



Drumbeat: June 29, 2013

Posted by [Leanan](#) on June 29, 2013 - 9:38am

[China media warns Philippines of "counterstrike" in South China Sea](#)

(Reuters) - China's state media warned on Saturday that a "counterstrike" against the Philippines was inevitable if it continues to provoke Beijing in the South China Sea, potentially Asia's biggest military troublespot.

The warning comes as ministers from both countries attend an Association of Southeast Asian Nations meeting in Brunei, starting Saturday, which hopes to reach a legally binding code of conduct to manage maritime conduct in disputed areas.

At stake are potentially massive offshore oil reserves. The seas also lie on shipping lanes and fishing grounds.

[U.S. House Backs Bill to Expand Coastal Oil, Gas Drilling](#)

Oil and gas exploration off U.S. coasts would be expanded under legislation the U.S. House of Representatives passed over the threat of a presidential veto.

The vote on the bill, H.R. 2231, was 235-186.

The measure would require the Obama administration to conduct additional sales of oil and gas leases off the coasts of Virginia, South Carolina, southern California and Alaska over the next five years, reports Bloomberg BNA.

[Crude Falls for First Time in Five Days as Dollar Gains](#)

West Texas Intermediate crude fell for the first time in five days as the dollar strengthened to a three-week high against other major currencies. WTI narrowed its discount to Brent to the least in two years.

Futures dropped as the Dollar Index climbed after data showed consumers were more confident than forecast in June and Federal Reserve Governor Jeremy Stein made comments on monetary stimulus. The U.S. benchmark rose for the third time in four weeks and the first month since March. For the quarter, it declined 0.7 percent.

[U.S. Rig Count Falls to Lowest Level in Two Months](#)

The U.S. energy rig count declined to the lowest level in two months this week, according to Baker Hughes Inc. (BHI)

The total count fell by 11 to 1,748, the Houston-based field services company said on its website. Oil rigs dropped by 15 to 1,390, a nine-week low. Gas rigs rose by four to 353, the first increase in six weeks.

A resurgence in U.S. gas and oil output, driven largely by hydraulic fracturing and horizontal drilling, helped the nation meet 89 percent of its energy needs in March, the highest monthly rate since April 1986, Energy Information Administration data show. Soaring supplies and more efficient techniques such as pad drilling have driven the energy rig count down from more than 2,000 in early 2012.

[Shell Buys Forties; Primorsk Urals Exports Halted by Tug Dispute](#)

Royal Dutch Shell Plc bought North Sea Forties at a lower price than yesterday. Statoil ASA failed to buy Russian Urals crude at the same price of a three-year high traded June 20.

Russia plans to ship less than a million barrels a day of Urals crude from Primorsk port in July, near the lowest in more than five years, a final loading program showed. Shipments from the Baltic port were interrupted today by a tug-boat dispute.

[Transneft Seeks to Resolve Dispute at Baltic Oil Port](#)

OAo Transneft, Russia's pipeline operator, and OAo Rosneft, the nation's biggest oil company, are trying to resolve a tug boat dispute that disrupted exports at Primorsk port, a Transneft spokesman said.

Some tankers are loading again, after a halt yesterday at the Baltic port, one of two handling Russia's seaborne crude exports to northwest Europe, though the dispute wasn't yet settled as of noon Moscow time, Igor Dyomin, a spokesman for OAo Transneft, said by phone.

[BP Ranks Iran as Top Holder of Gas Reserves](#)

In its Statistical Review of World Energy, BP put global proven gas reserves at 187.3 trillion cubic meters as of the end of 2012, enough for about 56 years of global production at current rates.

BP's annual review of energy statistics, first published in 1951, is considered an industry benchmark. Last year's report put gas reserves at 208.4 trillion cubic meters. The cut of 21 trillion equals roughly seven years of global gas use.

[Repsol Rejects Argentina's \\$5 Billion YPF Compensation](#)

Repsol SA, Spain's largest oil driller, said its board rejected an offer by the Argentine government meant as compensation for the expropriation of a 51 percent stake in YPF SA in April 2012.

Repsol was offered a 47 percent stake in a joint venture in the Vaca Muerta shale formation valued by Argentina at \$3.5 billion, as well as \$1.5 billion toward development, according to a filing sent to Spain's securities regulator. The proposal "does not equal the losses suffered by Repsol," the Madrid-based company said. YPF would hold a 51 percent stake, while Petroleos Mexicanos SA would own 2 percent in the venture.

[Oil Imports From Iran Double in Japan Despite Western Sanctions](#)

Japan's crude imports from Iran more than doubled in May from a year earlier despite sanctions against the Persian Gulf country.

Crude imports rose to 1.09 million kiloliters, or about 222,000 barrels a day, up from about 523,000 kiloliters in May 2012, according to data today from the Ministry of Finance. Purchases from Iran in April of this year were about 530,000 kiloliters.

[OPEC Governor: No Discount in Crude Sales](#)

Iran's OPEC Governor and NIOC's Director for International Affairs Mohammad Ali Khatibi denied a report by a website stating NIOC is selling oil under special terms giving discount.

"Damaging NIOC's reputation could take different forms including publication of disinformation about the NIOC selling and marketing policies," Khatibi told Shana.

"There are some elements who intend to hurt Iran's oil market by resorting to psychological means and speculate that Iran gives discount for selling its oil," he added.

[With heat on, NV Energy employs 'peakers' to help keep us cool](#)

With weekend temperatures threatening to reach record-breaking numbers, it's no surprise that NV Energy technicians have a plan to keep up with projected and equally record-breaking energy demands.

What's interesting, however, is how they plan to do it.

Rather than buy extra power on the expensive energy market, NV Energy will rely on peaking units — supplementary power stations that, in less than 10 minutes after being

fired up, can provide enough energy to power more than a third of a million homes, said Lloyd “Andy” Anderson, operations manager of NV Energy’s Edward W. Clark Generating Station.

[If the lights ever go out so will this Government](#)

Remember the petrol lorry drivers’ strike in 2000?

In a matter of days the country was at a standstill. And the response of voters was dramatic.

For the only time in his 10 years as prime minister, Tony Blair fell behind in the polls and William Hague’s Tories soared ahead.

The same message was delivered to the government: if you can’t keep control of the basics, you serve no useful purpose.

If the worst does indeed happen – and there is no reason to be optimistic that it can be avoided – then David Cameron will deserve to go the way of Edward Heath.

A prime minister who presides over the collapse of energy supplies – worse, whose policies wilfully bring it about – is a prime minister who deserves to be kicked out of office.

[States with the most dangerous bridges](#)

David Goldberg, communications director with Transportation for America and a co-author of the report explained that a large number of U.S. bridges were part of the transportation projects initiated shortly after World War II. "A lot of these bridges were born with the baby boomers." He said. "Like the baby boomers, they are nearing retirement age." Transportation for America projects that in 10 years, one in four bridges in the country will be at least 65 years old.

For most states, gasoline taxes are one of the most important sources of funding for bridge construction and repair. Not surprisingly, many of the states with structurally deficient bridges have lower gas tax rates than other states. For instance, Oklahoma charges just 17 cents a gallon in taxes, lower than all but four other states. Meanwhile, Missouri charges 17.3 cents, lower than all but five other states. Both states are on this list.

[Attorneys Openly Revolt Against General Counsel Over Failure To Punish PG&E For Pipeline Explosion](#)

A deadly explosion killed eight people and destroyed 38 homes in San Bruno, California on September 9, 2010. The cause of the destruction was a natural gas pipeline owned by Pacific Gas & Electric that ran underneath the homes.

The subsequent investigation turned up a litany of failings on PG&E's part that contributed to the explosion. PG&E's regulator, the California Public Utilities Commission, issued a recommendation that PG&E pay no fine, noting that the money the company was spending to modernize its pipelines to prevent future accidents was punishment enough.

This is when a number of CPUC attorneys took a stand against their boss, and their boss clumsily aired the office turmoil in public. And, yes, this all eventually involves the Taliban and a gun-toting enforcer...

[Tepco Will Not Pursue Compensation from GE, Other Suppliers Over Nuclear Disaster](#)

Tokyo Electric Power Co. shareholders rejected a proposal to look into pursuing claims for compensation against companies that supplied parts for the crippled Fukushima nuclear plant, including General Electric Co.

Shareholders at Thursday's annual general meeting for the company known as Tepco voted down the motion, proposed by Greenpeace, to study whether suppliers can be held liable for damages incurred during the March 2011 earthquake, tsunami and subsequent nuclear disaster.

[China at center of Asia nuclear energy expansion](#)

ST. PETERSBURG - China is at the center of the nuclear energy expansion in Asia, says Yukiya Amano, director general of the International Atomic Energy Agency (IAEA).

During an interview with Xinhua on the sidelines of a high-level nuclear power conference here, Amano praised the fast-growing nuclear industry in China and the high safety standards adopted by the country.

[Missing nuclear material may pose attack threat: IAEA](#)

(Reuters) - Nuclear and radioactive materials are still going missing and the information the United Nations atomic agency receives about such incidents may be the tip of the iceberg, said a senior U.N. official.

Any loss or theft of highly enriched uranium, plutonium or different types of radioactive sources is potentially serious as al Qaeda-style militants could try to use them to make a crude nuclear device or a so-called dirty bomb, experts say.

[Lake Urmia's water level decreases by 28 cm](#)

Lake Urmia's water level has dropped by another 28 centimeters compared to the same

period last year, the head of the department of water and water resources of Iran's Ministry of Energy, Alireza Daimi said, the IRNA agency reported on Saturday.

According to Daimi, the increased use of water from the lake for irrigation of agricultural fields as well as a decrease in rainfall has led to a decrease in the lake's water level.

[Obama: Make climate change a must for your vote](#)

WASHINGTON (AP) — President Barack Obama is urging Americans to make climate change a political litmus test, asking them to declare they won't vote for any politicians who don't protect future generations from environmental devastation.

Obama says Americans are already paying the price for climate change, including in lost lives and hundreds of billions of dollars. He says America will be judged as a people and a nation by how it responds.

[World Bank chief faces challenges on poverty, climate change](#)

WASHINGTON (AFP) - In his first year as president of the World Bank, Jim Yong Kim has tried to refocus the institution on fighting poverty and climate change -- but challenges lie ahead.

[Food and climate are our greatest global challenges](#)

The world's population is 7 billion. By 2050, it is forecast to be 9 billion. The pressures to feed and sustain this increase in people can only magnify in coming decades, unless world leaders can take meaningful and long-lasting action.

There need to be aggressive moves on tackling climate change, ensuring food and water supplies, fostering democracy and lifting people out of poverty. To do nothing is to condemn their lives and future generations; and in the inaction lies condemnation of this generation.

[Insurance commissioner urges companies to adjust to extreme weather](#)

PASADENA - Rather than adjust to the extreme effects of climate change, many insurance companies are simply not insuring properties in low-lying coastal zones due to the threat of flooding and are canceling policies of homeowners living near hillsides that may catch fire, said insurance and government experts Friday.

[Goodbye, Miami](#)

By century's end, rising sea levels will turn the nation's urban fantasyland into an American Atlantis. But long before the city is completely underwater, chaos will begin.



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