



DrumBeat: June 10, 2008

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Topic: [Miscellaneous](#)

[U.S. raises oil price forecast 12 pct on tight supply](#)

WASHINGTON (Reuters) - The U.S. government's top energy forecaster on Tuesday raised its projections for 2008 oil prices by nearly 12 percent as oil supplies from key projects in Russia, Norway, Mexico and Brazil failed to relieve tight supplies despite a slowdown in demand growth.

...The agency said it is still calling for non-OPEC supply to jump 820,000 bpd later this year as big fields in Brazil and Azerbaijan come online. But given recent delays, the EIA hedged its bets on the probability of such supplies materializing as planned.

"Given recent history, EIA believes that the pace and timing of non-OPEC supply growth will continue to be subject to possible delays in key projects and accelerating production declines in some older fields," the agency said.

[Watch closely, and you could see cities grow](#)

We've all got or heard similar stories. Take a small village I know in the south of France. Thirty years ago there were no street names and just a handful of houses. Now the town has grown so much that the sign signalling the entrance had to be moved further down the hill so the "suburbs" felt included.

In itself, not much to worry about. But if you add up all the expanding villages, towns and cities around the world things look a bit different. According to research in *Biological Conservation*, humans are building the equivalent of a city the size of Vancouver every week. Yes, every week.

[U.S. expects to attend Saudi oil meeting](#)

WASHINGTON — The United States expects to participate in a June 22 meeting on oil supply in Saudi Arabia, the White House said Tuesday.

"It's a positive sign that Saudi Arabia wants to take a leadership role on this issue. As one of the world's largest producers and consumers, we expect to participate," White

House spokesman Tony Fratto said.

Parties Point Fingers on Gas Prices Legislation



With the average price of gas in the United States now above \$4, Senate Republicans today rejected a plan by Democrats to give the president the authority to declare an "energy emergency" and sue OPEC nations, prosecute price gouging, assess a "windfall profits tax" on oil companies and cut down on speculation in the energy markets.

The Democratic proposal, called the "Consumer-First Energy Act," was a grab bag of measures that Democrats cobbled together a month ago as gas prices were rising. At the time, the plan was meant as a counter-measure to a Republican plan that sought to encourage domestic oil exploration. Democrats in May voted down the Republican oil exploration plan, which would have done little for gas prices in the short term.

Gas Prices Skyrocket for Most, Stay Low for Some

In the United States, the average gas price has surpassed \$4 a gallon; but in Norway, the cost is more than double that price. Meanwhile, Venezuela consumers are paying just pennies at the pump. Lasse Fridstrom, the managing director of the Institute of Transport Economics in Oslo and Miguel Octavia, an economic blogger in Venezuela, discuss the impact of some of the world's highest and lowest gas prices.

At \$135 Oil... Are You Starting to Worry Yet?

The world keeps turning and the resources get used up. It's really quite simple.

Despite that fact, the debates rage over Peak Oil, Peak Food and peak everything else. It's about as sensible as rearranging deck chairs on the Titanic. So the "experts" continue to debate whether or not resources are running low. But the evidence is pretty clear, at least to this trader.

[New Zealand: Political games over energy](#)

For some time, National Party energy spokesman Gerry Brownlee has been keen to contrive an energy crisis. It is an obvious means of further discomforting a Government that is reeling on a number of fronts. A fortnight ago, Mr Brownlee accused Energy Minister David Parker of having "his fingers firmly crossed behind his back" and ignoring the reality of emptying hydro lakes. This week, he saw the announcement of an energy-savings campaign as the chance to ram home the message. "So there is a power crisis after all," he proclaimed. Never mind that there was scant support for such a notion. Mr Brownlee's somewhat constrained view of the world meant politicking must take precedence, even if that meant panicking people unnecessarily.

[Eating only what grows around you](#)

Once the purview of foodies and hippies, 'locavorism' is going mainstream.

[Americans fear gas shortages](#)

Poll shows that more drivers are afraid of rationing and long lines at the station than of high prices.

NEW YORK (CNMoney.com) -- As much as Americans fret over the rising price of gas, one thing worries them more: the possibility of having to wait in long lines to buy rationed gas.

A CNN/Opinion Research poll released Tuesday shows that 55% of those surveyed are more worried about long lines at gas stations and rationing than about the high prices that drivers have paid in recent months. The poll shows 40% of the respondents are more concerned about the high prices.

[Saudi to host oil-producer-consumer meeting June 22-Badri](#)

LONDON (Reuters) - Saudi Arabia will host a meeting of oil producers and consumers in Jeddah on June 22 to discuss oil prices, OPEC Secretary General Abdullah al-Badri told Reuters on Tuesday.

[Eni to declare force majeure on Nigeria oil-trade](#)

LONDON (Reuters) - Italian energy firm Eni (ENI.MI: Quote, Profile, Research) is expected to declare a force majeure on Nigerian Brass River crude exports, trading sources said on Tuesday.

Traders said about 45,000 barrels of Brass River production was lost at the weekend. But they did not elaborate further as to why the company is taking such action.

[U.S. gasoline to peak at \\$4.15/gallon in August](#)

WASHINGTON (Reuters) - Regular-grade gasoline in the United States is expected to peak in August at \$4.15 a gallon, with the full year price averaging \$3.78 a gallon, the Energy Information Administration said on Tuesday.

[SD: Settlements in pipeline eminent domain trials](#)

PIERRE, S.D. - Settlements were reached in the first trials scheduled in TransCanada Keystone's use of eminent domain to gain access to private land along the route of its oil pipeline in eastern South Dakota.

[Miami lawyer sues OPEC, claims price fixing](#)

On the same day that the price of the Organization of Petroleum Exporting Countries' (OPEC) basket of 13 crude oils hit \$130.87 a barrel, a Miami lawyer filed a lawsuit alleging the group is fixing oil prices.

Attorney Larry Klayman filed a suit in Miami federal court, on behalf of nonprofit group Freedom Watch, alleging that OPEC violated American antitrust laws.

[New threat to food system: pricey fertilizer](#)

WASHINGTON/WINNIPEG (Reuters) - It powered the Green Revolution and helped save millions from starvation, but now one of the most important tools on the farm is being priced out of reach for many of the world's growers.

With food prices soaring and stocks thinning, the world is in need of bumper harvests but once one of most bountiful of commodities, fertilizer, is becoming scarce and expensive.

[Monbiot: These objects of contempt are now our best chance of feeding the world](#)

Peasants are detested by both communists and capitalists - but when it comes to productivity a small farm is unbeatable.

[Gas prices run Victoria's meals off their wheels](#)

Soaring gas prices have helped to kill Meals on Wheels in Victoria, and are threatening the program in other major Canadian cities.

Last week, Meals on Wheels in Victoria announced it would be shutting down after 35 years of service, citing gas prices as one of the main reasons. Yesterday, prices in Greater Victoria soared as high as \$1.49.9 a litre, among the most expensive in the country.

[North Anoka Meals on Wheels to fold, citing funding shortfall](#)

North Anoka Meals on Wheels will make its last delivery June 30.

Because of funding cuts, fundraising shortages and steep gas prices, the program will end after 27 years, said Maggi Novak, who heads the program.

[Food banks ask gardeners to grow extra for hungry](#)

LANGDON, N.H. (AP) — Sharon Crossman hadn't tasted fresh fruits or vegetables in a week. Since her husband had two heart attacks and stopped working, she has relied on disability checks and the free food provided by a food pantry.

But lately, the only fresh produce available at the Fall Mountain Foodshelf where she volunteers has been shriveled potatoes and sprouting onions.

Pantry director Mary Lou Huffling expects that to change soon, as she has begun asking local gardeners and farmers to grow extra rows of produce to donate.

[New forces fraying U.S.-Saudi oil ties](#)

WASHINGTON -- For decades, Saudi Arabia worked with its dominant customer, the United States, to keep world oil markets stable and advance common political goals.

But the surging price of oil, which soared more than \$10 a barrel Friday to a record-high \$138.54, has made it plain that those days are over. New forces, including a weak dollar and an oil-thirsty Asia, have blunted the United States' leverage and helped sour the two countries' relationship.

[Petrobras to test Tupi oilfield in Q1 2009](#)

NEW YORK (Reuters) - Brazilian oil company Petrobras plans to test production at the Tupi oil field in the first quarter of 2009, Chief Executive Jose Sergio Gabrielli said on Tuesday.

If the tests are successful, the company plans to add a 100,000 barrels per day (bpd) capacity early production unit to Tupi by the end of 2010.

[Petrobras: oil price to stay high, fleet will grow](#)

The head of Petroleo Brasileiro SA -- Petrobras -- suggested Tuesday that global oil prices are likely to stay high for the time being, and said the Brazilian state-run oil giant plans to significantly expand its fleet of drilling rigs and other vessels in the coming years.

[Iraq Eying First Field Tenders in June or Early July](#)

The Iraqi oil ministry is planning to announce the first round of tenders to develop its vast oil fields, which are among the world's largest, at the end of June or the beginning of July, an Iraqi oil official said Monday.

"Iraq is going to announce the first round of tenders to develop super giant oil fields in southern and northern Iraq either at the end of June or the beginning of July," the official told Dow Jones Newswires by telephone from Baghdad.

[Barents Sea Dispute on Agenda at Norway-Russia Talks](#)

An almost 40-year conflict over Barents Sea borders and Arctic issues were high on the agenda Monday for talks between the foreign ministers of Norway and Russia in northern Norway, officials in Oslo said.

[Oil Rises Amid a Slower-Than-Expected Non-OPEC Supply Increase](#)

(Bloomberg) -- Crude oil rose more than \$1 a barrel after the International Energy Agency lowered its estimate of supply from non-OPEC producers.

The IEA cut its projection by 300,000 barrels to 50.04 million barrels a day.

[Oil rebounds, gas hits another record](#)

NEW YORK (CNMoney.com) -- Crude prices rebounded Tuesday on renewed concern

about global demand, particularly in earthquake-ravaged China, while gasoline reached another record high average above \$4 a gallon.

[America's Energy Nightmare About to Get Worse – 6 Million Families may Need Help Paying Their Electric Bills \(Part 1 of 4\)](#)

As if record gasoline prices weren't causing enough consumer pain, Americans are expected to face skyrocketing electric utility bills this summer that may force as many as six million low- and middle-income families to seek government and utility assistance, twice as many as historically seek aid. Some could even die.

[Fearing \\$5 gas, Americans cut back](#)

NEW YORK (CNMoney.com) -- As more Americans become resigned to the possibility of paying \$5 for a gallon for gas, they are driving less and seriously considering chucking their gas guzzlers, according to a poll released Monday.

[Gas taxes set to rise in some states](#)

ATLANTA (AP) — All of the talk among political candidates about a federal gas tax holiday to offset soaring prices at the pump misses a critical fact: state taxes are, for the most part, even more costly for drivers.

And in some states, gas taxes are rising even higher, with a handful set to jump at the height of the summer driving season.

[Effort to tax oil profits blocked](#)

Senate Democrats fail to overcome filibuster of a 25% windfall profits tax on the top five oil companies.

[Peak & Prices As Drivers Of Change](#)

Today it is difficult to believe that \$138 a barrel oil, with \$150 coming soon to a theatre near you, and the accompanying travails of the big three car makers, and the airline, and trucking industries, not to mention consumer anger, won't be enough to focus our media and our society's collective mind on the issue of fossil fuel depletion. Given that our original aim at PCT was to highlight the issue of peak we have in that sense become redundant. With that said there is still important work to do as it is essential that the narrative is properly framed if we are not to move from the frying pan only to land in the fire.

[High fuel prices spark protests in Asia and Europe](#)

MADRID (Reuters) - Protesters marched in India, Hong Kong and Nepal over soaring oil prices on Tuesday and Spaniards stockpiled fuel and food, fearing shortages because of a truck drivers' strike that has halted deliveries.

South Korean truck drivers also threatened to strike, increasing pressure on Asian governments struggling to prevent rising prices from breaking their budgets and avoid making the burden on the public so heavy it threatens political stability.

[Shortages bite in Spanish strike](#)

A growing number of petrol stations in Spain are running out of fuel, as lorry drivers continue to blockade major cities in a protest over diesel prices.

With the strike in its second day, worried motorists cleaned garages out of fuel, and some food markets have also started running out of produce.

[Malaysia: Hundreds of fishing boats stranded due to fuel shortage](#)

Hundreds of deep-sea fishing boats have been stranded in Tok Bali here for the past 10 days due to shortage of fuel for the boats.

[Fuel price hike triggers protest in Nepal capital](#)

KATHMANDU (Reuters) - Student activists burned tires on roads and blocked traffic in Kathmandu on Tuesday to protest against a hefty increase in fuel prices, but many Nepalis hope the unpopular hike will at least mean smoother supplies.

Nepal Oil Corporation (NOC) on Monday increased petrol and diesel prices by about a 25 percent to stem losses at the state-run oil company and help overcome a domestic fuel shortage.

[Oil Outrage](#)

What will our roads and transportation infrastructure look like 2 to 5 years from now? Will there no longer be SUV's? Will we be driving moped's like they do in Asia? Will these prices for gasoline, heating oil, fuel and electricity cause us to make the biggest shift in consumer habits and transportation in our lifetime away from the invention of the automobile?

[Gov't warned on reopening nuclear plant](#)

MANILA, Philippines — A lawmaker Monday cautioned Energy Secretary Angelo Reyes against rushing to reopen the mothballed Bataan Nuclear Power Plant (BNPP), saying that the country lacks a “culture of safety.”

[Oil and the 'Bad News Principle'](#)

Let's start this short paper by getting the peak oil issue off the table. Peak oil is not about the future – it's about the past! It's about a (generally unspoken) strategy formulated many years ago by the most important countries in OPEC, which features a decrease in the production of their invaluable oil (and probably also gas) when they get the opportunity. The present high oil price has given them the opportunity!

[Alaska drilling is no quick fix, but it needs to happen](#)

Surging gasoline prices have prompted renewed calls for drilling in environmentally sensitive areas, particularly Alaska's potentially oil-rich Arctic National Wildlife Refuge.

We supported drilling in ANWR long before gas topped \$4 a gallon and continue to do so. But let's be clear about what it would and wouldn't do.

[Gas prices.. just how high is too high?](#)

ike I'll never have my wedding, it's pretty horrible."

Her situation is devastating for the young couple, but not surprising to Matthew Simmons. As founder of Simmons & Company International, an energy investment banking company. He's been writing and talking about a worldwide oil shortage for years and says we could be on the cusp of a major crises. "We are right on the bubble of having the lowest amount of usable gas and diesel in the United States," he said. "All we need is the threat of shortages and everyone will top of their tanks, and we'll drain the gasoline supply."

[A post-oil future](#)

Kunstler's lecture at the Marlboro College Graduate Center on Saturday was well-attended, mostly by people who already have a good idea that something is not right with the American way of life as we now know it.

His thesis, which he has been writing about for the past few years, is simple: our economy, totally dependent on cheap energy, is unsustainable in its present form and

steps must be taken now to do something about it.

Unfortunately, most Americans haven't figured this out yet.

[Nation needs more engineers, scientists](#)

It's hard to be an optimist when you're living in a nation with a crumbling infrastructure and a world on the brink of an energy crisis. But she sees those as opportunities for the nation's new scientists and engineers to tackle. "Energy security," she says, "is the space race of the new millennium.

[Workers, economy can reap the benefits of green jobs](#)

Americans are worried about the economy - prices are rising, and workers are losing their jobs. In Wisconsin, the paper industry is threatened by rising energy costs and General Motors plans to shutter the Janesville plant, resulting in the loss of 2,400 good jobs. The United States is facing an energy crisis, and global warming poses a serious threat. Now more than ever, Americans realize that building a clean energy economy is the way to put Americans back to work and to fight global warming.

[Gazprom sees \\$250 oil next year](#)

DEAUVILLE, France — Russia's Gazprom, the supplier of a quarter of Europe's natural gas, expects the price of crude oil to almost double within 18 months and to take gas prices higher with it.

"We think it will reach \$250 a barrel in the foreseeable future," chief executive Alexei Miller told reporters at a presentation in France, adding high demand rather than speculation was the primary factor for high hydrocarbon prices.

A spokesman said the company, which is also one of Russia's largest crude producers, expected the price to hit the \$250 (U.S.) a barrel level sometime in 2009.

[Bernanke: Energy prices increase risk of inflation](#)

Federal Reserve Chairman Ben Bernanke on Monday said the danger of the economy entering a "substantial downturn" had eased in the past month or so despite last week's unexpected jump in unemployment. But he cautioned that soaring energy prices are creating new inflation risks that the Fed will "strongly resist."

[An Oil-Driven Paradigm Shift?](#)

A couple of heavy comments came in over the weekend expressing concern about what might be coming around the bend, not so much in the stock market but bigger pictured items that could impact the stock market--well all capital markets really.

One reader questions whether the the current state of the energy market represents a paradigm shift in that "we are an oil-based economy and the supply of oil is finite."

[New Zealand: Extracting people from their cars no mean feat](#)

On any weekday cars loiter, looking for parking spaces in the main shopping streets. Supermarket carparks are invariably at capacity, their client vehicles spilling into adjacent streets. Traffic congestion, though short of gridlock, is now only an incident or accident away from a logjam on Cambridge's historic high bridge several times a day.

Schools have a car parking problem. Perhaps most telling, many of these cars are second and third vehicles within the household. Every working day a stream of other vehicles can be seen leaving homes to make a daily commute to work. Few have more than one occupant. The problem that leaves Cambridge in the morning arrives somewhere, probably Hamilton, within the hour only to return to Cambridge eight hours later.

[New Zealand: Peak oil strategy would help Kyoto response](#)

The massive 9% spike in crude oil, along with the falling New Zealand dollar, has led to renewed calls from the Māori Party for a cross-party Parliamentary Commission to look sensibly and collaboratively at addressing the challenge of Peak Oil.

"It's too late to prevaricate about whether world oil production is peaking now or next year," said Dr Sharples, Finance spokesperson for the Māori Party. "The discovery of new fields and new extraction technology is not offsetting falling production from existing fields, while the global demand for oil continues to increase" said Dr Sharples.

[Australia: You should pay more for fuel](#)

So listen up Kevin (and Anna Bligh), because here's a solution.

Ditch the FuelWatch scheme, abandon Queensland's petrol subsidy, and increase – yes increase – taxes on fuel. Then hypothecate the extra revenue directly to public transport (and freight) solutions – not more roads that no one will be able to afford to drive on soon – but real, bums-on-seats bus and rail projects.

[UK economy is hostage to oil, warns expert](#)

The UK's economy cannot make a sustainable recovery until it breaks free of its dependence on oil, an expert at the University of Liverpool is warning.

Simon Snowden, a lecturer in Operations Management who recently addressed the All-Party Parliamentary Group on Peak Oil and Gas, believes the accelerating cost of oil heralds the beginning of a supply 'plateau' where oil production peaks and demand for the commodity outstrips supply to such an extent that world economies begin to fail because of their dependence on it.

[Peak oil gathers steam](#)

Peter Botten: For the first time ever, you see a significant decline in production out of Russia for this year and you see the Middle East, frankly, struggling to maintain, let alone increase its production. Put that against the backdrop of an average decline rate across the world of the world's oilfields of about 11 per cent and there is no doubt that the fundamentals of supply and demand will remain tight.

Robert Gottliebsen: So you believe that the reason OPEC is refusing to lift production is simply that they can't do it?

Peter Botten: I genuinely believe they have no capacity to do it.

[U.S. has grown past its ability to meet its oil needs](#)

With oil prices spiraling up into very disconcerting levels, we need to come to terms on some dire oil market fundamentals.

Due mainly to excessive fuel consumption, we have grown past the ability of the system to supply us.

Peak oil is not a contrived shortage or a conspiracy. We are going deeper for smaller oil deposits. We aren't discovering giant new fields like we did back in the 1950s and '60s. And many of those are now starting to deplete.

[Raising alarm over oil supply](#)

COLONIE -- Clifford Wirth's view of the future in the United States is pretty grim.

The retired University of New Hampshire political science professor is in the Capital Region this week talking about the impending "peak oil" crisis.

[Police taking steps to save gas](#)

WASHINGTON — Rising gas prices are prompting some police departments to curb their cruisers for parts of their daily shifts and walk the beat instead — a change that shrinks coverage areas and increases emergency response times.

[The Failure of the Energy Markets](#)

While I hate to admit it, I believe that increased supervision and regulation of the commodities market may be in order to ensure that they function properly. If nothing else, it would allow a suspicious public to sleep easier at night knowing that their suffering is not resulting in exorbitant amounts of money being made by people on Wall Street. What it comes down to I believe is making the market more transparent and eliminating many of the speculative aspects of the market.

[BP chief bets 'peak oil' backer output will keep rising](#)

BP Chief Executive Officer Tony Hayward is putting money on the line to dispute the theory of peak oil, according to his counterparty in the wager Kjell Aleklett, a professor at Sweden's Uppsala University.

Hayward bet Aleklett the price of one barrel of oil in 2018 that global crude production will be greater than the current daily output of 85.5 million barrels, the professor said during his speech at the Asia Oil and Gas Conference in Kuala Lumpur. Total supply was 86.8 million barrels a day, including natural gas liquids such as propane.

[OPEC chief appeals for calm over oil](#)

LONDON - OPEC Secretary General Abdullah al-Badri on Tuesday appealed for calm, saying the record-high oil price was unbearable and did not reflect any shortage of supply in the market.

Oil jumped over \$10 on Friday to over \$139 a barrel, its biggest-ever one day rise. The Organization of the Petroleum Exporting Countries has blamed factors other than supply for oil's record run.

"I ask through you, through Reuters, really we need some calm. We are panicking too much," Badri told the Reuters Global Energy Summit.

"The situation is unbearable as far as we are concerned. I want to say, there is no shortage now and in the future."

[Kuwait backs Saudi call for oil consumer talks](#)

KUWAIT CITY - Kuwait said on Tuesday it supports a call by Saudi Arabia for talks with oil consuming nations but reiterated its position that high prices were not driven by market fundamentals.

"Yes, we do support it... and we think that the issue is related to consumers and producers as well," Oil Minister Mohammad al-Olain told reporters.

[Energy Agency cuts oil demand forecasts](#)

PARIS - The International Energy Agency lowered its forecast for global oil demand this year amid surging prices, but said Tuesday that global hunger for oil is knocking markets out of kilter.

"Supply growth so far this year has been poor and higher prices are needed to choke off demand to balance the market," the Paris-based watchdog said in a monthly report.

[Natural gas prices at an all-time high](#)

In a normal year, now is the time when natural gas prices dip between seasons — and consumers lock in favorable contracts for the winter.

This is not that year.

Natural gas prices posted for June are not only the highest of the year, they're the highest in history — higher even than in the record-breaking months that followed Hurricane Katrina in 2005.

[Speculators caught short by crude price](#)

Speculators lost money in last week's oil price jump as they were forced to cover previous bets on falling prices, data from the New York Mercantile Exchange show.

Traders said many speculators had been betting on falling oil prices ahead of last week's jump of \$16.24 in less than 36 hours to a record \$139.12 a barrel by Friday. Caught in a wrong bet, they had to buy back their positions on Monday.

[UK: Strike talk activates emergency oil plans](#)

Ministers have activated emergency procedures with the oil industry ahead of a threatened four-day strike by tanker drivers, amid fears that filling stations across Britain could start running out of fuel from this weekend.

John Hutton, business secretary, fears the strike could prompt much more widespread fuel shortages than those caused by the strike at the Grangemouth oil refinery in April, and has ordered officials to draw up contingency plans. Industry executives believe these fears are well founded and said they were working with the government to implement measures to minimise disruption.

[Oil prices: Europe threatened with summer of discontent over rising cost of fuel](#)

Concerns were growing last night over a summer of coordinated European fuel protests after tens of thousands of Spanish truckers blocked roads and the French border, sparking similar action in Portugal and France, while unions across Europe prepared fresh action over the rising price of petrol and diesel.

Spanish hauliers began an indefinite strike, demanding a government aid package to offset the effect of record oil prices. Lorry drivers blocked motorways at the border with France and caused 12-mile tailbacks around Madrid and Barcelona. Long queues formed at Spanish and Portuguese supermarkets after truckers said shops could run out of fresh food in days. Even before the strike began thousands of people formed long lines outside petrol stations and supermarkets.

[U.S. trade gaps widens in April to \\$60.9 billion](#)

WASHINGTON (Reuters) - The U.S. trade deficit widened more than expected in April as the average price for imported oil jumped to a record \$96.81 per barrel and U.S. exports and imports also set records, a Commerce Department report showed on Tuesday.

[Top Car Dealer Says High Gas Prices Are Good for the U.S. Auto Industry](#)

Detroit's big auto makers are slashing jobs, closing factories and undertaking costly revamps of their product strategies to cope with \$4 a gallon gas. What's the worst thing that could happen now? Gas could get cheap again, says the man who runs America's biggest auto retailer.

"For once we actually have viable alternatives and exciting technology that are really game changers" in the effort to wean transportation from petroleum, says Mike Jackson, chairman and chief executive officer of AutoNation Inc. "However, if the price of petroleum goes down ... it undercuts the viability of new technology."

[Hybrid Vehicles Fly Off Dealer Lots, Supply Challenges Mount](#)

Toyota Motor Corp.'s (TM) popular Prius hybrid may not be known as a sports car, but

it certainly has been speeding off dealership lots in the era of \$4-a- gallon gasoline.

Demand for gas-electric hybrids has been surging overall as consumers increasingly opt for fuel-sipping cars to combat high gasoline prices. The Prius, the first mass-market hybrid and the most iconic hybrid name, is at the vanguard of the trend, with U.S. dealerships recently measuring their Prius inventories in hours, not days.

At the end of May, a new Prius averaged just under 17 hours on a dealership lot before being sold, compared with an average 3.5 days at the end of April. For comparison, Toyota's average passenger car spends about 25 days at the dealership, according to the company.

[Iran to scale down production of gasoline-powered cars](#)

TEHRAN (Xinhua) -- Iran will scale down production of gasoline-powered vehicles and increase cars with dual-fuel and natural gas engines, Iran's English-language Press TV reported on Tuesday.

"Sixty percent of passenger cars produced this year will use natural gas as fuel or dual-fuel, and the remaining 40 percent will run on regular gasoline," said a statement released by the Cabinet of President Mahmoud Ahmadinejad.

[Greased Lightning](#)

FRYER grease bandits? Have people really begun pilfering waste oil from behind restaurants around the country to use as biodiesel, as I've been reading? I certainly hope so. Not that I'm condoning such an act. In addition to its illegality, waste oil banditry makes my own fuel search — in my grease-powered 1985 Mercedes diesel station wagon — more difficult. But at least the \$4-a-gallon times are leading more drivers to find fossil fuel alternatives, just as I did when I converted my car a couple of years ago.

[Nigerian gunmen attack Canadian oil facility](#)

LAGOS -- Gunmen in southern Nigeria attacked an oil facility belonging to Canada's Addax Petroleum on Tuesday, killing at least one person, in the second such attack on the firm in as many days, the Nigerian navy said.

[Nigeria's oil unions to meet Chevron to avert strike](#)

LAGOS (AFP) — Nigeria's oil workers' unions are to hold talks on Tuesday with local senior officials of the US giant Chevron to avoid a strike that could paralyse production, a labour leader said.

[Bulgaria minister wants lower power price increase](#)

SOFIA (Reuters) - Bulgaria's Economy and Energy Minister Petar Dimitrov urged the energy regulator on Tuesday to cut a planned 18 percent hike in electricity prices for households by 7 percent due to high inflation.

"We are aware about the record high jump in global fuel prices but we have to find all the possibilities to reduce the planned price increase to protect the Bulgarian people and ease pressure on inflation," Dimitrov said in a statement.

[China braces for leap in gas prices](#)

The nation, which subsidizes fuel costs, is expected to boost prices as the cost of crude oil soars.

[As gas costs climb, driving dwindles](#)

Gasoline prices this week reached a new record average of \$4.02 per gallon, according to the AAA Fuel Gauge Report.

Two-thirds of Americans have already changed how much they drive due to high prices at the pump, according to a poll commissioned by Access America Travel Insurance and Assistance.

[Personal carbon trading goes real time](#)

Drivers filling up with fuel will, from today, be able to participate in a trial for the world's first real-time personal carbon trading scheme. Up to 1,000 volunteers will be able to use their Nectar shopping loyalty cards at any BP garage to record how much fuel they have purchased – and, as a result, create an electronic record of how much carbon dioxide they will consequently be emitting into the atmosphere.

[Finnish PM urges rich nations to take lead on climate change](#)

TOKYO (AFP) - Finland's Prime Minister Matti Vanhanen on Monday urged developed countries to take the lead in reducing greenhouse gas emissions while helping emerging economies with clean energy technologies.

"Competition for vital natural resources, in particular water, may further intensify in many parts of the world as a result of changing weather patterns. This is likely to lead to increasing local and regional strife," he said.

[Scientists warn G8 of climate peril to food](#)

PARIS (AFP) - Scientists from Group of Eight countries and the five biggest emerging nations urged next month's G8 summit to ratchet up action against global warming, warning that climate change threatened food and water supplies.



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