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# Feeling the Impact of Katrina and Rita

**W**hen Katrina made landfall, I was vacationing in Maine, where I did not have access to a radio, television or even the use of a mobile phone. On my car drive back to New York, I quickly learned of the news, and saw its far-reaching impact when I went to refuel my car. Not only was I shocked at the long lines forming at the gas pump, but I was further surprised by \$3.59/gal price tag. And just when oil prices appeared to be settling down, along came Rita, which caused another round of devastation and chaos in the Gulf Coast, and sent oil prices skyrocketing yet again.

A one-two punch, Hurricanes Katrina and Rita are probably the worst natural disasters in the modern history of the U.S. Their impact will have long-lasting effects on the chemical process industries (pp. 8–11). The \$60+/bbl of crude oil is here to stay, and, right now, oil prices remain skittish. At press time, Hurricane Wilma was lurking in the Caribbean Sea. While fluctuating conditions make its path difficult to predict, oil prices surged from fear that another storm would strike the badly battered Gulf Coast.

With the concern that the demand for crude oil is outpacing the current capacity, the U.S. government has swung into full action to encourage the building of new refineries, much to the dismay of environmentalists. To boost refinery production, Senator Joseph Barton (R-TX) introduced the Gasoline Security for America Act, which recently passed through Congress. This has caused a great deal of partisanship, as the Democrats accused the Republicans of exploiting the devastating effects of Katrina and Rita to hand out incentives to oil companies that are already making money hand over fist. What's probably the most disturbing to Democrats and environmentalists is the possible weakening of the New Source Review, which requires new equipment to cut emissions of acid rain and smog when refineries and coal-fired power plants are upgraded. Republicans argue that the bill will aid in the much-needed building of new refineries outside of the Gulf region. A grassroots facility has not been built in the U.S. since the 1970s. Not only will it help to ease capacity concerns, but it will also help ease the U.S. dependence on foreign oil.

Whether new refineries are built or not, Katrina and Rita have made it crystal clear that the U.S. energy supply is far from secure. In fact, it may be at its most vulnerable. What we need to do is to look at the big picture. In the interest of energy security, we not only need to re-examine our portfolio of energy technologies (including fossil fuels, LNG, nuclear energy, clean coal gasification, etc.), but we also must take firm action to make sure that these technologies are not just a mere exercise in research.

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