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Environmentalists Wary of Obama's Interior Pick

NYT, December 18, 2008; <http://www.nytimes.com/2008/12/18/us/politics/18salazarcnd.html?ref=us>

Big Drilling Issues Await Salazar

WSJ, December 17, 2008; <http://online.wsj.com/article/SB122947337490512319.html>

Salazar to lead 'more proactive Interior Department' – Obama

Greenwire, December 17, 2008; <http://www.eenews.net/Greenwire/2008/12/17/1>

EDITORIAL: Bountiful untapped energy

Washington Times, December 17, 2008; <http://www.washingtontimes.com/news/2008/dec/17/bountiful-untapped-energy/>

Fixing Interior

NYT, December 16, 2008; <http://www.nytimes.com/2008/12/17/opinion/17wed1.html>

Hard Task for New Team on Energy and Climate

NYT, December 15, 2008; http://www.nytimes.com/2008/12/16/us/politics/16energy.html?_r=1

Obama Taps Sen. Salazar for Interior Secretary

CQ Today, December 15, 2008;

<http://www.cq.com/document/display.do;jsessionid=A03B875192D91DEA4B7367A143293FB5.manono?matchId=69287257>

Bush admin proposes critical habitat for Alaskan sea otters

E&E News, December 15, 2008; <http://www.eenews.net/eenewspm/2008/12/15/4/>

Federal energy policy shift likely to be seismic

Houston Chronicle, December 20, 2008; <http://www.chron.com/disp/story.mpl/headline/biz/6174810.html>

By David Ivanovich

WASHINGTON— Many environmentalists are downright giddy.

The election of Barack Obama, and his selection of what the League of Conservation Voters' Gene Karpinski calls the "dream green team" to fashion energy and environmental policy, heralds a dramatic shift from the energy priorities of the last eight years, on issues ranging from offshore drilling to climate change.

Consider two key players:

In the Bush White House, energy policy was crafted by a former oil field services company executive — Vice President and former Halliburton Co. Chairman Dick Cheney.

In the new administration, energy and environmental strategy will be coordinated by the longest-serving head of the U.S. Environmental Protection Agency — Carol Browner.

"I don't think there could be a greater contrast, in terms of their experience or their philosophy," said Wesley Warren, director of programs for the Natural Resources Defense Council.

Obama's energy team represents a "green sweep," said Kevin Book, an oil and energy policy analyst with FBR Capital Markets. It's made up of policymakers Book expects will view energy issues through an environmental lens.

Nobel Prize-winning physicist Steven Chu, nominated as energy secretary, has advocated finding scientific solutions to combat climate change while serving as director of the Lawrence Berkeley National Laboratory in California.

New Jersey environmental regulator Lisa Jackson will lead the EPA. Los Angeles' energy and environmental head Nancy Sutley will run the Council for Environmental Quality.

And Sen. Ken Salazar, D-Colo., who received a 100 percent on the League of Conservation Voters' environmental scorecard for 2008, is Obama's choice for Interior secretary.

"Every single one of the energy policy decision makers has brought environmentalism as part of their energy policy platform," Book said.

To be sure, some environmental activists are still unhappy with Obama's choices. Some have raised concerns that Salazar, a rancher, isn't "green" enough, while critics have accused Jackson of politicizing decision-making and suppressing scientific information while serving in New Jersey.

'We're thrilled'

But after eight years of an administration focused on oil and gas drilling, Warren said, "We're thrilled."

Like President George W. Bush, Obama has repeatedly linked energy to national security.

"We know that the future of our economy and national security is inextricably linked to one challenge: energy," Obama said last week.

Spencer Abraham, who served as Bush's first energy secretary — even after calling for the elimination of the large, unwieldy Energy Department while serving as a Republican senator from Michigan — said security was the overriding issue that held the department's disparate elements together.

And for both administrations, energy has been viewed as a jobs issue.

For the Bush White House, that meant expansion of domestic oil and gas drilling, and the new jobs that activity has brought.

For the Obama team, the emphasis has been on creation of "green energy" jobs, from the high-tech workers trying to create new, cleaner technologies to what Book calls a "conservation army attacking leaky buildings with caulk guns and furnace filters."

The Obama energy team is almost sure to take a more jaundiced view of oil and gas drilling than the Bush White House.

The Bush administration has pushed relentlessly to give the oil and gas industry new areas to explore, whether in the Arctic National Wildlife Refuge or the federal waters offshore.

While the Arctic refuge remains off-limits, Bush lifted a presidential moratorium on drilling off the east and west coasts, while Republicans on Capitol Hill were able to force Democrats to allow a congressional drilling ban to lapse as well.

Democratic lawmakers may find it hard to reinstate the congressional ban, but Obama could put a new presidential moratorium in place.

“What I said during the campaign was that I was open to the idea of offshore drilling, if it was part of a comprehensive package to achieve energy independence,” Obama said when asked about the offshore drilling ban last week.

“I’m not thrilled with it simply lapsing as a consequence of inaction without broader thought to how are we going to achieve energy independence,” Obama said.

The Bush administration, hoping to unlock a domestic resource estimated at 800 billion barrels of oil, has been grappling with Salazar over development of oil and natural gas from the oil shale formations in Colorado and other parts of the Rocky Mountain West.

Last year, Salazar and a group of allies on Capitol Hill attached language to a spending measure that blocked the administration from promulgating new rules to push oil shale development closer to commercialization.

Like the offshore moratorium, that ban was allowed to lapse. And the Bush administration’s Interior Department quickly issued new rules to govern commercial development of oil shale, including offering discounted royalty rates.

Throughout his tenure, Bush also has insisted on building up the Strategic Petroleum Reserve, resisting calls to release crude from the emergency oil stockpile even as oil prices reached record highs last summer.

Joe Terranova, chief alternatives strategist for Hartford, Conn.-based Virtus Investment Partners, predicts Obama, by contrast, will release oil from the reserve if prices jump back up to the \$70 to \$80 range in hopes of pushing prices back down.

Climate change divide

The most striking difference between the two administrations may be in their approaches to climate change.

In 2001, Cheney created an energy task force to help formulate the administration’s energy strategy. And in creating that blueprint, his office sought extensive input from the oil and gas industry but only token participation from environmentalists.

In the resulting 170-page report, climate change is first mentioned on page 52, with a noncommittal observation: “Scientists continue to learn more about global climate change, its causes, potential impacts and possible solutions.”

And since that time, the administration has resisted calls for a plan to curb greenhouse gas emissions.

Last year, the Supreme Court ordered the Bush administration’s EPA to look at regulating greenhouse gas emissions from cars under the Clean Air Act. Since that time, the agency has been engaged in a policymaking process that is widely viewed as a bid to run out the clock.

And just last week, EPA Administrator Stephen Johnson declared the agency did not have to regulate carbon dioxide emissions from power plants and other industrial sources.

Obama, by contrast, has called for creating a mechanism to cap greenhouse gas emissions and allow polluters to trade permits to emit carbon dioxide.

Rep. Bart Gordon, D-Tenn., chairman of the House Science and Technology Committee, said Obama's energy team is all about this "nexus between energy and climate."

That was evident last week when Obama, in introducing his energy team, raised the issue of Americans' "addiction" to foreign oil — "It constrains our economy, shifts wealth to hostile regimes and leaves us dependent on unstable regions"—and then immediately turned to global warming.

"These urgent dangers are eclipsed only by the long-term threat of climate change," Obama said

'Drill, baby, drill' process has begun

CNN, December 20, 2008; <http://www.cnn.com/2008/POLITICS/12/20/oil.drilling/>

WASHINGTON (CNN) -- Remember "drill, baby drill"? In its last weeks in office, the Bush administration is starting to make it happen by quietly starting the process of exploration and drilling off the coast of Virginia.

As the price of gas surged past \$4 a gallon this summer, U.S. drilling became a hot political issue.

The move means that President-elect Barack Obama and brand new interior secretary nominee Ken Salazar -- a Democratic senator from Colorado -- will have to jump feet-first into the decades-old debate over offshore oil drilling. It's an issue where the two disagreed at one point.

Wait. Virginia?

The state is ground zero for the drilling debate because of possible reserves off the coast and what energy experts see as a friendlier government than elsewhere.

The U.S. Interior Department has completed the first step, closing a public comment period on the proposal to lease 2.9 million acres of ocean to natural gas and oil companies. The pie-shaped area begins 50 miles off Virginia's coast, straight out from Virginia Beach on the south and across from Virginia's boundary on the Delmarva peninsula to the north.

"The East Coast really has not been looked at for 30 years," said Randall Luthi, who heads up the drilling plan as director of Interior's Minerals Management Service. Luthi spoke from his Washington office to CNN Radio.

"Our best guess is that area could contain about 130 million barrels of oil and 1.14 trillion cubic feet of natural gas," he said.

Such an oil find would be small compared with the estimated 40 billion barrels in the Gulf Coast. The natural gas is more substantial. But both are symbolic of a rare window of opportunity for the energy industry.

A two-fold ban on Outer Continental Shelf drilling ended in just the past two months.

President Bush responded by repealing a presidential offshore drilling ban put in place by his father. Then in October, a gridlocked Congress let a separate drilling moratorium expire after 26 years on the books.

Back in Virginia, environmentalists echo their Southwestern counterparts, calling the offshore push a last-ditch energy grab.

"We've got an administration on its way out, trying to make its last deal for the oil and gas industry," said Glenn Besa, director of Virginia's Sierra Club chapter.

Besa pointed to what he sees as a platoon of red flags.

"The Navy has a lot of operations out there, in the area where this drilling takes place," he said, "And the North Atlantic right whale, there's only 300 or 400 of those individual whales left, and they migrate through that area as well."

The Navy has expressed concern about the prospect of drilling rigs in the area where much of its Norfolk fleet trains. NASA has objected as well because it launches satellites and low-altitude rockets from its facility on Wallops Island, Virginia.

The state's Democratic governor, Tim Kaine, asked the Interior Department to let Virginia research possible natural gas reserves. But the agency went further, opening the process for oil and gas leasing.

Luthi defends the move without hesitation. "Oil and gas are going to continue to be a major part of our energy needs in this country," he said, "for at least the next generation."

The Minerals and Management chief calls this the start of a long research and regulation period. He said that under ideal conditions, actual leasing of the ocean area could not begin until 2011.

But, the next administration could either promote or stop the process cold.

Obama could simply direct the Department of the Interior to freeze the offshore process. He could also issue another presidential ban on offshore drilling.

Or he could let the idea go forward, something his new nominee to head the Interior Department has favored.

Earlier this year, Salazar was part of a bipartisan group of lawmakers that wanted to open up Outer Continental Shelf drilling in exchange for more investment in low-carbon technology.

At the time, then-Sen. Obama was in the other camp, sharply opposed to offshore drilling. But that changed during the campaign, when gas prices were high and politically explosive. Candidate Obama said that he rethought his position and that "responsible" offshore exploration is part of the total energy picture.

The bold-faced question mark is, where will Obama stand on January 20 when he takes office?

Besa is counting on the incoming president to lean left and stop Virginia drilling.

"I do think that the environmental community's voice will be heard," he said.

But in the Bush camp, Luthi is trying to turn the change in power to his advantage, "That's one reason we started [this process], was to give the new administration an option." he said.

US govt extends comment period on offshore drilling

Reuters, December 19, 2008; <http://uk.reuters.com/article/oilRpt/idUKN1946208920081219>

WASHINGTON, Dec 19 (Reuters) - The U.S. Interior Department said on Friday it extended the public comment period for two weeks on whether the government should lease tracts off the Virginia coast for oil and natural gas drilling.

The department's Minerals Management Service issued a notice last month requesting comments for preparing a report on the possible environmental impacts of drilling offshore Virginia.

The MMS had set an initial Dec. 29 deadline for collecting comments, but now extended it to Jan. 13 to ensure people busy with the holiday season are able to participate.

While it is gathering information, the agency has said no official decision has been made to actually hold a lease sale off the Virginia coast. If the agency decides to allow drilling, the first lease sale for the area is proposed for 2011.

Virginia's offshore areas were included in the agency's current five-year leasing plan that ends in 2012.

Until recently oil drilling was banned off the state's coast.

President George W. Bush lifted the long-standing executive ban on offshore drilling in most areas of the United States in July. Congress followed suit, allowing the moratorium to expire at the end of September.

President-elect Barack Obama repeated this week he would consider allowing more offshore drilling as part of a broader plan to solve America's energy problems.

For Louisiana, Bons Temps Proved All Too Brief

NYT, December 19, 2008; <http://www.nytimes.com/2008/12/19/us/19louisiana.html?hp>

By ADAM NOSSITER

NEW ORLEANS — Six months ago, it was springtime in Louisiana, dollars were raining in from high oil prices, and the tax cuts and highway spending couldn't come fast enough in the euphoric Legislature.

But now oil has plummeted and the joy is gone in a poor state that for a time seemed insulated by natural resources from the national downturn. The budget cuts — big ones — are about to begin.

In Louisiana, the oil-drunk always ends badly. This time, though, the political stakes are bigger than in the past, as the Republican Party's national pinup, Gov. Bobby Jindal, has to absorb the brunt of the state's abrupt shift in fortunes. After glorying in the largess earlier this year, Mr. Jindal has gone to issuing sober news releases about hiring freezes and the new austerity.

His fate is tied as much as anybody's to Louisiana's overdependence on oil. Severance taxes, mostly from oil and gas, made up just over 8 percent of state tax revenue in 2007, according to Census Bureau data, much less than Alaska's 64 percent, but higher than Texas' 6.9 percent. The total take, including royalties and leases from oil, gas and other resources, accounts for just under 17 percent of the Louisiana budget.

But while the leading good-government group here, citing that addiction, warned last May against the Legislature's plan for a \$360 million income tax cut, Mr. Jindal called the tax break "terrific news" and happily signed it into law as legislators cheered.

Admonitions on fiscal prudence went unheeded, as they have so often here, and the bill is now due. Earlier this year there was an \$865 million surplus; now Louisiana has a \$341 million shortfall in its current-year budget, and next year the projected deficit is \$2 billion. It joins 43 states with current and forecast budget gaps in the reckoning of the Center on Budget and Policy Priorities, a Washington research group.

Health care and higher education will probably suffer cuts, the latter perilous in a state that regularly bemoans chronic white-collar outmigration, a trend that touched the governor's own family when his brother moved out of Louisiana. Mr. Jindal recently pointed out that his state was the only one in the South to regularly lose more people than it gained. Now, in the universities that are supposed to be magnets and incubators, faculty positions will go unfilled; academic programs will probably be cut.

There could be some \$109 million in education spending cuts alone, and an additional \$160 million in health care cuts, much from Medicaid — unfavorable circumstances for the rollout of Mr. Jindal's ambitious new plan to partly privatize Medicaid in the state.

"Anybody paying attention knew we were laying the groundwork for fiscal problems, as we cut taxes and raised spending," said James C. Brandt, president of the Public Affairs Research Council in Baton Rouge, an independent group in Baton Rouge. "We hate to say, 'we told you so.' But unfortunately, we seem to be going right down that boom-and-bust cycle again."

Although the Louisiana numbers are small compared with say, those in California, which is looking at an \$14.8 billion gap, they have come as a shock in a state that was until recently patting itself on the back, not only over \$127-a-barrel oil last spring (it is now below \$40) but also big jumps in sales and income tax collections as a result of the post-Hurricane Katrina boom. In the year after the hurricane alone, there was a 19 percent increase in sales tax revenue, much of it from home reconstruction and replacements for lost household items.

Mr. Jindal entered office this year with the happy duty of spending a \$1 billion surplus — and he and the legislators promptly did so, appropriating millions of dollars for highways, ports and a medical research facility, and widely dispensing tax breaks, including one to parents of private school students. The cheery mood in the state Capitol continued all spring, as the legislators then decided to roll back a much-hated income tax increase passed earlier in the decade, costing the state hundreds of millions in revenue in coming years.

"We had so many new members, and they were overwhelmed by the new dollars," recalled State Senator Eric LaFleur, a Democrat. "They felt they ought to give some of it back. I think there was a euphoria on the House side: 'Man, we ought to be giving this money back.' Lot of those guys hadn't been around long enough."

Mr. LaFleur said he had had misgivings about the tax cut but had voted for it, as did every other member of both chambers.

James A. Richardson, an economist at Louisiana State University and a member of the state's official revenue-estimating board, said legislators had been lulled by the post-Katrina revenue. "They felt they had the ability, because you had all this money coming in," Mr. Richardson said. "We were chasing the dollars up the slope."

Indeed, there was teeth-gnashing when Gregory Albrecht, the legislature's chief economist, used what most felt to be a low-ball forecast for the price of oil, \$84 a barrel, when forecasting the revenue the state could spend. "You can tell by the subtext of the questioning — 'why are you so low?' " Mr. Albrecht recalled. "Money was coming in like crazy. Why worry about delaying a tax cut?"

The seasons have turned, and the mood here now is much darker. Now, it is the president of L.S.U. who is gnashing his teeth.

"If we have an open position, we have to stop that looking," said John V. Lombardi, the university system president. Next year, he said, "we may have to confront the possibility of eliminating academic programs."

The consequences are real in a state long ago overtaken by regional neighbors more tightly focused on educational institutions. "It reduces the state's competitiveness in attracting new business," Mr. Lombardi said. "This is a real economic development issue for the state."

Mr. Brandt, of the public affairs council, said cutting education would only increase migration from the state. Louisiana, he said, has "gotten by with these resources others don't have."

"We've not made the decisions we need to," he said, "to get us out of the high-poverty, low-education cycle."

Shell cancels 2009 Alaska drilling program

Greenwire, December 19, 2008; <http://www.eenews.net/Greenwire/2008/12/19/9/>

Shell Oil will not drill or explore in Alaska's Beaufort Sea next year while it focuses on court challenges to its offshore plan.

The 9th U.S. Circuit Court of Appeals ruled last month that federal regulators improperly gave Shell permission to drill in the Beaufort. The three-judge panel then ordered the Minerals Management Service to reconsider exploratory drilling's effect on wildlife and Inupiat Eskimo subsistence hunting and fishing in the region.

Shell said the agency completely analyzed the exploratory plan and correctly determined it would have minimal impact on marine mammals and subsistence activities. But the company will wait to for the full appeals court to hear the case before continuing drilling plans.

The original drilling plan would have drilled three offshore exploratory wells next year, said Phil Dyer, a Shell Alaska spokesman. Now, the company will put together a drilling plan for 2010 and 2011 that will include both the Beaufort and Chukchi seas.

N.J. ready to support three wind farm companies

Press of Atlantic City, December 18, 2008; <http://www.pressofatlanticcity.com/184/story/349709.html>

By Ben Leach

Offshore wind farms are moving one step closer to reality, and three companies will take the same step at the same time.

The state's Board of Public Utilities approved a \$12 million rebate program Wednesday for meteorological towers as part of offshore wind projects. The towers are used to collect wind data and other information to allow wind farms to generate as much power as safely and effectively as possible.

Three companies - Bluewater Wind, Fishermen's Energy and Garden State Offshore Energy - were approved to receive rebates, which means they will begin with meteorological towers and move toward building full wind farms after the towers are completed.

Under the rebate program, \$4 million per meteorological station would be awarded, provided a weather station is up and running at each site by the end of 2009 and is for a wind farm that generates at least 200 megawatts worth of energy.

Gov. Jon S. Corzine's Energy Master Plan set a goal of generating 1,000 megawatts of electricity from offshore wind by 2012. By 2020, the goal becomes 3,000 megawatts, which would be enough to power an estimated 800,000 to 1 million homes in New Jersey.

Because of this ambitious aim, the pilot program that involved a competition for the first offshore wind farm license no longer exists. The winner of the pilot license, Garden State Offshore Energy, plans to build a wind farm that is expected to generate 346 megawatts of energy, well short of the governor's goal.

"Given the governor's aggressive goals, it makes sense (to approve other projects)," said Jennifer Kramer, a spokeswoman for PSEG Renewable Generation, one of the partners of GSOE. "There's certainly enough room in the ocean."

The \$4 million originally awarded to GSOE no longer is being handed out. Instead, GSOE will receive the same amount of money under the rebate program - and "much faster," according to Kramer.

Both Bluewater and Fishermen's are moving ahead with their original plans, although some revisions to the plans they submitted may have to be made once more data has been collected.

"We're really pleased that the state has the confidence to go ahead and start this phase of the project," said Rhonda Jackson, a spokeswoman for Fishermen's Energy.

The towers must be constructed in lease areas approved by the Minerals Management Service. The companies still are going through the approval process.

While the utility companies are glad to be moving forward, some environmental groups are concerned that moving multiple projects ahead at the same time might be risky.

"There doesn't seem to be a comprehensive, step-by-step plan to achieve these 1,000 megawatts in an environmentally sound manner," said Jennifer Samson, principal scientist for the environmental group Clean Ocean Action. "We just really don't know how that's going to happen."

Samson said the purpose of the pilot study was to see if offshore wind power could be achieved in an environmentally sound manner. Now that three projects are going forward without any ecological data on which to base them, her group fears the marine ecosystem as well as bird migration patterns could be at risk.

"If this doesn't work, wind power could lose a lot of public support," Samson said.

Ninth Circuit sides with science - and the law

San Francisco Chronicle, December 18, 2008; <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/12/17/EDC814PD8F.DTL>

Cindy Shogan

The U.S. Court of Appeals for the Ninth Circuit, based in San Francisco, recently ruled that that the federal government's Minerals Management Service illegally gave Shell Oil Co. the green light to drill for oil in the Beaufort Sea, off the north coast of Alaska. But the Institute for Energy Research, which wants the oil industry to face

nothing but green lights on its way to generating new wealth, has said that the decision is an unwieldy impediment that "denies energy access to the people who rightfully own it."

In the past eight years, the oil and gas industry has leased a staggering 4,338,172 acres in the Chukchi and Beaufort seas - an 848 percent increase over the eight years preceding the Bush administration. Just this week, the Bush administration moved forward on plans to offer the largest acreage yet proposed for drilling in the Arctic Ocean, a total of 73.4 million acres. These Arctic waters are being handed over with complete disregard to the impacts on threatened and endangered species - such as bowhead whales and polar bears - and the Inupiat people of Alaska's North Slope, who have lived for thousands of years off the bounty of the Arctic Ocean.

In the Beaufort Sea, Shell planned to drill in the area where bowhead whales migrate and feed. Shell's own data from September 2007 reported thousands of whales in the leased area; on one day in particular, Shell estimated that 40 percent of the entire bowhead population was swimming in those waters. Without the endangered bowhead whale, the traditional Inupiat way of life would be extinct.

As a result of the court's decision, the Minerals Management Service must now go back to study the impacts of drilling on the bowhead whale, other Arctic species and the Inupiat people. This mandate is no different from what is outlined in the federal Environmental Protection Act, which was signed into law nearly 40 years ago by President Richard Nixon. In the past eight years, the service has disregarded the law's directives, taking instead a no-holds-barred approach to oil and gas development in the Arctic Ocean.

The Arctic region is a place defined by extremes. In the winter, the average temperature is minus 30 degrees Fahrenheit; in the summer, winter's blanket of snow and ice is replaced by a lush wonderland of renewal. These extremes come together to create one of the world's most dynamic, intact ecosystems.

America's portion of the Arctic is unique in its ability to support life. In recent years, America's Arctic has shown alarming impacts from climate change. As sea ice melts at an accelerating pace, the wildlife of the region are showing increasing signs of suffering. Perhaps the most alarming part of these drastic changes is the fact that we don't really know how bad it could get if we continue business as usual - especially with additional impacts from oil and gas development.

The Minerals Management Service has already estimated some of these impacts. The agency has said there is a 40 percent chance of a major oil spill in the Chukchi Sea alone, yet there are no oil recovery technologies that work in the Arctic Ocean's icy conditions. What is the oil industry's answer to this threat? "As a company, we could never afford an oil spill in the Arctic," Marvin Odum, president of Shell Oil Co. recently told Petroleum News.

Not much comfort from an industry that averages one spill a day on the North Slope.

The Arctic Ocean is so much more than the world's gas tank. After eight years of an administration that has seen little more than dollar signs in the Arctic's teeming waters, the court's decision is a hopeful sign that the oil industry will be held to a precautionary approach to development in the Arctic, one that prioritizes protection of the region's fragile ecosystem.

Environmental Quality

Washington Post, December 18, 2008; <http://www.washingtonpost.com/wp-dyn/content/article/2008/12/17/AR2008121703049.html>

Barack Obama's energy and environment team should aim for U.S. leadership on climate change.

NOW THAT President-elect Barack Obama's energy and environment team is complete, the message he's sending is loud and clear: The vacuum of U.S. leadership on climate change will be filled. His nominees share his goal of reducing carbon emissions and developing the next generation of energy production that will reduce this nation's dependence on fossil fuels. More important, they generally reflect the pragmatic approach to governing that Mr. Obama appears to be crafting with his Cabinet picks overall.

What Mr. Obama wants to accomplish is well known and would be a radical change in approach from the Bush administration's. Carbon dioxide would be declared a dangerous pollutant to be regulated by the Environmental Protection Agency. California would get the EPA waiver it was denied last year to implement its stringent tailpipe emissions standards. And the United States would institute a cap-and-trade system that would put a price on

carbon and reduce greenhouse gas emissions through a declining allotment of pollution allowances. Mr. Obama has said his goal is to reduce U.S. emissions to the level of 1990 by 2020 -- an ambitious target, though one that falls short of recent commitments by European countries.

Steven Chu, the Nobel physics laureate who has been nominated as energy secretary, heads the Lawrence Berkeley National Laboratory, which focuses on projects that reduce greenhouse gas emissions. Lisa Jackson was chosen to be the next administrator of the EPA. She had been the chief of New Jersey's Department of Environmental Protection and is credited with helping pass the state's Global Warming Response Act (its goal is an 80 percent reduction in the 2006 level of greenhouse gas emissions by 2050). Nancy Sutley will bring her years of experience at the EPA and the California State Water Resources Control Board and as an energy adviser to then-Gov. Gray Davis (D) to bear as the chairman of the White House Council on Environmental Quality. Carol M. Browner, EPA administrator under President Bill Clinton, will coordinate the administration's energy, environment and climate change policy from the White House. (Question: Isn't this what the Council on Environmental Quality is supposed to do?) Rounding out this team are Sen. Ken Salazar (Colo.) and former Iowa governor Tom Vilsack, who were tapped yesterday as the next interior and agriculture secretaries, respectively.

We understand some of the rumblings from industry still smarting over Ms. Browner's aggressive and successful efforts to push through clean-air rules while she was at the EPA. Getting buy-in from all sectors for the tough decisions that are to come to address global warming may require a softer touch. For Mr. Obama himself, the biggest challenge will be addressing climate change while not stifling the growth that will be needed to pull the United States out of its economic pit.

Environmentalists Wary of Obama's Interior Pick

NYT, December 18, 2008; <http://www.nytimes.com/2008/12/18/us/politics/18salazarcnd.html?ref=us>

By JOHN M. BRODER

WASHINGTON — President-elect Barack Obama's choice to lead the Interior Department, Senator Ken Salazar of Colorado, will inherit an agency demoralized by years of scandal, political interference and mismanagement.

He must deal with the sharp tension between those who seek to exploit public lands for energy, minerals and recreation and those who want to preserve the lands. He will be expected to restore scientific integrity to a department where it has repeatedly been compromised. He will be responsible for ending the department's coziness with the industries it regulates. And he will have to work hard to overcome skepticism among many environmentalists about his views on resource and wildlife issues.

One senior Interior Department executive described the job Mr. Salazar has been chosen for as "the booby prize of the Cabinet."

As Mr. Obama introduced Mr. Salazar and Tom Vilsack, the former Iowa governor tapped to be secretary of agriculture, at a press conference Wednesday in Chicago, he said their responsibility would be to balance the protection of farms and public lands against the need to find new sources of energy.

"It's time for a new kind of leadership in Washington that's committed to using our lands in a responsible way to benefit all our families," Mr. Obama said. "That means ensuring that even as we are promoting development where it makes sense, we are also fulfilling our obligation to protect our national treasures."

Mr. Salazar, wearing his customary ten-gallon hat and bolo tie, said that his job entails helping the nation address climate change through a "moon shot" on energy independence. But that would include not just the development of "green" energy sources like wind power, but also the continued domestic development of coal, oil and natural gas, fossil fuels that generate greenhouse gases when they are burned.

Environmental advocates offered mixed reviews of Mr. Salazar, 53, a first-term Democratic senator who served as head of Colorado's natural resources department and as the state's attorney general. Mr. Salazar was not the first choice of environmentalists, who openly pushed the appointment of Representative Raul Grijalva, Democrat of Arizona, who has a strong record as a conservationist.

Oil and mining interests praised Mr. Salazar's performance as a state official and as a senator, saying that he was not doctrinaire about the use of public lands. "Nothing in his record suggests he's an ideologue," said Luke

Popovich, spokesman for the National Mining Association. "Here's a man who understands the issues, is open-minded and can see at least two sides of an issue."

Mr. Popovich noted approvingly that Mr. Salazar had tried to engineer a deal in the Senate allowing mining companies and others to reclaim abandoned mines without fear of lawsuits. (The legislation is pending.) He has also supported robust research on technology to reduce carbon dioxide emissions from coal-burning power plants, something the coal industry favors.

He also backed a compromise that would let oil companies drill for natural gas in limited parts of the Roan Plateau in northwestern Colorado, a plan that most environmental advocates opposed.

Mr. Salazar is a fifth-generation Coloradan who grew up on a ranch near the New Mexico border. He has been a farmer, lawyer and small-business man as well as a public servant.

Pam Kiely, program director at Environment Colorado, said Mr. Salazar had been a champion of wilderness protection and of strong water quality laws, and had raised questions about the environmental costs of oil shale development, a subject of great controversy in the Mountain West. She said he had not spoken out forcefully against oil and gas development in millions of acres of national forests and roadless areas.

"We hope he continues to play a role in ensuring that, as we develop our mineral rights in these incredibly sensitive areas, we require industry to put in place safeguards that protect our health, environment, water and air quality," Ms. Kiely said.

Marc Smith, executive director of the Independent Petroleum Association of Mountain States, said in a statement that Mr. Salazar understood that energy security can be achieved only by making use of all domestic energy sources, including those found on and under public lands.

"We are pleased that the president-elect has chosen someone who understands that there is a direct connection between federal lands and access to affordable, clean natural gas," Mr. Smith said.

While industry officials praised his moderation, Mr. Salazar drew harsh criticism from some environmentalists.

"He is a right-of-center Democrat who often favors industry and big agriculture in battles over global warming, fuel efficiency and endangered species," said Kieran Suckling, executive director of Center for Biological Diversity, which tracks endangered species and habitat issues. "He is very unlikely to bring significant change to the scandal-plagued Department of Interior. It's a very disappointing choice for a presidency which promised visionary change."

Daniel R. Patterson, formerly an official of the Interior Department's Bureau of Land Management and now southwest regional director of the Public Employees for Environmental Responsibility, an advocacy group, said that Mr. Salazar has justifiably become the most controversial of Mr. Obama's cabinet appointees.

"Salazar has a disturbingly weak conservation record, particularly on energy development, global warming, endangered wildlife and protecting scientific integrity," said Mr. Patterson, who was elected last month to the Arizona House of Representatives from Tucson and who supports fellow Arizonan Mr. Grijalva for the Interior job. "It's no surprise oil and gas, mining, agribusiness and other polluting industries that have dominated Interior are supporting rancher Salazar — he's their friend."

Even as Mr. Salazar navigates the department's tricky political cross-currents, he must also deal with significant internal management challenges. Members of Congress and outside groups are calling for review of dozens of decisions made under the Bush administration on endangered species and oil and gas leasing. The senior management ranks of the department have been depleted by departures of demoralized career employees.

And the agency's computer systems are badly in need of repair, after millions of dollars have been spent on systems that have not worked, according to several internal reports.

Big Drilling Issues Await Salazar

WSJ, December 17, 2008; <http://online.wsj.com/article/SB122947337490512319.html>

Obama's Pick to Run Interior Opposed Oil-Shale Work but Helped Broker Offshore

By IAN TALLEY

WASHINGTON -- Sen. Ken Salazar, President-elect Barack Obama's choice to run the Interior Department, is a Colorado Democrat who has opposed Bush administration efforts to open more Western land for oil-shale exploration, but worked with Republicans to broker a deal to allow more offshore oil exploration.

Mr. Salazar has been an outspoken advocate of renewable-energy sources, as have Mr. Obama's pick for energy secretary, Steven Chu, and his choice to be the top White House environmental adviser, Carol Browner. But as head of the Interior Department, Mr. Salazar will be both custodian and gatekeeper for the extensive fossil-fuel resources on public lands.

Mr. Obama is expected Wednesday to announce his nomination of Mr. Salazar as interior secretary and former Iowa Gov. Tom Vilsack as agriculture secretary.

Among Mr. Salazar's mandates at Interior will be restoring confidence in the department's management of mineral resources following a series of scandals at Interior's Minerals Management Service. In one example, officials at the agency, which collects billions of dollars for federal coffers in royalty and lease revenue, were accused by the inspector general this year of improper conduct in relations with oil-industry executives.

One of the hottest issues Mr. Salazar would face would be a decision on where and when the government should allow oil and gas exploration, particularly on the Outer Continental Shelf where experts say billions of barrels of oil and trillions of cubic feet of natural gas lie untapped.

Despite falling oil prices, the Obama administration will have to readdress the drilling issue in the new year. Under pressure from voters whose budgets were hit hard by \$4-a-gallon gasoline, Congress allowed a federal moratorium on offshore drilling to expire, paving the way for a new lease schedule unless lawmakers and the administration reinstate the ban.

Mr. Salazar has opposed expanded oil-shale leases, arguing that such activity could threaten the region's scarce water supplies, and has voted for a federal renewable-energy mandate that would require utilities to provide a growing percentage of the power from sources such as wind and solar. Besides large natural-gas resources, Colorado and the Rocky Mountain states are home to what many scientists believe is some of the best wind-energy potential in the nation.

But he was also one of a group of 16 lawmakers who earlier this year tried to broker an agreement on offshore drilling in exchange for billions of dollars in new spending on low-carbon technologies. Mr. Salazar also made a deal with Sen. Mary Landrieu (D., La.), who publicly credited him with helping to win Gulf of Mexico drilling access in exchange for opposition of oil-shale development.

The Colorado senator has also been in favor of trying to force oil companies such as Chevron Corp., ConocoPhillips and Royal Dutch Shell PLC to renegotiate Gulf of Mexico leases signed in 1998-99 that omitted royalty-price thresholds that government auditors say have cost the U.S. billions in uncollected revenue.

Meanwhile, Mr. Salazar's confirmation would open up his Senate seat. Already Democrats are flooding Colorado Gov. Bill Ritter with advice on how to fill it.

Among the candidates most prominently mentioned: Mr. Salazar's brother, John, a U.S. representative from rural Colorado; John Hickenlooper, the popular mayor of Denver; and U.S. Rep. Ed Perlmutter, who represents the fast-growing Denver suburbs, a rich trove of votes. Another possibility: Federico Peña, the former Denver mayor who served as both energy and transportation secretary in the Clinton administration. Mr. Peña re-emerged this year to vigorously campaign on behalf of Mr. Obama's presidential bid.

Salazar to lead 'more proactive Interior Department' – Obama

Greenwire, December 17, 2008; <http://www.eenews.net/Greenwire/2008/12/17/1>

Noelle Straub

President-elect Barack Obama today announced Colorado Sen. Ken Salazar as his pick to lead and reform the Interior Department, a choice that drew praise from many conservation and industry groups but left some environmentalists unhappy.

At a Chicago press conference, Obama said he wants Salazar to reform the department, which has been plagued by scandals in recent years and has too often been seen as an "appendage of commercial interests."

"I want a more proactive Interior Department; I also want an Interior Department that very frankly cleans up its act," Obama said. "There have been too many problems and too much emphasis on big-time lobbyists in Washington and not enough emphasis on what's good for the American people, and that's going to change under Ken Salazar."

Obama also praised Salazar as having been at the forefront of ensuring balance between development and protecting natural resources. As Interior secretary, Salazar will have an important role in the administration's overall energy discussions, Obama said, particularly citing the Colorado Democrat's experience with oil shale and wind power.

Salazar will be able to communicate with farmers, ranchers, Native Americans, industry and environmentalists, Obama added. "One of the qualities I so admire in Ken is his ability to listen and bring all parties together," he said.

For his part, Salazar said he looks forward to promoting clean energy, modernizing the electrical grid, ensuring wise use of oil and gas resources, protecting parks and open spaces, restoring rivers, and addressing American Indian challenges.

Choice draws praise

Alan Front, senior vice president of the Trust for Public Land, called Salazar a "a true conservation hero" and said he takes a pragmatic and balanced problem-solving approach.

"Ken Salazar has conservationist blood running through him, he understands the West and Western issues and public lands issues, and has a sixth sense of how to achieve protection of places," Front said. "As Interior secretary he will, we're very confident, take care of America's public lands in just the right way."

Salazar can bring wildly diverse interests together and find common ground, said Charles Bedford, Colorado state director of the Nature Conservancy. The senator is moderate, balanced and pragmatic, he said.

"In terms of the issues facing the West, he's probably the dean," Bedford said. "He's a giant in these areas. There's nobody who knows Western public lands, water, endangered species ... as well as he does."

William Meadows, president of the Wilderness Society, called the choice "excellent."

"He has a lifelong understanding and involvement in the West's public lands issues and, as senator, has demonstrated time and again that protecting Colorado's natural features is a priority for him," Meadows said in a statement. "He understands the need to defend the West's land, water, wildlife and communities while appropriately exploring for oil and gas and other extractive resources."

Several groups today also praised Salazar's support for the National Landscape Conservation System and other conservation measures.

Defenders of Wildlife said Salazar has had an "increasingly strong" environmental voting record in the Senate and that it is "hopeful" that he will respond effectively to Interior's challenges.

"We believe Senator Salazar has the potential to be a strong leader of the Interior Department," said President Rodger Schlickeisen in a statement. "We encourage him to recognize that this is a department sorely in need of reform, and we look forward to working with him in addressing the many challenges he will face as chief steward of our national parks, wildlife refuges and public lands in an era of global warming."

A trade group representing smaller oil and gas drillers today said it believes Salazar will give its members a fair hearing, noting that as a senator, Salazar has "proven himself willing to see all sides, listen to all views, and find common ground on some of the most complicated and contentious energy issues facing our nation."

"He is also a lifelong advocate of a multi-use approach to managing our public land and accessing safely the resources that reside beneath it," said Barry Russell, president of the Independent Petroleum Association of America. "The livelihoods of thousands of independent oil and gas operators in this country remain inextricably linked to that access, and that's a point we intend to make early, often and with purpose as this new administration begins to take shape."

Senate Energy and Natural Resources Chairman Jeff Bingaman (D-N.M.) called the choice "superb."

Current Interior Secretary Dirk Kempthorne said Salazar is an "excellent selection."

"As a lifelong Westerner and rancher who has led Colorado's Department of Natural Resources and is a member of the Senate Energy Committee, Senator Salazar already understands many of Interior's diverse and complex issues," Kempthorne said in a statement. "He recognizes the importance that America's federal lands must play in reducing our dependence on foreign energy; he supports our national parks; he has positive relationships with American Indian tribes; he understands the complexities of Western water issues."

League of Conservation Voters President Gene Karpinski also lauded the choice.

"Throughout his career, Senator Salazar has campaigned on a pledge of support for 'our land, our water, our people,'" Karpinski said in a statement. "With a perfect 100 percent score on the 2008 LCV Scorecard, he has lived up to that pledge. As a westerner, Senator Salazar has hands on experience with land and water issues, and will restore the Department of the Interior's role as the steward of America's public resources."

Salazar has earned a lifetime LCV score of 81 percent.

Some environmentalists dismayed

But Kieran Suckling, executive director of the Center for Biological Diversity, called the choice disappointing.

"The Department of the Interior desperately needs a strong, forward looking, reform-minded Secretary," Suckling said in a statement. "Unfortunately, Ken Salazar is not that man. He endorsed George Bush's selection of Gale Norton as Secretary of Interior, the very woman who initiated and encouraged the scandals that have rocked the Department of Interior."

Suckling also cited Salazar's support for some offshore oil drilling along Florida's coast, his vote last year against plans to consider global warming in Army Corps of Engineers decisions and his support for subsidies to ranchers and other users of public forest and range lands, among other issues.

The Center for Biological Diversity and two other Western groups, the Western Watersheds Project and WildEarth Guardians, organized a last-ditch grassroots campaign yesterday opposing Salazar's appointment. They outlined their objections in a letter to the transition team and asked for Rep. Raúl Grijalva (D-Ariz.) to be appointed instead.

Grijalva has long been the top choice of many conservationists for Interior secretary. He had the backing of more than 100 conservation groups; a coalition of scientists, parks and Latino organizations; and House Natural Resources Chairman Nick Rahall (D-W.Va.).

The letter noted that Salazar had threatened to sue Interior if it listed the black-tailed prairie dog under the Endangered Species Act.

Salazar grew up on a ranch and practiced water and environmental law in the private sector for 11 years. He served as state attorney general from 1999 to 2004 before winning election to the Senate. From 1987 to 1994, he served as the governor's chief legal counsel and as executive director of the Colorado Department of Natural Resources.

EDITORIAL: Bountiful untapped energy

Washington Times, December 17, 2008; <http://www.washingtontimes.com/news/2008/dec/17/bountiful-untapped-energy/>

Americans have become open to anything that would lower the cost of soaring energy and oil prices. Energy independence and the impact of foreign energy supplies on American security have become a major policy

concern. Now, President-elect Barack Obama has nominated Steven Chu as energy secretary, Lisa P. Jackson as head of the EPA and Carol Browner in a new position as his energy "czar." His focus is on conservation, global warming and alternative energy sources like wind power rather than on traditional sources of energy like natural gas and oil.

We believe the new appointees should be focused on making use of domestic oil supplies and other natural resources already present to keep America energy independent.

A new study from ICF International commissioned by the American Petroleum Institute, a trade association representing all aspects of the oil and gas industry, provides important information on the issue of energy independence. API's survey says "America's vast domestic oil and natural gas resources that had been kept off-limits by Congress for decades could generate more than \$1.7 trillion in government revenue, create thousands of new jobs and enhance the nation's security by significantly boosting domestic production."

The study focused on untapped crude oil and gas supplies in the Outer Continental Shelf, the Arctic National Wildlife Refuge (ANWR) and the Rockies. Specifically, if drilling were allowed in ANWR by the new Congress and new president, and a portion of federal lands in the Rockies, domestic crude oil production would climb by 2 million barrels per day in 2030 or 36 percent by 2030, API said. That would offset a fifth of the nation's imports. Natural domestic gas production would rise by 10 percent, which would allow America to be much less dependent on foreign oil and energy sources.

This month, in fact, per-barrel oil prices rose slightly by \$1.45 or 3.4 percent, according to MarketWatch. The increase was due to speculation, not action, that Saudi Arabia may cut production of oil. "This study also underscores how the oil and natural gas industry can enhance America's energy security and help solve economic problems by increasing production of our nation's vast oil and natural gas resources," said API President and CEO Jack N. Gerard.

Mr. Obama has stated that he is open at least to offshore drilling as part of a larger energy package. One blockade for Mr. Obama is that leftist "greenies" will protest violently against offshore drilling or use of any federal lands for energy sources like natural gas and oil. But Mr. Obama's new energy team should cede to the results of the API study, as it indicates how America could achieve much greater energy independence and security by using untapped federal lands for drilling. Mr. Obama should consider not just drilling on the outer shelf, but also in ANWR and the Rockies.

Fixing Interior

NYT, December 16, 2008; <http://www.nytimes.com/2008/12/17/opinion/17wed1.html>

Senator Ken Salazar, the Colorado Democrat who is President-elect Barack Obama's choice for secretary of the interior, will inherit a department riddled with incompetence and corruption, captive to industries it is supposed to regulate and far more interested in exploiting public resources than conserving them.

No cabinet post is as critical to the integrity of the nation's parks, its open spaces and its animal species. Mr. Obama, and his environmental adviser in chief, Carol Browner, must be prepared to offer Mr. Salazar full support, especially in fending off the ranchers and the oil, gas, mining and other special interests who have always found the Interior Department to be a soft target, never more so than in the Bush administration.

Mr. Salazar's most urgent task will be to remove the influence of politics and ideology from decisions that are best left to science.

Just as Mr. Salazar's name was surfacing for the job, Earl Devaney, currently the department's inspector general, reported to Congress that on 15 separate occasions the department's political appointees had weakened protections for endangered species against the advice of the agency's scientists, whose work they either ignored or distorted.

This sort of meddling has become standard operating procedure. Julie MacDonald, a former deputy assistant secretary for fish and wildlife and parks, resigned last year after an earlier report found that she had run roughshod over agency scientists and violated federal rules by giving internal documents to industry lobbyists.

Mr. Salazar's second big task will be to achieve a rational balance between the department's oil and gas leasing program and its obligation to protect environmentally sensitive lands and the wildlife that depend on them. Reconciling energy and environmental demands has never been easy, but some interior secretaries — notably Bruce Babbitt, who served under President Bill Clinton — have proceeded with greater care than others.

Mr. Bush's Interior Department, driven largely by Vice President Dick Cheney's drill-here, drill-now energy strategy, has aggressively issued new leases and drilling permits in areas that not only deserve to be left alone but that also, even if fully exploited, would add only marginally to the nation's energy supply.

The third big task will be to deal with departmental corruption, some of it extending back many years.

In September, the industrious Mr. Devaney delivered three reports to Congress detailing widespread corruption in the Minerals Management Service, the division responsible for granting offshore oil leases and collecting royalties. According to Mr. Devaney, officials accepted gifts, steered contracts to favored clients and engaged in drugs and sex with oil company employees.

"Short of a crime," Mr. Devaney said, "anything goes at the Department of the Interior."

He referred, of course, to personal behavior. But the department's failings go beyond that to its coziness with the industries it is sworn to regulate, its reckless assault on the country's natural resources and its abuse of science. Mr. Salazar has his work cut out for him.

Hard Task for New Team on Energy and Climate

NYT, December 15, 2008; http://www.nytimes.com/2008/12/16/us/politics/16energy.html?_r=1

By JOHN M. BRODER and ANDREW C. REVKIN

WASHINGTON — The team President-elect Barack Obama introduced on Monday to carry out his energy and environmental policies faces a host of political, economic, diplomatic and scientific challenges that could impede his plans to address global warming and America's growing dependence on dirty and uncertain sources of energy.

Acknowledging that a succession of presidents and Congresses had failed to make much progress on the issues, Mr. Obama vowed to press ahead despite the faltering economy and suggested that he would invest his political capital in trying to break logjams.

"This time must be different," Mr. Obama said at a news conference in Chicago. "This will be a leading priority of my presidency and a defining test of our time. We cannot accept complacency, nor accept any more broken promises."

Shortly after Mr. Obama spoke, transition officials confirmed that he would select Senator Ken Salazar, a first-term Democrat from Colorado, as interior secretary. Mr. Salazar's appointment will complete the team of environmental and energy officials in the new administration.

The most pressing environmental issue for the incoming team will almost certainly be settling on an effective and politically tenable approach to the intertwined issues of energy security and global warming.

The point person for these issues will be Carol M. Browner, who was named on Monday to the new position of White House coordinator for energy and climate. Ms. Browner, the administrator of the Environmental Protection Agency under President Bill Clinton, will oversee two former aides, Lisa P. Jackson, who was selected as the new agency administrator, and Nancy Sutley, who will be the chairwoman of the White House Council on Environmental Quality. Joining the group will be Steven Chu, a Nobel laureate in physics whom Mr. Obama designated to lead the Energy Department.

Mr. Salazar, a former director of the Colorado Department of Natural Resources and state attorney general, is a farmer and rancher whose family has lived in Colorado for five generations. He is known as a staunch conservationist and an opponent of developing oil shale on public lands.

His appointment will leave a Democratic vacancy in the Senate. Colorado, which voted for Mr. Obama 53 percent to 45 percent, has a Democratic governor, Bill Ritter, who will name a replacement to complete the final two years

of Mr. Salazar's term. Mr. Salazar's brother John, a congressman, is among potential appointees to fill the Senate seat.

The intense ideological and regional rivalries that have stalled climate change legislation in Congress for years have not suddenly melted away. And even though Mr. Obama promises to give energy legislation a high priority, he first must stabilize an economy that is shedding jobs by the hundreds of thousands each month.

The new team faces political urgency to deliver on promises made by Mr. Obama on the campaign trail. One was his pledge to use a cap-and-trade bill for curbing heat-trapping gases as both the means of shifting investments away from energy sources that cause emissions of such gases and also as the source of the \$15 billion a year he promised to invest in advanced energy technology. That figure may be dwarfed by spending on stimulus programs, including so-called green projects like building wind farms and making buildings more energy efficient.

Previous efforts to move a comprehensive climate bill through Congress stalled even without the deepening recession the nation confronts today, said Rafe Pomerance, a negotiator in the Clinton administration on international climate agreements and the president of Clean Air-Cool Planet, a Washington nonprofit group.

Mr. Pomerance said the challenge would be to devise a scientifically rigorous bill that would satisfy lawmakers who fear the costs.

Left unclear on Monday was how the new president's advisers intend to use the levers of government to get to the "new energy economy" Mr. Obama described. Also uncertain was what relationship they would forge with his powerful economic advisers.

"In policy terms, I think there are big questions about what priority will be given to direct public infrastructure spending versus tax-based incentives versus environmental markets versus direct regulation," said Paul Bledsoe of the National Commission on Energy Policy, a bipartisan advisory group. "There is still a very profound debate on all of that."

The diplomatic tension is driven by the steps required to work toward a new global climate treaty, which the United States and nearly all other nations have committed to completing by December 2009. The last round of talks ended last weekend in Poland with few signs of progress on the main goal, limiting emissions of heat-trapping gases without hampering economic development.

It is widely felt that if the United States does not demonstrate concrete domestic steps to curb its emissions from burning fossil fuels, fast-growing developing countries will continue to balk at taking on obligations to cut their emissions. And while Mr. Obama will enjoy a larger Democratic majority than Mr. Clinton did in his two terms, the Senate has long made such steps a prerequisite for its required consent to any climate treaty.

The scientific urgency comes from the unanticipated recent growth in emissions of carbon dioxide in China, India and other countries with fast-expanding economies. This heat-trapping gas is the biggest concern because its long life, once the gas is released, causes it to build in the atmosphere, something like unpaid credit-card debt, as long as reductions are not made.

Additional pressure comes from growing recognition that market forces alone are unlikely to drive the spread of nonpolluting energy technologies fast enough to matter where all the growth in energy use is at its peak, in the rapidly growing countries of Asia and Latin America.

Nathan Lewis, who leads a team at Caltech pursuing ways to greatly improve solar energy technologies, said the appointment of Dr. Chu as energy secretary sent a strong signal that Mr. Obama understood that any program on climate-friendly energy had to have three prongs: increasing efficiency, moving existing nonpolluting energy technologies more quickly into the market, and advancing on the frontiers of energy science in search of radical breakthroughs.

"Energy efficiency cannot be seen as Job 1 and the other stuff Job 2," Dr. Lewis said. "You've got to do them all as Job 1 because they all have to work."

Dr. Chu has spoken of using coal to generate electricity as an environmental "nightmare," but he acknowledges that the nation lacks the technology to replace it or clean it up in the near term. Tom Kuhn, president of the Edison

Electric Institute, a trade group for utilities, said that any solution to the climate problem must address these costs and provide consumers and electricity producers time to adjust.

"There will be major costs," Mr. Kuhn said. "It's a question of trying to mitigate the costs as much as possible."

Obama Taps Sen. Salazar for Interior Secretary

CQ Today, December 15, 2008;

<http://www.cq.com/document/display.do;jsessionid=A03B875192D91DEA4B7367A143293FB5.manono?matchId=69287257>

By Avery Palmer

President-elect Barack Obama has chosen Sen. Ken Salazar of Colorado as Interior secretary, a senior Democrat said Monday.

Salazar was not immediately available for comment. Obama has said he would make a formal announcement on his choice later this week.

Salazar, a Democrat, has an intense interest in public lands issues that are at the forefront of political debate in the mountain West. He is serving his first term in the Senate, having been elected in 2004.

The Interior Department oversees vast areas of federally owned land and mediates disputes about how to use natural resources. For example, the department implements the Endangered Species Act and is in charge of oil and gas leasing.

Obama signaled Monday that the Interior secretary would also play an expanded role in his administration's energy policy.

Salazar recently criticized the department for a decision to set up a leasing program for oil shale resources in Colorado, Utah and Wyoming. He joined Democratic Gov. Bill Ritter in arguing that it was premature to begin a leasing program when the technology for this type of oil extraction is still unproven.

If Salazar's nomination is confirmed by the Senate, Ritter would appoint his replacement.

Bush admin proposes critical habitat for Alaskan sea otters

E&E News, December 15, 2008; <http://www.eenews.net/eenewspm/2008/12/15/4/>

Patrick Reis

The Fish and Wildlife Service released plans today to declare much of southwestern Alaska's coastline as critical habitat for sea otters, a move that environmentalists say could add regulatory hurdles to proposed oil and gas development there.

The habitat designation is part of a legal settlement with the Center for Biological Diversity, which successfully sued in 2005 to list Alaskan sea otters under the Endangered Species Act and again in 2007 to force FWS to declare critical habitat by October 2009. Studies show that species with critical habitat are twice as likely to recover as those without, the advocacy group said.

The service proposal declares 5,879 square miles as critical habitat, including all waters closer than 100 meters from the shore as well as all shallow-water kelp forests, which otters use for hunting and shelter. After taking public comment during the next 60 days, Interior Department officials will make final modifications to the proposal.

Under the Endangered Species Act, agencies are forbidden from engaging in any action on or near critical habitat that would destroy or diminish its ability to support the endangered animals or plants. Among those agencies is Interior's Minerals Management Service, which has proposed opening Bristol Bay and the North Aleutian Basin to oil and natural gas development in 2011.

While not directly in the proposed otter habitat, the MMS leases would be close enough to put otters at risk of an oil spill or other environmental hazards of energy development, said Brendan Cummings, an attorney for the environmental group. Oil spills would be disastrous to sea otters, which continually clean their fur to keep warm in icy waters. As many as 1,000 sea otters perished because of the Exxon Valdez oil spill in 1989.

"There's many reasons we believe leasing [in Bristol Bay] is not just unlawful but also nonsensical," Cummings said, also noting the area's salmon fisheries and endangered Pacific right whales. "Otter leasing adds further rationale for opposing the leases. I don't see how you can have oil leasing in Bristol Bay without it adversely modifying critical habitat."

The center had hoped the habitat proposal would be larger, including deeper water, Cummings said.

MMS officials were unavailable for comment. But Bruce Woods, a spokesman for FWS in Alaska, said much of the proposed critical habitat was in areas with little or no human activity and that the designation would have little effect on commercial fishing, drilling or oil transport.

"This is what our marine biologists determined the sea otter needed to recover," he said. "I'm not going to argue with someone who says adding more habitat would be more protective, but you have to draw a limit somewhere."

The exact causes of the otters' decline remain unknown, but biologists say an increase in predation from orcas, salmon sharks and other ocean predators is likely responsible. Woods said it's possible, though far from definitive, that the effects of climate change have driven predators away from their traditional hunting grounds and toward otter habitat.
