

The Week That Was (Sept 5, 2009) brought to you by SEPP

No TWTW on Sept 12. We will be speaking at the "To The Point" Conference in Williamsburg, VA
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Quote of the Week:

It is not possible to engage in rational discussion with irrational beliefs. It is also not possible to engage in rational discussion with those whose interest in the global warming bandwagon is as a way to make money or build a career.-- Prof. Jonathan Katz (Washington University)

THIS WEEK

The *WashTimes* reports: <http://www.washingtontimes.com/news/2009/sep/01/climate-change-legislation-postponed-again/>

The once-delayed climate-change legislation has been postponed again, spelling trouble for a top item on President Obama's legislative agenda. In a brief statement, senior Democratic senators involved in the effort said that a draft bill intended to slow global warming won't be ready until late September. The legislation initially was slated to be presented in August.

In June, the House narrowly passed its version [**Waxman-Markey**] of climate legislation. That bill would limit greenhouse gas emissions and established a so-called cap-and-trade regimen that would allow polluters to buy and sell the right to pollute. The Senate has not acted and its Democratic leaders have said that it would not act until healthcare reform legislation is finished

Healthcare isn't the only White House priority running into trouble in the Senate. Barbara Boxer (Marin County) and John Kerry (Nantucket) announced that Democrats won't release their Cap&Trade bill next week as scheduled after all, but will instead postpone it for up to a month. It's far too early to say that carbon Cap&Tax is dead, but mark this delay down as one more sign that it remains well short of 60 votes.

Ms. Boxer and Mr. Kerry insist that all systems are still go, though it didn't sound that way when the No. 2 Democrat in the Senate, Dick Durbin of Illinois, told Bloomberg TV last month that "*I have to be honest with you. As a whip, I count the votes and I count the days in the week, and I look at this rulebook in the Senate and think this is not an easy lift. I think we can still do it, but it's a question of timing.*"

Presumably, and we hope, he was talking about the very distant future. The RAT (Ration&Tax) bill will most hurt the rural and Midwest states that most rely on coal-fired power and heavy manufacturing. Middle-American Senators aren't about to rush through a huge new tax on carbon energy—e.g., their constituents—that will largely flow to the wealthier coasts, even if it is done in the name of saving the planet, while the here-and-now economy is still sputtering.

The House barely passed the Waxman-Markey climate bill in June, but only after weeks of arm-twisting and outright legislative bribery, and at significant political cost to Blue Dog Democrats. The same tactics won't be as effective in the upper chamber. In any case Ms. Boxer, Mr. Kerry and President Obama really have to convince Members of their own party, such as Kent Conrad (North Dakota), Jay Rockefeller (West Virginia) and Blanche Lincoln (Arkansas).

The latest delay is probably a submission to reality, which is a rare thing in the current political environment—and a major victory for the U.S. economy, at least for now

Marc Morano – [Climate Depot](#) reports [Sept 1]:

The *Washington Post's* Andrew Freedman of paper's "The Capital Weather Gang", has written [a thorough commentary](#) on why he believes the man-made global warming movement is failing politically and scientifically to convince the public and lawmakers of the seriousness of the issue. Freedman appears to lay the fault directly at the feet of President Obama, writing that Obama's "mistakes may cost the planet dearly." Freedman also cites Climate Depot (and the Heartland Institute) as having made a huge impact in shaping lawmakers and the public's skeptical view of the latest climate science.

Freedman's essay, titled [Obama Needs to Give a Climate Speech ASAP](#), notes that President Obama needs to [speak out] soon, before the debate slips farther away from him, and more years of inaction pass by. Freedman asserts that the increasing climate change skepticism among the public is troubling and that Obama has neglected to use his bully pulpit to hammer a climate science message.

Chickens are coming home to roost: “As a result of promoting environmental alarmism, Western governments find themselves trapped in a perilous, yet largely self-constructed catch. As long as climate change is elevated as the principal liability of industrial countries, as long as Western CO2 emissions are blamed for exacerbating natural disasters, death and destruction around the globe, green pressure groups and officials from the developing world will continue to insist that the West is liable to recompense its exorbitant carbon debt by way of wealth transfer and financial compensation. Yet this is highly unlikely to happen. Attempts to punish developing countries by introducing carbon tariffs, on the other hand, would only create more fury and resentment. Ultimately, there is now a growing risk that the whole global-warming scare is creating more anti-Western hostility and further loss of influence on the international stage.” -- *Benny Peiser, Financial Post, 8 April 2008*

SEPP Science Editorial #28-2009 (9/5/09)

Critique of “Recent Warming Reverses Long-Term Arctic Cooling” by D.S. Kaufman, et al, published in *Science*, 4 September 2009.

Abstract: *The temperature history of the first millennium AD is sparsely documented, especially in the Arctic. Here we present a synthesis of decadal-resolved proxy temperature records from polewards of 60N covering the last 2000 years that highlights a pervasive cooling from the early part of the first millennium through the Middle Ages and into the Little Ice Age. A 2000-year transient climate simulation with the Community Climate System Model shows the same temperature sensitivity to changes in insolation as does our proxy reconstruction, supporting the inference that this long-term trend was caused by the steady orbitally-driven reduction in summer insolation. The cooling trend was reversed during the 20th century, with four of the five warmest decades of our 2000-year-long reconstruction in the last half-century (1950-2000 AD).*

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Based on a quick reading, here are just four problems with this paper (marked in red in the Abstract):

1. Actual thermometer data (Polyakov et al) – not indirect proxy data -- for the Arctic are available for the 20th century, showing the warmest years around 1935. See also Soon (*PhysGeogr* 2009). This can also be seen clearly in the CRUTEM data of their Fig 2 (black curve).
2. The Abstract mentions the [warm] ‘Middle Ages’ and the [cold] ‘Little Ice Age.’ Both are well established; for example, Loehle and many other researchers (e.g., Dahl-Jensen) show the Medieval Warm Period with higher temperatures than the past 30 years. But these and other key references, such as the extensive compilation at <http://co2science.org/data/mwp/mwpp.php> are never mentioned. Fig 3 of this paper goes back to the discredited hockey stick temp curve of Mann (which even the IPCC no longer uses).
3. The Abstract tries to relate the temperature changes to insolation changes that are ‘orbitally driven.’ This is highly unlikely: orbital changes are much slower, and generally measured in multi-millennia, while significant temperature changes occur on a time scale of decades and centuries (Singer and Avery, *Unstoppable Global Warming –every 1500 years*).
4. Most important: **The implication that warming by GH gases ‘reversed the cooling trend’ is contradicted** by the NIPCC summary report “*Nature – Not Human Activity – Rules the Climate*” http://www.sepp.org/publications/NIPCC_final.pdf

1. Virginia: The First Election of the Obama Backlash – Michael Gerson

2. Terms of 'Endangerment' – Max Boot

3. A warning from Britain

4. A report from India – *Barun Mitra*

5. Talking Turki On Oil – *Investor's Business Daily*

6. The Futility Of A New Oil-Industry Tax – *Bernard L. Weinstein*

7. Shifting Oil Sands – *Investor's Business Daily*

8. Turning Methane Into Methanol – *Mitch Jacoby*

9. National energy policy – *Howard Hayden*

10. Atmospheric Chemistry: Nitrous Oxide Threat To Ozone – *Jyllian N. Kemsley*

NEWS YOU CAN USE

Spiking the road to Copenhagen. By Deepak Lal, *Business Standard*, New Delhi August 25, 2009

<http://www.business-standard.com/india/news/deepak-lal-spikingroad-to-copenhagen/367985/>

“The Western obsession with curbing carbon emissions is wicked and also economically foolish”

Climate Change: Natural and Unstoppable by *S.Fred Singer*

Financial Chronicle – New Delhi, Sept 1, 2009 (*Edge supplement*) www.mydigitalfc.com

“The real cost of our emissions targets lie not within the targets themselves but within the culture of central planning they embed in government, and within the powers granted to interest groups determined to protect their particular patch from innovation and change.

Consequently, if we are determined to change our energy ways, most economists prefer a carbon tax to a regime based on targets, sector plans and emissions trading. The Select Committee was supposed to weigh the benefits of a carbon tax but has not yet reported back. In the meantime Government has committed the nation to an emissions trading scheme [ETS, aka Cap&Trade] designed to help achieve an arbitrary target.

We should have opted for the carbon tax to provide a controlled experiment – one that the rest of the world could watch and learn from.” -- Owen McShane [New Zealand] Aug 11, 2009

A Beginner’s Guide to Tar Sands

http://www.globalenergyanalysts.com/SterlingAccount/2009/08-31-09_Oil_Sands.pdf

Sept 1: China buys into tar sands <http://www.ibdeditorials.com/IBDArticles.aspx?id=336696274946175>

New energy taxes <http://www.ibdeditorials.com/IBDArticles.aspx?id=336695014243343>

A must-read http://www.americanthinker.com/2009/09/the_science_of_global_warming.html Sept3, 2009

Sept 1 Rasmussen poll: Obama approval index* has fallen from +29% to –9% in 8 months of 2009

* defined as (Strongly approve minus Strongly disapprove)

BELOW THE BOTTOM LINE

Support for [Australia's] Rudd Government has slumped in country areas in the past two months, with experts pointing to the emissions trading scheme (ETS) for Labor's crashing popularity in the bush. Senior lecturer in politics at Monash University, Dr Nick Economou, said the dramatic swing back to the Opposition in rural seats would most definitely be as a result of the Government's climate change and emissions trading policies. He said rural voters like farmers and miners were very knowledgeable about the impacts of an emissions trading scheme, and the shift in polls in recent weeks should send a stark warning

to the Government. -- *Lucy Knight, Stock & Land News, 28 August 2009*

The biofuels revolution that promised to reduce America's dependence on foreign oil is fizzling out. Two-thirds of U.S. biodiesel production capacity now sits unused, reports the National Biodiesel Board. Biodiesel, a crucial part of government efforts to develop alternative fuels for trucks and factories, has been hit hard by the recession and falling oil prices. The global credit crisis, a glut of capacity, lower oil prices and delayed government rules changes on fuel mixes are threatening the viability of two of the three main biofuel sectors. The wave of biodiesel failures and Cello's inability to produce even a fraction of what it expected have spooked private investors, which could further delay technology breakthroughs and derail the government's green energy objectives. -*Ann David and Russell Gold, Wall Street Journal, 28 Aug 2009*

Things are pretty grim among progressives these days, what with health care bogging down and climate legislation on indefinite delay; right wing crazies everywhere and Blue Dogs intransigent; the organized coalition that brought Obama to office fractured and ineffective. Disillusionment is in the air.

--*David Roberts, Grist Magazine, 24 August 2009*

Next time you hear complaints about "Big Oil" lobbying: General Electric spent \$7.2M lobbying in 2Q http://www.forbes.com/feeds/ap/2009/08/19/business-industrials-us-general-electric-lobbying_6794525.html

Also: [How GE's green lobbying is killing US factory jobs](#)
[How GE puts the government to work for GE](#)
[Leaked e-mail shows how GE puts the government to work for GE](#)

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1. VIRGINIA: THE FIRST ELECTION OF THE OBAMA BACKLASH

Michael Gerson, August 28, 2009

http://townhall.com/columnists/MichaelGerson/2009/08/28/the_first_election_of_the_obama_backlash

The late-night hotel desk clerk in Salem, Va., -- after my long drive from Washington down the Shenandoah Valley -- wanted to talk political philosophy. He intended to support Republican Bob McDonnell for governor in November on Madisonian grounds. "I vote both parties, but I don't want anyone having all the control." Obama, in his view, needed to be checked and balanced.

This is the durable tendency of Virginia politics. Since 1977, the political party that has won the presidency has, in every case, lost the Virginia governorship in the next election. This pattern of cussedness is holding, at least for the moment. McDonnell, Virginia's former attorney general, is currently well ahead of his Democratic opponent, Creigh Deeds -- in one poll leading by 15 percent among likely voters.

McDonnell, riding in a well-worn, 30-foot blue RV from dairy farm to winery to college campus, recounts to me how the political environment has changed from a year ago. "The business community," he says, "was the first to recoil" from policies such as card check and cap-and-trade. "But health care now dwarfs previous concerns -- handing over the best medical system in the world to the federal government. It affects everyone." Conservatives, he contends, are more activated than at any time since 1993. A young McDonnell campaign worker told me: "We have the enthusiasm Obama's people had last time."

Well, not quite. About 50 students greeted McDonnell when he arrived at the James Madison University dining hall. A year ago, some James Madison students waited in line more than four hours to get a glimpse of candidate Obama. But in the low turnout of a nonpresidential election year, any momentum gets magnified, and McDonnell seems to have the intensity advantage.

So how do Republicans find success in the first election of a growing Obama backlash? Not by bashing Obama himself -- something McDonnell is careful to avoid. In the day of campaigning I witnessed, McDonnell mentioned Obama by name only twice: once to praise his views on charter schools, the other to note that, "We use the same company that did Obama's text messaging." Obama turned out hundreds of thousands of new Virginia voters last November, concentrated among minorities and in suburban areas.

McDonnell wants to appeal to these voters, not alienate them with direct attacks on the president. "This is about policy," he says, "not personal. If the president is right, I'm willing to work with him."

McDonnell is no moderate Republican. He is an unapologetic pro-life, pro-gun, fiscal conservative. But as a prospective governor, he is forced to live in the real world of governing -- unlike some congressional Republicans who view obstruction as the highest goal of politics. McDonnell's campaign is a proliferation of 10-point plans -- on energy, transportation, crime and economic development. McDonnell cut his political teeth as an intern at the House Republican Policy Committee. He talks with wonkish intensity about gang reduction, drug courts, trade promotion, college access, wine tourism and plans for the sesquicentennial commemoration of the Civil War.

This is not just a matter of personality but of strategy. Virginia elections are won in a mostly suburban crescent that runs from Northern Virginia to Richmond to Virginia Beach, in which about 70 percent of voters live. Suburban voters tend to be more focused on quality-of-life issues -- education, transportation and crime -- than ideological debates. So while Obama's overreach provides McDonnell with a political opportunity, employing a simplistic anti-government message would not suffice. "People expect government to be efficient -- simpler and more user friendly," says McDonnell. At another point: "We must make government work better." The effective Obama backlash will be led by reform-oriented wonks, not ideological arsonists.

National Republicans might learn a stylistic lesson from the Virginia race as well. McDonnell is a conservative, but he is not a rural, us-against-them populist. His family roots are suburban. His bearing is military -- precise, earnest, respectful and formal. (He wore a coat and tie to shake hands at Famous Anthony's, a breakfast place in Salem -- perhaps a sartorial first at that location.) McDonnell manages to make a conservative case against federal excess without conducting a cultural battle against social elites and city-slickers. Which might be helpful with the city-slicker vote.

The Virginia election, in less than 70 days, may symbolize the Obama backlash, with broad implications for his agenda. More importantly, it may show Republicans a responsible way to win in the Obama era.

2. TERMS OF 'ENDANGERMENT'

The EPA's anti-carbon rule is an admission that CO2 limits hurt the economy.

By Max Boot, The Wall Street Journal, SEPTEMBER 3, 2009

Cap and trade may be flopping around like a dying fish in Congress, but the Obama Administration isn't about to let the annoyance of democratic consent interfere with its climate ambitions. Almost as bad is the new evidence that it understands how damaging its carbon regulations and taxes will be and is pressing ahead anyway.

The White House is currently reviewing the Environmental Protection Agency's April "endangerment finding" that as a matter of law CO2 is a pollutant that threatens the public's health and must therefore be subject to regulation under the Clean Air Act. Such a rulemaking would let the EPA impose the ossified command-and-control regulatory approach of the 1970s across the entire economy, even if Democrats never get around to passing a cap-and-tax bill.

Yet a curious twist is buried in the EPA's draft rule. The trade press is reporting that the agency thinks it enjoys the discretion to target the new rules only to major industrial sources of carbon emissions, such as power plants, refineries, factories and the like. This so-called "tailoring rule" essentially rewrites clear statutory language of the Clean Air Act by bureaucratic decree.

Because the act was never written to apply to today's climate neuroses, clean-air regulation is based on an extremely low threshold for CO2 emissions that will automatically transfer hundreds of thousands of businesses into the EPA's ambit. The agency is required to regulate sources that emit more than 250 tons of a given air pollutant annually, which may be reasonable for conventional pollutants like NOX or SOX. But this is a very low limit for ubiquitous CO2, and so would capture schools, hospitals, farms, malls,

restaurants, large office buildings and many others. To exempt these sources, the tailoring rule unilaterally boosts the rule for greenhouse gases from 250 tons to 25,000 tons, an increase of two orders of magnitude.

Well, well. In a speech in February, Obama's EPA Administrator Lisa Jackson ridiculed those of us who warned about these consequences, saying that it was "a myth" that "EPA will regulate cows, Dunkin' Donuts, Pizza Hut, your lawnmower and baby bottles. . . . Somebody said to me today, 'kittens,' I like that one." Her routine got a big laugh from the like-minded Georgetown audience, but the new draft rule is a flat-out admission that the critics are right.

The endangerment finding was prompted by the 5-4 2006 Supreme Court *Mass. v. EPA* decision, which relied on an extremely literal interpretation of the Clean Air Act to crowbar CO2 into the law. That decision has been a political windfall for cap-and-tax advocates because it has driven utilities and other businesses to the bargaining table as they've concluded that some carbon limits are inevitable.

Yet the Supreme Court said nothing that would let the EPA simply decide on its own to apply the law to some unfavored business while giving others a pass. And the Clean Air Act is explicit about the 250-ton threshold. Team Obama's real motive in "tailoring" this rule is to limit the immediate economic impact of carbon limits to head off a political backlash.

But even businesses that do get a pass shouldn't rest too easily. The green lobby will quickly sue to force the EPA to enforce fully its own rules and go after all carbon sources. And why not? The Obama Administration is deliberately flouting its own legal claims for political reasons. Its cynical political hope is that if Congress won't impose cap and tax, the courts will do it anyway.

President Obama claims that his "new energy economy" will jump-start growth and jobs. The EPA endangerment rule repudiates that claim once and for all. If the green future is going to be so bright, why does the White House want to exempt so many businesses from its glories?

3. A WARNING FROM BRITAIN

The environmental movement's "climate change" campaign is mainly an effort to phase out coal-fired electrical generation. This social movement also conducts a much publicized and decades-old campaign against nuclear power. Almost forgotten is environmentalism's first victim - hydro-electricity. When the social movement now called environmentalism surged forth in the 1960s it did so just in time to cripple North America's remarkable and ambitious hydro engineering industry.

The government of the day will panic and will build new generation capacity as cheaply and quickly as it can, which means new coal-powered plants, the very thing that Greenpeace and other eco-naifs wished to avoid. (A potential problem for green radicals is that any attempts to block urgent new builds will likely be frowned upon by a public that want their lights on, cutting off their essential cover of public support.)

British people are waking up to a major problem that threatens to negatively impact their everyday lives. Politicians will pay a heavy price for their part in the fiasco, the only question is whether there will be a backlash against the idiot greens that pushed the country to the brink and perhaps over it.

Whatever happens, the situation in Britain is a canary in the coal mine for other countries blindly following the green path. If you live in the USA, Canada, Australia or any other country where carbon has been demonized by eco-hysterics, this could happen to you. Get involved and stop the rot, before your lights go out.

4. A REPORT FROM INDIA

by Barun Mitra Aug 29, 2009 <http://chinaindiacitizensinitiative.blogspot.com/>

Mr Jairam Ramesh, the Indian environment minister was in China last week for the first ever ministerial level talk on climate change. The Chinese side was led by Mr Xie Zhen Hua, vice chairman of China's National Development Reforms Commission. The two sides explored common grounds as part of their

preparation for the upcoming UNFCCC meeting in Copenhagen in December 2009. Here are the key points from the discussions.

- The Indian minister confirmed that there is "total convergence" in the negotiating positions of the two countries. The two countries have agreed to coordinate their views on climate change before major international meeting.
- Both countries are committed to the idea of "common but differentiated responsibilities" of developed and developing countries.
- Neither side will agree to legally binding emission norms.
- Both want to negotiate for higher levels financial assistance and technology transfer in return for promises to do their best to tackle climate change.
- Both sides agreed to oppose trade barriers linked to climate change issues being proposed by developed countries.
- The two delegations agreed to undertake jointly mitigation activities to reduce carbon emission.

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 If China and India work together, along with some other countries at the UNFCCC, they will pose formidable challenge to those who want these countries to take immediate action on account of climate change. But there are three areas of serious concerns about these key negotiating strategies being adopted by the Asian neighbours.

1. They would have done well to note that the understanding of the science of climate is limited, and there are substantive flaws in the theories underlying predictions of global warming.
2. While they have consistently refused to accept emission norms, they seem to have not equally strongly emphasized the role of economic development and competitive economic environment in stimulating greater energy efficiency.
3. This may have led to commitment on mitigation, but not so much on adaptation. Although adaptation is likely to have a more immediate beneficial impact on the people, reducing their present vulnerabilities to vagaries of nature.

5. TALKING TURKI ON OIL

By *INVESTOR'S BUSINESS DAILY*, August 26, 2009

<http://www.ibdeditorials.com/IBDArticles.aspx?id=336178247218101>

Saudi Prince Turki al-Faisal warns that coming economic recovery means tighter oil supplies and higher prices. He's right to be appalled at the White House's inability to see the obvious.

As statesmen go, not many have seen more history, or correctly warned of more dangers, than Prince Turki al-Faisal, the formidable Saudi who's led the kingdom's intelligence and diplomacy in a long career. Few know oil as well as he does. So it's worth thinking about when he looks at President Obama, considers his energy policy and sees "demagoguery."

In a piece in *Foreign Policy* this week, Prince Turki warned that economic recovery is coming, and high oil prices will return with it. Nothing impresses him less than the White House's promises on its Web site to achieve "energy independence," as if switchgrass and wind would solve more problems than oil itself.

Prince Turki points out something important: Oil is and remains fundamental to the economies of the West. Placing faith in unproven alternatives, as the Obama administration does, won't address the shortages that will slam the U.S. soon. He warns that energy independence won't happen, calling it "political posturing at its worst - a concept that is unrealistic, misguided, and ultimately harmful to energy-producing and consuming countries alike."

The prince is especially irate because he knew Saudi Arabia would get blamed when oil prices spiked. Saudis were pumping oil as best they could, he said, and America needed to be realistic in the face of soaring demand.

Saudi Arabia only ranks fourth among America's suppliers. It's dwarfed by America's reliance on petrotyrants, such as Venezuela's Hugo Chavez. Chavez has trashed his oil industry to keep prices high, yet still ranks as America's No. 2 supplier.

Another problem, the prince rightly points out, is that the U.S. refuses to build more refineries. Refineries have shrunk from 324 in 1981 to a mere 141 now. More oil production won't be useful unless we can turn it into usable fuel.

Prince Turki of course is a Saudi, and his loyalties are there. We don't necessarily agree or endorse all he says. But he is right that U.S. oil independence isn't just around the corner, and that we need to pump more of our own oil to become energy secure. The ban on domestic offshore drilling and the record government spending that has weakened the dollar will, over time, drive up oil prices.

Just as with buying oil from petrotyrants and building more refineries, these problems can be solved. Unfortunately, the Obama administration continues to put its head in the sand on energy, looking to fanciful "green" solutions instead of proven ones. The prince knows oil and economies. His warning that there's no substitute for oil is one we should heed.

6. THE FUTILITY OF A NEW OIL-INDUSTRY TAX

By BERNARD L. WEINSTEIN, September 01, 2009

<http://www.ibdeditorials.com/IBDArticles.aspx?id=336695014243343>

The debate over medical care has commanded most of the public's attention this summer, but another important domestic policy issue is quietly taking shape — new energy taxes. When lawmakers return to Washington, the Senate will take up legislation that would impose \$31.5 billion in new taxes on America's energy producers.

These taxes will harm every aspect of our domestic energy industry, from producers to refiners and every supporting business in between. They will not only cost American jobs. They will also raise global carbon emissions and reduce U.S. energy independence — in opposition to stated goals of the administration. Here's how:

One proposal would eliminate the domestic manufacturing income deduction for refiners, known as Section 199, while letting all other manufacturers (carmakers, drug companies) continue using it.

This new tax would further reduce America's refining capacity — which supplies only 84% of domestic demand. It would also give a competitive advantage to foreign refiners, who would be unaffected by the provision. Reducing American refiners' ability to bring products to market will transfer more American jobs and revenue overseas — the last thing our struggling economy needs.

Higher taxes on U.S. refineries will also lead to greater carbon emissions.

First, they will shift the activity abroad to less-efficient, higher-polluting plants.

They will also drive domestic power generators away from cleaner fuels like natural gas. Greater amounts of coal will then have to be used to produce electricity. A recent study by the Energy Policy Research Foundation correctly points out that this will simply increase global greenhouse gas emissions.

The foundation study also concludes that higher taxes on U.S. oil and gas producers will increase our consumption of imported fossil fuels. By levying a heavier tax burden on U.S. suppliers, domestic production will drop, and we will have to import even more oil. This will make the U.S. more dependent on foreigners to meet the nation's energy needs.

The government also plans to place new taxes on the important work our energy producers do around the globe. Congress wants to change the rules that apply to certain international earnings, called foreign oil and gas extraction income, and foreign oil-related income. These proposed changes would burden the industry with billions in new tax obligations over the next decade.

Despite all the attention being paid to renewable energy sources, the government's own Energy Information Administration estimates that fossil fuels will account for 79% of U.S. energy demand in 2030.

The obvious conclusion is we should be embracing policies to ensure our domestic producers can meet as much of that demand as possible. Hiking the industry's tax burdens doesn't do the job.

Ultimately, American workers, businesses and consumers will bear the burdens of new taxes on the energy industry. Oil and gas companies already generate billions of tax revenues each year for federal, state and local governments. Current legislative proposals to further hike taxes on America's energy producers threaten our economy, our security and the environment. Those proposals should be rejected outright.

Weinstein is associate director of the Maguire Energy Institute and an adjunct professor of business economics in the Cox School of Business at Southern Methodist University in Dallas.

7. SHIFTING OIL SANDS

By *INVESTOR'S BUSINESS DAILY*, September 01, 2009

<http://www.ibdeditorials.com/IBDArticles.aspx?id=336696274946175>

We balk at importing "dirty" oil from Canada, but others aren't so reluctant. Exempt as a "developing" nation from Kyoto-like agreements, China has decided to help Canada develop its energy-rich oil sands. The Financial Post reports that PetroChina International Investment Co. has struck a deal to buy a 60% interest in Athabasca Oil Sands Corp.'s McKay River and Dover projects for \$1.9 billion.

China has been establishing energy beachheads around the world in its quest to keep its growing economy fueled. With possible conflict brewing between Israel and Iran, Beijing recognizes the need for reliable suppliers like Canada in an unstable world. It also shows no reluctance to include fossil fuels in its — what's the phrase? — all-of-the-above approach to energy.

The Chinese investment is relatively small, but Beijing likes to establish its presence in a new market and prove it's a good business partner that honors local business protocol before moving on to bigger and better things. Certainly Canada appreciates the business and the chance to break free of its fickle neighbor to the south.

PetroChina's stake translates into the control of roughly 3 billion barrels of recoverable bitumen, the tar-like mixture of crude and sand that's processed into useable products such as gasoline and jet fuel. Not coincidentally, this is the year China is expected to pass the United States as the largest car-buying nation. Few of the Chinese models have extension cords.

Jim Prentice, Canada's environment minister, isn't happy with the current situation of oil sands developers captive to the whims of U.S. politicians and refiners. U.S. refiners import 60% of current oil sands production, or about 780,000 barrels a day.

"Doesn't it help Canada's exporter to have alternative market choices?" Prentice contended in a recent interview. "We need transportation mechanisms to ship it to the West Coast. Refineries in the U.S. have limited capacity, and we don't have anywhere else to sell it. Having the capacity to ship it to the West Coast would keep everybody honest, so I think it's good policy."

That would require poking a hole through the Canadian Rockies for a pipeline that for once doesn't head north-south. As their needs and investments grow, the Chinese may be willing to help. The proposed Northern Gateway Pipeline, on ice for several years, is being dusted off with renewed interest.

Canadians are miffed at federal, state and local efforts in the U.S. to bar "dirty" tar sands oil that has a larger carbon footprint than conventional crude. But as Don Martin of Canada's National Post says, "If America doesn't want to use it on environmental grounds, they're only one pipeline away from losing it to someone else."

8. TURNING METHANE INTO METHANOL

Recyclable platinum compound mediates oxidation at low temperature

By Mitch Jacoby, Chemical & Engineering News, August 27, 2009

Methane can be converted directly to methanol at low temperature through the actions of a solid platinum-based catalyst that exhibits high catalytic activity even after repeated recycling, according to scientists in Germany (*Angew. Chem. Int. Ed.* 2009, 48, 6909). The study may advance efforts to commercialize technology for converting methane to high-value and easily transported products.

Large reserves of natural gas that sit untapped in remote locations could be exploited commercially if cost-effective methods were available for converting methane, the principal component of natural gas, to easily transported liquids, such as methanol. A number of commercial processes that transform methane to liquid hydrocarbons already exist, but most are based on multistep conversions that proceed via synthesis gas (CO and hydrogen) and high temperatures (>600 °C). Various researchers have also described catalysts that directly convert methane to methanol, but most of those systems suffer from over-oxidation, resulting in a large fraction of unwanted by-products.

Now, researchers of the Max Planck Institute for Coal Research, in Muelheim report that a triaging-based polymer complex, which they formed from dicyanopyridine trimers and a platinum salt, selectively transforms methane and oleum (fuming sulfuric acid) to methanol in high yield at roughly 200 °C.

The new catalyst shares similarities, such as N–Pt linkages, with a solution-phase methane-to-methanol catalyst developed more than a decade ago by researchers at Catalytica, in Mountain View, Calif. But unlike the older system, which has not been commercialized, the new catalyst is a solid and therefore easily separated from liquid products and recycled. The Mülheim team reports that the new material retains its high catalytic activity even after a half-dozen runs.

"This is an elegant method for immobilizing platinum in a well-defined manner," says Krijn P. de Jong, a professor of chemistry and catalysis at Utrecht University, in the Netherlands. The development is "noteworthy," he says, but he points out that using fuming sulfuric acid as an oxidant poses significant challenges regarding compatible materials and cost.

9. NATIONAL ENERGY POLICY -- LETTER TO EDITOR

(Prof) Howard ("Cork") Hayden, The Denver Post, August 31, 2009

Tom Hayden's opinion piece (Deja vu on nations energy policy, August 30, 2009) was correct in one regard: We've heard it all before.

We've heard the errant nonsense about running the US on wood chips and sunbeams, and we've heard the blame placed on oil companies, Republicans, and Blue-Dog Democrats for failing to enact laws to coerce the nation to obey the dreamers.

We've heard the claim that our eight-thousand-some power plants are centralized (where's the center?), and that de-centralized is better. Central Planners say so.

We've heard that conservation is a source of energy. Hungry? Go diet.

The beat goes on.

The only change from the Carter era is the reasons for the hand-wringing. Now, our emissions are supposedly causing catastrophic global warming. In Carter's day, our emissions were driving us to the next ice age. In both cases, however, there were calls to burn the witches. Tax the energy industries out of existence! Make people behave!

As far as we know, Tom Hayden did not ride to the clean energy conference in Las Vegas on a grass-eating donkey, and he did not deliberately stay out of air-conditioned rooms. Whether he bought carbon credits from Al Gore's company to atone for his carbon-emission sins has not been disclosed.

10. ATMOSPHERIC CHEMISTRY: NITROUS OXIDE THREAT TO OZONE

As halocarbons decline, N₂O emerges as a chemical of concern

Jyllian N. Kemsley, C&EN August 31, 2009 Volume 87, Number 35 p. 8

Nitrous oxide emissions are now the single most important threat to the ozone layer, which protects Earth and its inhabitants from ultraviolet radiation, NOAA scientists report in Science magazine.

The chemistry of atmospheric N₂O is well-established: It is stable in the lowest level of the atmosphere, the troposphere, where it has a lifetime of about 100 years and acts like a greenhouse gas. When N₂O migrates up to the stratosphere, it is converted to NO, which reacts with O₃ to produce NO₂ and O₂. NO₂ in turn reacts with O to re-form NO.

The new work uses this N₂O chemistry to calculate nitrous oxide's "ozone-depletion potential," which compares the O₃ destroyed per unit mass of N₂O and per unit mass of CFC13 (HFC).

The result shows that the ozone-depletion potential of N₂O is comparable with that of several hydrochlorofluorocarbons, the industrial use of which is set to be phased out by 2030 in accordance with an international treaty, the Montreal Protocol on Substances That Deplete the Ozone Layer.

When the NOAA group weighted current atmospheric emissions by their respective ozone-depletion potentials, N₂O emerged as the most critical ozone-depleting substance.

"In the ozone-depletion story of the past few decades, the focus has been solely on chlorine and bromine compounds," says Martyn Chipperfield, professor of atmospheric chemistry at the University of Leeds, in England. "This paper neatly demonstrates that we are now at a point where N₂O/NO_x is the biggest threat to the ozone layer." Ironically, atmospheric chlorinated compounds reduce the ozone-depletion effects of N₂O, which should therefore worsen as chlorine levels drop.

Nitrous oxide in the atmosphere comes from both natural and anthropogenic sources, says A. R. Ravishankara, who led the NOAA group. About one-third of atmospheric N₂O comes from human activities, in particular agriculture. Scientists estimate that anthropogenic sources of N₂O are increasing at a rate of about 1% per year, Ravishankara says.