# The Week That Was 2010-06-26 (June 26, 2010) Brought to you by SEPP (www.SEPP.org)

A FORUM by SEPP and Virginia Scientists and Engineers for Energy and Environment (VA-SEEE) will be held on SEPTEMBER 25.

#### Quote of the Week

Science is a way of thinking much more than it is a body of knowledge. Carl Sagan

#### THIS WEEK:

By Ken Haapala, Executive Vice President, Science and Environmental Policy Project (SEPP)

This week was marked by a blowout that may have greater ramifications than the BP blowout in the Gulf of Mexico. The Proceedings of the National Academy of Sciences published a survey of literature entitled "Expert credibility in climate" by Anderegg, Prall, Harold and Schneider that claims:

(*i*) 97–98% of the climate researchers most actively publishing in the field support the **tenets of ACC** [Anthropogenic Climate Change] outlined by the Intergovernmental Panel on Climate Change, and (*ii*) the relative climate expertise and scientific prominence of the researchers unconvinced of ACC are substantially below that of the convinced researchers. (Boldface added)

After ClimateGate, warming advocates declared they must communicate better with the public. Apparently, some believe they can communicate better with the public not by demonizing carbon but by demonizing those who challenge their views, by attempting to demonstrate the challengers are somehow unqualified. The keyword "climate deniers" is a tip-off – those who think that based on physical evidence, climate change is largely natural, not human caused. Already, blacklists have been drawn up with names of those who challenge the orthodoxy. Sometime in the future, it may be useful to compare the allocation of funding with names on the lists to assess the objectivity of those who control climate change funding.

By publishing this survey and its conclusions, the National Academy of Sciences is approaching a low perhaps not seen since eugenics was in vogue. Please see Roy Spencer's comments and the articles referenced under "The Empire Strikes Back."

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This Week will begin a new feature called "Number of the Week" borrowing from "Number of the Month" posted by John Brignell in Numberwatch. Last week it could have been 196 – the number of dead birds found in the Gulf of Mexico with visible oil as reported by US Fish and Wildlife. As of June 24, with 65 days of reporting, that number is 282. By way of comparison, according to a FAA 18 year study ending in 2008, the number of birds reported to be involved in strikes with civilian aircraft averaged 409 per month. Thus far, SEPP has been unable to find a report for the US of the number of birds that encounter the blades of wind turbines.

This week's number is 1%. – the odds of a livable future according to EPA, if the Kerry-Lieberman cap and tax bill is not passed, as reported in *Scientific American*, which was the subject of last week's science editorial.

Confusion reigns over the BP oil spill. Reports claim that the US refused assistance from a number of foreign nations which have state-of-the-art technology for removing oil from water. For example, Dutch skimmers are considered to be among the best in the world and they are adept in cleaning up spills in the North Sea, which is generally rougher than the Gulf and subject to stronger currents. It is unclear why the administration refused the help. Some reports claim it is due to the Jones Act preventing foreign ships from engaging in such work in US waters, but President Bush suspended the Jones Act so foreign ships could help in the clean up after Hurricane Katrina. Other reports claim that the discharge from the skimmers violates EPA standards because not all the oil is removed – which would be an example of bureaucratic insanity. It is now reported that foreign skimmers are being used, weeks after the offer of assistance. Thus far, the administration has been silent on the issue.

A Federal District Court Judge has blocked the administration's six month moratorium on drilling in waters deeper than 500 feet, citing it is causing unwarranted, significant economic harm to companies and communities involved. (An oil industry estimate, reported in Investor's Business Daily, states the harm is as much as \$330 million a month in direct wages alone.) The administration immediately declared it will challenge the finding, and it will re-institute a revised moratorium. Apparently, the administration is not concerned that independent owners of deep water drilling rigs, that cost as much as \$500,000 a day to cover bank loans alone, will move their rigs to deep water locations that are not subject to US moratoriums, such as off the coast of Brazil. Once they move, it will be difficult to get them back. Typically, provisions for government interference are written into drill rig leases for countries such as Nigeria, but not for the United States – until now.

The administration's appointments to a commission investigating the BP spill are not a positive sign. The expertise of the only engineer on the commission is not in a field related to petroleum production or drilling. The others are more concerned with policy than technical expertise. The lack of expertise makes this commission significantly different from the commission that investigated the Challenger disaster.

Various politicians are using the BP spill to justify shutting off drilling in other parts of the US, onshore and off shore. Apparently, they believe in the Beyond Petroleum slogan and that shutting off oil is a path to prosperity.

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The cap and tax issue in the US Senate remains murky. Although many pundits predict that a law by any other name will not pass, the health care bill was not supposed to pass either.

As referenced below, the *Sunday Times* published a correction to its article on the Amazon rainforests, which admits that the base study, which was incorrectly referenced by the IPCC, was peer reviewed.

On July 1, the Emissions Trading Scheme (ETS) will take effect in New Zealand. New Zealand farmers, who will be financially impacted by the methane emissions of their livestock, vowed to continue the fight against ETS. It appears they do not wish to be the first among lemmings.

In a surprise move, avid cap and tax advocate, Australian Prime Minister Kevin Rudd was replaced this week by a member of his own party. It was not his program to institute a cap and tax scheme that did him in, on which he punted, but his scheme to place a super tax on the mining industry including coal. Evidently, leaders of the Labor Party believe vibrant industry including energy production is vital to a developed economy. If only US political leaders recognized this fact.

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# **SEPP SCIENCE EDITORIAL #20-2010 (June 26, 2010)** *By S. Fred Singer, President, Science and Environmental Policy Project (SEPP)*

#### Testing the Hypothesis of Anthropogenic Global Warming (AGW)

S. Fred Singer, University of Virginia\* \*invited talk for Interface 2010 Statistics Conference, Seattle, WA; presented June 17, 2010

The key question is: Are observed climate changes of the 20<sup>th</sup> century primarily human-caused or of natural origin? In principle, both explanations are plausible. The IPCC [2007] is 90% sure that greenhouse (GH) gases are the primary cause. The NIPCC report [2008] "Nature, not human activity, rules the climate" reaches the opposite conclusion.

To test the AGW hypothesis, the recent IPCC report tries to show that the global mean surface temperature of the past century can be accounted for by a combination of models that require a major contribution from GH forcing; the NIPCC regards this IPCC attempt merely as an exercise in 'curve-fitting' with suitably chosen parameters. Both sides agree, however, that the 'fingerprint' method (comparing the observed and modeled *patterns* of atmospheric temperature *trends* in the tropics) may serve as a suitable test.

The IPCC tried to use the 'fingerprint' approach in their 1996 report, but without success. The US-CCSP report 1.1 [2006] showed that the fingerprints did not match. Douglass *et al* [2007] extended the CCSP result, but have been challenged by Santer *et al* [2008], who claimed that observations and models were "consistent" – a conclusion that is ostensibly in support of AGW. In response, I have tried to show [Singer 2010] that the claimed consistency is spurious; it depends on (1) the validity of a "new data set" for tropospheric temperatures and on (2) a correct evaluation of the uncertainties of the model results.

(1) I have developed a Discriminant that definitely seems to favor the former data set, derived from balloon-borne radiosondes. (2) I also show that by ignoring both structural and chaotic uncertainties, Santer et al have incorrectly calculated model errors– thereby invalidating their arguments in favor of AGW.

#### **References:**

CCSP-SAP-1.1 [2006] Karl TR *et al* (eds). **Temperature Trends in the Lower Atmosphere: Steps for Understanding and Reconciling Differences** 

Douglass DH, Christy JR, Pearson BD, Singer SF. 2007. A comparison of tropical temperature trends with model predictions. *International Journal of Climatology* 27: Doi:10.1002/joc.1651.

IPCC-SAR [1996] Cambridge Univ Press IPCC-AR4 [2007] Cambridge Univ Press

NIPCC [2008] **Nature – Not Human Activity – Rules the Climate** <u>http://www.sepp.org/publications/NIPCC\_final.pdf</u> Santer BD et al [2008] **Consistency of modeled and observed temperature trends in the tropical troposphere.** *International Journal of Climatology*. Royal Meteorological Society.

# Singer SF [2010] Claimed Consistency of Modeled and Observed Temperature Trends is Invalid.

**ARTICLES:** [For the numbered articles below please see the attached pdf.]

#### 1. The Global Warming Inquisition Has Begun

By Roy Spencer, June 22, 2010 http://www.drroyspencer.com/

#### 2. Apolitical science declaration seeking qualified endorsers

By: Tom Harris, Executive Director, International Climate Science Coalition Ottawa, Canada http://www.climatescienceinternational.org

#### 3. Generation Gap

The Kerry-Lieberman energy bill would enervate America By Pete Du Pont, WSJ, June 25, 2010 <u>http://online.wsj.com/article/SB10001424052748704629804575325263787161900.html?mod=WSJ\_Opin</u> ion\_LEFTTopOpinion

#### 4. Why It's Safer to Drill in the 'Backyard'

*Texas has had 102 oil and gas well blowouts since the start of 2006, without catastrophic consequences.* By Terry Anderson, WSJ, June 25, 2010 http://online.wsj.com/article/SB10001424052748704050804575318591702015252.html?mod=WSJ\_Opin ion\_LEADTop

#### 5. Salazar's Ban Is Soros' Bonanza

IBD Editorial, June 23, 2010 http://www.investors.com/NewsAndAnalysis/Article/538291/201006231849/Salazars-Ban-Is-Soros-Bonanza.aspx

#### 6. Aussie Socialism Out

#### **NEWS YOU CAN USE:**

#### The Empire Strikes Back

#### Expert credibility in climate change

By Anderegg, Prall, Harold, and Schneider, April 9, 2010 http://www.pnas.org/content/early/2010/06/04/1003187107.abstract?sid=54c34d12-4cd2-4c64-9ff2cec4a1acad6e

[..." *expert surveys suggest striking agreement among climate scientists on the tenets of anthropogenic climate change* (ACC)..." (Boldface added.]

#### **Global warming: The blacklist**

By Thomas Fuller, Examiner.com, June 23, 2010 <u>http://www.examiner.com/x-9111-Environmental-Policy-Examiner~y2010m6d23-Global-warming-The-blacklist?cid=examiner-email</u>

#### A new low for science and the NAS – the "Black List"

By Fran Smith, Open Market.org, June 23, 2101 http://www.openmarket.org/2010/06/23/a-new-low-for-science-and-the-nas-the-black-list/

#### Study examines scientists' 'climate credibility

By Pallab Ghosh, BBC News, June 22, 2010

http://news.bbc.co.uk/2/hi/science\_and\_environment/10370955.stm [SEPP Comment: It is all a matter of degrees. Few doubt humans have some influence, but how much? No doubt a survey of medieval literature would have demonstrated strong support of the Aristotelian notion that earth was the center of the universe and it did not move.]

Scientists 'Convinced' of Climate Consensus more Prominent Than Opponents, Says Paper

By Eli Kintisch, Science Insider, June 21, 2010 [H/t Robert Austin] http://news.sciencemag.org/scienceinsider/2010/06/scientists-convinced-of-climate.html

#### **Open letter to Stephen Schneider**

By Steven Fuller, Washington Examiner, June 22, 2010 <u>http://www.examiner.com/x-9111-Environmental-Policy-Examiner~y2010m6d22-Global-warming-Open-letter-to-Stephen-Schneider?cid=examiner-email</u>

# **Challenging the Orthodoxy**

Why I am a skeptic By Anthony Lupo, ICECAP, June 23, 2010 http://www.icecap.us/

#### **IPCC Lead Authors Are Gatekeepers**

By John Christy, Addressing the InterAcademy Council review of IPCC, June 16, 2010 http://www.thegwpf.org/ipcc-news/1117-john-christy-ipcc-lead-authors-are-gatekeepers.html

# Heartland Conference Establishes Post-Climategate Consensus

By Marc Sheppard, American Thinker, June 20, 2010 http://www.americanthinker.com/2010/06/heartland\_conference\_establish.html

#### **Check Australian measurements – NOW**

By Des Moore, Quadrant Online, June 25, 2010 http://www.quadrant.org.au/blogs/doomed-planet/2010/06/check-australian-measurements-now

#### **Defending the Orthodoxy**

**Scientific Integrity Is Already in Force Despite Tardy Report, Says Holdren** By Jeffrey Mervis, Science Insider, June 23, 2010 [H/t Toshio Fujita] <u>http://news.sciencemag.org/scienceinsider/2010/06/scientific-integrity-is-already.html</u> [SEPP Comment: EPA citing studies using hydrochloric acid as a substitute for dissolved carbon dioxide is an example of scientific integrity?]

#### ClimateGate Returns

The Sunday Times and the IPCC: Correction

The Sunday Times, June 20, 2010

http://www.thesundaytimes.co.uk/sto/news/uk\_news/Environment/article322890.ece

[SEPP Comment: The IPCC report did not properly reference the study of Amazon rainforest damage from global warming, but only the WWF report. The correction is not a comment of the rigor of the study.]

#### Cap and Tax

#### Senators Bustle to Push Climate Change Bills

Power News, June 23, 2010 [H/t Toshio Fujita] http://www.powermag.com/POWERnews/Senators-Bustle-to-Push-Climate-Change-Energy-Bills\_2827.html

#### Obama's energy pipe dreams

By Robert J. Samuelson, Washington Post, June 21, 2010 <u>http://www.washingtonpost.com/wp-</u> <u>dyn/content/article/2010/06/20/AR2010062002368.html?referrer=emailarticle</u>

#### Move over global warming, BP disaster is here

Washington Times editorial, June 18, 2010 http://www.washingtontimes.com/news/2010/jun/18/move-over-global-warming-bp-disaster-is-here-the-1/

#### Can President Obama forge a compromise on an energy bill?

Editorial, Washington Post, June 23, 2010 [H/t Conrad Potemra] http://www.washingtonpost.com/wp-dyn/content/article/2010/06/22/AR2010062204489.html?sub=AR

# Federation Farmers has given notice that it's not giving up its fight to get Emissions Trading Scheme scrapped, even though it comes into effect on 1 July.

New Zealand News, June 25, 2010 [H/t Bob Kay] http://www.radionz.co.nz/news/stories/2010/06/25/12480a9e8147

# **BP** Spill and Its Consequences

Judge Won't Stay Drilling Decision By Liz Robbins, NYT, June 24, 2010 http://www.nytimes.com/2010/06/25/us/25spill.html?th&emc=th

#### **Gulf Drilling Season Reopens**

IBD, Editorial, June 22, 2010 http://www.investors.com/NewsAndAnalysis/Article/538164/201006221911/Gulf-Drilling-Season-Reopens.aspx

#### U.S. reconsiders Dutch offer to supply oil skimmers

By John Ryden, Washington Examiner, June 12, 2010

http://www.examiner.com/x-325-Global-Warming-Examiner~y2010m6d12-US-reconsiders-Dutch-offerto-supply-oil-skimmers

[SEPP Comment: Apparently these skimmers were designed to work in the North Sea that is generally more turbulent and has stronger currents than the Gulf of Mexico.]

# U.S., Louisiana Clash Over Berms

By Jeffrey Ball, WSJ, June 24, 20102010 http://online.wsj.com/article/SB10001424052748703900004575325322304697784.html [If the article does not load it can be found on ICECAP.US]

# The 'Paralyzing' Principle

The Gulf disaster rehabilitates a discredited idea. Editorial, WSJ, June 21, 2010 http://online.wsj.com/article/SB10001424052748703389004575304931124455048.html?mod=ITP\_opini on\_2

# The President Does a Jones Act

Why Obama turned down foreign ships to clean up the Gulf Editorial, WSJ, June 19, 2010 <u>http://online.wsj.com/article/SB10001424052748704324304575306881766723718.html?mod=I</u> TP\_opinion\_2

# The Antidrilling Commission

The White House choices seem to have made up their minds Editorial, WSJ, June 22, 2010 http://online.wsj.com/article/SB10001424052748704895204575320892241446242.html

# Obama spill panel big on policy, not engineering

By Seth Borenstein, AP, June 20, 2010 http://news.yahoo.com/s/ap/20100620/ap\_on\_bi\_ge/us\_gulf\_oil\_spill\_commission

# John Browne's 1997 Stanford University Speech: The "Beyond Petroleum" Beginning and (beginning of the end of BP?)

By Robert Bradley, Jr., Master Resource, June 19, 2010 http://www.masterresource.org/2010/06/john-brownes-1997-stanford-speech/

# Slick Solution: How Microbes Will Clean Up the Deepwater Horizon Oil Spill

By David Biello, Scientific American, May 25, 2010, [H/t Bill Westmiller] http://www.scientificamerican.com/article.cfm?id=how-microbes-clean-up-oil-spills

# EPA On The March

# Local Health Effects of Locally-Emitted Carbon Dioxide

Review of Jacobson, Enhancement of local air pollution by urban CO2 domes, June 24, 2010 <u>http://www.nipccreport.org/articles/2010/jun/24jun2010a1.html</u>

# EPA classifies milk as oil, forcing costly rules on farmers

Monica Scott, Grand Rapids Press, June 14, 2010 [H/t Watts Up With That] http://www.mlive.com/news/grand-rapids/index.ssf/2010/06/epa\_classifies\_milk\_as\_oil\_for.html

#### Energy Issues

Sweden to build new nuclear power stations in defiance of a 1980 referendum By Bruno Waterfield, Telegraph, UK, June 18, 2010 http://www.telegraph.co.uk/news/worldnews/europe/sweden/7838161/Sweden-to-build-new-nuclearpower-stations-in-defiance-of-a-1980-referendum.html

#### Study Says Natural Gas Use Likely to Double

By Matthew Wald, NYT, June 24, 2010 <u>http://www.nytimes.com/2010/06/25/business/energy-environment/25natgas.html?th&emc=th</u> [SEPP Comment: The great breakthroughs did not come from Department of Energy funding.]

#### Spain May Cut Income 30% for Operating Solar Plants

By Ben Sills, Businessweek, June 16, 2010 http://www.businessweek.com/news/2010-06-16/spain-may-cut-income-30-for-operating-solar-plantsupdate1-.html

#### Green Subsidies Wreak Havoc on German Economy

By Jeremy van Loon, Energy News, June 21, 2010 [H/t Toshio Fujita] <u>http://www.thegwpf.org/energy-news/1129-green-subsidies-wreak-havoc-on-german-economic.html</u>

# Miscellaneous Topics That May Be Of Interest

**Cold, Dark and Teeming With Life** By William Broad, NYT, June 21, 2010 <u>http://www.nytimes.com/2010/06/22/science/22cool.html?th&emc=th</u> [SEPP Comment: An interesting look at that other form of life that depends on chemosynthesis rather than photosynthesis.]

# Music of the sun recorded by scientists

By Richard Gray, Telegraph, UK, June 19, 2010 http://www.telegraph.co.uk/science/space/7840201/Music-of-the-sun-recorded-by-scientists.html

#### **Acknowledging Recent Natural Cooling**

Review of Perlwitz, Hoerling, Escheid, Xu, and Kumar, "A strong bout of natural cooling in 2008, June 25, 2010

http://www.nipccreport.org/articles/2010/jun/25jun2010a1.html

#### **Coral Reefs, Temperature and CO2: Their Long-Term Interactions**

Review of Kiessling, Geologic and biologic controls on the evolution of reefs, June 24, 2010 <u>http://www.nipccreport.org/articles/2010/jun/24jun2010a6.html</u> [SEPP Comment: Coral reefs have survived climate change and "ocean acidification" in the past and will do so in the future.]

# **BELOW THE BOTTOM LINE:**

# **Toward Sustainable Capitalism**

Long-term incentives are the antidote to the short-term greed that caused our current economic woes. By Al Gore and David Blood, WSJ, June 24, 2010 http://online.wsj.com/article/SB10001424052748704853404575323112076444850.html?mod=ITP\_opini on\_0

[SEPP Comment: Rather than incentives, the more precise word is subsidies – a means of maintaining an industry or business through government granted special privileges. As seen in Spain and elsewhere, when the subsidies stop the supported markets implode.]

#### Can painting a mountain restore a glacier?

By Dan Collyns, BBC News, June 17, 2010 [H/t Joanne Nova] http://news.bbc.co.uk/2/hi/world/latin\_america/10333304.stm

# Japanese told to go to bed and hour early to cut carbon emissions

#### 1. The Global Warming Inquisition Has Begun

By Roy Spencer, June 22, 2010 http://www.drroyspencer.com/

A new "<u>study</u>" has been published in the Proceedings of the National Academy of Sciences (PNAS) which has examined the credentials and publication records of climate scientists who are global warming skeptics versus those who accept the "tenets of anthropogenic climate change".

Not surprisingly, the study finds that the skeptical scientists have fewer publications or are less credentialed than the marching army of scientists who have been paid hundreds of millions of dollars over the last 20 years to find every potential connection between fossil fuel use and changes in nature.

After all, nature does not cause change by itself, you know.

The study lends a pseudo-scientific air of respectability to what amounts to a black list of the minority of scientists who do not accept the premise that global warming is mostly the result of you driving your SUV and using incandescent light bulbs.

There is no question that there are very many more scientific papers which accept the mainstream view of global warming being caused by humans. And that might account for something if those papers actually independently investigated alternative, natural mechanisms that might explain most global warming in the last 30 to 50 years, and found that those natural mechanisms could not.

As just one of many alternative explanations, most of the warming we have measured in the last 30 years could have been caused by a natural, 2% decrease in cloud cover. Unfortunately, our measurements of global cloud cover over that time are nowhere near accurate enough to document such a change.

But those scientific studies did not address all of the alternative explanations. They couldn't, because we do not have the data to investigate them. The vast majority of them simply assumed global warming was manmade.

I'm sorry, but in science a presupposition is not "evidence".

Instead, anthropogenic climate change has become a scientific faith. The fact that the very first sentence in the PNAS article uses the phrase "tenets of anthropogenic climate change" hints at this, since the term "tenet" is most often used when referring to religious doctrine, or beliefs which cannot be proved to be true.

So, since we have no other evidence to go on, let's pin the rap on humanity. It just so happens that's the position politicians want, which is why politics played such a key role in the formation of the IPCC two decades ago.

The growing backlash against us skeptics makes me think of the Roman Catholic Inquisition, which started in the 12th Century. Of course, no one (I hope no one) will be tried and executed for not believing in anthropogenic climate change. But the fact that one of the five keywords or phrases attached to the new PNAS study is "<u>climate denier</u>" means that such divisive rhetoric is now considered to be part of our mainstream scientific lexicon by our country's premier scientific organization, the National Academy of Sciences.

Surely, equating a belief in natural climate change to the belief that the Holocaust slaughter of millions of Jews and others by the Nazis never occurred is a new low for science as a discipline.

The new paper also implicitly adds most of the public to the black list, since surveys have shown dwindling public belief in the consensus view of climate change.

**2. Apolitical science declaration seeking qualified endorsers** By: Tom Harris, Executive Director, International Climate Science Coalition Ottawa, Canada http://www.climatescienceinternational.org

If you research the causes of climate change, then we invite you to endorse *The Climate Scientists' Register* (<u>http://tinyurl.com/2es3rqx</u>), a listing of scientists in the field who endorse the following apolitical, pure science statement:

"We, the undersigned, having assessed the relevant scientific evidence, do not find convincing support for the hypothesis that human emissions of carbon dioxide are causing, or will in the foreseeable future cause, dangerous global warming."

Open letters and petitions that have made similar declarations have not had sufficient impact on governments, most of which continue to promote, and often enable, misguided policies to "stop climate change". Politicians will only change direction on this issue when it can be demonstrated through reliable public opinion polling that the vast majority of the population no longer believe that we are headed towards a climate crisis as a result of our carbon dioxide emissions. Our research indicates that this is most likely to be accomplished if the public, and many more in main stream media, come to realize that large numbers of experts in the field, regardless of their political orientation and other interests (e.g. favoring one energy source over another, or one political or economic philosophy over another), "do not find convincing support for the hypothesis that human emissions of carbon dioxide are causing, or will in the foreseeable future cause, dangerous global warming."

Given sufficient support from the climate science community, The Register will become an important tool to help inform the public about the realities of climate science.

For scientist supporters who we do not yet know, ICSC has created an on-line form at <a href="http://tinyurl.com/2g26yyk">http://tinyurl.com/2g26yyk</a> that we ask you to complete to indicate your support of The Climate Scientists' Register.

#### **3. Generation Gap**

The Kerry-Lieberman energy bill would enervate America By Pete Du Pont, WSJ, June 25, 2010 http://online.wsj.com/article/SB10001424052748704629804575325263787161900.html?mod=WSJ\_Opin ion\_LEFTTopOpinion

A year ago the Waxman-Markey energy regulation bill passed the House. Now before the Senate is the Kerry-Lieberman energy regulation bill, which includes many of the same damaging provisions--government control of many aspects of energy generation, distribution and prices.

The debate on this bill is of course colored and influenced by the Deepwater Horizon drilling rig explosion, fire and collapse in the Gulf of Mexico on April 20.

In response, the federal government has suspended drilling deeper than 500 feet in the Gulf for six months, suspended exploratory drilling off Alaska's coast and canceled oil leases off the coast of Virginia and in the Gulf--significant decisions that will reduce our oil supplies in the years ahead. All work has been suspended on 33 previously inspected and approved Gulf deepwater drilling rigs. Gov. Bobby Jindal of Louisiana reports that will mean 3,000 to 6,000 immediate job losses and perhaps 10,000 more in the months ahead.

As noted in The Wall Street Journal earlier this month, beyond jobs there will be significant economic consequences from the shutdowns. According to the Louisiana Mid-Continent Oil and Gas Association, 1,400 jobs will be lost for each platform shut down, for a total of some \$330 million a month in lost wages.

So with this current catastrophe influencing our energy policies, where is America going? The Kerry-Lieberman bill is a bit less bad than the Waxman-Markey legislation, but only a bit.

First, it would provide loan guarantees and encourages a speedier licensing process for new nuclear plants, one of the safest and best electricity generation options we have. America has 104 such plants today and needs to build many more to reduce pollution.

Second, it would support carbon capture in coal plants by providing \$2 billion of research funding for clean coal, which--if it works--might help reduce domestic pollution at some point in the future.

Third, before the Gulf explosion, it would have significantly encouraged offshore drilling (Waxman-Markey never mentioned offshore drilling). But it has now been amended to give Atlantic and Pacific coastal states a veto over any offshore drilling plans that officials believe might cause environmental or economic harm.

And still tucked away in the bill is a protectionist measure that Sen. John Kerry's summary calls a "border adjustment mechanism." It would apply if "no global agreement on climate change is reached." In that case, there would be U.S. taxes on goods imported from countries "that have not taken action to limit emissions." The same bad idea is in the Waxman-Markey bill.

The Kerry-Lieberman bill also includes a national cap-and-trade system similar to Waxman-Markey's. Electricity generation utilities would have a limited allotment of greenhouse gas emissions, and there would be penalties for heavy-polluting industries. It may be a bit better than the House bill, but either version would add huge new bureaucracies and huge new regulations of energy.

Poor understanding of energy extends to the other end of Pennsylvania Avenue as well. President Obama said in his White House address last week that "part of the reason the oil companies are drilling a mile beneath the surface of the ocean" is "because we're running out of places to drill on land and in shallow water."

We are not running out of oil in such places at all. The policy of the federal government has simply been, as Charles Krauthammer wrote last week, not to drill in them. The policy has applied to Alaska, such as in the National Petroleum Reserve's 23 million acres, once approved for drilling but effectively limited by the Federal government. The Pacific Ocean has oil, and some California drilling is allowed, but expansion of it has been limited for more than three decades. East Coast drilling has been limited as well, and completely banned in many areas, even though the Obama administration wanted to open up some areas before the Gulf explosion.

What all of this says is that if we want to expand our domestic oil production--so that we do not have to increase the current 67% of our oil we import from abroad--we need several policy changes:

• Where drilling is safer--on land, including the Alaska National Wildlife Refuge, or closer to shore, end restrictions on oil and gas production.

• Drop the Kerry-Lieberman and Waxman-Markey's senseless ideas to control the production, prices and availability of the energy Americans need and use.

Such policies would give America a greater energy supply, for we have a good track record in coming up with safer, cleaner and better quantities of energy that would help grow and improve our economy.

#### 4. Why It's Safer to Drill in the 'Backyard'

*Texas has had 102 oil and gas well blowouts since the start of 2006, without catastrophic consequences.* By Terry Anderson, WSJ, June 25, 2010 http://online.wsj.com/article/SB10001424052748704050804575318591702015252.html?mod=WSJ Opin

ion LEADTop

As oil continues to gush from BP's Macondo well and politicians posture, it is time for us to ask why we are drilling in such risky places when there is oil available elsewhere. The answer lies in the mantra NIMBY—"not in my back yard."

BP was drilling for oil in 5,000 feet of water in the Mississippi Trench, more than 40 miles off the Louisiana coast. The site was leased in March 2008 from the Interior Department's Minerals Management Service. The area is one of an increasingly limited number of places available for oil and gas development in the United States.

Because most private lands have been explored, public lands offer the most potential for oil and gas development. However, the NIMBY principle has significantly restricted development on those lands. According to 2008 Energy Department figures, nearly 80% of potentially oil-rich offshore lands are off limits to oil and gas development, and 60% of onshore lands are.

In my backyard, Sens. Max Baucus and Jon Tester have introduced a bill aimed at halting oil and gas exploration in the Flathead River drainage area near Glacier National Park. They have already pressured Chevron and ConocoPhillips to relinquish their exploration leases on the land, placing 75% of the leases off limits to development.

And of course, there is the perennially contentious issue of drilling in ANWR, the Arctic National Wildlife Refuge. The government estimates that the area could produce 750,000 barrels of oil per day.

Whether more exploration on federal lands would make the U.S. energy independent is debatable, but more onshore development would certainly be safer. In early June there was a blowout in western Pennsylvania. Did you see it on the nightly news? No, because it was capped in 16 hours. The Texas Railroad Commission, the state agency that regulates oil and gas production there, recorded 102 blowouts of oil and gas wells since the start of 2006, resulting in 10 fires, 12 injuries, and two deaths. None of those made the nightly news either. The largest oil spill on Alaska's North Slope in 2006 was from a pipeline leak. It dumped only 6,357 barrels and had no disastrous impacts.

Drilling can be done with greater environmental sensitivity onshore. For many years the Audubon Society actually allowed oil companies to pump oil for its privately owned sanctuaries in Louisiana and Michigan, but did so with strict requirements on the oil companies so that they would not disturb the bird habitat.

Explaining the process years ago, one sanctuary manager said, "when the cranes punched in, the hard hats have to punch out." Until the Gulf blowout, Audubon was even considering leasing more land for development on the Louisiana coast under such strict terms.

When kids play baseball, there is a risk that windows will get broken. Playing on baseball fields rather than in sand lots, however, lowers the risk considerably. Putting so much onshore land off limits to oil and gas development is like closing baseball parks. More windows will be broken and more blowouts result where they are difficult to prevent and stop.

The blowout at BP's well has increased pressure from environmentalists and the Obama administration for greater emphasis on alternative energy sources. Even if they are successful, this will have a trivial impact on our unquenchable thirst for fossil fuel.

Enforcement of stricter safety regulation on deepwater drilling may reduce disasters like the current one in the Gulf. But the only real way to reduce the risk of catastrophic spills is to say yes to drilling in our backyard.

#### 5. Salazar's Ban Is Soros' Bonanza

IBD Editorial, June 23, 2010 http://www.investors.com/NewsAndAnalysis/Article/538291/201006231849/Salazars-Ban-Is-Soros-Bonanza.aspx

**Energy Policy:** Our interior secretary plans to reinstate the offshore drilling moratorium struck down by a federal judge. But if deep-water drilling is so unsafe, why are we helping Brazil drill nearly three times as deep?

Maybe Secretary Ken Salazar can explain why Britain and others can safely drill in the North Sea and no other nation has suspended its offshore drilling. Yet there he was Tuesday saying he'll reissue a reworded moratorium that will make it clear to dunces like U.S. District Judge Martin Feldman why offshore drilling is unsafe.

As with health care reform and other issues, the administration's position is that we didn't make it clear enough, so we will speak slower and use smaller words. But double talk is double talk no matter how you rearrange the words.

"The decision to impose a moratorium on deep-water drilling was and is the right decision," Salazar said, even after he was caught rewording a report so a team of experts he assembled would look like they

supported the moratorium, when in fact, they adamantly opposed it and thought it would do more harm than the Deepwater Horizon spill itself.

"If some drilling equipment parts are flawed, is it rational to say all are?" Feldman asked in his ruling. "Are all airplanes a danger because one was? All oil tankers like Exxon Valdez? All trains? All mines?

"That sort of thinking seems heavy-handed, and rather overbearing." Not for an administration and its environmentalist supporters whose collective goal is not to drill safely, but to drill not at all, at least not here.

Last August, the U.S. Export-Import Bank issued a "preliminary commitment" letter to Brazil's state-run Petrobras in the amount of \$2 billion, with the promise of more to follow. Why are we lending billions to a foreign oil company that made \$15 billion last year?

These taxpayer dollars finance exploration of the huge offshore discovery in Brazil's Tupi oil field in the Santos Basin near Rio de Janeiro. Apparently there are no pristine beaches full of tourists there. Someday we may be importing that oil we're helping Brazil get at.

Has that letter been rescinded as part of the moratorium? Why are Brazil's offshore fields safe but ours aren't?

The irony is that most of the deep-water rigs idled by the moratorium may shortly be snapped up by a Petrobras apparently undeterred by images of tar balls on Rio's beaches. Petrobras plans to drill to a depth of 14,022 feet, a depth that makes our 500-foot limit laughable. Brazil is going big-game hunting, and we're stuck in the petting zoo.

#### 6. Aussie Socialism Out

IBD Editorial, June 24, 2010 http://www.investors.com/NewsAndAnalysis/Article/538459/201006241907/Aussie-Socialism-Out.aspx

**Australia:** Prime Minister Kevin Rudd's surprise ouster by his own party Tuesday came with a teary farewell hailing his role in Australia's economy. Maybe it wasn't such a bright idea to imagine it was his golden goose.

Seven months ago, nobody would have thought the well-liked socialist prime minister with less than three years in office would meet such an ignominious end, blubbering after he was thrown out by members of his own Labor Party Tuesday.

"I'm proud of the fact that we kept Australia out of the global financial crisis," said Rudd through his tears. "I'm proud of the fact that had we not done so, we would had had half a million Australians out there out of work."

He was replaced by his deputy Julia Gillard, who became the story of the day by becoming Australia's first woman prime minister.

It was a bad fall for the man dubbed Australia's Barack Obama.

Like the latter, the youthful Rudd initiated costly health care, home weatherization, entitlement, and global warming pork barrel projects. In the process, he blew out the Australian budget.

When the time came to pay the bill, he effectively committed political suicide by calling for a 40% tax on Aussie mining companies.

Those firms form the backbone of Australia's dynamic economy, accounting for half of its exports. As Rudd imagined that it was he who kept Australia out of financial crisis, the reality was it was private firms like these that created the value and jobs for Australians.

When news of Rudd's tax hikes suggested a bid to expropriate companies' profits, the stock market took a beating.

To pay for his own bloated government programs, Rudd claimed — as his union supporters did — that he only wanted companies to pay their "fair share." Unions themselves added to the fantasy by claiming these taxes would create jobs. Rudd echoed that, absurdly claiming the tax would be good for the economy.

"It is important to pay emphasis on the independent modeling of Treasury who's put all the factors together and projects this industry will grow by 6.5% over five to 10 years," Rudd told incredulous mining executives from BHP Billiton, Rio Tinto and Fortescue last May as stocks fell. "As a result of (this 40% tax) we will see a better and more dynamic mining industry in the future."

Rudd's claims were so devoid of reality or responsibility that his support dropped like a rock with the Australian public. That got him thrown out by his own Labor Party.

Rudd was tossed out Thursday not because he wasn't leftist enough for them, but because parliament decided to save its own skin by getting rid of him.

Gillard, who was just as responsible as he was for the overspending, backed off on the tax, and laughably tried to persuade Australians she'd be the next Margaret Thatcher.

Given her radical left-wing background, that explains all that needs to be known about self-interest. In words, at least, Gillard almost sounded like a free marketer.

This shows the capacity of a parliamentary system to respond to voter sentiment — even if only out of members' desire to stay in office.

But the larger lesson is that Rudd actually thought Australia's growing economy was his own handiwork instead of the result of the hard work of the private sector.

He also imagined that economic growth came from government spending, and whatever surplus value companies created could be better spent by the government than by companies that earned it.

This ran contrary to the previous 12 years under conservative Prime Minister John Howard, under whose market-oriented policies Australia thrived. In the last 15 years, Australia's \$1 trillion economy grew at a 3.6% clip, a pace nearly half again as fast as other members of the OECD.

Australia's world-class mining companies had the gumption to openly fight back against this nonsense. But on their side they also had the people, who understood that their own jobs were at stake.

Their willingness to fight bodes well for Australia's future, and ought to be a good example for the rest of the world to follow.

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