIMITING THE NUMBER OF RHINO HUNTS.

OVERNIGHT MANY PROFESSIONAL HUNTERS IN SOUTH AFRICA WATCHED A VERY LUCRATIVE CLIENT BASE DISAPPEAR AND THE VIETNAMESE SAW THEIR RHINO HORN SUPPLY GET CHOKED DOWN.

BUT THE NEW REGULATIONS MAY HAVE BACKFIRED

MILLIKEN

The minute that South Africa tightened up their sport hunting regulations, then we started to see illegal poaching just start to take off in this country. And so, by closing-- sort of, a quasi-legitimate way to get horns, this has now just been replaced-- by rampant poaching.

RATHER (VOICE OVER)

SOUTH AFRICAN SAFARI OPERATORS WHO WERE HELPING VIETNAMESE HUNT THE RHINO ARE NOW ILLEGALLY POACHING RHINO HORNS USING SINISTER NEW METHODS.

HELICOPTERS HAVE LONG BEEN USED BY RANCHERS TO GET AROUND THE VAST LANDSCAPE...BUT NOW POACHERS ARE USING CHOPPERS TO TARGET RHINOS. IN A MANNER OF MINUTES, POACHERS CAN SWEEP IN FROM THE AIR TO TAKE AN ANIMAL.

HERN

We suspect that they fly in with helicopters, they tranquilize the animals from the air, so that they dart them to immobilize them effectively.

RATHER (VOICE OVER)

LORINDA HERN AND HER FATHER HEARD A HELICOPTER FLY OVER THEIR FARM THE NIGHT THEIR RHINOS WERE POACHED. THEY THINK THE RHINO NAMED QUEENSTOWN WAS TARGETED FROM ABOVE.

HERN

These people have equipment. They've got many backing them up. They know what they're doing. The-- the way that we suspect it happens with helicopters and tranquilizers, you need to have professional vets involved, because those are the only people who can work with the tranquilizers, and that have access to them. So, it's-- it's definitely not the man on the street doing it. It's-- it's an organized crime.

RATHER (VOICE OVER)

THESE NEW POACHING METHODS ARE MAKING IT VERY HARD TO CATCH THE POACHERS IN THE ACT -- IN SOME CASES SUSPECTED POACHERS HAVE TAPED OVER THE TAIL NUMBERS TO MAKE IT DIFFICULT TO TRACE THE HELICOPTER.

BUT IN 2010 LAW ENFORCEMENT HAD A BIG BREAK THROUGH -- IN SEPTEMBER, 13 SOUTH AFRICANS WERE ARRESTED FOR SUSPECTED INVOLVEMENT IN A RHINO HORN SYNDICATE - THEY INCLUDED DAWIE GROENEWALD A PROSPEROUS SAFARI OPERATOR AND INTERNATIONAL BUSINESSMAN, HIS WIFE, AND SEVERAL PROFESSIONAL HUNTERS AND VETERINARIANS.

LORINDA HERN THINKS GROENEWALD MAY HAVE HAD SOMETHING TO DO WITH THE DEATH OF HER RHINOS - SHE RECOGNIZED HIS FACE IN NEWS REPORTS.

HERN

Some of the names mentioned, and the faces that we saw, were familiar to us. So, we believe that it was people who had come, visited the reserve, under the guise of being normal tourists and had actually scoped out which animals they had wanted to poach.

RATHER (VOICE OVER)

THERE ARE ABOUT 400 FARMERS LIKE LORINDA HERN RAISING AND SELLING RHINO IN SOUTH AFRICA FOR THE TOURIST AND HUNTING TRADES. AND THEIR BUSINESS IS COLLAPSING; NO ONE WANTS TO RISK BUYING AN ANIMAL WITH A TARGET ON ITS BACK. LIVE RHINOS ARE WORTH 60% LESS NOW THAN JUST A FEW YEARS AGO.

SO SOME RHINO OWNERS USING DESPERATE AND CONTROVERSIAL METHODS TO KEEP THE POACHERS AWAY.

JOHN HUME, RHINO OWNER

You can cut a rhino's horn every two or three years. It's like your nails. You cut it off, it grows again.

RATHER (VOICE OVER)

JOHN HUME IS ONE OF THE LARGEST RHINO OWNERS IN SOUTH AFRICA. HE HAS HUNDREDS OF RHINO ON FARMS SCATTERED ACROSS THE COUNTRY. HE THINKS HE'S FOUND A SOLUTION TO STOP THE RHINO HORN POACHING BY BEATING THE POACHERS TO THE PRIZE.

HUME

It is relatively harmless. For me, it is worth dehorning the rhino, because it's a deterrent to the poacher.

RATHER (VOICE OVER)

IT MAYBE HARMLESS BUT IT IS ANYTHING BUT SIMPLE - A FULL TEAM IS MOBILIZED TO DEHORN EACH RHINO.

MARTINE IS HUME'S FULL TIME VET, SHE STARTS BY LOADING A DART GUN WITH A POWERFUL DRUG

MARTINE VAN ZYL LANGHOUT, VETERINARIAN

It is one of the most powerful drugs in the world, I think the most powerful. M99 and it's 10,000 time morphine. So one drop can kill human and I have to be very careful.

RATHER (VOICE OVER)

IT TAKES SOME TIME ON HUME'S VAST PROPERTY TO TRACK DOWN THE RHINO THEY WANT TO DEHORN.

VAN ZYL LANGHOUT

That on? Number one there?

RATHER (VOICE OVER)

BUT ONCE IT'S SPOTTED, MARTINE WASTES NO TIME. ONCE THE ANIMAL IS KNOCKED OUT FARM HANDS STABILIZE IT WHILE THEIR HORNS ARE REMOVED NEAR THE BASE. THIS MAY LOOK PAINFUL BUT IT DOESN'T SEEM TO BOTHER THE RHINO TOO MUCH.

VAN ZYL LANGHOUT

We've done everything now so we can give the wake up.

RATHER (VOICE OVER)

AFTER THE DRUGS WEARS OFF THE ANIMAL IS A LITTLE DAZED BUT BEFORE LONG IS BACK ON IT'S FEET.

HUME REGULARLY TRIMS THE HORNS ON HIS RHINO AND NOT ONE HAS BEEN POACHED IN THREE YEARS. HE SAYS DEHORNING PROTECTS HIS ANIMALS AND HE CLAIMS SOUTH AFRICA CAN HAVE IT BOTH WAYS - SAVE THE RHINO AND SELL THE HORN.

HUME

If we produced horn and sold it legally they would have less reason to deal with the poachers.

RATHER (VOICE OVER)

IF THE HORN TRADE WERE TO BECOME LEGAL, HUME STANDS TO MAKE MILLIONS ON THE HORNS HE'S ALREADY CUT OFF AND STOCKPILED. WE ASKED TO SEE WHAT HE'S ACCUMULATED SO FAR; HE REFUSED TELLING US IT'S TOO DANGEROUS TO KEEP THE HORNS IN ANY ONE LOCATION. HE TOLD US HE HAS THE HORNS STASHED IN SAFETY DEPOSIT BOXES AT A NUMBER OF DIFFERENT BANKS.

HUME HAS HIRED A LAWYER TO PETITION THE SOUTH AFRICAN GOVERNMENT TO LEGALIZE THE RHINO HORN TRADE.

BUT TOM MILLIKEN FROM THE MONITORING ORGANIZATION, TRAFFIC, SAYS NOT SO FAST.

MILLIKEN

The notion of legalizing rhino horn trade is problematic for the simple fact that all of the Asian consuming countries, including Vietnam, have banned its usage. So, if you legalize this commodity, and you start to trade it, who are you dealing with? You're basically marketing it to criminals.

HERN

If you tug it that hard I'm going to take it away, you're being a brat.

RATHER (VOICE OVER)

BUT LEGALIZING THE HORN TRADE ISN'T GOING TO HELP LORINDA HERN PROTECT HER REMAINING RHINO. SHE DEPENDS ON A STEADY FLOW OF TOURISTS TO HER FARM TO SEE THE WILD ANIMALS - WITH THEIR HORNS

HERN

No tourist wants to come out and see a rhino with no horn or half a horn or a stub.

RATHER (VOICE OVER)

KEEPING THE HORNS ON THE HEADS OF THEIR RHINOS IS COSTING THEM, BIG TIME. HERN AND OTHER RHINOS OWNERS ARE SPENDING THOUSANDS OF DOLLARS IN EXTRA SECURITY - IT'S AN EXPENSE THEY SAY THEY CANNOT AFFORD.

SO THEY ARE TRYING SOMETHING RADICAL - THEY ARE POISONING THEIR RHINOS HORNS WHILE THE HORNS ARE STILL ATTACHED.

IN A PROCESS SIMILAR TO THIS, THE POISON - WHICH IS A POWERFUL INSECTICIDE - COMMONLY USED TO PROTECT THE RHINO FROM TICKS AND OTHER PARASITES - IS MIXED WITH A HOT PINK DYE AND THEN INJECTED INTO THE TINY AIR POCKETS INSIDE THE RHINO'S HORN.

HERN

I must stress that it's not lethal. It's not meant to kill anyone. We're certainly not mercenaries or-- or vigilantes. But-- someone would fall-- would fall terribly ill because they're not supposed to be consuming rhino horn in the first place. It is an illegal activity.

RATHER (VOICE OVER)

THE HERNS HAVE POSTED SIGNS AROUND THEIR PROPERTY WARNING POACHERS THAT THEIR RHINOS' HORN ARE TAINTED.

HERN

How old is Velo now? Eighteen months?

RATHER (VOICE OVER)

WITH NO CATCH ALL SOLUTION IN SIGHT - RHINO OWNERS LIKE HERN ARE LEFT STRUGGLING TO KEEP THEIR TREASURED ANIMALS AND THEIR WAY OF LIFE INTACT.

HERN

To hurt an animal that can, in no way, defend itself against you is-- must be the most cruel, vile act for any person to be involved in.

RATHER (VOICE OVER)

ALREADY THIS YEAR MORE THAN 100 RHINOS HAVE BEEN KILLED IN SOUTH AFRICA - THE POACHING SHOWS NO SIGNS OF SLOWING.

ACT 4:

RATHER (ON CAMERA)

FINALLY TONIGHT, AN UPDATE ON ONE OF OUR PAST REPORTS...

LAST YEAR, WE INVESTIGATED A METHOD OF DRILLING FOR NATURAL GAS, KNOWN AS HYDRAULIC FRACTURING OR FRACKING. IT IS A PROCESS THAT HAS REVOLUTIONIZED THE ENERGY INDUSTRY, BECAUSE IT CAN BE USED TO EXTRACT LARGE AMOUNTS OF NATURAL GAS FROM DEPOSITS ACROSS THE UNITED STATES, AND THE US HAS A LOT OF NATURAL GAS. FOR YEARS, ENVIRONMENTALISTS HAVE QUESTIONED THE SAFETY OF SUCH DRILLING ON OUR WATER SUPPLY. THE GAS INDUSTRY HAS RESPONDED THAT THERE IS NO REASON TO WORRY.

WELL A RECENT CONGRESSIONAL REPORT SUGGESTS THAT SOME IN THE FRACKING BUSINESS HAVE BEEN USING CHEMICALS THAT ARE HARMFUL TO HUMANS, INCLUDING DIESEL FUEL WHICH CONTAINS INGREDIENTS KNOWN TO CAUSE CANCER. SOME ENERGY COMPANIES HAVE RELEASED A LIST OF CHEMICALS THEY'RE USING, BUT DISCLOSURE REMAINS VOLUNTARY. IN THE MEANTIME, THE ENVIRONMENTAL PROTECTION AGENCY IS CONDUCTING A NATIONAL STUDY ABOUT THE RISKS OF THESE CHEMICALS TO DRINKING WATER. RESEARCH RESULTS FROM THE STUDY ARE EXPECTED TO BE RELEASED IN 2014.

AND THAT'S OUR REPORT FOR TONIGHT. FROM NEW YORK, FOR HDNET, DAN RATHER REPORTING. GOOD NIGHT.