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FRIDAY, OCTOBER 21, 2005

THE WEEKLY CLOSER

FROM THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
MAJORITY PRESS OFFICE

VOLUME 1, NUMBER 13

THE WEEK IN REVIEW...

- [Expanding Refinery Capacity: Understanding The BRAC Process And The Gas PRICE Act](#)
- [Statement By Chairman James M. Inhofe On S. 1772, The Gas PRICE Act](#)
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IN THE NEWS...

- [Wilma Is Not Global Warming \(FoxNews.com, Steven Milloy\)](#)

COMING UP...

- [Wednesday, October 26 9:30 a.m.](#)
The Committee on Environment and Public Works will hold a business meeting to consider the following agenda:
 - S. 1772: The Gas Price Act**
 - S. 1869: To reauthorize the Coastal Barrier Resources Act, and for**

QUOTE OF THE WEEK...

"If global warming science were like the kids' game Rock-Paper-Scissors, real-life climate data would trump crystal ball-like mathematical climate models every time. We just need to be on guard so that hysteria isn't allowed to trump the facts."

Steven Milloy
Wilma Is Not Global Warming
FoxNews.com
October 21, 2005

EXPANDING REFINERY CAPACITY

UNDERSTANDING THE BRAC PROCESS AND THE GAS PRICE ACT

During this week's EPW Committee hearing on the Gas Petroleum Refiner Improvement and Community Empowerment Act (Gas PRICE Act), certain Democrat opponents to the legislation attempted to link, inaccurately, the provisions providing incentives to communities for the construction of new refineries and the expansion of existing facilities in the short-term to subsidizing refining companies themselves. One senator remarked "I believe the bill rewards [refiners] for bad behavior with the promise of new subsidies and lax regulation." Another exclaimed, more than once, "The oil industry does not need government help."

There is a reason the words "Community Empowerment" are contained within the title of the legislation. Communities impacted by a military base closure or realignment under the BRAC process do need our help, and that is a primary objective of the Gas PRICE Act. Refineries are not just a good source of high paying jobs, they are also in the nation's interest.

REFINERS DO NOT RECEIVE SUBSIDIES UNDER THE GAS PRICE ACT

S. 1772 directs the Economic Development Administration (EDA) to provide additional resources to communities, not to industry as some claim, facing BRAC-related job loss to consider building refineries on those sites. Those resources would help finance infrastructure improvements or modifications that would likely have to be made regardless of what type of business were to move to the location. Improvements made with EDA grants in the past have

other purposes.

S. Res. 255: A resolution recognizing the achievements of the United States Fish and Wildlife Service and the Waterfowl Population Survey

➤ **Wednesday, October 26 2:30 p.m.**

The Committee will hold its second hearing on eco-terrorism, specifically examining Stop Huntingdon Animal Cruelty (SHAC).

included access roads, sewers, wastewater treatment capacity increases, and rail spurs.

BRAC COMMUNITIES AND THE EDA

The EDA assists communities with economic recovery in the aftermath of a severe and sudden dislocation of jobs. Sections 209(c)(1) and 702 of the **Public Works and Economic Development Act of 1965 (PWEDA)** provide for activities to assist with the transition of military and Department of Energy sites to alternative uses that will spur economic development and job creation:

SEC. 209. GRANTS FOR ECONOMIC ADJUSTMENT. (42 U.S.C. § 3149)

(c) PARTICULAR COMMUNITY ASSISTANCE.— Assistance under this section may include assistance provided for activities identified by communities, the economies of which are injured by—

(1) military base closures or realignments, defense contractor reductions in force, or Department of Energy defense-related funding reductions, for help in diversifying their economies through projects to be carried out on Federal Government installations or elsewhere in the communities;

SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR DEFENSE CONVERSION ACTIVITIES. (42 U.S.C. § 3232)

(a) IN GENERAL.—In addition to amounts made available under section 701, there are authorized to be appropriated such sums as are necessary to carry out section 209(c)(1), to remain available until expended.

(b) PILOT PROJECTS.—Funds made available under subsection (a) may be used for activities including pilot projects for privatization of, and economic development activities for, closed or realigned military or Department of Energy installations.

Under the PWEDA statute, an eligible recipient for assistance is defined as:

- an economic development district;
- an Indian tribe;
- a State;
- a city or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;
- an institution of higher education or a consortium of institutions of higher education; or
- a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

STATEMENT BY CHAIRMAN JAMES M. INHOFE ON S. 1772, THE GAS PRICE ACT

OCTOBER 18, 2005

...The Gas PRICE Act is not some knee-jerk reaction to the recent hurricanes. Rather, S. 1772 builds on the Committee's consideration of issues facing the refining sector since its hearing in May 2004. The fact that the hurricanes shut down one third of U.S. refining capacity did however, highlight what many objective, non-partisan experts have concluded some time ago – the U.S. lacks sufficient refining capacity to make the clean transportation fuels the public demands, and tight capacity translates to significantly higher prices at the pump.

The issue is not solely a U.S. challenge; rather insufficient refining capacity is a global problem. Even Federal Reserve Chairman Alan Greenspan stated as much in a May 20, 2005 speech.

This chart from the energy experts at ICF Consulting depicts global refinery trends. The relatively stable blue and pink lines depict how global demand and global refining capacity are nearly equal. The sharp downward curve shows globally surplus capacity.

The erosion of domestic refining capacity is an erosion of national and economic security. Failing to promote increased domestic refining capacity means that the U.S. is relying on other countries for its gasoline and home heating oil. Today, 25 percent of the East Coast's supply is imported.

So what are we going to do about it? Congress cannot make new refineries spring up over night, states have a primary role in permitting the facilities, and we shouldn't mandate the use of certain fuels where residents don't want them.

The Gas PRICE Act responds to the facts; it supports and assists states in meeting their own objectives that will benefit us all. I am extremely troubled that a critic chose to make sensational, baseless assertions rather than read the text of the legislation before this Committee. As Sir Winston Churchill said, "Truth is incontrovertible, ignorance can deride it, panic may resent it, malice may destroy it, but there it is."

The Gas PRICE Act first directs the Economic Development Administration to provide additional resources to communities (not to industry as some claim) facing BRAC-related job loss to consider building refineries on those sites. Refineries are not just a good source of local high paying jobs, but are in the nation's interest.

Second, states have a significant role in permitting existing or new refineries yet they face particular technical and financial constraints when faced with these

extremely complex facilities. Therefore, the bill establishes a Governor opt-in program that requires the Administrator to coordinate and concurrently review all permits with the relevant State agencies. This voluntary program does not waive or modify any environmental law, but assists States and consumers by providing greater certainty in the permitting process.

Third, natural gas prices this winter are projected to increase 75 percent. The Gas PRICE Act increases efficiency by providing grants to identify and use methane emission reduction through EPA's Natural Gas Star Program; and it requires the EPA to conduct methane emission reduction workshops for state officials.

Fourth, the recent hurricanes forced EPA to invoke new authority under EPACT 2005 to ensure that consumers get the fuel they desperately need. S. 1772 simply clarifies that states acting pursuant to a federal emergency waiver will be held harmless. Additionally, bi-partisan Senators have sought to reduce the number of boutique fuels to promote greater supply stability. Yet, boutique fuels address environmental needs of each region. Therefore, I have proposed a cautious approach that will reduce fuel blends pursuant to the environmental and consumer preferences in each State.

Fifth, policymakers, businesses, and the public have struggled to balance increased demand for transportation fuels with improved environmental quality while keeping prices low at the pump. Most "solutions" have focused on technologies that may not be realized for decades or other measures that would hurt U.S. manufacturers.

As Montana's Governor Schweitzer wrote in a New York Times op-ed titled, "The Other Black Gold," syn-fuels are a part of the answer. These fuels use petroleum coke, a refining waste or byproduct, or domestic coal to produce ultra-clean, virtually sulfur free diesel or jet fuel, and are price competitive at \$35/ barrel of oil.

The Gas PRICE Act requires EPA to establish a demonstration project evaluating the use of these fuels as an emission control strategy, and authorizes EPA to issue up to two loan guarantees designed to promote private sector response. Promoting domestic ways to reduce U.S. oil dependence is an important goal; a goal that 85 Senators, including nearly every member of this Committee voted for in passing the historic Renewable Fuels Standard in the recent Energy Bill.

The choice is clear: increase refining capacity and develop new domestic sources to meet U.S. needs or maintain the status quo, which as ICF Consulting concluded in its summer 2005 report means "a world of higher prices, supply shortages, and slower global economic growth."

The Gas PRICE Act is a very reasonable step toward breaking the status quo by empowering participating states and local communities, increasing efficiency of natural gas, and establishing new programs to develop ultra-clean domestic fuels to benefit U.S. motorists and businesses. I look forward to hearing from our witnesses.

STATEMENT BY CHAIRMAN JAMES M. INHOFE AT THE STAKEHOLDER MEETING ON COASTAL LOUISIANA

OCTOBER 20, 2005

Good morning. I want to thank you all for coming to Washington today to talk about the future of Louisiana. I know that many of you are up from Louisiana and have been working tirelessly to recover from the devastation that followed Hurricane Katrina. I appreciate you taking time from that important mission to join us in the discussion of another very important mission.

I also want to thank Senator Vitter and Senator Landrieu for helping kick off this meeting. As you all know, Senator Vitter is a member of this Committee - he has been a valuable asset to me in understanding the challenges that coastal Louisiana faced prior to Katrina. Since Katrina, I have looked to him to help guide this committee in making decisions that impact Louisiana.

I want to thank Tom Gibson for agreeing to moderate this meeting. Tom is former senior staff of this Committee before becoming Chief of Staff at EPA. He is knowledgeable of the issues and is very highly regarded by all who know him.

This meeting is very important in that it will help Congress to begin to shape a plan for the protection of Louisiana. It is vital that we not only have a plan, but that it be a detailed comprehensive approach to fulfilling the Army Corps' mission in coastal Louisiana - including hurricane and flood protection as well as navigation and wetlands restoration. We also have to ensure that there is proper oversight and cost controls - we cannot afford to do this wrong or for it to be a free spending boondoggle.

As everyone in this room knows, the Senate Environment & Public Works Committee has sole jurisdiction over the Civil Works mission of the Army Corps of Engineers, and that EPW will be the focal point for the development of this comprehensive plan. As Chairman of this Committee, I take that responsibility very seriously and I am pleased we have so many here willing to help us fulfill our mission. It will take hard work and a concerted effort on everyone's part to ensure that we put an effective comprehensive plan above any parochial or special interest project. This is a first step and will be followed by future hearings and detailed discussions - but we begin this process today.

I do want to add that before we get too far down the road of deciding what we should do when rebuilding, we must first know what happened to the levees and why the city was flooded. I know that a joint investigation has been launched, and this committee will monitor that investigation and study their results very carefully.

Once again, thank you all for coming today. I look forward to working with all of you and the EPW Committee to ensure that we put forward a comprehensive plan that is both effective and responsible to Louisiana and the taxpayers across this nation.

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IN THE NEWS...

FoxNews.com

Wilma Is Not Global Warming

Thursday, October 20, 2005

By Steven Milloy

It's shaping up as an "extreme" week for global warming junk science. On Monday, the media reported about a new global warming study with headlines like UPI's "More Extreme Weather Predicted."

By Wednesday, Hurricane Wilma was labeled as the "strongest Atlantic hurricane ever reported," which no doubt will fuel claims that global warming is causing more intense hurricanes.

We can, however, weather such global warming alarmism with the pertinent facts.

Monday's news was generated by a study published in the Proceedings of the National Academy of Sciences by Purdue scientists who used a combination of mathematical models, historical weather data and local climate systems to supposedly predict that the interaction of increasing greenhouse gas concentrations and local geographic features will increase the frequency and severity of extreme weather events, such as floods and heat waves. ...

Although the Purdue study claims that increasing greenhouse gas emission levels will lead to more extreme weather events, a look at the historical record seems to refute the claim.

During the 20th century, for example, atmospheric levels of carbon dioxide reportedly have increased by about 25 percent, from roughly 295 parts per million (ppm) to 370 ppm, with about two-thirds of the increase occurring after 1950. Based on the Purdue researchers' claims, we should then have expected to observe more extreme weather in the U.S. after 1950. But this hasn't been true in terms of temperatures.

During the 20th century, 26 states recorded their record low temperatures before 1950. Only 17 states recorded record high temperatures after 1950. So the post-1950 acceleration in greenhouse gas concentrations doesn't seem to have any effect on the occurrence of extreme temperatures.

There's little reason, then, to have confidence in the claims of the Purdue researchers.

Turning to Wilma — and the inevitability that some will try to link her with the dreaded global warming — real-life data again ought to defuse the alarmism.

Since it's generally agreed by climate researchers that manmade greenhouse gas emissions haven't caused an increase in the frequency of hurricanes, global warming advocates now claim that manmade greenhouse gas emissions will lead to stronger, or more "intense" hurricanes. Such claims have been made most recently in studies by the Massachusetts Institute of Technology's Kerry Emanuel (*Nature*, Aug. 4) and the Georgia Institute of Technology's Peter Webster (*Science*, Sep. 16).

Emanuel claimed in his paper that hurricane strength doubled over the last few decades. But as Virginia state climatologist Pat Michaels recently pointed out, if Emanuel's claim were true, then "the change would be obvious; you wouldn't need a weatherman to know which way this wind was blowing. All of these feuding scientists would have agreed on the facts long ago."

National Hurricane center expert Chris Landsea told the *Chronicle of Higher Education* (Sept. 8) that Emanuel's results are an artifact of the mathematical procedure he used to derive his claims. When looked at properly, the hurricanes of the past two decades aren't unprecedented, according to Landsea. ...

And as far as Wilma being the "strongest" hurricane on record, chief meteorologist for weatherunderground.com and former Hurricane Hunter flight meteorologist Jeff Masters told Reuters that similar storms could have occurred before the 1960s.

"Back then we didn't have satellites and we didn't have aircraft reconnaissance. So it's quite possible that a lot of those hurricanes [were as strong, or stronger than Wilma]. We just weren't around there to see," said Masters.

If global warming science were like the kids' game Rock-Paper-Scissors, real-life climate data would trump crystal ball-like mathematical climate models every time. We just need to be on guard so that hysteria isn't allowed to trump the facts.

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COMING UP...

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- S. 1869: To reauthorize the Coastal Barrier Resources Act, and for other purposes.
- S. Res. 255: A resolution recognizing the achievements of the United States Fish and Wildlife Service and the Waterfowl Population Survey

Resolutions:

Committee resolution on the Beneficial Use of Dredged Material on the Delaware River, Delaware, New Jersey, and Pennsylvania

Two Committee resolutions on additional items in GSA's FY06 Capital Investment and Leasing Program

Wednesday, October 26, 2:30 p.m.

The Committee will hold its second hearing on eco-terrorism, specifically examining Stop Huntingdon Animal Cruelty (SHAC).

Panel 1

John Lewis
Deputy Assistant Director
Federal Bureau of Investigation

Barry Sabin
Section Chief of Counterterrorism Division
U.S. Department of Justice

Panel 2

Representative
Huntingdon Life Sciences

Jerry Vlasak
Stop Huntingdon Animal Cruelty (SHAC)

Catherine R. Kinney
President & Co-Chief Operating Officer
New York Stock Exchange

Bill Holbrook, Communications Director
Matt Dempsey, Deputy Press Secretary