

The Week That Was: 2012-02-11 (February 11, 2012)

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The Science and Environmental Policy Project

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On the Road Again: From February 6 to 17, Fred Singer will be traveling to the Southwest and West US to spread the joyous news that the NIPCC Reports are correct and the IPCC models do not conform to observations. Humanity has little to fear from the false claims of unprecedented and dangerous global warming. His public talks include (no reservations needed):

Feb 14 SAN DIEGO
4 – 6 pm Cal State Univ, San Diego, Aztec Hall, Room 107,

Feb 15 ALBUQUERQUE, NM
6-8pm Public Lecture. at UNM Law School For info visit www.riograndefoundation.org

Feb 16 ALBUQUERQUE, NM
5pm SIGMA XI LECTURE at Univ of NM Conference Center, Room C

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Quote of the Week:

“...it is an established rule of the Society, to which they will always adhere, never to give their opinion as a Body upon any subject either of Nature or Art, that comes before them.” The ‘advertisement’ to The Philosophical Transactions, 1753 – on establishing the Royal Society [H/t Andrew Montford]

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Number of the Week: 8.7% and 1%

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THIS WEEK:

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

Bureaucracy v. Science: One of the great disappointments in science over the past few years is the extent to which scientific organizations, which once proudly considers themselves independent, have succumbed to government policy, indeed have become agents of government policy. Once the leadership recognized scientists can have a wide range of opinions on a single issue, even a scientific issue, and zealously guarded this independence. Today, the leadership of many science societies have embraced the official global warming position of the UN Intergovernmental Panel on Climate Change (IPCC) – that climate change is unusual, which it is not, and that human are responsible for climate change, largely through emissions of carbon dioxide. The view represents an appalling ignorance of the earth’s climate history and fails to establish the scientific basis for the claim that atmospheric carbon dioxide causes substantial global warming.

In *Nullius in Verba: On the Word of No One*, Andrew Montford, the author of *The Hockey Stick Illusion*, gives a point by point account of how the Royal Society in London has changed from a once proud defender of science and scientists, regardless of opinion, to an advocate of government policy. In the forward of the pamphlet, MIT Professor Richard Lindzen relates how similar actions have occurred in the US, particularly in the National Research Council (NRC) branch of the National Academy of Science. For example, in 2011 the NRC produced *America’s Climate Choices*, which is little more than outright global warming advocacy.

In fitting irony, *The Wall Street Journal*, published a letter by the President of the American Physical Society (APS) who attempted to counter the arguments advanced by the 16 scientists challenging the IPCC position and tried to justify the leadership of APS issuing a statement endorsing the IPCC. He fails and equivocates on the meaning of incontrovertible.

In his farewell address to the Nation in 1961, President Eisenhower cautioned against the power of money from the government in influencing scientific research, and the “danger that public policy could itself become captive of a scientific-technological elite.” Andrew Montford has articulated how this danger comes about. Please see links under “Politicizing Scientific Organizations” and Article # 1.

Review of 2011 from an Australian Prospective: Palaeoclimatologist Bob Carter, author of *Climate: The Counter Consensus* and co-author of the 2011 report of the Nongovernmental International Panel on Climate Change (NIPCC), has reviewed 33 challenges, only a part of the many, to the claim that human carbon dioxide emissions are causing dangerous global warming from an Australian Prospective for 2011. During this time the public was deceived by the Prime Minister and her cabinet and the government adopted a carbon tax, contrary to campaign promises of the Prime Minister. As he states: “The 2011 climate year, then, as judged from both media coverage and new scientific literature, has confirmed the existence of two entirely parallel universes of climate thought.” One universe is that independent scientific thinking and public opinion moving away from climate alarmism. The second universe, represented by the IPCC and the Australian government, is continued projection of climate alarmism. For this compelling review of the year, please see link under “Challenging the Orthodoxy.”

Nuclear Plants: On February 9, the US Nuclear Regulatory Commission (NRC) approved two new nuclear plants for construction – the first such approvals in over three decades. (There is a plant under construction but that was a TVA plant that was largely constructed, then mothballed in the 1980s.) The chairman of the commission opposed the approval stating that the NRC still needed to learn the lessons from the natural disaster at Fukushima, Japan. He is the former science advisor to Senator Harry Reid who stopped the Yucca Mountain Nuclear Waste Repository.

The plant at Fukushima is 40 year old technology built on the coast of Japan in an area known for earthquakes and tsunamis. The terrain is such that it will channel and intensify the heights of tsunamis. When the earthquake hit, shutting off electricity, the plant shut down the reactor as designed, but required electricity from back-up generators to continue to pump water to cool the reactor. The following tsunami destroyed the back-up generators causing the plant to overheat and the subsequent damage.

The reactors that were approved by the NCR are the third generation Westinghouse AP1000 which have passive shutdown (no human actions required) and passive cooling (no pumps needed). The location where the reactors will be built is near Waynesboro, Georgia. It is not seismically active, and the site is at an elevation of about 200 feet and separated from the Atlantic Ocean by about 100 miles of flat land. If a tsunami reaches it, the nation will have much more to worry about than the condition of a nuclear power plant.

It is important to note that due to the excesses of the 1970s, including major cost overruns, changing regulations, plant cancellations, and extreme fear in the public about nuclear energy, the new plants require Federal government loan guarantees, in this instance amounting to a reported \$8.3 Billion. The reports state that the total project cost is about \$14 Billion.

According to the World Nuclear Association, China now has 14 operating nuclear plants and more than 25 under construction – four of these are a modified AP 1000 design. [Westinghouse is a unit of Toshiba.] The China’s nuclear experts choose the AP 1000 design. “The key factors in choosing this were passive design, simplified safety system, modular construction giving more rapid build and better cost control, and smaller components allowing more ready localization.”

The general concept is to use standardize designs to reduce the total cost of construction and delivery. (This is similar to a large volume home builder using standard designs on many locations.). According to

reports, China expects a 20% reduction in the costs of building standardized nuclear power plants as the expertise in building them improves. Although there are some reports on the estimated capital costs of construction per MW of capacity, these are not readily transferable to the US or other nations. Please see links under “Nuclear Energy and Fears.”

Voodoo Science: The 2007 Assessment Report (AR4) of the IPCC claimed that the ice and snows covering the Himalayan would melt by 2035. This so upset the government of India that it commissioned its Himalayan expert, V.K. Raina, to make an independent study – finding there was no general trend. The report was independently reviewed by Australian glacier expert Cliff Ollier, a TWTW reader, who declared the findings of V.K. Raina were splendid and the IPCC claims are “unsupported, unscientific, and wrong.” [TWTW: 2010/11/13] When presented with the study, IPCC Chairman, Rajendra Pachauri, declared it “Voodoo Science.”

Now a new report using a pair of satellites called GRACE shows that the mass ice balance of the glaciers in the mountain ranges from the Himalayas to Tian Shan to the north has not changed in ten years. Apparently, the ice loss for Greenland and Antarctica is also small. As all too typical, the reports emphasized ice melt at the bottom of the glaciers. Perhaps herein is the Voodoo Science: water that is lost by melting ice at the bottom of glaciers, lower and warmer elevations, is replaced by snow and ice accumulating at the top of glaciers, higher and colder elevations. Please see articles under “Changing Earth.”

Time to Change Sea Levels? Without the assumption of thermal expansion of the oceans from growing warming, which is no longer occurring, the above reference GRACE study estimates a sea level rise of about 1.5 mm a year – or about 15 cm per century (6 inches). As reported in NIPCC 2008, Fred Singer estimated 18 to 20 cm. The 2007 IPCC report, AR4, estimated up to 59 cm (23 inches) and James Hansen of NASA-GISS estimated 600 cm (236 inches, almost 20 feet). The first IPCC Report had estimates up to 367 cm (144 inches, 12 feet). As of now, Fred Singer’s estimate seems to be holding up the best. What will be the estimate in the next IPCC Assessment Report (AR5) that is due out in a year or two? Please see pp 16-19, NIPCC 2008 http://www.sepp.org/publications/NIPCC_final.pdf.

The Cold Sun: Fritz Vahrenholt, a leader of the German environmental movement, has shocked many environmentalists by stating that he no longer believes in the predictions of the IPCC and the claim human emissions of carbon dioxide are causing unprecedented and dangerous warming. He also announced the publication of a book the title of which is translated to be *The Cold Sun*. Jochem Marotzke, the director of the Max Planck Institute for Meteorology in Hamburg, described the book as representing the views of the climate skeptics. (Presumably climate change is normal and natural.)

In the interview entitled “I Feel Duped on Climate Change”, Vahrenholt’s comments on the global warming advocates are disturbingly appropriate: “The fear mongers are still shaping the political debate. According to the German Advisory Council on Global Change, environmentally minded countries should forcibly bring about reduced consumption for the sake of protecting the climate. This takes us in the direction of an environmental dictatorship. And the fear mongering is also beginning to take effect.” Please see links under “Challenging the Orthodoxy.”

Protecting the Environment or Denying the Public the Benefit of Natural Resources: Perhaps one of the most glorious events an outdoorsman / environmental steward can experience is hiking Bryce Canyon on a crisp, clear, spring dawn following a light snowfall. The play of light on the multifaceted canyon walls is stunning. The colors changing with a multitude of hues as the sun slowly rises are bewildering. The melting snow, as if tears, darkens the complexion, adding depth and complexity seldom seen anywhere. Any environmental steward would insist Bryce Canyon, Utah, must be preserved.

The announcement of a planned expansion of a coal mine ten miles from Bryce Canyon is cause of concern for any environmental steward. However, given the record of Washington in exaggerating claims of environmental damage from beneficial development of the nation's resources; the claim of damages from the coal mine must be carefully examined.

This history of those in Washington making dubious claims against using resources for the benefit of the country include failing to permit development of oil resources in a small section of the Arctic National Wildlife Reserve (ANWR) that was so designated, setting aside massive areas of the west and Alaska as wilderness areas, contrary to the interest of the local population, President Clinton declaring over a million acres of generally waste land in Utah as a national monument to prevent the development of a vast coal resource, and Interior Secretary Salazar recently prohibiting uranium mining on one million desolate acres in Northern Arizona . These are but a few examples of excessive restrictions by Washington that have little basis and do not benefit the public. Please see Article # 3 and as an example of how the nation benefits from the development of natural resources Article #4.

Number of the Week: 8.7% and 1%: As a result of state legislative mandates, Texas has the largest wind capacity of any state in the US. Covering most of the state, the Electric Reliability Council of Texas (ERCOT) is the state grid operator and manager of the wholesale electric market. Using data obtained from ERCOT, Joshua Neeley posted a study on the web site, Master Resource, which includes calculations of the effective wind power in Texas. The peak demand is in the summer and the peak output from wind power is in the winter. ERCOT officially estimates the available capacity from wind power in the summer to be 8.7% of the installed (nameplate) capacity. This percentage is negotiated with the producers, actual production may be less. During peak hour the available capacity may be as little as 1% of nameplate capacity. The wind power is backed up by 1) natural gas turbines and 2) coal plants. Based on reports, the wind farms in Europe may not be doing much better during the current extreme cold. Please see links under "Green ('Clean') Energy – Wind and Solar.

Corrections and Amplifications: Last week TWTW mistakenly stated that the co-discoverers of the bacteria that cause most peptic ulcers were veterinarians. Australian surgeon Bruce Messmer promptly corrected the error identifying the co-discoverers as Dr Barry Marshall, a gastroenterologist and Dr Robin Warren, a pathologist, working together in Perth, Western Australia. They received the Nobel for Medicine for their important work.

Dr. Messmer notes "that both scientists, working together, followed the principles of proper scientific research in medicine by fulfilling the demands of Koch's four step-wise postulates which observe the principles of observation and appropriate experimentation / investigation and which, appropriately modified in terminology, are adaptable to all branches of science:

1. **XX** The microorganism must be found in abundance in all organisms suffering from the disease, but should not be found in healthy organisms.
2. The microorganism must be isolated from a diseased organism and grown in pure [culture](#).
3. The cultured microorganism should cause disease when introduced into a healthy organism.
4. The microorganism must be re-isolated from the inoculated, diseased experimental host and identified as being identical to the original specific causative agent.

XX Koch later abandoned the universalist requirement of the first postulate altogether (i.e. that the microorganism should not be found in healthy organisms) when he discovered asymptomatic carriers of cholera and, later, of typhoid fever."

As ever, TWTW deeply appreciates being so ably corrected.

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ARTICLES:

For the numbered articles below please see this week's TWTW at: www.sepp.org. The articles are at the end of the pdf.

1. American Physical Society Responds

Letter, WSJ, Feb 6, 2012

http://online.wsj.com/article/SB10001424052970203711104577199330965279516.html?mod=ITP_opinion_1

[SEPP Comment: The President of APS equivocating on the meaning of incontrovertible.

2. Political Science

By Charles Battig, VA-SEEE, Letter C-Ville, Feb 7, 2012

<http://www.c-ville.com/index.php?cat=141404064423910>

3. What's the Hold-Up on Alaskan Oil?

My state's ANWR region could produce one million barrels of oil per day if only Washington let us.

By Sean Parnell, WSJ, Feb 9, 2012

http://online.wsj.com/article/SB10001424052970204136404577211622066731382.html?mod=WSJ_Opinion_LEFTTopOpinion

4. Oil and Gas Boom Lifts U.S. Economy

By Russell Gold, WSJ, Feb 8, 2012

http://online.wsj.com/article/SB10001424052970204652904577195303471199234.html?grcc=6097effcc8984448a01ecd53be60835cZ11&mod=WSJ_hps_sections_business

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NEWS YOU CAN USE:

Politicizing Scientific Organizations

Nullius in Verba: On the Word of No One

The Royal Society and Climate Change

By Andrew Montford, Forward by Richard Lindzen, GWPF, 2012

http://www.thegwgf.org/images/stories/gwgf-reports/montford-royal_society.pdf

As the Society's independence has disappeared, so has its former adherence to hard-nosed empirical science and a sober detachment from the political process. Gone is its former focus on natural philosophy as a way to solve the world's problems and in its place is a new science that seeks to conjure up, in the words of Mencken, 'an endless series of hobgoblins' – a stream of apocalyptic visions with which to assail the public. Gone are the doubts and uncertainties that afflict any real scientist, to be replaced with the dull certainties of the politician and the public relations man.

The Perversion Of Science

By Richard Lindzen, GWPF, Feb 9, 2012

<http://www.thegwgf.org/opinion-pros-a-cons/4936-richard-lindzen-the-perversion-of-science.html>

[SEPP Comment: Richard Lindzen's forward in Andrew Montford's *Nullius in Verba*.]

Science: Is the Sun Rising?

Latest on solar

The 2nd Nagoya Workshop on the Relationship between Solar Activity and Climate Changes

Jan 16 & 17, 2012 [H/t Climate Etc]

http://st4a.stelab.nagoya-u.ac.jp/nagoya_workshop_2/

[SEPP Comment: For the technically inclined. The slides are not fully explained.]

Commentary: Is the Sun Rising?

The Sun: O Inconstant Star!

By Patrick Michaels, World Climate Report, Feb 6, 2012

<http://www.worldclimatereport.com/index.php/2012/02/06/the-sun-o-inconstant-star/#more-526>

[SEPP Comment: Survey of different scientific views of the influence of the sun on the earth's climate.]

Climategate Continued

Acton “tricks” the ICO

By Steve McIntyre, Climate Audit, Feb 6, 2012

<http://climateaudit.org/2012/02/06/acton-tricks-the-ico/#more-15536>

[SEPP Comment: Steve McIntyre demonstrates the inconsistencies in University of East Anglia's statements under the Freedom of Information and the Vice Chancellor Action's assurances to the Parliamentary Committee investigating Climategate.]

Challenging the Orthodoxy

Climate Review: I

By Bob Carter, Quadrant, Feb 6 2012

<http://www.quadrant.org.au/blogs/doomed-planet/2012/02/climate-review-i>

[SEPP Comment: The first of four parts. The other parts can be found at this link.]

'I Feel Duped on Climate Change'

Will reduced solar activity counteract global warming in the coming decades? That is what outgoing German electric utility executive Fritz Vahrenholt claims in a new book. In an interview with SPIEGEL, he argues that the official United Nations forecasts on the severity of climate change are overstated and supported by weak science.

By Olaf Stampf & Gerald Traufetter, Tran. By Christopher Sultan, Der Spiegel, Feb 6, 2012 [H/t Tom Sheahen]

<http://www.spiegel.de/international/world/0,1518,813814,00.html#ref=nlint>

Solar Shift Rocks Germany

He was the best-known environmentalist in the German Social Democratic Party (SPD). Now, even Fritz Vahrenholt no longer believes in the predictions of global warming.

By Michael Miersch, FOCUS, Trans. Phillip Mueller, GWPF, Feb 7, 2012

<http://www.thegwgf.org/international-news/4923-solar-shift-rock-germany.html>

Body Blow To German Global Warming Movement! Major Media Outlets Unload On “CO2 Lies!”

By P Gosselin, No Tricks Zone, Feb 6, 2012 [H/t Anne Debeil]

<http://notrickszone.com/2012/02/06/body-blow-to-german-global-warming-movement-major-media-outlets-unload-on-co2-lies/>

Germany's ‘Godfather of Green’ Turns Skeptic

By James Delingpole, Energy Tribune, Feb 9, 2012

<http://www.energytribune.com/articles.cfm/9784/Germanys-Godfather-of-Green-Turns-Skeptic>

“A significant measure of negative feedback to global warming”

By Patrick Michaels, World Climate Report, Feb 8, 2012

<http://www.worldclimatereport.com/index.php/2012/02/08/a-significant-measure-of-negative-feedback-to-global-warming/#more-527>

[SEPP Comment: Is cloud height a feedback from global warming due to carbon dioxide or a forcing by means other than carbon dioxide?]

Effect of Environmentalists Crying Wolf Over Ozone Thinning Appear

By Tim Ball, A Different Perspective, Feb 9, 2012

<http://drtimball.com/2012/effect-of-environmentalists-crying-wolf-over-ozone-thinning-appear/>

Questioning the Orthodoxy

An Unsettling Week For Global Warming's 'Settled Science'

By Patrick Michaels, Forbes, Feb 10, 2012 [H/t ICECAP]

<http://www.forbes.com/sites/patrickmichaels/2012/02/10/an-unsettling-week-for-global-warmings-settled-science/>

Questioning European Green

Energy policy based on renewables will win hearts but won't protect their owners from frostbite and death due to exposure

By Kevin Myers, Independent, Feb 7, 2012

<http://www.independent.ie/opinion/columnists/kevin-myers/kevin-myers-energy-policy-based-on-renewables-will-win-hearts-but-wont-protect-their-owners-from-frostbite-and-death-due-to-exposure-3012098.html>

The best article on wind farms you will ever read

By James Delingpole, Telegraph, Feb 8, 2012

<http://blogs.telegraph.co.uk/news/jamesdelingpole/100136093/the-best-article-on-wind-farms-you-will-ever-read/>

[SEPP Comment: See link immediately above.]

Solar Subsidies Face More Cuts

By Jim Pickard and Pilita Clark, Financial Times, Feb 10, 2012

<http://www.thegwpf.org/uk-news/4942-solar-subsidies-face-more-cuts.html>

[SEPP Comment: Partial article, the full article is behind a pay wall]

Expanding the Orthodoxy

EXCLUSIVE: UN chief, aides plot 'green economy' agenda at upcoming summit

By George Russell, Fox News, Feb 9, 2012 [H/t Kris Allen]

<http://www.foxnews.com/world/2012/02/09/un-chief-aides-plot-green-economy-agenda-upcoming-summit/?test=latestnews#ixzz1lzHfpJkm>

[SEPP Comment: The quest for global environmental governance.]

Seeking a Common Ground

Consensus or not (?)

By Judith Curry, Climate Etc, Feb 6, 2012

<http://judithcurry.com/2012/02/06/consensus-or-not/#more-7052>

[SEPP Comment: The concept of a consensus was contrived by the IPCC; it is both unnecessary and undesirable.]

Trends, change points & hypotheses

By Judith Curry, Climate Etc, Feb 7, 2012

<http://judithcurry.com/2012/02/07/trends-change-points-hypotheses/#more-7002>

[SEPP Comment: A review of issues to resolve to answer the question: "Why has it warmed so much less than the IPCC predicted?"]

Models v. Observations

New Paper That Further Documents A Muted Atmospheric Water Vapor Trend – “Surface Water Vapor Pressure And Temperature Trends In North America during 1948-2010” By Isaac and Van Wijngaarden 2012

By Roger Pielke Sr, Pielke Climate Science, Feb 10, 2012

<http://pielkeclimatesci.wordpress.com/2012/02/10/new-paper-that-further-documents-a-muted-atmospheric-water-vapor-trend-surface-water-vapor-pressure-and-temperature-trends-in-north-america-during-1948-2010-by-isaac-and-van-wijngaarden-2012/>

[SEPP Comment: Additional study showing the water-vapor feedback assumed in the IPCC models is not being found in the climate system. Further documentation that the IPCC models are unsuccessful in basic predictions.]

Changing Weather

Snow, Cold Paralyze Large Parts of Europe

By Staff Writers, AP, Feb 6, 2012

http://online.wsj.com/article/SB10001424052970204136404577204630964425126.html?mod=ITP_pageone_3

Aid sent by helicopter as thousands cut off in Europe

By Staff Writers, Sarajevo (AFP). Feb 8, 2012

http://www.terradaily.com/reports/Aid_sent_by_helicopter_as_thousands_cut_off_in_Europe_999.html

January 4th Warmest in Lower 48, but 9th Coldest Globally Since 1979

By Joe D’Aleo, Weatherbell Analytics, Feb 8, 2012

<http://www.weatherbell.com/weather-news/january-4th-warmest-in-lower-48-but-2nd-coldest-globally-since-1993/>

Australia Where Semi-Permanent Drought Was Promised Repeats Major Flooding of 2011

By Joe D’Aleo, Weatherbell Analytics, Feb 4, 2012

<http://www.weatherbell.com/weather-news/australia-where-drought-was-projected-repeats-major-flooding-of-2011/>

Changing Climate

Sediments from the Enol lake reveal more than 13,500 years of environmental history

By Staff Writers, Spain, SPX, Feb 07, 2012

http://www.terradaily.com/reports/Sediments_from_the_Enol_lake_reveal_more_than_13_500_years_of_environmental_history_999.html

[SEPP Comment: Further confirmation from northern Spain of abrupt climate change at the beginning of the Holocene. Not carefully written.]

Northern Hemisphere temperature patterns in the last 12 centuries

By F. C. Ljungqvist P. J. Krusic, G. Brattström, and H. S. Sundqvist

Climate of the Past, 2011 [H/t Marc Morano, Climate Depot]

<http://www.clim-past-discuss.net/7/3349/2011/cpd-7-3349-2011.html>

Though we find the amplitude and spatial extent of the 20th century warming is within the range of natural variability over the last 12 centuries, we also find that the rate of warming from the 19th to the 20th century is unprecedented.

[SEPP Comment: They probably would not find the rate of change unprecedented if they went as far back as the early Holocene.]

Changing Seas

Levels all at sea

Bly William Kininmonth, The Australian, Feb 10, 2012 [H/t Des Moore]

<http://www.theaustralian.com.au/news/opinion/levels-all-at-sea/story-fn558imw-1226267140819>

Australia is moving towards Asia at about 7cm per year and plate subduction, especially across the north, is recognised but not well quantified. Continental movement, not climate change, is potentially the biggest contributor to recent local sea level change.

Changing Earth

The Himalayas and nearby peaks have lost no ice in past 10 years, study shows

Meltwater from Asia's peaks is much less than previously estimated, but lead scientist says the loss of ice caps and glaciers around the world remains a serious concern

By Damian Carrington, Guardian, UK, Feb 8, 2012 [

<http://www.guardian.co.uk/environment/2012/feb/08/glaciers-mountains?intcmp=122>

Study Confirms Hima-Lyin' About Climate Change

Editorial, IBD, Feb 9, 2012

<http://news.investors.com/Article.aspx?id=600740&p=1&ibdbot=1>

Earth's Polar Ice Melting Less Than Thought

Better technology yields better data. The bad news is the extra water from 2003-2010 would fill Lake Erie eight times

By Jason Koebler, US News, Feb 8, 2012 [H/t Debbie Wetlaufer]

http://www.usnews.com/news/articles/2012/02/08/earths-polar-ice-melting-less-than-thought_print.html

[SEPP Comment: Ignoring the snow and ice that is accumulating.]

U-Boulder study shows global glaciers, ice caps, shedding billions of tons of mass annually

by Staff Writers

Boulder CO (SPX) Feb 09, 2012

http://www.terraviva.com/reports/CU_Boulder_study_shows_global_glaciers_ice_caps_shedding_billions_of_tons_of_mass_annually_999.html

[SEPP Comment: Another alarmist version.]

Cap-and-Trade and Carbon Taxes

NM regulators repeal carbon cap and trade rules

By Staff Writers, CBS, Feb 7, 2012 [H/t SPPI]

http://www.cbsnews.com/8301-505245_162-57372435/nm-regulators-repeal-carbon-cap-and-trade-rules/

India Says 27 Nations to Discuss Retaliation on EU Airline Levy

By Karthikeyan Sundaram, Bloomberg, Feb 9, 2012 [H/t GWPF]

<http://www.bloomberg.com/news/2012-02-09/india-says-27-nations-to-discuss-retaliation-for-eu-airline-carbon-rules.html>

Energy Issues – Non-US

Mixed messages

The Keystone killers are waiting to ambush the Northern Gateway

By Peter Foster, Financial Post, Feb 7, 2012

<http://opinion.financialpost.com/2012/02/07/peter-foster-mixed-messages/>

'The environmental movement has lost its way'

By Yadullah Hussain, Financial Post, Feb 9, 2012 [H/t Tom Harris]

http://business.financialpost.com/2012/02/09/the-environmental-movement-has-lost-its-way/?_lsa=603d0a8f

Canadian Oil For China

By Donn Dears, Power for USA, Feb 10, 2012

<http://dddusmma.wordpress.com/2012/02/10/canadian-oil-for-china/>

Alberta bitumen royalties to hit nearly \$10-billion by 2014-15: forecast

Yadullah Hussain, Financial Post, Feb 10, 2012

http://business.financialpost.com/2012/02/10/alberta-bitumen-royalties-to-hit-nearly-10-billion-by-2014-15/?_lsa=a4b7b521

Canada loses in oil discount

Claudia Cattaneo, Financial Post, Feb 9, 2012

http://business.financialpost.com/2012/02/09/canada-loses-in-oil-discount/?_lsa=a4b7b521

[SEPP Comment: There is more oil than the existing pipelines can move, making the need for the rejected Keystone extension obvious. The same issue applies to oil from North Dakota.]

Energy Issues -- US

Poisoned Politics of Keystone XL

By Joe Nocera, NYT, Feb 6, 2012

http://www.nytimes.com/2012/02/07/opinion/nocera-the-poisoned-politics-of-keystone-xl.html?_r=1&nl=todaysheadlines&emc=th212

Thus, at least one country in North America understands where its national interests lie. Too bad it's not us.

Enough Oil?

By Jeffrey Folks, American Thinker, Feb 10, 2012

http://www.americanthinker.com/2012/02/enough_oil.html

[SEPP Comment: Contrary to the claims of pipeline opponents, the US is a major importer of oil.]

Oil and Natural Gas – the Future or the Past?

Peak Oil Scare Fades with Coming Energy Glut

By Al Fin, Energy, Feb 8, 2012

<http://www.thegwpf.org/best-of-blogs/4928-peak-oil-scare-fades-with-coming-energy-glut.html>

New energy supplies may rock orthodox auto beliefs

By Neil Winton, Detroit News, Feb 8, 2012 [H/t GWPF]

<http://www.detroitnews.com/article/20120208/OPINION03/202080332/New-energy-supplies-may-rock-orthodox-auto-beliefs>

Insight: Poland's shale gas play takes on Russian power

By Michael Kahn, Braden Reddall and Gabriela Baczynska, Reuters, Feb 9, 2012 [H/t GWPF]

<http://www.reuters.com/article/2012/02/09/us-poland-shalegas-idUSTRE8180PM20120209>

US Administration's Control of Oil and Gas

That Jobs Thing Sure Didn't Last Long

Obama rejects Keystone XL jobs, promotes more wind and solar subsidies. What to do now?

By Paul Driessen, The Moral Liberal, Feb 8, 2012

<http://www.themoralliberal.com/2012/02/08/that-jobs-thing-sure-didnt-last-long/>

President Obama's Record on Oil and Gas Production

By Daniel Simmons, IER, Jan 24, 2012

<http://www.instituteforenergyresearch.org/2012/01/24/president-obamas-record-on-oil-and-gas-production/>

Industry slams federal plan to list fracturing chemicals

By Puneet Kollipara, Houston Chronicle, Feb 6, 2012

<http://www.chron.com/business/article/Industry-slams-federal-plan-to-list-fracturing-3087948.php>

Return of King Coal?

Proposed Utah mine expansion reflects politics of coal

An obstacle to greening L.A.'s energy portfolio is the DWP's contract with a Utah plant, which requires the city to buy coal power until 2027. The gritty fuel is now stoking controversy over energy policy, environmental damage and how much consumers should pay to kick the habit.

By Kate Linthicum, LA Times, Feb 7, 2012

<http://www.latimes.com/news/local/la-me-utah-coal-20120207,0,5900382.story>

[SEPP Comment: Affordable electricity is now a habit?]

Nuclear Energy and Fears

NRC approves Vogtle reactors

Construction will pick up speed

By Walter Jones and Rob Pavey, Augusta Chronicle, Feb 9, 2012

<http://chronicle.augusta.com/news/business/local-business/2012-02-09/nrc-approves-vogtle-reactors>

Nuclear Power in China

By Staff Writers, World Nuclear Association, January, 2012

<http://www.world-nuclear.org/info/inf63.html>

Bird numbers drop around Fukushima

By Staff Writers, UPI, Feb 8, 2012

http://www.terradaily.com/reports/Bird_numbers_drop_around_Fukushima_999.html

[SEPP Comment: This may be a spurious inference. It would be interesting to see someone determine the extent of the decline attributed to radiation and that attributed to the environmental damage from the tsunami.]

Japan's "Nuclear Village": too big to fail?

"A Japan without nuclear industry is almost impossible"

By Rudolf ten Hoedt, European Energy Review, Feb 6, 2012

<http://www.europeanenergyreview.eu/site/pagina.php?id=3505>

Green ("Clean") Energy – Wind and Solar

U.S. offshore wind moves forward

By Staff Writers, UPI, Feb 6, 2012

http://www.winddaily.com/reports/US_offshore_wind_moves_forward_999.html

Texas Windpower: EU Energy, Enron Legacy

By Joshua Neeley, Master Resource, Feb 9, 2012

<http://www.masterresource.org/2012/02/texas-eu-wind-power/#more-18578>

ERCOT Expects Adequate Power Supplies for Summer (Update)

By Staff Writers, Press Release, May 31, 2011

http://www.ercot.com/news/press_releases/show/381

[SEPP Comment: Link tone source for the above.]

EWEA: Renewables Made Up 71.3% of 2011 EU New Capacity

By Staff Writers, POWERnews, Feb 8, 2012

http://www.powermag.com/POWERnews/4383.html?hq_e=el&hq_m=2379326&hq_l=14&hq_v=5e660500d0

[SEPP Comment: Is that good news?]

Green (“Clean”) Energy -- Other

If biofuels are not the answer, what is?

By Martin Livermore, Scientific Alliance, Feb 9, 2012

<http://www.scientific-alliance.org/scientific-alliance-newsletter/if-biofuels-are-not-answer-what>

All this strongly suggests that oil-fuelled conventional cars (and lorries, and planes and ships) will remain the norm for the next few decades. Manufacturers continue to develop and refine engines, and enormous strides have been made in fuel efficiency. Doubtless something better will come along, just as the internal combustion engine replaced the horse, but an undeveloped or unsuitable technology cannot simply be foisted on an unwilling public by eager politicians. They should encourage research and development, but stop supporting biofuels until they make economic and environmental sense.

Another Obama-Backed Green Energy Company Stumbles

By Matthew Mosk, ABC News, Feb. 6, 2012 [H/t Catherine French]

<http://abcnews.go.com/Blotter/fisker-automotive-announced-layoffs/story?id=15524021#.TzBGS8g9WSp>

[SEPP Comment: What logic led the Department of Energy to loan massive amounts of money to a company that never built an automobile on the promise of building a very expensive, hybrid to be followed by an “affordable” \$50,000 version?]

Will DOE’s Fisker Doubts Take Down Its Battery Supplier Too?

By Paul Chesser, NLPCC, Feb 10, 2012 [H/t Cooler Heads Coalition]

<http://nlpcc.org/stories/2012/02/09/will-doe%E2%80%99s-fisker-doubts-take-down-its-battery-supplier-too>

Coming soon: Individual mandate to buy Chevy Volts

Editorial, Washington Examiner, Feb 5, 2012

http://washingtonexaminer.com/opinion/editorials/2012/02/coming-soon-individual-mandate-buy-chevy-volts/2173001?utm_source=Washington%20Examiner%20Opinion%20Digest%20-%2002/06/2012&utm_medium=email&utm_campaign=Washington%20Examiner:%20Opinion%20Digest

[SEPP Comment: A \$41,000 electric car is not an affordable car.]

California Dreaming

CPUC: Renewable Market in California Is “Robust”

By Staff Writers, POWERnews, Feb 8, 2012

http://www.powermag.com/POWERnews/4382.html?hq_e=el&hq_m=2379326&hq_l=13&hq_v=5e660500d0

[SEPP Comment: Plenty of profits to be made when governments pass mandates.]

Review of Recent Scientific Articles by NIPCC

For a full list of articles see www.NIPCCreport.org

Errors in General Circulation Models: It Could Be “Double” Trouble

Reference: Liu, H., Zhang, M. and Lin, W. 2012. An Investigation of the Initial Development of the Double-ITCZ Warm SST Biases in the CCSM. *Journal of Climate* 25: 140-155.

<http://www.nipccreport.org/articles/2012/feb/7feb2012a1.html>

Medieval Droughts of the Western United States

Reference: Kleppe, J.A., Brothers, D.S., Kent, G.M., Biondi, F., Jensen, S. and Driscoll, N.W. 2011. Duration and severity of Medieval drought in the Lake Tahoe Basin. *Quaternary Science Reviews* 30: 3269-3279.

<http://www.nipccreport.org/articles/2012/feb/7feb2012a3.html>

Recovery of Coral Reef Ecosystems after Degradation by Humans

Reference: Kittinger, J.N., Pandolfi, J.M., Blodgett, J.H., Hunt, T.L., Jiang, H., Maly, K., McClenachan, L.E., Schultz, J.K. and Wilcox, B.A. 2011. Historical reconstruction reveals recovery in Hawaiian coral reefs. *PLoS ONE* 6: e25460.

<http://www.nipccreport.org/articles/2012/feb/8feb2012a1.html>

Eight Centuries of Climate Change in Northeast Spain

Reference: Morellon, M., Valero-Garces, B., Gonzalez-Samperiz, P., Vegas-Vilarrubia, T., Rubio, E., Rieradevall, M., Delgado-Huertas, A., Mata, P., Romero, O., Engstrom, D.R., Lopez-Vicente, M., Navas, A. and Soto, J. 2011. Climate changes and human activities recorded in the sediments of Lake Estanya (NE Spain) during the Medieval Warm Period and Little Ice Age. *Journal of Paleolimnology* 46: 423-452.

<http://www.nipccreport.org/articles/2012/feb/8feb2012a3.html>

Health, Energy, and Climate

Irradiate and SmartWash before you spin your salad

By Staff Writers, Facts and Fears, Feb 8, 2012

http://www.acsh.org/factsfears/newsID.3379/news_detail.asp

Environmental Industry

Evangelical group holds firm on 'pro-life' link to EPA rule

By Ben Geman, The Hill, Feb 10, 2012

<http://thehill.com/blogs/e2-wire/e2-wire/209831-evangelical-group-holds-firm-on-pro-life-link-to-epa-rule>

Little Green Morons

By Alan Caruba, Warning Signs, Feb 8, 2012

<http://factsnotfantasy.blogspot.com/2012/02/little-green-morons.html>

'Gasland' director Joshua Fox vs. the Republican oil lobby

By Dean Kuipers, LA Times, Feb 3, 2012

<http://www.latimes.com/news/local/environment/la-me-gs-gasland-joshua-fox-20120203,0,2807685.story?track=rss>

Other Scientific News

Russia says drillers reach long-buried Antarctic lake

By Matt Smith and Jason Hanna, CNN, Feb 9, 2012 [H/t Bud Bromley]

<http://www.cnn.com/2012/02/08/world/europe/russia-antarctic-lake/index.html>

Rather Than Race To The Moon, The U.S. Should Set Its Sights On Mars

By Larry Bell, Forbes, Feb 7, 2012

<http://www.forbes.com/sites/larrybell/2012/02/07/rather-than-race-to-the-moon-the-u-s-should-set-its-sights-on-mars/>

Surface of Mars an unlikely place for life after 600 million year drought

By Staff Writers, SPX, Feb 07, 2012

http://www.marsdaily.com/reports/Surface_of_Mars_an_unlikely_place_for_life_after_600_million_year_drought_999.html

Heat and cold damage corals in their own ways

By Staff Writers, SPX, Feb 09, 2012

http://www.terradaily.com/reports/Heat_and_cold_damage_corals_in_their_own_ways_999.html

Other News that May Be of Interest

“Fire ice” wonder fuel could be under Scottish coast

By Kirsty Topping, Deadline News, Feb 8, 2012 [H/t GWPF]

<http://www.deadlinenews.co.uk/2012/02/08/fire-ice-wonder-fuel-could-be-under-scottish-coast/>

[SEPP Comment: During the peak oil / natural gas alarm, one government scientist who was considered among the foremost natural gas experts in the world stated in a Congressional hearing that the Gulf of Mexico has enough methane hydrates to run the country for a thousand years, if they could be recovered. Within six months he was no longer with the government.]

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BELOW THE BOTTOM LINE:

Inconclusive Melting As Romm Skips Debate

By Sam Kazman, Global Warming.org, Feb 8, 2012

<http://www.globalwarming.org/2012/02/08/inconclusive-melting-as-romm-skips-debate/#more-12934>

[SEPP Comment: A bit of levity. And with all that melting ice, the sea levels did not rise and Pacific islands did not disappear into the briny deep.]

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ARTICLES:

1. American Physical Society Responds

Letter, WSJ, Feb 6, 2012

http://online.wsj.com/article/SB10001424052970203711104577199330965279516.html?mod=ITP_opinion_1

[SEPP Comment: The President of APS equivocating on the meaning of incontrovertible.

The Jan. 27 op-ed "No Need to Panic About Global Warming" is inaccurate in its characterization of the Climate Change Statement of the American Physical Society (APS), the nation's leading organization of physicists with more than 50,000 members.

The APS statement is unequivocal. It notes that "global warming is occurring." And the commentary states that "while there are factors driving the natural variability of climate (e.g., volcanoes, solar variability, oceanic oscillations), no known natural mechanisms have been proposed that explain all of the observed warming in the past century." The statement does not declare, as the authors of the op-ed suggest, that the human contribution to climate change is incontrovertible.

The APS has dealt with the climate-change issue openly and democratically, and it has given every APS member the opportunity to inform the process. In addition, an independent, unbiased panel examined the statement and consulted with leading climate experts as well as skeptics. Finally, the Council of the APS, comprised of the elected representatives of the society, overwhelmingly approved the statement and accompanying commentary. As it has for 112 years, the APS continues to stand for the utmost integrity in promoting and disseminating scientific research.

Robert L. Byer, Ph.D.

President
American Physical Society
Washington

2. Political Science

By Charles Battig, VA-SEEE, Letter C-Ville, Feb 7, 2012

<http://www.c-ville.com/index.php?cat=141404064423910>

Brendan Fitzgerald's article "Does anyone trust science anymore?" January 24, melds half-truths, undefined terminology, and under-critical reporting. The initial quote of Michael Mann, "hopefully every scientist...is a skeptic," was hopeful. The next sentence has Mann revealing his own muddled bias as he elevates consensus to scientific fact, and then re-labels skepticism as denial.

Later in the article, the reporter introduces the idea of an "inflated idea of how many people disbelieve global warming." Whether promoting manmade global warming or not, there are no informed scientists who "disbelieve global warming." The globe has been warming since the end of the Little Ice Age in the 1800s, and since the last Ice Age 10,000 years ago. This is a straw man set-up. As far as the general public is concerned, the Pew Research poll of January 11-16, 2012, finds public concern with global warming continuing to drop. It ranked last of 22 topics-of-concern. Consensus is not scientific proof; it takes only one negation to disprove the "truth."

The quoted 2010 Stanford University survey of 1,300 climate scientists is a half-truth, as presented. The article notes that only 908 respondents of the 1,300 were used. This is a bit better than the 2009 University of Illinois survey of 10,000 scientists, winnowed down to 77, of which 75 agreed with two survey questions. Unmentioned is the reported "skepticism" of the British Royal Society, France's National Academy of Sciences, India's National Action plan, and others.

Unmentioned are the behind-the-scenes comments of Mann and others in Climategate 1 and 2, which indicate an organized effort to keep dissenting/skeptical climate papers from ever being published. Mann considered his methodology "proprietary," thereby preventing others from verifying his work. Statisticians McShane and Wyner reported in *Annals of Applied Statistics* 2011 that such temperature proxies as tree rings and ice cores are no better than random numbers. Similar rebuttals were made by the 2006 Wegman Commission, and by McIntyre and McKittrick.

Unmentioned is the controversy behind Mann's "divergence problem," whereby he abandons tree-ring methodology when it showed cooling beginning in 1981, and then on used warming data from instruments for the "hockey stick."

"Multiple investigations cleared Mann of wrong doing." None, to my knowledge, ever investigated his science claims. He was cleared by Penn State only of procedural wrong doings. The attitude of UVA is interesting in terms of academic freedom. It has reported to have spent around \$1 million in legal fees to protect Mann's documents from FOIA requests. Uniformed police officers and plain-clothes detectives are the answer to dissent at UVA...Thomas Jefferson's "Academical Village."

Charles Battig, M.D.

VA-Scientists and Engineers for Energy and Environment

Albemarle County

3. What's the Hold-Up on Alaskan Oil?

My state's ANWR region could produce one million barrels of oil per day if only Washington let us.

By Sean Parnell, WSJ, Feb 9, 2012

http://online.wsj.com/article/SB10001424052970204136404577211622066731382.html?mod=WSJ_Opinion_LEFTTopOpinion

Finally, some welcome news from Washington: With a bipartisan voice, the House Natural Resources Committee passed H.R. 7, the American Energy Infrastructure & Jobs Act.

This bill ties energy production to key projects that would generate well-paying jobs sorely needed for our economy and our energy security. It also enables us in Alaska to pursue production on a small section of the Arctic National Wildlife Reserve (ANWR).

This legislation opens 400,000 acres of the ANWR coastal plain's 1.5 million acres—land specifically set aside (by a 1980 federal law) for oil and natural-gas development. The 400,000 acres represents less than 3% of ANWR's 19 million total acres.

So what have we been waiting for?

Twenty-five years ago, the U.S. Department of the Interior recommended that Congress open up this area for oil and gas development. Yet year after year, Washington has blocked Alaska from delivering America's oil to Americans, even as the Energy Department calculates that for every barrel produced from ANWR, one less barrel of imports would be needed.

The federal government must drop these roadblocks. This should not be controversial: The vast majority of Alaskans favor the oil and gas development of this small portion of ANWR. Nor does this have to be a partisan issue: Three Democrats joined 26 Republicans in the 29-13 vote.

The essence of this long-standing argument is this: Greater oil and gas production means jobs and economic growth, which develop the stable communities that underpin a strong nation. Somehow this reasoning continues to fall flat.

Just last month, President Obama said in his State of the Union address that he had directed his administration to "open more than 75% of our potential offshore oil and gas resources." He should have said "redirected," for this simply repackaged his current position on the Outer Continental Shelf, which slowed Arctic development and did nothing to advance ANWR's potential.

ANWR oil—more than 10 billion barrels of it—is accessible. It's extractable. Yet we wait. Ignoring promising domestic production means willingly accepting a steady diet of foreign oil. That's exactly what's happening.

At peak production, ANWR could supply the U.S. with up to 1.45 million barrels of oil per day. Over 10 years, it could produce a sustained rate of one million barrels per day.

We have a world-class pipeline ready to assist with delivery. We currently ship slightly more than 600,000 barrels of oil a day through the Trans Alaska Pipeline, but that figure once stood at two million per day.

With oil from ANWR in the Trans Alaska Pipeline, oil producers could develop nearby fields that otherwise might not be economically feasible.

We have a chance to make this happen under a measure cowritten by House Natural Resources Committee Chairman Doc Hastings (R., Wash.) and Rep. Don Young (R., Alaska) within the American Energy Infrastructure & Jobs Act. It's the Alaska Energy for American Jobs Act, which will:

- Direct the secretary of the interior to hold lease sales on the North Slope of at least 50,000 acres within 22 months of enacting this legislation, then hold subsequent lease sales.
- Direct the secretary of the interior to ensure that this would result in no significant adverse impacts to fish, wildlife, habitat or environment, while the best available technology is employed.
- Ensure a minimal environmental footprint by requiring that land used for production and support facilities does not exceed 10,000 acres for every 100,000 leased acres.

Protecting our lands has long been a priority in Alaska. Prudhoe Bay, which sits 60 miles west of ANWR, has churned out 16 billion barrels of oil over more than 30 years. During that time, the central Arctic caribou herd in the Prudhoe Bay area has grown to nearly 70,000 in 2008 from 5,000 in 1975.

It's no coincidence that the states holding their own during this prolonged economic downturn include America's major energy producers, such as Alaska. Yet regulators keeping federal lands off-limits to oil and gas production also keep Alaska from contributing more affordable energy to other Americans.

For those who don't believe one state can make a difference in helping our nation, just look at the boom in North Dakota. The Bakken region is producing nearly 500,000 barrels of oil per day, pushing North Dakota's unemployment rate down to 3.5%, among the lowest nationally. If the Obama administration is serious about job creation, it can look to Alaska to boost America's work force. These are jobs Americans can do immediately. They are drillers, drivers and roustabouts, engineers, graphic designers and geologists, plumbers, painters and educators.

We don't have to make out-of-work Americans wait any longer.

Mr. Parnell is governor of Alaska.

4. Oil and Gas Boom Lifts U.S. Economy

By Russell Gold, WSJ, Feb 8, 2012

http://online.wsj.com/article/SB10001424052970204652904577195303471199234.html?grcc=6097effcc8984448a01ecd53be60835cZ11&mod=WSJ_hps_sections_business

NAMPA, Idaho—The staccato of nail guns echoes across a cavernous building here as workers piece together manufactured houses with easy-to-clean linoleum floors and rugged interiors for muddy oil-field workers.

There is no oil and gas production in Idaho, but that doesn't mean the U.S. energy boom has bypassed this bedroom community west of Boise. Fleetwood Homes of Idaho, a subsidiary of Cavco Industries Inc., has increased production by 25% since last fall at its Nampa factory, hiring 40 workers and adding hours for employees. It is building the extra-insulated "Dakota" model for shipment 1,000 miles east to the Bakken oil field in North Dakota.

The benefits of the newest energy boom are extending far beyond the traditional oil patch. It's revving up the U.S. economy, Russell Gold reports on Markets Hub.

Were it not for the new demand for oil-field housing, factory manager Jeff Chrisman says he would be handing out furloughs, not overtime. Instead, "We've been able to bring back people that we hated losing a couple of years ago," he says.

An energy boom is revving up the U.S. economy. The use of new drilling techniques to tap oil and gas in shale rocks far underground helped add about 158,500 new oil and gas jobs over the past five years, and economists think it has created even more jobs in companies supplying the energy industry and in the broader service industry. U.S. oil production is rising for the first time in decades. Natural gas has become so plentiful that prices recently plunged to a 10-year low.

The economic benefits of rising energy production are spreading far beyond the traditional oil patch, to Ohio and Pennsylvania, Nebraska and New York, North Carolina and Idaho. Truck drivers from pretty much anywhere can find work related to the surging energy business. Private-equity firms completed \$24.8 billion of energy deals of all types last year, up from \$8.5 billion in 2010, according to data tracker Preqin. Manufacturing plants are returning to the U.S. to take advantage of cheap natural gas, spurring major investments in petrochemical and steel production in the Gulf Coast and Midwest.

Landowners in huge swaths of the country where shale is found are raking in money for leasing their mineral rights. Consumers throughout the U.S. are paying lower bills for heating and electricity because of cheap natural gas. Even the U.S. balance of payments with other countries is improving because of the new energy economy.

"This is probably the biggest stimulus we have going," says Michael Lynch, president of Strategic Energy & Economic Research, a consultant based in Amherst, Mass. Some \$145 billion will be spent drilling and completing U.S. wells this year, up from \$13 billion in 2000, estimates Spears & Associates Inc., an oil-field market research firm.

Though the energy boom looks like a road to prosperity, it may be a bumpy one. Drilling is disrupting communities in ways that are still unfolding, creating concerns about the costs to local governments for things like road damage. It is also raising fears about potential water contamination, air pollution and even earthquakes from the effects of drilling thousands of new deep wells.

Skeptics warn that individual shale communities could experience an employment boom, followed by a painful bust. Rosy economic models "tell us nothing about what will happen when drilling ends," warns a May 2011 paper published by Cornell University's City and Regional Planning Department and funded in part by a foundation opposed to shale drilling.

Indeed, lower prices already have slowed new drilling for natural gas, causing jobs and investment to shrink in some communities. But energy companies have shifted their spending to shale wells that will provide oil, leading to rapid growth elsewhere. Even if gas prices stay low, overall employment is expected to continue rising, says John Larson, an economist with IHS Consulting.

Government officials are highlighting rising energy production as a bright spot in a still fragile economy. During his State of the Union speech, President Barack Obama said, "The development of natural gas will create jobs and power trucks and factories that are cleaner and cheaper." He cited an industry study finding that development of shale gas will create more than 100,000 jobs by the end of the decade. For every new job working in the oil and gas sector, another four are supported by the energy supply chain and by workers spending more money on goods and services, says Timothy Considine, an independent economist who has worked on estimating job creation in the natural resources sector.

Even state officials in New York, which has blocked shale-gas development until an environmental review is completed, say the economic boost would be considerable. "There is potentially a very significant economic upside," says Joe Martens, the state's environmental commissioner. "There's an enormous job impact."

The growth in energy exploration and production is due to the widespread use of horizontal drilling and hydraulic fracturing, or fracking. Horizontal drilling allows energy companies to extract gas and oil up to a mile away from the actual well. Meanwhile, fracking—which involves pumping millions of gallons of water, sand and chemicals to break open dense rocks and release hydrocarbons—has enabled the industry to tap into energy-rich shale formations once overlooked by petroleum geologists.

Beyond simply adding jobs, communities from Pennsylvania and Ohio to Colorado and Texas that are home to this energy boom are experiencing a new emotion: optimism. Jeff Dahl, chief executive of MTR Gaming Group Inc., which operates a casino and resort in Chester, W.Va., says he is seeing consumer confidence rising as landowners get leasing bonuses of thousands of dollars and companies compete for workers.

"People are beginning to believe this is a game changer for the region," says Mr. Dahl. The result is more spending on dining out and entertainment.

Exactly how much money has been flowing from energy companies into landowners' bank accounts is unknown; the Internal Revenue Service doesn't track royalties or payments for leasing land for energy exploration. But the industry says it paid out \$6 billion from 2008 to 2010 just in Pennsylvania, home to much of the Marcellus Shale, a formation of gas-bearing rock.

Scott Kingsley, chief financial officer of Community Bank Systems Inc., which operates 170 bank branches in rural New York and Pennsylvania, says it has seen a 20% growth in deposits in regions where there is shale drilling, versus about 5% elsewhere. Mr. Kingsley says the bank is adding monthly wealth-management seminars to advise customers unused to a sudden influx of money.

The increase in oil and gas well drilling is boosting Nance County, Neb., a rural area west of Omaha that has traditionally produced cattle, corn and hogs.

Now the energy industry is tapping another Nance County resource: two giant sand dunes. Decades of dredging the Loup River has created these dunes, each about a mile long and 60 feet tall. Sand is a critical ingredient in fracking operations because it props open cracks in the shale, allowing oil and gas to flow out.

In 2007, Preferred Sands LLC bought a struggling sand company that had supplied glass foundries, and began to target oil-field companies instead. Now the largest private employer in the county, it has expanded the local work force to 134 from 15 and plans to add another 10 workers by midyear.

"This deal here is like winning the lottery," says Clair Jones, a member of the county board of supervisors. The only downside is that the wages paid at the sand mine have made it tougher for local companies to compete for labor, he says. "It has raised the bar for everyone."

In rural western Wisconsin, state officials are losing count of all the new sand mines popping up. "We've created way over 1,000 jobs in this industry in the last four months," says Tom Woletz, who works for the state's Department of Natural Resources.

The energy industry has discovered so much new natural gas, causing gas prices to drop 39% over the past year, that it is breathing new life into energy-intensive manufacturing such as steel and plastics.

"We think lower natural gas prices are creating a structural economic advantage for the U.S.," says Chat Reynders, chairman and chief executive of Boston-based Reynders McVeigh Capital Management. "It's a new competitive strength for U.S. manufacturers." He points out that people who purchase energy supplies for companies in Asia pay up to six times as much for natural gas as their counterparts in Texas and Louisiana.

Steelmaker Nucor Corp. is among the companies investing in new U.S. manufacturing plants to take advantage of the abundant gas. In 2004, Nucor closed a facility located along the Mississippi River between New Orleans and Baton Rouge that enriched iron for use in steel mills. The company dismantled the facility and shipped it to Trinidad, where an offshore gas field offered a low-cost, long-term supply.

Last year, Nucor began construction on a new iron upgrader, just a few hundred feet away from the old facility in St. James Parish, La. It will cost \$750 million to build and create 150 permanent jobs, which the company says will pay an average of \$75,000 a year.

What changed? "Shale gas allows that natural gas to be more competitive, and more competitive natural gas enabled us to build this facility in Louisiana instead of building a second facility in Trinidad," says John Ferriola, Nucor's president.

Petrochemical makers are also adding capacity because of the low-cost energy. Several companies, including Dow Chemical Co., have announced plans to either restart or build new facilities along the Gulf Coast that will churn out basic ingredients for plastic packaging and car bumpers. Royal Dutch Shell PLC has plans for a similar facility near Pittsburgh.

Other parts of the country are looking for ways to take advantage of the cheap gas. In Maine, Kennebec Valley Gas Company LLC is seeking financing to build a gas pipeline into Augusta. The \$85 million pipeline, which will create an estimated 500 construction jobs, will allow companies and consumers to switch to lower-cost gas from expensive heating oil—and, backers say, knock \$1,200 off the average Augusta homeowner's \$4,400 winter home-heating bill.

"That is money people can put in their pocket," says Rich Silkman, a company principal.

The gas will lower fuel costs and help three local paper mills, which employ 1,700 people, stay competitive, says John Williams, head of the Maine Pulp & Paper Association.

Gas now fuels about one-quarter of U.S. electricity production, a figure expected to rise as proposed environment regulations force more coal-fired power plants to close. Last year, Siemens AG opened a \$350 million facility in Charlotte, N.C., to build giant turbines that generate electricity from natural gas that has hired 700 workers so far.

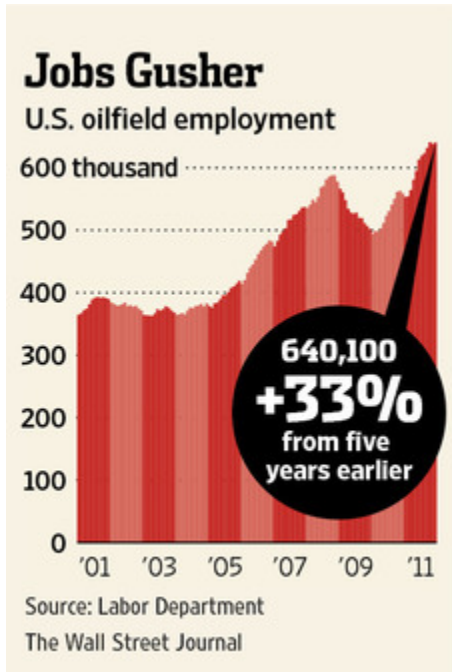
Randy Zwirn, global head of Siemens's energy service business, says it made the investment because it predicts a growing demand for gas-powered electricity. "Shale provides almost an insurance, a hedge, to keep gas prices low," he says.

At Fleetwood Home's factory in Idaho, Mr. Chrisman, the plant manager, had no clue about the energy boom until he received a call from a planned 300-unit housing development in Williston, N.D. He traveled there in 2010 and saw well-paid workers sleeping in their cars in a local Wal-Mart parking lot during winter because of the lack of housing.

As the factory's pace of production began picking up last summer, Mr. Chrisman rehired workers he had let go amid the housing downturn. Shannon Smith returned to her job caulking tiles and cleaning up the houses before they are loaded onto trucks.

"In the two years I was laid off, we lost our house" and racked up a lot of credit-card debt, says Ms. Smith, a mother of two. "There was no money and nothing to do. This is chance to buy groceries again and keep paying the bills."

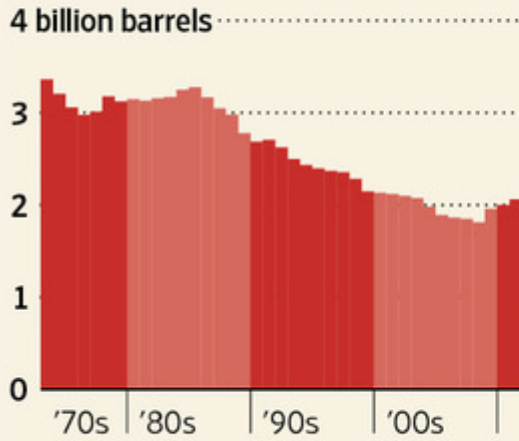
Though she has never seen an oil well, Ms. Smith says, "I hope it keeps coming."



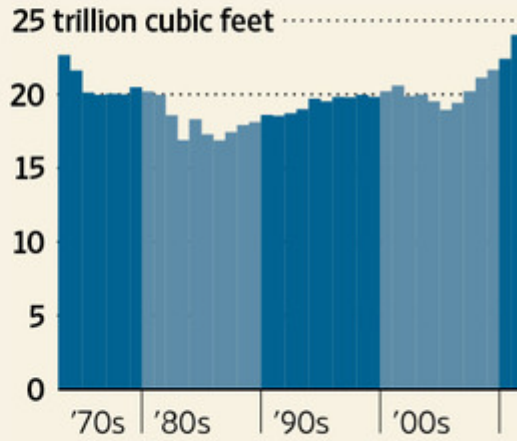
Bouncing Back

After years of decline, U.S. oil production is rising again. And gas production has climbed past its 1970s peak.

Crude oil



Natural gas



Note: 2011 data are full-year estimates calculated using data through November

Source: U.S. Energy Information Administration

The Wall Street Journal

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