



A Katrina update and place to comment

Posted by [Heading Out](#) on August 28, 2005 - 8:57pm

Topic: [Supply/Production](#)

Update [2005-8-28 16:26:45 by Prof. Goose]:[Here's a link to a really good map of oil refining/SPR storage facilities in respect to the current path of Katrina.](#)

Update [2005-8-28 16:28:27 by Prof. Goose]:And then, below the fold, there's an important comment from Stratfor by DanteA at the bottom of ProfG's earlier post and a picture of Katrina in infrared, and a link and snippets from an article from NOLA.com about the "BIG ONE" that was written a while back. Just like The Oil Storm, this is scary too.

This was sent to me from Stratfor at 3:08pm EST today

Summary: hypothesis of a "worst case" scenario of the effects of Hurr. Kat. on the Port of New Orleans/So. La. (from which 15% of all U.S. exports pass- as measured by value)

The Geopolitics of Katrina

A Category 5 hurricane, the most severe type measured, Katrina has been reported heading directly toward the city of New Orleans. This would be a human catastrophe, since New Orleans sits in a bowl below sea level. However, Katrina is not only moving on New Orleans. It also is moving on the Port of Southern Louisiana. Were it to strike directly and furiously, Katrina would not only take a massive human toll, but also an enormous geopolitical one.

The Port of Southern Louisiana is the fifth-largest port in the world in terms of tonnage, and the largest port in the United States. The only global ports larger are Singapore, Rotterdam, Shanghai and Hong Kong. It is bigger than Houston, Chiba and Nagoya, Antwerp and New York/New Jersey. It is a key link in U.S. imports and exports and critical to the global economy.

The Port of Southern Louisiana stretches up and down the Mississippi River for about 50 miles, running north and south of New Orleans from St. James to St. Charles Parish. It is the key port for the export of grains to the rest of the world -- corn, soybeans, wheat and animal feed. Midwestern farmers and global consumers depend on those exports. The United States imports crude oil, petrochemicals, steel, fertilizers and ores through the port. Fifteen percent of all U.S. exports by value go through the port. Nearly half of the exports go to Europe.

The Port of Southern Louisiana is a river port. It depends on the navigability of the Mississippi River. The Mississippi is notorious for changing its course, and in southern Louisiana -- indeed along much of its length -- levees both protect the land from its water and maintain its course and navigability. Dredging and other maintenance are

constant and necessary to maintain its navigability. It is fragile.

If New Orleans is hit, the Port of Southern Louisiana, by definition, also will be hit. No one can predict the precise course of the storm or its consequences. However, if we speculate on worse-case scenarios the following consequences jump out:

The port might become in whole or part unusable if levees burst. If the damage to the river and port facilities could not be repaired within 30 days when the U.S. harvests are at their peak, the effect on global agricultural prices could be substantial.

There is a large refinery at Belle Chasse. It is the only refinery that is seriously threatened by the storm, but if it were to be inundated, 250,000 barrels per day would go off line. Moreover, the threat of environmental danger would be substantial.

About 2 percent of world crude production and roughly 25 percent of U.S.-produced crude comes from the Gulf of Mexico and already is affected by Katrina. Platforms in the path of Katrina have been evacuated but others continue pumping. If this follows normal patterns, most production will be back on line within hours or days. However, if a Category 5 hurricane (of which there have only been three others in history) has a different effect, the damage could be longer lasting. Depending on the effect on the Port of Southern Louisiana, the ability to ship could be affected.

A narrow, two-lane highway that handles approximately 10,000 vehicles a day, is used for transport of cargo and petroleum products and provides port access for thousands of employees is threatened with closure. A closure of as long as two weeks could rapidly push gasoline prices higher.

At a time when oil prices are in the mid-60-dollar range and starting to hurt, the hurricane has an obvious effect. However, it must be borne in mind that the Mississippi remains a key American shipping route, particularly for the export and import of a variety of primary commodities from grain to oil, as well as steel and rubber. Andrew Jackson fought hard to keep the British from taking New Orleans because he knew it was the main artery for U.S. trade with the world. He was right and its role has not changed since then.

This is not a prediction. We do not know the path of the storm and we cannot predict its effects. It is a warning that if a Category 5 hurricane hits the Port of Southern Louisiana and causes the damage that is merely at the outer reach of the probable, the effect on the global system will be substantial.

Update [2005-8-28 16:19:53 by Prof. Goose]:from [NOLA.com](http://www.nola.com): [THE BIG ONE](#)

"A catastrophic hurricane represents 10 or 15 atomic bombs in terms of the energy it releases. Think about it. New York lost two big buildings. Multiply that by 10 or 20 or 30 in the area impacted and the people lost, and we know what could happen."-Joseph Suhayda LSU Engineer

"The worst case is a hurricane moving in from due south of the city," said Suhayda, who has developed a computer simulation of the flooding from such a storm. On that track, winds on the outer edges of a huge storm system would be pushing water in Breton

Sound and west of the Chandeleur Islands into the St. Bernard marshes and then Lake Pontchartrain for two days before landfall.

A variety of creatures -- rats, mice and nutria, poisonous snakes and alligators, fire ants, mosquitoes and abandoned cats and dogs -- will be searching for the same dry accommodations that people are using.

Technorati Tags: [peak oil](#), [oil](#), [Katrina](#), [Port Fourchon](#).



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