



DrumBeat: June 4, 2007

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Topic: [Miscellaneous](#)

[U.S. cuts back climate checks from space](#)

The Bush administration is drastically scaling back efforts to measure global warming from space, just as the president tries to convince the world the U.S. is ready to take the lead in reducing greenhouse gases.

A confidential report to the White House, obtained by The Associated Press, warns that U.S. scientists will soon lose much of their ability to monitor warming from space using a costly and problem-plagued satellite initiative begun more than a decade ago.

[Buyout firms + oil riches = Perfect match](#)

Will oil states awash in cash be the next foreign governments to get in on the U.S. private equity boom?

[Could Pipelines Move Ethanol From Iowa to Major Markets?](#)

Iowa Congressmen Leonard Boswell has introduced bipartisan legislation to increase the availability of alternative fuels at gasoline stations across the country. The legislation calls for funding a study to find out whether underground pipelines would be a good way to transport ethanol and biodiesel.

[China, US To Sign Pact To Develop Non-Grain Biofuels](#)

China is discouraging corn-based ethanol development because of food security concerns, as corn is a staple food for people and livestock.

[Dingell's energy committee proposes increase in fuel-economy standards](#)

U.S. Rep. John Dingell's committee has proposed an increase in fuel-economy standards for cars and trucks, a sign that the U.S. auto industry would rather bargain with Congress than flatly oppose tougher efficiency rules.

[Why Gas Prices Will Stay High](#)

The chief economist at gasoline distributor Tesoro argues that a shortage of refining capacity is the culprit for consumers' pain.

[Think gas is high? So are groceries](#)

As if soaring gasoline prices aren't enough, consumers also pay more at the grocery store.

Economists say food prices in 2007 have increased more rapidly than they have in years. Most noticeably, the price of eggs, milk, bread, cereals, pork, beef, chicken and fresh fruits and vegetables reflect the increases.

[Towns push to get paving projects done](#)

Towns around Saratoga County are pushing hard to get their paving projects done before the cost of asphalt spikes as it did last year.

[Depletion, racism and paving the road to hell](#)

A while back a gentleman named Harvey Winston sent me an email, trying to explain why it is that the peak oil and climate change movements are as lily white as they are. I had asked in another post what we had to do to engage poor people, particularly poor non-white people, who are, after all, already the biggest victims of rising energy prices and climate change. Winston sent me some answers that are right on the money. And he kindly gave me permission to quote him and discuss this publicly.

[Cartels: Myths and Realities...](#)

It is not only in the Gulf that the issue of a new energy cartel that was making the news, but in Washington too, as the US House of Representatives approved on May 22, and by a large majority, legislation making oil producing and exporting cartels illegal under the Sherman Antitrust Act. The stage is set for a troublesome, legalistic battle of what constitutes a true cartel.

[Britain's energy policy fails to stack up, says expert panel](#)

The government has failed to provide Britain with a coherent energy strategy, putting future supplies and climate change goals at risk and falling short of what is needed to

help the world's poorest countries adapt to rising temperatures, a top-level panel of experts says today.

[India's trade deficit nearly doubles on oil costs](#)

India's trade deficit nearly doubled in April, the first month of the financial year, from a year ago as costs for imported oil jumped, the government said in a statement Sunday.

[Yes, it's a Big Deal](#)

Presently, India imports a bulk of its energy requirements of coal, oil and gas; imports of high quality coal have grown at a rate of 16 per cent a year; by 2030, India's demand for oil will raise import dependence to 90 per cent; Indian demand for natural gas is expected to grow by over five per cent per annum and will be met by 70 per cent imports. This scenario is alarming not only because of the pressure it places on scarce foreign exchange resources, but also because it raises energy vulnerabilities that for a large country like India are neither affordable, nor strategically prudent.

[Yemen: Skyrocketing prices or tradesmen's greediness](#)

A friend of mine, who has just returned from Dubai told me that prices of some foodstuffs in Yemen are higher than prices of the same commodities and products in Dubai city. He said he was shocked at the prices of yoghurt, oil, and milk, taking into consideration the big difference of quality between products sold in the local markets and the products of other world countries.

In Yemen, there is neither monitor nor control of foodstuffs' prices.

[China urges local officials to prepare energy efficiency plans](#)

China urged local officials Sunday to prepare their own energy efficiency plans in a bid to save a floundering plan to drastically reduce energy consumption, state media said.

[Gazprom May Thwart Putin Drive for Russian Energy Dominance](#)

Last year, Gazprom, of which the government owns just over 50 percent, pumped 556 billion cubic meters (19.6 trillion cubic feet) of gas, slightly less than it produced 10 years before.

[Iran says drivers will need cards to buy fuel](#)

Iranian drivers will from Saturday only be able to buy gasoline using electronic cards, a system being introduced as part of plans to ration fuel and cut surging consumption, Iran's official news agency reported.

[Russian chill cast doubts over new oil investment](#)

A frostier climate for private investors in Russia, holder of the world's largest natural gas reserves, is likely to stop oil firms from pressing ahead with new projects there.

[The collapse of Chavez's Petroleos de Venezuela](#)

The oil production capacity of PDVSA according to the plan would have been 4,580,000 barrels per day, 75% of this total, this is, some 3,200,000 barrels per day coming from PDVSA's own capacity. What is the reality? Venezuelan production capacity is below 3 million barrels per day and PDVSA's own capacity is below 2.5 million barrels per day. We are talking about half of the planned production capacity. This is not a normal deviation or even an abnormal deviation. This is a major collapse and one that would have produced, in normal times, the immediate dismissal of the Directors and managers in charge of the company.

[Bypassing the Malacca Strait](#)

Since the 1970s, various plans have been proposed to by-pass the Malacca and Singapore straits by cutting a canal or building oil pipelines through the relatively narrow neck of Thai or Malaysian land that separates the northern entrance of the busy waterway from the South China Sea.

[Global warming or not, ocean is rising over Pacific islands](#)

These Micronesians, whose islands spread from near the Philippines on the west to five hours from Hawaii on the east, require no charts or graphs to know that rising ocean water is a critical and constant presence in their lives.

When the moon is full, the ocean waves at high tide are several feet higher than ever in the past, according to longtime island residents.

[Cost of gas hobbling area's poor](#)

Eleven years ago, any kind of car -- even an old gas-guzzler -- was likely to be seen as a welcome companion on the journey toward independence and employment as mandated by the 1996 welfare-reform act.

Now, the family friend is part foe.

"Doubling the amount of money you spend on gas changes everything," said Laura Holton of the Fairfield County Department of Job and Family Services.

A couple of weeks ago, there were some stories about a fuel shortage in Qatar. Qatar denied it at first, but has now admitted it:

[Qatar imports diesel to meet rising demand](#)

An unexpected demand for diesel triggered by an exploding vehicle population has prompted oil exporting Qatar to import the fuel to meet local consumption.

Qatar Petroleum (QP), in fact, began importing diesel in June last year and the recent shortage was caused by a sudden import of 3,500 trucks last month, senior officials of Qatar Fuel (Woqod), sole distributors of petroleum products locally, said.

[Woqod acts to improve diesel distribution](#)

A STEEP rise in the number of vehicles last year, half of which are trucks, caused a spurt in demand for diesel but Qatar Fuel Company (Woqod) says it has built two additional loading stations at Mesaieed and Ras Laffan to ensure smooth distribution.

[No plans to increase fuel prices: Woqod](#)

[QP plans action against 'erring' petrol stations](#)

Though it is prohibited for petrol stations to sell wholesale as they are allowed to sell only in the retail market, he said "unfortunately some of them (petrol stations) have abused the situation and (are) putting much pressure (on the supply of diesel)."

...Asked about market talks that there has been siphoning off of diesel to other GCC countries where prices are high, he said it was not possible since Woqod was in charge of the jetties.

India: [Use of cow dung as fertiliser decreasing](#)

The age old tradition of use of cow dung as fertiliser by farmers is decreasing in the northern region.

It is due to the shortage of firewood in the region that has forced local poor people to use cow dung as fuel.

[High oil price, supply fears help turn coal to fuel](#)

Fears over energy security and high oil prices have rekindled global interest in technology, once vital to the siege economies of Nazi Germany and apartheid South Africa, that converts coal to transport fuel.

[Nigerian unions threaten strike over fuel price](#)

Nigerian labour unions will call a strike in two weeks unless President Umaru Yar'Adua reverses an increase in the price of fuel decided by his predecessor three days before the handover of power, union leaders said on Monday.

[Ato Ahwoi slams Government over energy crisis](#)

A report of The Heritage newspaper says Mr. Ato Ahwoi, one of NDC's most knowledgeable in energy issues, has also challenged the Electricity Company of Ghana to justify the load shedding exercise going on now. According to him, what the country is experiencing is "electricity problem and not energy problem."

Speaking in an interview with The Heritage, Mr. Ahwoi noted that the current problem had exacerbated with the load shedding having moved from 12 hours every five days to the present 12 hours every other day.

[High Gas Prices: The Road Ahead](#) - *Should we try to lower costs, or learn to live with them?*

IDEAS FOR LOWERING PRICES		
PROPOSAL	IMPACT	OUTLOOK
Cutting state gasoline taxes	Might not lower the price at the pump much because demand is strong and supply is tight. As taxes fall, refiners may be able to increase the price they charge gas stations.	Could happen quickly. Connecticut Governor Jodi Rell has asked the state legislature to cap tax receipts below current levels. The governors of Minnesota and Nebraska vetoed tax hikes.
Prohibiting excessively high prices	Such "anti-gouging" rules would likely reduce prices. But if prices are suppressed too much, there could be long lines at the pump.	A gouging bill passed the House on May 23 and the Senate is likely to pass similar legislation, but the White House has threatened a veto.
Suing to break up the oil companies on antitrust grounds	Busting up Big Oil might have little or no effect on prices. And courts are unlikely to order a breakup without clear evidence of illegal collusion to restrict supply and raise prices.	Though the Joint Economic Committee held a May 23 hearing on the idea, the Justice Dept. and Federal Trade Commission aren't likely to seek a reversal of mergers that they already approved.
IDEAS FOR LIVING WITH HIGH PRICES		
Making refiners pay a windfall-profits tax	An extra tax on refiners' profits would leave prices high and would discourage investment in refinery expansion. However, it would encourage conservation and provide funds for energy research and other uses.	Senators Bob Casey (D-Pa.) and Jim Webb (D-Va.) have introduced a windfall tax, but prospects are considered dim. For one thing, defining a "windfall" is highly controversial.
Using flexible taxes to put a floor under gasoline prices	Pump prices would fall today, as taxes would be cut a bit. But taxes would rise as the price of crude fell, ensuring gasoline prices never fell too low and encouraging long-term work on energy efficiency and alternatives.	Remote. While some environmentalists and venture capitalists like the idea, Congress isn't in any mood to put a floor under the price of gas.

When fuel prices soared in the 1970s, both Democrats and Republicans embraced government intervention in the energy markets. But many of the measures they tried--including shortage-inducing price controls and the taxpayer-funded synfuel boondoggle--turned into disasters. The result: Lawmakers adopted a more or less hands-off approach toward Big Oil for the next 30 years.

Suddenly, though, intervention in energy is respectable again. The surge in gas prices has energized two types of people. The major group, including many prominent lawmakers, is looking for ways to drag the price of gas back down. A smaller group sees today's high prices as an opportunity to rebuild the economy for a future of permanently expensive energy. What they have in common is a shared belief that today's mostly free market in energy isn't working.

[U.S. power stocks charge ahead as risks mount](#)

But along with the resurgence, the industry faces new risks, from the growing movement to regulate carbon emissions to the aging network under ever-increasing pressure from consumers and regulators.

Those issues, as well as the shifting landscape in the global oil markets, the sharp rise in alternative energy systems and the difficulties facing large consumers of gas and power will all be in focus at the Reuters Global Energy Summit from June 4-7.

[Oil, The State And Economic Policy In Iraq](#)

Despite the plethora of US and Iraqi government-sponsored meetings inside Iraq, and even more outside, and the numerous documents produced on Iraq's economy by the government's foreign advisors and the US administration, there is insufficient understanding of the dynamics of the country's post-2003 economy and its future direction. Recipes meant for developed stable countries are proposed for Iraq's fractured economy.

[Wyoming's natural gas boom sees growing pains](#)

An explosion of natural gas drilling in Wyoming has given the state a huge financial boost - and a new set of problems

[Coal To Liquid Fuel Debate Continues](#)

If someone told you they knew how to improve America's economy, create new jobs, make the environment cleaner, and cut our dependence on foreign oil, you might think this miracle process was too good to be true, but many people believe coal to liquid fuel is the solution we're all looking for.

[Big Solar's day in the sun](#)

This is not the same old pipe dream. The economics -- and the technology -- of turning light into electricity have changed.

[The 'Mysteries' of Bushenomics](#)

Supposedly we are in a sustained economic recovery and have been since 2002.

Part of this is Bush hot air and the Republican Noise Machine, which the media quotes verbatim.

By a certain measure, however, it's real.

The economy has grown. Corporate profits are at an all-time high. Average income is up. There's lots of money around.

But the recovery has some really strange features. Oddities never before seen in a recovery.

[Gas prices are budget busters for many](#)

Drivers across the country are paying near-record prices for gasoline. While there's a lot of griping going on at the pump, for many Americans, higher gas costs represent a minor crimp in family budgets.

But for those living paycheck to paycheck, rising gasoline prices can mean the difference between being able to pay bills and going into debt.

[Energy Independent: Maverick oilman Boone Pickens talks about fuel prices and his love for philanthropy](#)

His research convinces him that the price of oil will average close to \$70 a barrel this year: "You'll not see oil below \$50 again except for very short spikes." The basic reason is that the difference between the world's daily production of oil and current world-wide demand is so tight. "Eighty-five million barrels a day is all the globe can do. The demand is right on 85 million barrels a day. It's quite unusual, but it means prices stay high." Oil-sand deposits from Canada will help, but Mr. Pickens is increasingly keen on alternative energy sources. He views the current ethanol craze as at least partially political--"Bob Dole once told me that there are 42 senators from farm states and that pretty much means the government is going to be into ethanol"--given that the product has a BTU content that's 30% less than gasoline and analysts often don't factor in the cost of the energy and water needed to grow the corn that goes into it.

[Managing your risks essential for peace of mind](#)

Even though [Yale economist Robert Shiller] is not ready to forecast oil prices, he does see signs of - you guessed it - a bubble in the crude market. This guy seems to see bubbles even when he professes not to know whether prices are going to be spiralling up or down.

[Ireland: Failure to address crucial energy issue](#)

The world is inevitably approaching the point where oil supplies will peak, before declining thereafter at a significant rate. The only uncertainty is when it will happen, and the experts reckon that it will happen almost certainly inside ten years and very likely in five, during the term of the next government.

[Kurt Cobb: Road to nowhere?](#)

Last week I attended a hearing on the transportation plan for my county for the year 2030. Similar plans are mandated by federal law for most localities in the United States. Though not explicit, the assumption behind our plan is that liquid fuels will remain cheap and abundant through 2030 and beyond. I suspect that most of the nation's transportation planners share this assumption and that therefore most of the country's

transportation plans embrace it.

[Moody's reports: Middle East oil companies lead the way on resources](#)

Whilst the overall outlook for international oil company ratings remains stable, the growing longer term challenges to access and develop new reserves is likely to support greater co-operation between the international majors and some national oil companies, Moody's Investors Service says in its new Industry Outlook for the sector.

[Sabic borrows billions to buy GE Plastics](#)

Sabic's advantage stems from its access to abundant sources of feedstock from state-owned Saudi Aramco, the world's biggest oil company. The chemical maker exploits the natural gas released during Saudi Aramco's oil extraction to achieve costs lower than U.S. and European competitors.

[900 miles per gallon](#)

What if I told you I had invented a vehicle that ran on organic vegetables, got the equivalent of over 900 miles per gallon, was completely carbon neutral, and produced no toxic by products. Would you want one? What if I told you I got the price of this vehicle down to under \$500 dollars? Are you reaching for your wallet? What if I told you that using the vehicle would improve your health, reduce your risk of cancer, and make you sexier? If you aren't ready to cut a check, check your pulse!

[Indonesia threatened by global warming, rising sea levels](#)

Indonesia is particularly vulnerable to the impact of climate change as global warming threatens to raise sea levels and flood coastal farming areas, threatening food security, according to a report released Monday.

[Global warming overheats Australian politics](#)

Australian Prime Minister John Howard, behind in polls ahead of a 2007 election, was accused on Monday of trying to scare voters by saying opposition plans to cut greenhouse gases would cause an economic recession.

[Australia: Trading delay could spur power cuts](#)

EASTERN Australia could face blackouts because of the Howard Government's decision to hold off carbon trading until 2012, warns a sustainability investment specialist.

[Melting ice accelerates global warming: UN report](#)

The melting of Earth's ice and snow is accelerating the effects of global warming and could trigger wider-ranging impacts on people, economies and wildlife, the UN warned in a report on Monday.

[Climate change beyond our control](#)

The basic problem I have with the Kyoto Protocol – and much of the environmental advocacy set to take place when the G8 nations meet in Germany next week – is its promulgation of an illusion of control when it comes to addressing the long-term effects of climate change.



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