

The United States has not seen the construction of a new refinery in over thirty years. This is not a result of market forces, but the result of environmental legalities that belabor every step of the licensing and construction of a new refinery.

Even the improvement of any machinery in a refinery has the bureaucratic red tape to battle. Newer machines must be properly documented and licensed, which may involve heavy costs. As a result, the refineries may opt to repair old machinery instead of replacing it with newer, more efficient models.

Moreover, every refinery in the U.S. is working at or near its maximum capacity. If one of these factories production is interrupted, the shortage could spread through the entire nation.

Exploration also falls under the cost/benefit analysis, resulting in less prospecting and the drilling of only the most promising sites, if current laws and officials allow even that.

The Environmental Angle:

Evidence exists that our Earth has been warming since the last ice age. Is the warming natural, or is it man made? Has man accelerated the warming? Is it because of the Sun? Is it because of greenhouse gases? Can carbon credits cure the problem?

The greenhouse gas *theory* does not explain why the cross section of the earth's atmosphere is not consistently warmer. Nor does it take into account the presence of new structures which affect earth's *Albedo*. It is likely that the construction of asphalt parking lots and highways, buildings and concrete are causing the earth to absorb much more of the Sun's heat than usual; a possibility dismissed by the *scientists* who blame only the automobile in their claims of climate change.

The beliefs of some of the environmental groups rival the emotional set of some fanatic religions. They use government to enforce their beliefs upon others by filing suits against businesses and use bureaucracies to stifle the aims of those who do not kneel at the altars of environmentalism. They halt construction and exploration and offer a *cure* known as carbon credits.

Born out of the Kyoto Treaty, the carbon credit idea is a financial shake-down designed to take money from some industrial nations and give it to others, after a customary fee is charged by some ALGorian agency. The idea works like this: An agency sets a standard for a nation's greenhouse gas emissions, usually by population. A non-industrial country like *Pago-Pago* will have a surplus carbon allowance and the U.S.—by the design of the agency—will exceed its allowance. The treaty allows *Pago-Pago* to sell its carbon credits to the U.S. for a fee. Therefore, pollution is not cut, greenhouse gasses are not cut, but some people make a lot of money from the sale of carbon credits.

The original Kyoto treaty included the United States, but did not include China and India in its design. If pollution was the issue, why ignore two large nations? Gee, was money a factor?

The Legislation:

Some people in congress are trying to do something to address our energy problem. As the effects of high gas and diesel prices hit the nation more legislation will be introduced; but they need to act.

Last month's newsletter wrote about one member of congress threatening the nationalization of the energy companies. Is part of congress hoping to cause such energy problems that the people will accept such a drastic measure? Why else would this group in congress block the construction of new refineries and limit U.S. oil production?

Starting with the easiest question, military refineries, we move to an environmental bill, and then two bureaucratic issues.

Military Refineries:

Several bills have been introduced to allow the building of military refineries; each year they have failed in Congress. The construction of such refineries has two great advantages to our market. First, it will provide a secure source for our military use; and, second, the product of those military refineries will free up great amounts of petroleum products for the private market.

The refineries will be built upon federal land. Most likely they will become secure locations and able to upgrade without harassment.

Bad Polluters Act:

When the environmentalists cannot pass their law, they want to use the Internal Revenue code to punish the heretics. Opponents of this proposal believe this is blatant abuse of both law and tax policy.

Refinery Streamlined Permitting Act:

Puts a time limit on what is now the endless chain of lawsuits and appeals involving the construction of a refinery. It orders a defined listing of the parties and bureaus involved and the specific requirements for all stages of the construction of a refinery. Once the list is set, no new parties may legally enter the process.

Produce and Drill Now:

This section is similar to petitions now circulating across the nation. Our spike in fuel prices has been sudden and avoidable. As we rely on a great deal of imported oil, we must pay the prices dictated by OPEC. The solution is clear: more domestic oil production.

The U.S. is missing out on chances for oil drilling. A show on CNN reported last week that China is already slant-drilling for oil fifty miles off the shores of Key West in Florida. Although the drill platform is in international waters, the oil is in U.S. territory. Try explaining that to your children!

Our nation can ease itself into greater energy efficiency if given the tools. Congress just needs to get out of the way.