

Building New Oil Refineries No Easy Task

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President Bush has called for construction of new oil refineries and nuclear plants. These proposals emerge as result of increasing gas and oil prices and little promise of lowering fuel costs any time soon. It is obvious something has to be done to better manage fuel costs. Failure to act responsibly will cause many average income citizens to suffer; will cost industry enormously which will further hurt consumers; and which will thusly hurt those politicians in authority. The President's proposals, however, will not do anything to alleviate the immediate and short term angst over fuel prices.

Building new refineries is no easy matter; there are several obstacles facing anyone contemplating such work. Anyone investing in such ventures needs reasonable assurance that there will be an acceptable profit margin after construction is completed. Such assurances in the futures markets for crude oil and the stock market for refineries are not sure bets. Law suits brought by neighborhood groups over refinery locations; predictably lengthy environmental issue arguments over land, air, and ground water matters; and expected local disputes over assessed tax base matters portend exasperating bickering and delays to get refinery construction under way, completed, and operational.

Nuclear plant construction has been and is a hot button issue with several well funded and well staffed protest groups. The "not in my back yard" syndrome is alive and well and new construction plans surely will rekindle their protests, delays, and lawsuits.

For both refineries and nuclear plants, safety issues, liability costs and coverage, and protest delays loom as necessary to take care of prior to their obstructing progress with proposed plans. It will take careful planning, skillful public negotiation, and costly investment to succeed.