



DrumBeat: March 15, 2008

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Topic: [Miscellaneous](#)

[US fuel dealers seek emergency heating oil release](#)

NEW YORK, March 14 (Reuters) - U.S. heating oil distributors are planning to ask the government to release emergency heating oil supplies as part of a package to ease a cash crunch this winter, a source said Friday.

The squeeze for dealers has been caused by delayed payments from low-income customers and sky-high prices for their own fuel inventory and mirrors problems faced by the sector in 2004 when a run-up in prices pushed a top U.S. heating oil distributor to the brink of bankruptcy.

"It's brutal," said Shane Sweet, chief executive of New England Fuel Institute (NEFI), which represents some 1,000 distributors and retailers in northern states. He said customers occasionally ring their fuel dealers in tears over their heating bills.

[Oil price leap catches out the experts](#)

With the world's oil supplies in decline, everyone agrees that prices should be high. A new breed of speculators in hedge funds and investment banks, though, is being blamed in some quarters for pushing prices too high.

"If you talk strictly about the fundamentals of supply and demand, the oil price should be about \$80 a barrel," said Ruchir Kadakia from Cambridge Energy Research Associates (CERA).

[Truck firms fuming about high gas prices](#)

With 12 years experience running a trucking company, Chad Bowen thought he'd seen it all.

But in the past year, the owner of Bowen Enterprises Inc. in Sparks said he's witnessed something he's never seen before.

"For the first time, we've actually paid more for fuel than we have for our drivers," said

Bowen, whose company boasts a fleet of 40 flatbed trucks and 25 refrigerated trailers. "In the past, we've always budgeted more for our drivers than we have for fuel. But now the cost of fuel far exceeds the cost of a good employee. It's just insane."

[Why Silver is better than Oil as an Investment](#)

1. There is a 40-year supply of oil in the ground. There is a 14-year supply of silver in the ground. Therefore, silver is the better investment.

If "peak oil" is true, then every peak oil nutcase out there ought to be several times more worried about "peak silver", since silver reserves will run out sooner.

[Politics of black gold](#)

International prices of crude oil have touched stratospheric heights. This is pretty bad news for India. The government will say it has no control over world prices, which is correct. Political compulsions will check increases in consumer prices of petrol and diesel, which is to be expected in a pre-election year. The finance ministry will protect its revenues and even increase tax collections while claiming that the money is required for education, healthcare and rural development, which is partly correct.

[Iraq oil refinery expands, boosting production capacity by about 10,000 barrels per day](#)

BAGHDAD (AP) - A Najaf oil refinery expanded its production capacity Saturday by about 10,000 barrels per day, or roughly half of what it had producing.

The refinery, about 100 miles south of Baghdad, was built in October 2006 to help meet central Iraq's increasing demand for petroleum products, including kerosene. It had been producing about 20,000 barrels per day.

[Ukraine Not Happy About Russian Gas Quotas](#)

Ukraine President Viktor Yushchenko said his country's agreement with Gazprom gives the Russian gas monopoly too high a quota for direct sales.

[White County asks gas companies to pay for road repairs](#)

SEARCY, Ark. (AP) White County, home to much of the exploration in Arkansas' Fayetteville Shale play, plans to bill two of the largest gas companies drilling there for repairs to roads buckling under their heavy equipment.

[Japan: Govt waste-timber biofuel plan stumped](#)

Although cutting global carbon dioxide emissions is dominating the Group of 20 climate talks currently being held in Chiba, the government's effort to promote biofuel derived from construction waste has stalled due to a lack of cooperation from the nation's oil industry.

[Is Suburbia Turning Into Slumburbia?](#)

Every coin has its flip side. Last week, I explored how San Francisco and other centers of innovation around the globe are resisting the downward vortex of the housing market. These fabled super cities, Richard Florida contends in his new book, "Who's Your City," are attracting an increasingly disproportionate number of educated, creative knowledge workers who fuel the economy. In turn, these folks are keeping housing prices relatively high despite recurring appearances of the R-word on our front pages.

The dark side of this surreality is that the places far from these hallowed urban cores are experiencing unprecedented decline and, according to some experts, threaten to become tomorrow's slums.

We're not talking about mean inner city streets getting meaner, we're talking about the pristine, newly built developments of four-bedroom, three-bath dream homes produced in the last housing boom becoming ghettos for the poor and the disenfranchised.

[Environmentalism 2.0](#)

If your image of an environmentalist is an organic fiber-wearing vegan who likes to tout the health benefits of hemp tea, Fred Krupp is here to dissuade you. The environmentalists of today — and more importantly, tomorrow — are more likely to be working at a Silicon Valley solar power start-up than saving the whales. Climate change poses a fundamentally different problem, on a far vaster scale, than the local air pollution or wildlife conservation issues that environmentalists have faced before, and it demands a different kind of solution. At the core of that problem is energy, which touches every aspect of modern life, and while the old green virtues of conservation, of simple living, must play a part in our response, the key will be technology.

[Hydrogen Fuel Station Opens in White Plains \(NY\)](#)

WITH a history of using alternative-fuel vehicles long before it became chic, White Plains now is the Northeast hub — and one of three cities nationwide — for a model program designed to put hydrogen-powered cars in consumers' hands.

[Lawsuit Seeks to Block Uranium Mining at Grand Canyon](#)

One of the great natural wonders of the world - the Grand Canyon of the Colorado River - is threatened by uranium exploration. Three conservation groups filed a lawsuit Wednesday challenging the approval of up to 39 new uranium drilling sites within a few miles of Grand Canyon National Park.

[A Declaration of Energy Independence: One Year Later](#)

Despite the multitude of approaches that have been suggested to deal with the developing energy crisis, the universal consensus that the world's oil supply will shortly be depleted leaves a number of countries engaged in an active search for new alternative energy. Thus, the pressure is on industrialized countries not only to create an ecologically-friendly energy market, but to do so without disturbing the energy supply of their citizens.

[Nigerian deals 'wasted billions'](#)

Some \$2.2bn-worth of Nigerian energy contracts were awarded without a bidding process by the former president and his energy minister, officials say.

One was to a company with less than \$200 of base capital at the time, a witness told a parliamentary committee.

[A funny thing happened on the way to the pump](#)

COLONIE -- Some things bring out the best in people. High gas prices can bring out the worst.

Or so it seemed at the Mobil station on Wolf Road Friday, where cashier Dave Brown recounted some memorable encounters with customers.

A number have been putting just a gallon of gas into their cars, he said, apparently believing there might be gas several cents cheaper up the road.

One customer wanted \$1 worth of gas.

"I said you're not going to get anywhere with that," Brown said.

[EU's biofuels target could be amended amid concerns](#)

BRUSSELS (AFP) - The European Union's ambitious target on using biofuels in cars could be amended in the face of concerns over rising food prices, the EU's Slovenian

presidency said Thursday.

[Virgin's biofuel is a PR stunt says BA boss](#)

Richard Branson's promotion of biofuels is a PR stunt and green taxes on aviation are pure opportunism according to the chief executive of British Airways.

[To avoid another energy crisis, Cuba looks offshore for resources](#)

Cuba's onshore oil is heavy, sulphurous crude that makes poor fuel. But farther offshore, just 50 miles from the Florida Keys, is a potential treasure trove of premium grade oil.

The U.S. Geological Survey estimates Cuba's offshore reserves hold from 5-billion to 9-billion barrels of oil, and close to 1-trillion cubic feet of natural gas.

"This is the big bonanza," said Jorge Pinon, a Cuban-American energy expert and former president of Amoco's oil operations in Latin America. "This could transform Cuba's energy security, turning it into a petroleum exporter even."

[Post Carbon Montreal examines how to cut reliance on fossil fuels](#)

With the oil price tag topping the \$100 mark, more and more people are starting to think about using fossil fuels more efficiently.

In January, CIBC World Markets warned Canadians to brace for \$1.50-per-litre gas prices in the near future. That prospect and the threat of peak oil is getting Montrealers to think about how they can face the consequences of an energy crunch.

[Black Gold](#)

After Daniel Yergin's book, *The Prize*, published 16 years ago, *Blood of the Earth* is the best basic text on energy, and compulsory reading for all of us interested in India's long-term security interests.

[Governator Pushes Green at ECO:nomics on Friday](#)

Today, oil prices reached \$110 a barrel, which made the "Oil: The End of an Era?" talk one of the more anticipated. Featuring Christophe de Margerie of Total and Daniel Yergin of Cambridge Energy Research Associates, the talk centered on the political boundaries to oil extraction and downplayed any sort of "below-the-ground" limitations that peak oil believers espouse.

[Gas Price Driven Inflation Tackled at International Conference](#)

Today's gas prices may seem high but could skyrocket as global oil supplies dwindle.

The coming crisis in the oil supply is one of three key topics to be covered at a conference bringing together national experts on "peak oil", climate change and an environmentally friendly and sustainable economy.

[Energy price spikes call for crisis response](#)

Governor M. Jodi Rell today announced she has written the leadership of Congress, asking them to consider the spike in energy prices as a crisis worthy of the same treatment legislators gave to the recent economic stimulus package.

"The people of Connecticut and other states are suffering," Governor Rell said. "The U.S. dollar is trading at all-time lows against major currencies. Crude oil is trading at record highs, closing last night at over \$110 a barrel after reaching the \$111-a-barrel mark during the day

[Which path do we want?](#)

James Howard Kunstler thinks that American society is due for a massive reordering. Reading his latest fictional work - "World Made by Hand" - you'd be forgiven if you thought that maybe James Howard Kunstler wasn't looking forward to it.

[U.S. Population Grows Due to Immigration as Infrastructure Weakens](#)

A story in USA Today reports that "The U.S. population will soar to 438 million by 2050." Most of the population growth will be driven by immigration and live births to immigrants. How depressing. And it ought to make you mad, so that you want to "do something" about it... like build a wall or something.

Really, why is it that the so-called "immigration debate" in the United States is often tied up with terms of race and seldom tied into the discussion of depleting resources and declining infrastructure? If the immigration debate was framed in the latter terms of resource depletion and infrastructure, people would focus on the point that the nation is "full." The irrefutable fact is that the U.S. resource base is fast-depleting and the infrastructure system is overloaded. There is no more room at this inn. It's time to hang out the equivalent of the "No Vacancy" sign for very some practical reasons.

[Pakistan: Petroleum dealers demand 5pc margin](#)

LAHORE: President of Petroleum Dealers Association (PDA), Abdul Sami Khan has demanded the government to raise petroleum dealers' margin on petrol as their sale of petrol has declined due to rise in CNG use.

[China – World's Largest Miner – Is Short of Coal](#)

While China, an importer of enormous amounts of iron ore, is doing its utmost to avoid a crippling price rise for that particular commodity, it is also the world's largest coal miner and many here would be quite happy to see its price shoot for the moon. But price hike or no price hike, China's coal future is facing difficulties.

[Who will win this clash of dolphins versus our oil on troubled waters?](#)

IT IS a classic conservation-versus-development dispute. Desire to find more oil and gas reserves off Scotland's coast is clashing with concern for a colony of renowned bottlenose dolphins which is also a valuable asset – in tourism terms.

[Adm. Fallon and the Unfinished Business in Iraq and Iran](#)

The real reason for Fallon's resignation may be much more straightforward: disputes over the conduct of ground operations which have resulted in conflicts with General David Petraeus. Barnett's *Esquire* article hinted at difficult relations with Petraeus, claiming that Gates appointed Fallon to put the brakes on the general. Barnett wrote, "in fact, any time he talks with Petraeus, there are only two men in the room – the admiral and the general – and their exchanges remain private."

According to the *Wall Street Journal*, the key dispute was over troop strength. Fallon wanted to draw down Petraeus' troop levels in Iraq far faster than his ground commander would agree to. "Senior Pentagon officials – including, we hear, Defense Secretary Robert Gates, Joint Chiefs Chairman Mike Mullen, Army Chief of Staff George Casey, and Admiral Fallon – have been urging deeper troop cuts in Iraq beyond the five 'surge' combat brigades already scheduled for redeployment this summer." But with support for the war in Iraq at a two-year high on the back of a perception that Petraeus' strategy is working, Fallon's hand was weakened.

[Peak Oil? Industry Numbers Disagree](#)

The supply of oil, one of the most crucial elements for all energy choices—renewable or otherwise—is a subject of dispute even among the denizens of the industry.

The "peak-oil" debate returned on the final day of The Wall Street Journal's "ECO:nomics" conference, politely pitting a reluctant oil-industry worrier, Christophe de

Margerie, head of France's Total SA, against Daniel Yergin, head of bullish Cambridge Energy Research Associates. The question they hashed out: What does a \$110-a-barrel price say about the supply of oil?

[A Crude Case For War?](#)

Instead of making Iraq an open economy fueled by a thriving oil sector, the war has failed to boost the flow of oil from Iraq's giant well-mapped reservoirs, which oil experts say could rival Saudi Arabia's and produce 6 million barrels a day, if not more. Thanks to insurgents' sabotage of pipelines and pumping stations, and foreign companies' fears about safety and contract risks in Iraq, the country is still struggling in vain to raise oil output to its prewar levels of about 2.5 million barrels a day.

As it turns out, that has kept oil off the international market at just the moment when the world desperately needs a cushion of supplies to keep prices down. Demand from China is booming, and political strife has limited oil production in Nigeria and Venezuela.

[Running on empty?](#)

Depending on whom you listen to, global oil production has peaked, will peak soon, or may not peak for a very long time.

Although the peak-oil thesis has existed since the 1950s, it has gained considerably more attention in recent months with the rising price of oil.

[Why your food is costing more money](#)

World financial markets may seem remote from you; far away from that turkey sandwich in your hands.

But chew this over before you swallow: seventy percent of the cost of raising that turkey in your sandwich was the food it ate. And turkeys eat corn and soybean meal.

[New pipelines will even out gas prices](#)

SALT LAKE CITY - In the Rocky Mountains, the energy crisis has mostly been a crisis for natural gas producers and a boon for consumers.

Last fall, gas suppliers competing to stuff excess production into constrained pipeline systems drove spot prices to a laughably low 5 cents for 1,000 cubic feet of gas. That's the equivalent of a nickel to heat a typical house for two winter days.

"A lot of producers didn't think it was funny," said Porter Bennett, president and chief executive for energy analysts Bentek Energy LLC. "They were actually paying somebody to take it." Storing gas or turning off wells isn't always practical.

Yet for consumers across much of the West, where natural gas historically has been cheap and plentiful, the party is almost over, and it may have ended with that final discount splurge. The first of a handful of major new pipelines originating in the Rocky Mountains is starting to siphon away the bounty, promising lower prices for other regions.

"If you don't care about the rest of the country, it's not such a good thing," Bennett said in Golden, Colo. "We kind of get screwed in the deal."

[Russia's Gazprom settles Ukraine gas row, but profits could dip](#)

The energy giant agreed Tuesday to pay 'European prices' for Central Asian gas, where it has long enjoyed below-market rates.

[The Philippines: Arroyo urged again to suspend VAT on oil as pump prices soar](#)

Activist group Bagong Alyansang Makabayan (BAYAN) reiterated Saturday the call to the Arroyo administration to suspend the imposition of Value-Added Tax (VAT) on petroleum products in light of the latest series of price hikes by oil companies.

[Judge Appoints Receiver For Abruptly Shuttered Waterbury Oil Company](#)

Hartford, CT — A judge has appointed a temporary receiver to take control of a Waterbury oil company that shut down abruptly, leaving some 3,000 customers in the lurch. F&S Oil shut down last week and owes millions of dollars to customers who prepaid for home heating oil.

[It's the '70s, but not all over again](#)

Now, with oil hitting a new record above US\$110, food costs soaring, and the United States hurtling toward recession, fears are growing North America could face a repeat of that nasty 1970s' affliction: stagflation, an ugly mixture of both slow growth and high inflation.

However, it will not be North American wages that drive inflation higher. The new twist this time is that inflation could start to drift higher on the back of rising costs and currencies in emerging markets, which have long been a source of downward price pressure.

[Diesel price fuels concerns](#)

Drivers using diesel are feeling the pinch of the high costs of the fuel - which at one time was cheaper than gasoline - after it hit a record high of more than \$4 a gallon in some areas.

"It's just mind-blowing that it costs so much," said Pierce, 34, of Durand, who works for Wixom-based Tomra Michigan, a bottle-return machine installing company.

[Australia: Easter warning for oil giants](#)

THE nation's consumer watchdog has warned petrol retailers not to raise prices unnecessarily ahead of the Easter long weekend.

[Hawai'i: Lawmaker Wants Big Oil To Open Books](#)

As the price of regular unleaded gas in Wailuku, Maui approaches four dollars a gallon and goes above that in other parts of the state a lawmaker is pushing a bill that would require oil companies and gas suppliers to open their books for public inspection.

Sen. Ron Menor, the democratic chairman of the Energy and Environment Committee, believes more transparency would put pressure on energy companies to lower fuel prices.

[Tax code unfair to taxpayers, but not oil firms](#)

Every American is affected by extremely high oil prices, yet major petrol corporations such as Exxon Mobil continue to receive special treatment on federal taxes. Our President, who has considerable financial holdings in the petrol cartel, refuses to support fair and justifiable changes in the federal tax code.

This is extremely unfair to average taxpayers who soon will be filing their 1040 tax returns. Why not write the White House? This is not only unjust, but is in fact madness - given America's financial status.

[Pain at pump goes both ways](#)

Soaring fuel prices make for unhappy customers and dwindling business for gas-station owners.

At Khawar Shahzad's Sunoco station on Parsons Avenue, the sign outside read \$3.39 a

gallon yesterday afternoon -- a bargain compared with \$3.59 earlier this week.

"Everybody looks so sad, like they've lost all their hopes," Shahzad said. "We do feel it, too, because we are not getting the business we used to get."

[Indonesia raises fuel prices for industrial uses](#)

JAKARTA, March 15 (Xinhua) -- Indonesia's state-run oil and gas firm Pertamina announced Saturday it has increased fuel prices by between 1.1 percent and 4.6 percent for corporate customers effective from the same day.

[We mistakenly worship oil, when the Sun is our true god](#)

In the excellent documentary A Crude Awakening, one of the speakers, Matthew Savinar - who manages the web site lifeaftertheoilcrash.net - states that although we (as the world) claim devotion to other gods, that who we truly worship is Oil. "Oil is our god", he says.

I couldn't agree with him more. What Matthew Savinar is saying is that we now live in societies whose very existence depends primarily on using oil.

[Fighting the Wrong Foe With the Wrong Weapons](#)

Mr. Scheuer's appraisal of the situation in which the United States now finds itself is grim. Because of the "profound and willful ignorance" of the "bipartisan governing elite" (those "individuals who have influenced, contributed ideas to, drafted and conducted U.S. foreign policy for the past 35 years"), he argues, "America has traveled a path that has seen the lethal nuisance originally presented by Sunni militants transformed into an existential threat that is poised to strike at the core of our social and civil institutions in a way that could change our collective lifestyle for many decades, perhaps forever." If there is "a place worse than hell in 2008," he adds, "Americans are now in it."

[Blair urges binding gas cuts by all countries](#)

MAKUHARI, Japan (AFP) - Tony Blair on Saturday urged the world's heaviest polluters including the United States and China to agree to binding emissions cuts, saying failure to act on global warming would be "unforgivably irresponsible."

[Japan climate plan questioned by poorer nations: NGOs](#)

MAKUHARI, Japan (AFP) - Japan proposed Saturday at a meeting on global warming

to set energy efficiency targets for each industry, but activists said the idea was met with suspicion by poorer countries.

Japan is a front-runner in energy-efficiency technology but is struggling to meet its own obligations to slash greenhouse gases under the Kyoto Protocol as its economy steadily recovers from recession in the 1990s.

[EU agrees climate plan deadline](#)

EU leaders have agreed to finish talks by the end of the year on an ambitious plan to fight climate change.

After a two-day summit in Brussels, leaders for the 27 nations said they hoped new legislation would be enacted in early 2009.

[EU warns US, China on climate change](#)

BRUSSELS - European Union leaders threatened the United States and China with trade sanctions Friday if the world's two biggest polluters don't commit to ambitious cuts in greenhouse gases by next year.

The warning came as the economic downturn focused European leaders on the impact on industry of their groundbreaking agreement last year to cut carbon emissions by 20 percent from 1990 levels by 2020.



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