



Written by [Ed Hiserodt](#) on June 11, 2009

## Climate Rules Will Kill Firm Says Lion Oil Exec

Lion Oil Company emits 10 million metric tons of carbon dioxide a year and would have to spend \$180 million for credits during the first five years. The company's average net profit over the past 23 years has been \$13 million. Cousins charged that "this bill's treatment of domestic refiners with respect to the allocation of allowances is simply a thinly veiled attack on crude oil as an energy source and domestic refiners as a provider of energy to consumers, farmers, and truckers."



The Obama administration backslid on earlier statements that "carbon-emission credits" would be subject to an auction, an idea that was widely criticized by industry because it would lead to the insolvency of many companies, but it is still planning a quota system where industries will be given a "free" allowance of some carbon credits and then made to pay a set figure per ton of CO<sub>2</sub> emitted over and above the "free" amount.

While the congressional committee recommended passage of the Waxman-Markey climate-change bill in May, some of the committee's members, including Arkansas Democrat Mike Ross and Texas Republican Joe Barton, complained that the issue of carbon-emission allowances was not fully discussed.

The goal of the Waxman-Markey bill is to reduce carbon emissions by 17 percent from 2005 levels by 2020 and 83 percent by 2050, allowing the average American to emit only as much carbon dioxide as did the average American in 1867. Data from the predictive models used by the United Nations suggests this would decrease an increase in temperature by 0.08 degrees Celsius by 2050 and 0.22 degrees by 2100. (Since this amount of temperature change is well within normal temperature fluctuations on Earth, in the year 2100, we won't even be able to determine if our efforts at reducing the Earth's temperature were successful or not.) "To ease the transition" of the new CO<sub>2</sub>-rationing scheme, the federal government would grant for "free" 80 percent of the carbon-credit allocations — with electric utilities receiving 32 percent; natural-gas utilities 9 percent; iron, steel, and paper makers 15 percent; and oil refineries getting a paltry 2 percent of the total.



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