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Dilemmas plague fossil fuel supply

With the Keystone XL pipeline, bans and renewed oil drilling sites in the headlines, let's lay out some of the contradictory and largely irreconcilable situations involving the petroleum industry. The dilemmas seem to fall into these three main categories:

1. The president said no to drilling as he announced plans to preserve 12 million more acres of the Alaskan National Wildlife Refuge, including the Arctic Ocean coastal area where oil companies think additional resources can be tapped.

A few days later the president said yes as he sought to reverse long-banned offshore drilling in unknown resources of the Atlantic Ocean waters off the East Coast in territory that could threaten Delaware and other coastal states.

The Arctic ban is hailed by environmentalists, the Atlantic opening is wanted by the Carolinas and other states that hope to profit from commerce supporting the drilling.

2. Key arguments for the Keystone XL pipeline are that transmission of crude in pipelines is safer and more economical than the mile-long oil trains that have had serious accidents in recent years.

In joining Republicans in approving the pipeline, Delaware's Sen. Tom Carper correctly said six years was too long to have the project tied up in politics. The opposition was directed against shale oil and for renewable energy, reasons far removed from pipeline safety. Obama can show his readiness to work with Congress by approving the final Keystone bill.

Are pipelines safer? The Associated Press says 73 pipeline-related accidents occurred last year, almost double the spills just five years ago. The most recent, in January, in the Yellowstone River, polluted a Montana area's water supply. The Association of Oil Pipelines says most spills involved fewer than five barrels. So much crude is being transported by rail that the limited number of tracks is delaying other product shipments. Transport of shale and fracked oil pose a greater threat than other petroleum but the industry says it'll cost too much to retrofit tankers to make them safe. Newly built rail cars have better safety features.

3. The price of crude continues to drop until it's less than half what it was a year ago, so low in fact that some fracking and drilling operations are shutting down because it costs more to get the crude than it sells for. The International Energy Agency reports worldwide investments in petroleum projects are being cut 15 percent or $100 billion this year.

We're paying around $2 for a gallon of gas, saving Americans hundreds of dollars a year, but the major oil companies are complaining that their income, needed to do more exploration and reward stockholders, is dropping sharply. Part of the price drop is the result of weak economies, itself a worrisome factor.

Let's look at Delaware interests.

Drilling in the Atlantic might create a shoreline threat from serious spills. Just four years ago the Deepwater Horizon blew up in the Gulf of Mexico. Until then the worst drilling platform disaster was in 1969 off Santa Barbara, California. Delaware's sensitive shores have been polluted in the past by spills, explosions and tanker crashes in the Delaware River. Long oil trains roll continuously into the PBF refinery in Delaware City, which emphasizes it has made safety a prime goal. Yet look at the horrible rail track record of the last few years, which has led the federal government finally to intervene to assure more safety measures in crude transport.

Now that North America has become almost self-sufficient in fossil fuels, how can we balance the need for an adequate financial return for the wildcatters and others seeking to assure a future supply of fossil fuels without ending efforts to use alternative energy sources?

If you can reconcile all these seeming contradictions, "you're a better man than I am, Gunga Din."

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