



NOT YET BEYOND PETROLEUM

By Rana Odeh

“Oil rigs today generally don’t cause spills... Even during Katrina, the spills didn’t come from oil rigs, they came from refineries onshore,” President Obama said, just 18 days before the explosion of BP’s Deepwater Horizon rig in the Gulf of Mexico.

His statement explains why we live in a nation that continues to carelessly exploit its environment and its people. The reason that Obama would make such an ignorant statement is that BP was never subjected to an environmental impact study. How can an oil conglomerate with the capacity to refine 475,000 barrels of crude oil daily and generate \$6 billion in quarterly profits be allowed to set up an oil rig 5,000 ft. deep in the Gulf of Mexico without having to first produce an environmental impact statement?!

The National Environmental Policy Act (NEPA 1970), requires the federal government to “use all practicable means to create and maintain environmental conditions in which man and nature could

exist in productive harmony.” Well, we know that standard went out of the window decades ago, but let’s look further into how BP gets away with death and destruction. The NEPA process consists of an evaluation of the environmental impact of proposed projects and their alternatives under federal jurisdiction. The process consists of three levels of analysis depending on how significant the environmental effect is. The three levels of analysis are: categorical exclusion determination; preparation of an environmental assessment/finding of no significant impact (EA/FONSI); and preparation of an environmental impact statement (EIS).

“At the first level, an undertaking may be categorically excluded from a detailed environmental analysis if it meets certain criteria which a federal agency has previously determined as having no significant environmental impact.” Somehow, BP’s oil rig project in the Gulf was categorized as having “no significant environmental impact,” and was therefore exempt from any environmental impact assessment! That is why President Obama repeats statements made by a company to which the Labor Department’s Occupational Safety and Health Administration (OSHA) has issued 439 new “willful” safety violations. BP also faces charges for its failure to implement safety measures regarding its 2005 Texas City refinery explosion which killed 15 people and injured 170 others, an oil spill in Prudhoe Bay, manipulating the entire U.S. propane market, price gouging California electricity consumers, violating the Clean Air Act in Indiana, and workplace violations in its Ohio refinery.

There is really no point in giving detailed information about the fines BP has paid for

its numerous violations, because they are simply multiple slaps on the wrist. The oil giant has refused to install emergency backup valves, which are mandatory in many countries but not in the U.S. Those safety valves would shut off the flow of oil in the event of a blowout. Each valve costs \$500,000, but the company would rather spend the money lobbying Congress to pass legislation which exempts them from the NEPA assessment, and on paying relatively small fines for their incompetence. This says one thing about this “democratic” country we live in; it puts corporate interest ahead of the safety of its people and the environment. With the recent Supreme Court

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decision, corporate power will only increase, and the safety and health of the average citizen and environment is damned.

BP is not an outlier; nearly all of the oil companies treat workers and the environment with the same cruelty, with little to no reprimand from the government. These companies should be held responsible for the death and injury of their workers, and the destruction of the environment. There needs to be a criminal investigation, to bring criminal charges against the BP executives who are responsible for the negligence, and government officials who allowed them to avoid regulations.

As we reach peak oil consumption, we are going to have to drill further offshore in deeper water which only makes the drilling accidents more likely and more catastrophic, especially in places like Alaska, under inclement weather conditions, where it would be nearly impossible to clean or contain the spill.

It is selfish and stupid to try to maintain our oil consuming lifestyles. Some may think the oil spill is a terrible disaster that will affect the Gulf of Mexico and residents of the region only. This cannot be further from the truth. Yes, it is one disaster at a time, and one location at a time, but the incidents are happening with greater frequency and magnitude.

The planet does not have enough time to heal from the first blow before it gets struck again, and we really need to invest in alternative sources of energy before it is too late. If President Obama wants to justify offshore drilling because it generates tax revenue for the government to invest in alternative sources of energy, then he needs to tax their profits at 95 percent. Maybe, then, shareholders will find it more lucrative to invest in green energy, and BP will truly move Beyond Petroleum.

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THE ECONOMICS OF OIL REMAIN UNCHANGED

By Mark Luedtke



In 2007, *The New York Times* reported, “In unusually urgent tones, the International Energy Agency warned that demand for oil imports by China and India will almost quadruple by 2030 and could create a supply ‘crunch’ as soon as 2015 if oil producers do not step up production, energy efficiency fails to improve and demand from the two countries is not dampened.” While demand for oil has dropped during the recession, the long term outlook remains unchanged - increases in demand for oil are outstripping increases in supply. Even if we discovered a cheaper, safer alternative today, oil would remain the world’s most important energy source for at least the next 20 years because it would take that long to replace the oil infrastructure. But there is no cheaper, cleaner alternative to oil today or on the horizon. More than likely, oil will remain the world’s most important energy source for the next 50 years. To satisfy the increasing demand, we need to produce more oil.

But the irrational response to the tragedy in the Gulf of Mexico threatens to take us backward. Despite 21 years without a major oil spill since the Exxon Valdez, environmental hysterics have worked the political sharks into a frenzy, and smelling blood in the water, they have vowed to use the government’s gun to block any new offshore oil drilling even though they have no power to do so. If anybody’s copy of the Constitution grants the federal government the power to ban offshore drilling, please scan it and e-mail it to this paper. I’d like to see it.

The aristocrats in Washington never let a piece of paper limit their power-lust. They see the Deepwater Horizon tragedy as an opportunity to loot the American people and buy votes. Because everything is for sale at the right price, their ban on new drilling is really just an increase in the price to allow new drilling. Any company that wants to drill for oil offshore in order to satisfy the demands of the people will have to pay more than ever to the aristocrats. Those companies will pass that cost on to consumers in the form of higher prices. Every time we buy gas in the future, we’ll be lining the pockets of Washington politicians even more than we already are.

It’s interesting to examine how different groups have reacted to the spill. British Petroleum (BP), which leased the oil platform, has managed to stop one of the three leaks using its underwater robots. It employed chemical dispersants to break up the oil as it leaks into the sea and as it reaches the surface. It’s lowering a containment structure over the leaks to capture the oil so it can be pumped into a tanker. In a parallel effort, BP is drilling a relief well to divert oil away from the leak. BP is tapping every available resource

in a herculean effort to limit the damage, at least partly because it shares liability.

In stark contrast, Democrats seem thrilled. Offering rare, honest insight into the nature of government, President Obama’s Interior Secretary Ken Salazar said, “Our job basically is to keep the boot on the neck of British Petroleum to carry out the responsibilities they have both under the law and contractually to move forward and stop this spill.”

Scariest of all is how thrilled environmentalists are. They’re reveling in the destruction of livelihoods and wildlife because it advances their Marxist agenda and cripples human development. They seem oblivious to the fact that 11 people are missing and presumed dead. If environmentalists really cared about the environment, they would want the most technologically advanced and clean nation in the world, the U.S., to supply as much of the world’s oil as possible. Instead, they want to block the U.S. from supplying oil, meaning that less advanced nations will supply it and ship it to us, doing significantly more harm to the environment than if we produced it here.

Which brings up the question of why Deepwater Horizon exploded in the first place. Obama had just reached a compromise with Senate Republicans to expand offshore drilling, upsetting the “Bill Ayers”, violent left wing of the Democratic Party, and then Deepwater Horizon exploded. A few days later a second oil rig collapsed in the same area. Those are pretty amazing coincidences. Because radical environmentalists had the most to gain, many have speculated that terrorists blew up Deepwater Horizon, but the latest reports blame an unexpected high-pressure gas flow that overwhelmed the safety systems.

Like the financial disaster and the West Virginia mine collapse, this oil rig explosion has fueled calls for greater government regulations even though a hundred years of regulations failed to prevent those disasters. Regulations are the problem, not the solution. Regulations add to the cost of doing business and therefore force small competitors out of the marketplace. The biggest companies grow bigger and capture the regulatory process through campaign contributions and seduction of regulators.

Despite 3,858 oil rigs in the Gulf of Mexico, this is the first major oil leak there. We should get government out of the way so that private companies can clean it up as efficiently as possible, pay their liability and supply the oil people demand as cheaply and cleanly as possible.

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