



DrumBeat: May 14, 2008

Posted by [Leanan](#) on May 14, 2008 - 9:16am

Topic: [Miscellaneous](#)

[Huge study documents changes from climate warming](#)

A landmark new climate study released today reports that global warming is already changing the life cycles of thousands of animals and plants — as well as hundreds of physical systems — worldwide.

It documents rapid glacier melts in North America, South America and Europe; trees and plants sprouting leaves much earlier in the spring in Europe, Asia and North America; permafrost melting in Asia; and changes in bird migration patterns across Europe, North America and Australia, all in response to rising global temperatures.

While previous studies have looked at single phenomena or smaller areas, this is a new analysis on a continental scale looking at data that had not been previously assembled together in one spot, says lead author Cynthia Rosenzweig, a scientist at NASA's Goddard Institute for Space Studies in New York.

[ConocoPhillips CEO says record crude prices a foe](#)

HOUSTON (Reuters) - The CEO of ConocoPhillips, the third-largest U.S. oil company, said on Wednesday world crude oil supplies are adequate and not to blame for record prices, which have taken a toll on the industry.

"High oil prices have not really been our friend as an industry," Chief Executive James Mulva told the company's annual meeting.

[Imperial Oil Loses Battle for Oil-Sands Water Permit](#)

(Bloomberg) -- Imperial Oil Ltd., Canada's largest oil company, lost a legal bid to overturn a federal regulatory decision that could delay a planned C\$8 billion (\$7.98 billion) oil-sands project in Alberta.

[Petrobras ups oil output in April](#)

Domestic oil output by Brazil's state-run Petrobras rose 2.3% in April, reversing three straight monthly drops, said the company.

Petrobras said in a statement that it pumped an average of over 1.84 million barrels per day last month, a 3.5% increase over the year-earlier period.

[No turning back](#)

Oil at \$US200 a barrel: that was the warning from Goldman Sachs, published last week. The real price is already at an all-time high. At \$US200 it would be twice as high as it was in any previous spike. Even so, it would be a mistake to focus in shock only on the short-term jump in prices. The bigger issues are longer term.

Here are three facts about oil: it is a finite resource; it drives the global transport system; and if emerging economies consumed oil as Europeans do, world consumption would jump by 150 per cent. What is happening today is an early warning of this stark reality. It is tempting to blame the prices on speculators and big bad oil companies. The reality is different.

[U.S. April jet fuel demand lowest in 5 years - API](#)

WASHINGTON (Reuters) - U.S. jet fuel demand in April fell to the lowest level for the month in five years, after three small airlines ceased operations and thousands of flights at other carriers were canceled for safety reasons, the American Petroleum Institute said on Wednesday.

[Money motivates Iran to consider oil output cut](#)

Refiners are refusing to pay up for heavy Iranian crude that is difficult to convert into transport fuels and Iran is refusing to cut prices further.

"This is about the price and quality of the oil," said one buyer of Iranian crude. "This crude is a nightmare for refiners. There is a price for everything and if they want to get rid of the stuff they will have to stomach selling at a lower price."

[Scenes From the Tar Wars](#)

As Canada scrambles to dig up some of the world's dirtiest oil, a bush doctor tracks mysterious diseases, poisoned rivers, and shattered lives.

[How credit cards boost gas prices](#)

NEW YORK (CNNMoney.com) -- Buying gasoline with a credit card could be hurting your local independent gas station owner - and you may have to pay for it.

That's because credit cards charge merchant fees in the form of a percentage of sales - and those fees eat into the fixed per-gallon sum that gas retailers tack onto pump prices.

[World's largest offshore wind farm in the works](#)

LONDON (Reuters) - British utility Scottish & Southern Energy Plc (SSE) will build the world's largest offshore wind farm and has awarded \$3 billion in contracts to U.S. engineer Fluor Corp and Germany's Siemens AG.

Despite industry doubts about the viability of offshore wind SSE said on Wednesday it would build the farm off Britain's east coast. Work would begin on the 504 megawatt Greater Gabbard project shortly and power generation would start in 2011.

[Australia Coal-Mine Floods Raise Costs of Cars, Planes, Washers](#)

(Bloomberg) -- At about 1 a.m. on Jan. 19, some of the heaviest rains in a century caused the Nogoia River in Queensland to burst its banks, sending 32 billion gallons of water into one of the largest coal mines in Australia.

"It was like watching Niagara Falls," said Peter Westerhuis, 46, general manager of operations for the mine's owner, Ensham Resources Pty. "It filled the whole pit up in five hours."

Almost four months later, two of Ensham's six coal mines, along with others owned by companies including Melbourne-based BHP Billiton Ltd., remain submerged. The greatest damage was in the Bowen Basin, the source of 40 percent of the world's steelmaking coal. As production fell, the price of coking coal tripled to a record \$300 a metric ton last month, raising costs for the steel that goes into automobiles, airplanes and washers.

[Kenya: Fuel shortage threatens South Rift wheat output](#)

Wheat farmers in the Southern Rift Valley on Tuesday said they were unable to prepare their land for planting due to a serious shortage of diesel.

[Greece: New wave of strikes hits](#)

Another surge of strikes is gathering pace across the country as tanker truck owners are

due to meet today to decide whether to continue with action that has caused a severe shortage of fuel across the country.

Greece's largest union group, GSEE, has called a nationwide strike for some of its members tomorrow to protest government plans to reduce its stakes in OTE telecom and the country's two largest ports in Piraeus and Thessaloniki. Transport, hospitals, ports and banks are likely to be worst hit.

[Putin sees Russian oil output up 13.6% by 2015](#)

UST LUGA, Russia (Reuters) - Russia's Prime Minister Vladimir Putin said on Wednesday he expected Russian oil output to rise by 67 million tonnes (1.3 million bpd), or 13.6 percent, by 2015.

[Putin urges tax breaks to revive Russian oil growth](#)

UST LUGA, Russia, May 14 (Reuters) - Russia's Prime Minister Vladimir Putin urged on Wednesday to grant tax breaks to new oil provinces to revive output growth and add over a tenth to current production levels by 2015.

[Mexico presents plan to help deep water oil output](#)

MEXICO CITY (Reuters) - President Felipe Calderon sent a proposal to Congress on Wednesday to reduce taxes on oil output in difficult places to produce crude, such as the deep waters of the Gulf of Mexico.

The plan is part of Calderon's push to reverse declining oil output in the world's No. 6 producer. It joins a proposal Calderon sent to Congress in April to overhaul energy laws.

[China oil giants vow to ensure oil supply in quake-hit areas](#)

BEIJING (Xinhua) -- Two Chinese oil giants on Wednesday said they were stepping up efforts to guarantee the oil supplies to quake-stricken areas in southwestern Sichuan Province.

[Herman E. Daly: Climate Policy: From 'Know How' to 'Do Now'](#)

Recent increased attention to global warming is very welcome. But much of it is misplaced.

We focus too much on complex climate models, which ask things like how far emissions

will increase carbon dioxide concentration, how much that will raise temperatures, by when, with what consequences to climate and geography, and how likely new information will invalidate model results. Together these questions can paralyze us with uncertainty.

A better question for determining public policy is simpler: “Can we continue to emit increasing amounts of greenhouse gases without provoking unacceptable climate change?”

[CO2 rise continues, but check out methane](#)

What is new about the NOAA's greenhouse gas report this year is that methane levels also showed a clear increase for the first time in a decade.

Methane is a potent greenhouse gas, warming the planet 25 times more, molecule-for-molecule, than CO₂. It doesn't last as long in the atmosphere, which tempers its kick, but it's still enough to give you nightmares.

[Firms Seek Patents on 'Climate Ready' Altered Crops](#)

A handful of the world's largest agricultural biotechnology companies are seeking hundreds of patents on gene-altered crops designed to withstand drought and other environmental stresses, part of a race for dominance in the potentially lucrative market for crops that can handle global warming, according to a report being released today.

[Ways of Ancient Mexico Reviving Barren Lands](#)

SAN ISIDRO TILANTONGO, Mexico — Jesús León Santos is a Mixtec Indian farmer who will soon plant corn on a small plot next to his house in time for the summer rains. He plows with oxen and harvests by hand.

Under conventional economic logic, Mr. León is uncompetitive. His yields are just a fraction of what mechanized agriculture churns out from the vast expanses of the Great Plains.

But to him, that is beside the point.

[Starbucks struggles with reducing environmental impacts](#)

Starbucks customers who care about the environment ask first about the paper cups.

The cups are not recyclable, and even if they were, many Starbucks stores do not have

recycling bins.

Ben Packard, Starbucks' vice president of corporate social responsibility, knows it's an issue.

[Tiny Smart car gets crash test kudos](#)

The Smart ForTwo earns the top rating for front and side impact protection in crash tests by the Insurance Institute for Highway Safety.

[Engines of change](#)

As the price of oil continues to rise, low-emission diesel cars are being seen as a cheaper, greener alternative, and demand is soaring. But there are fears that the fuel's health dangers are being ignored.

[Oil Refiners See Profits Sink as Consumption Falls](#)

While drivers are facing sticker shock at the pump these days, here is a bigger shock: high prices are putting a strain on oil refiners.

After last year's stellar profits, American refiners are going through a traumatic period. In a time of record gasoline prices, some of them actually lost money in the first quarter, and for virtually all refiners, profits are down sharply.

[GM's sales focus to get 'dramatic redesign' as gas soars](#)

After months of holding out hope that U.S. truck sales would rebound, General Motors Corp. is accepting that the market shift toward more fuel-friendly vehicles isn't likely to end.

The automaker, which has made billions off its hefty trucks and SUVs over the years, said Tuesday that it's been over-promoting its largest vehicles and plans to change course.

Instead, GM will implement a "dramatic redesign" of its marketing strategy that places a much greater focus on its high-mileage cars, new hybrids and other fuel-efficient vehicles.

[EIA: US Preliminary March Crude Imports -9.3% Vs Year Ago](#)

NEW YORK -(Dow Jones)- U.S. crude oil imports fell 9.3%, or 963,000 barrels a day, to 9.385 million barrels a day in March, preliminary data from the Energy Information Administration show Tuesday.

March crude oil imports were the lowest in any month since February 2007 and also posted the biggest year-to-year monthly decline in any month since.

[Officials to weigh exports of Japan-refined gasoline to U.S.](#)

HONG KONG (MarketWatch) -- Officials from Washington and Tokyo are to meet Thursday to explore ways to utilize Japan's spare refinery capacity to offset a chronic shortage of capacity at refineries in the U.S., in a deal that could result in exports of Japan-refined gasoline products, according to a Japanese media report.

[More disclosures urged in oil deals](#)

The founder of a Berlin-based anti-graft group is promoting a global voluntary standard for companies to reveal what they pay resource-rich countries for access to produce oil and gas, and for those countries to disclose the payments.

Peter Eigen, founder of Transparency International, told the World Affairs Council in Houston on Tuesday that the Extractive Industries Transparency Initiative is designed in part to help companies reject bribery demands while increasing revenue disclosure.

"My advice is, don't bribe — because it will backfire," he said.

[Get Used to It -- Sky-High Oil Prices Are Here to Stay](#)

This ain't a bubble, folks. Better get used to it.

We've gotten a a little relief in recent days, but the stubborn upward spiral of oil prices isn't going to let up to any significant degree. Yes, there's some debate between economists and industry analysts who fall into two camps -- Bubble, Not-a-Bubble -- but the evidence suggests high prices are here to stay.

[Economic Consequences Of Sky-Rocketing Oil](#)

While my little lady was canvassing for Hillary in the Indianapolis suburbs (10 hours, daily) she noted pickup trucks sitting in driveways even though nobody was home. Families now carpool to work, their gas guzzlers abandoned.

[US diesel prices wake from short slumber](#)

After a temporary lull last week, American diesel prices shot back up as the national average retail price soared 18.2 cents to a new record high of \$4.331 for the week ending Monday, May 12.

[Americans Crossing Border For Cheap Gas](#)

The price difference between the two countries was hard to ignore. Hansen found that while California drivers are paying nearly \$4 a gallon for regular gas, in Tijuana it's \$2.75 at Pemex gas stations.

The difference in diesel prices was even more significant, Hansen said. The average in California is \$4.71. But in Mexico, truckers are filling up for \$2.10 a gallon.

[Worried about Price of Gas? End US Wars](#)

There is evidence that the heightened price of energy is a direct consequence of the destabilizing wars and geopolitical insecurity in the region. These include not only the raging wars in Iraq and Afghanistan, but also the threat of a looming war against Iran.

[Media should pump more coverage into energy crisis](#)

"Issue #1" did have a warning of things to come in a report last week that said people are now coming out in the morning to find their gas tanks empty. The price of gas is so high that stealing gas by siphoning it out of several cars can be worth hundreds of dollars. It gives grand theft auto a new meaning.

[We're becoming active choreographers of nature'](#)

In 10 to 15 years, the price of oil will be so high, and the price of solar-hydrogen power will be so low, that the two curves will cross. And when these two curves cross, it will usher in the solar-hydrogen age. (When I say solar hydrogen power, I include everything from solar cell to geothermal energy to wind to hydrogen, etc.)

Beyond 30 years, the goal of the ITER project in France is to find a way to control fusion. Within 40 years, commercial fusion power, which uses ordinary sea water as fuel, may become a reality. So the dangerous period is the next 15-20 years, during the transition to a solar-hydrogen economy. Already, we see the North Polar ice sheets melting. No matter what we do today, we will probably lose it by mid-century.

[Canada - Biofuels not 'crime against humanity': Ritz](#)

Agriculture Minister Gerry Ritz says the opposition is playing “silly games” by blocking the government’s plans to mandate ethanol content in gasoline.

Ritz defended the plan in the House of Commons against criticism from the New Democratic Party, which once supported the use of biofuels but has switched its position. The bill would mandate a five per cent ethanol mixture in gasoline by 2010 and a two per cent mixture of biodiesel by 2012.

“It’s an excellent situation for the environment, it’s a great thing for farmers, and a great thing for rural communities,” said Ritz.

[Oil industry costs continue steep rise: CERA](#)

NEW YORK (Reuters) - Costs to tap into new oil and gas projects escalated about 6 percent globally over the past 6 months and the climb can be expected to steepen on soaring prices for steel and other raw materials, according to a study released on Wednesday.

Cambridge Energy Research Associates (CERA), a unit of information and consultancy IHS Inc, said that costs to build new refineries and petrochemical plants also rose 6 percent.

"So long as oil prices remain high and demand for the end products remain high, I think we're going to see continued high level of costs," Candida Scott, senior director of cost and technology at CERA, said in an interview.

[Endless War and Iraq's Oil](#)

Good Morning Middle America, your King of Simple News is on the air.

Oil has gone from \$32 per barrel just a few years ago to today’s staggering \$126.

The Democrats are blaming George Bush and Dick Cheney for the hike, saying they influence “big oil.” Yet, U.S. oil companies produce only 25% of our current oil needs and their reserves are in serious decline.

[Navigating The Great Turning From Empire To Earth Community](#)

We are all well aware of the crisis unfolding around us. The day of reckoning for our reckless human ways that many of us have for decades warned would be coming is here. The future is now. Peak oil, climate chaos, financial collapse, and spreading social disintegration are all consequences of deep cultural and institutional dysfunction. The

imperative to address them presents us with an epic test of our human intelligence and creativity.

[The truth and lies about world's oil supply](#)

MYTHS about the current world oil situation and rapid fuel price increases are causing confusion for consumers, businesses and government policy makers. Unfortunately, many people don't have ready access to alternative points of view. I strongly recommend that the reader do some research on the Internet to verify the truth of the following claims.

The first myth asserts we have plenty of oil, and that discussion of depleting supplies is not a serious matter.

[Australia: The Government blew its lines](#)

There is a lot of speculation about economic conditions. Are we heading for a recession on a scale not seen since the 1930s depression or an inflationary boom driven by peak oil, staple food shortages and climate change? Either way, we are more likely to weather the storm if serious structural measures are taken now to minimise the shocks now.

[Surrey dubbed second downtown](#)

Metro's new plan will assume ramped up transit in traditionally underserved eastern areas of Metro Vancouver.

"Communities are very focused on the issues of climate change and peak oil," Corrigan said. "There's more recognition growth that has to be intensive and it has to be transit served."

[Oil's Murky Math](#)

At around \$125 a barrel, crude oil has more than doubled in price since the end of 2006. How is it possible that the vast majority of government forecasters, stock analysts, economists, traders, and journalists who follow the oil market failed to foresee this? Moreover, how can it be that even today, the bulls and bears on oil are extremely far apart, disagreeing not only on the oil outlook but even the present situation?

The answer is simple. You can't predict what oil prices are going to do even in the short-to-medium term unless you have a good handle on the forces of supply and demand. And that requires thorough and reliable data—which don't exist. Regrettably, the world oil market is no more transparent than a fragrant barrel of extra-heavy Orinoco crude. And the situation is getting worse because the world's fastest-growing oil consumer is

also one of the most opaque: China.

[Briefing: Oil](#)

We rely on it to power our everyday lives, and it drives the economy worldwide, but oil faces an uncertain future in the 21st century. Black gold is increasingly expensive, environmentally damaging and, in the view of some experts, increasingly scarce.

[Aging steel oil pipelines latest threat facing United States](#)

Simmons, whom I met last year at a peak oil conference in Boston, began by emphasizing that steel deteriorates the minute it is cast, because "rust never sleeps."

There are 335,890 miles (some 530,000 km) of aging steel pipelines in the U.S. alone, all subject to corrosion, leaks and metal fatigue. And that is only a fraction of the oil network: 1,127 tank farms plus hundreds of refineries have many more millions of miles of steel tubes, both monstrous and minute. Because the price of oil has been so low for so long - it was \$10 per barrel 10 years ago - there simply was not enough money to properly inspect this decaying mesh of intricate tubing and replace them where needed.

[Oil: why it's different this time](#)

As soon as people say, 'it's different this time', you can be sure the top will be in within a few weeks. But, when Peak Oil – the point at which we are getting as much oil out of the ground as we ever will - strikes, it really will be different this time. Is Peak Oil kicking in now? I would say fears of Peak Oil have certainly been pushing the price up for some five years or more.

[The New Peak Oil: Peak Demand](#)

Lost in the bullish talk of \$200 oil was Goldman's notes about demand destruction. The same report which predicted the super-spike also said that by 2012 the price of crude oil would fall to \$75 *normalized*. Goldman expects the current euphoria to lead to a spike in crude oil prices, which will spur new supply development and also lead to permanent demand destruction.

[High oil prices rekindle oil production in Mo.](#)

DEERFIELD, Mo. - Pumpjacks, the oil rigs that resemble those thirsty bird toys, are going up in Missouri for the first time in two decades, the latest region to revive a long-faded industry as crude nears \$130 a barrel.

The sky-high price of oil has turned extraction methods recently considered cost-prohibitive into cash cows.

[Military: Gunmen in Nigeria oil region hijack boat](#)

PORT HARCOURT, Nigeria - Unidentified gunmen in Nigeria's restive south have hijacked an oil-services vessel carrying 11 crew members, the military said Wednesday.

The hijackers are demanding about \$250,000 for the release of the boat and the crew, including one Portuguese and one Ukrainian, said military spokesman Maj. Sagir Musa.

[US wants to boost Trinidad energy ties](#)

PORT-OF-SPAIN, Trinidad - A top U.S. energy official says Washington wants to boost ties with Trinidad and Tobago, a Caribbean nation that is the No. 1 supplier of liquid natural gas to the United States.

U.S. Energy Secretary Samuel Bodman says it is "absolutely necessary" to protect the two countries' oil and gas pipelines and drilling platforms.

[High fuel prices curtail RV trips – just a little](#)

With fuel prices at record levels, they allow that the trips may cover shorter distances – especially when they get 10 miles to the gallon. There will be some sacrifices for the retirees: perhaps fewer meals out, maybe working a part-time job.

But they can't imagine giving up the RV lifestyle: a sense of freedom and adventure mixed with close friendships developed over years of traveling around the country. They don't plan to turn in their wheeled home for a condo.

"I don't know how high fuel would have to go for us not to do this," says Mr. Timko. "God has created so many great places to see, and we just haven't seen them all."

[Where Are Oil Prices Taking Stocks?](#)

So far the stock market has mostly ignored the jump in crude oil prices, but high energy costs could eventually take their toll.

[U.S. buys more Med crude to replace lost Nigerian](#)

LONDON (Reuters) - U.S. oil companies have been boosting purchases of light, sweet crude from the Mediterranean to meet peak summer gasoline demand, in place of unreliable, similar quality supplies from Nigeria, traders said on Tuesday.

At least six very large crude carriers (VLCCs), each carrying 2 million barrels, have been fixed on a spot basis over the past month to transfer Azeri Light from Ceyhan in Turkey and Saharan Blend from Arzew in Algeria to the United States.

[China quake hits gas output, oil impact minimal](#)

BEIJING (Reuters) - A powerful earthquake that hit southwest China on Monday has shut in some 3 percent of China's gas output, but the impact on oil demand is marginal due to the loss of power, companies said on Wednesday.

Quake-stricken Sichuan, largely a rural province that accounts for 4 percent of China's economy, is a major gas producer and user accounting for more than 20 percent of China's total, but a small oil consumer.

[Iran Expects OPEC Supply Cut as Heavy Oil Demand Weak](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries will eventually have to cut production of lower-quality crude as warmer weather in the northern hemisphere reduces demand for oil, Iran's OPEC governor said today.

"If OPEC isn't cutting production officially, they will do it in secret because the price is so high" and supply cuts would not be popular with consuming nations, Hossein Kazempour Ardebili said in a phone interview from Tehran. "Cuts will start on a voluntary basis, and will have to become formalized once secondary sources make the numbers clear."

[Iran has no plans to cut crude exports: official](#)

TEHRAN - Iran is exporting oil as usual and has no plans to cut crude exports, a senior oil official told Reuters on Wednesday, a day after the president was quoted as saying Tehran was considering a plan to cut output.

"There is no plan to cut exports and we keep our promises (to clients) ... and we export as usual," said Hojjatollah Ghanimifard, international affairs director at the National Iranian Oil Company (NIOC).

[Lula's Remarks on Brazil in OPEC Just Bragging, FT's 'Lex' Says](#)

(Bloomberg) -- Brazilian President Luiz Inacio Lula da Silva's remarks that the country should join the Organization of Petroleum Exporting Countries may be a bit of bragging rather than a serious comment on where Brazil may be headed, the Financial Times said in its ``Lex" column.

[The Reason Behind High Oil Prices](#)

It's not a supply crisis that explains the sharp spike in oil prices. It's unregulated commodities markets and greed.

[Two billion trees planted in UN campaign](#)

NAIROBI (AFP) - More than two billion trees were planted around the world as part of the UN's campaign to combat climate change, the world body's environment programme (UNEP) said Tuesday in a statement.

[NOAA chief urges creating National Climate Service](#)

WASHINGTON - With concerns about global warming rising along with the planet's temperature, the head of the federal agency in charge of weather research and forecasting is proposing creation of a new National Climate Service.



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