



## DrumBeat: July 4, 2008

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Topic: [Miscellaneous](#)

### [ANALYSIS - US oil firms seek drilling access, but exports soar](#)

WASHINGTON (Reuters) - While the U.S. oil industry want access to more federal lands to help reduce reliance on foreign suppliers, American-based companies are shipping record amounts of gasoline and diesel fuel to other countries.

A record 1.6 million barrels a day in U.S. refined petroleum products were exported during the first four months of this year, up 33 percent from 1.2 million barrels a day over the same period in 2007. Shipments this February topped 1.8 million barrels a day for the first time during any month, according to final numbers from the Energy Department.

The surge in exports appears to contradict the pleas from the U.S. oil industry and the Bush administration for Congress to open more offshore waters and Alaska's Arctic National Wildlife Refuge to drilling.

### [UK Lawmakers to Probe Energy Market Speculation Mid-July](#)

U.K. lawmakers will probe the regulation of the oil markets in mid-July, as oil prices cycle ever higher and their U.S. counterparts pressure the market watchdog there to clamp down on excessive market speculation.

### [Naomi Klein: Big Oil's Iraq deals are the greatest stick-up in history](#)

Once oil passed \$140 a barrel, even the most rabidly rightwing media hosts had to prove their populist credibility by devoting a portion of every show to bashing Big Oil. Some have gone so far as to invite me on for a friendly chat about an insidious new phenomenon: "disaster capitalism." It usually goes well - until it doesn't.

For instance, "independent conservative" radio host Jerry Doyle and I were having a perfectly amiable conversation about sleazy insurance companies and inept politicians when this happened: "I think I have a quick way to bring the prices down," Doyle announced. "We've invested \$650bn to liberate a nation of 25 million people, shouldn't we just demand that they give us oil? There should be tankers after tankers backed up like a traffic jam getting into the Lincoln Tunnel, the stinkin' Lincoln, at rush-hour with

thank-you notes from the Iraqi government ... Why don't we just take the oil? We've invested it liberating a country. I can have the problem solved of gas prices coming down in 10 days, not 10 years."

[Power Hungry](#): *As Russia becomes more aggressive regarding its natural gas supplies, Europe faces a whole new energy crisis*

Oil may be headed for \$200 a barrel and the price of everything from wheat to gold set to cause yet more ructions in world commodities markets, but for European businesses, households and governments, natural gas may be the next big headache. Like oil, the price of this fossil fuel is rising dramatically. Now EU officials and others in the industry are warning that Europe is facing a supply crunch as well, whatever the price.

Europe is "sleepwalking" its way to a "staggering dependence on imports," Paulo Scaroni, chief executive of Italy's national energy company, Eni, told the World Energy Congress in Rome late last year. By 2020 gas demand could be 40% higher than in 2007, at a time when production in the 27-nation EU was "expected to halve." The result, he stated, will mean doubling Europe's annual imports from 300 billion cubic metres to 600 billion cubic metres. "We clearly run the risk of a gas shortage in the future," he added.

### [Oil at \\$300](#)

You would think that this story is right out of science fiction. But the facts appear to be that the US Democrat-controlled Congress intends to destroy the Republican middle class with \$11 per gallon gasoline.

The Democrats' base -- wealthy white "limousine liberals", and very poor people -- won't be harmed, but the families who live in suburbia will be devastated.

### [High fuel prices cause shortage of Meals on Wheels volunteers](#)

Meals on Wheels Association of America reported effects of the rising food and fuel prices in all 50 states from May 22-30.

More than half the reporting programs reported losing volunteers because of fuel prices. Of those, almost half, 48.3 percent, reported they were forced to consolidate or eliminate routes.

### [Australia: Rising prices lead to volunteer crisis](#)

Underprivileged children and the disabled are missing out on services across the region as rising living costs force volunteers to quit their roles, according to community organisations.

### [India: Anti-malaria drive runs out of fuel](#)

Every year, the Rajkot Municipal Corporation (RMC) observes June as 'Month Against Malaria' and undertakes several pre-monsoon precautionary activities. But this time, the main activity of fogging was indefinitely stopped as 36 fogging machines of the RMC Health Department remained out of order due to a shortage of petrol.

### [Drivers choosing cheaper rides: As fuel prices soar, motorbikes and scooters not being used just for fun](#)

Victor Slobodian says he can't keep scooters and motorbikes in stock.

The owner of Cool Rides in Barrie says customers are downsizing their vehicles and fuel bills by using these alternatives.

"I've seen a dramatic shift in sales this year," Slobodian said. "We are selling scooters and small bikes just as fast as we can get them in stock.

"We're actually experiencing a bit of a shortage from our suppliers because of the demand," he added.

### [Tricks of the hypermilers boost mileage in any car](#)

With gasoline topping \$4 a gallon, there's no shortage of advice from the financial experts: Try car-pooling, biking or walking. Or trade your car.

Then I heard about "hypermiling": changing your driving behavior to coax better gas mileage out of your car. Hypermilers do such things as drive slowly, brake as little as possible and limit their use of the air conditioner.

### [Gas prices driving Houston cabbies out](#)

HOUSTON -- Before he even starts his taxi cab, Yamare Ndiaye knows the day will take a toll. "Every day I keep losing a lot of money."

Ndiaye says he hasn't turned a profit in months.

He says he doesn't even bother to ask customers for that \$1 fuel surcharge the city allowed this week.

"I don't even ask it to customers because I feel ashamed. One dollar is nothing," he said.

### [Politics Failed, but Fuel Prices Cut Congestion](#)

Soaring gas prices and higher tolls seem to be doing for traffic in New York what Mayor Michael R. Bloomberg's ambitious congestion pricing was supposed to do: reducing the number of cars clogging the city's streets and pushing more people to use mass transit.

### [Biodiversity: Some species could be wiped out 100 times faster than feared, say researchers](#)

Endangered species could become extinct 100 times faster than previously thought, scientists warned yesterday in a bleak reassessment of the threats to global biodiversity. They say methods used to predict when species will die out are seriously flawed and dramatically underestimate the speed at which some will disappear.

### [Some rows to hoe at the White House](#)

IT HAS BEEN decades since that famous forager Euell Gibbons reached through the White House fence and picked four edible weeds out of the president's garden. This is not something that the Secret Service would recommend you try today.

But Roger Doiron has a better plan for eating the view of 1600 Pennsylvania Ave. He's started a campaign to get a kitchen garden growing on the White House lawn.

### [Warning from Energy Insider...](#)

"We need to depoliticize most of the energy debate. The energy reality out there is changing, and changing fast. If you have not thought about the 'energy issue' in, say, five years, then your thinking process is probably obsolete. If you are frozen in some past that you learned years ago, then you are part of the problem.

"At the same time, we need policy stability and long-term focus within the national energy evolution. Are we going to produce large amounts of energy in the future? If not, how do we plan to run the country? To run the economy? Or are we just going to blow down what we have in the installed base? If we want to just live off the past energy heritage, we should also ask the band to practice playing 'Nearer, My God, to Thee.'"

### [Oil Makes Markets Go 'Round](#)

There's a sea change in how the think tanks feel about the energy question. Opinion is

shifting fairly rapidly toward the tight supply conclusion. One major holdout, Cambridge Energy, still believes that Saudi Arabia's elephantine fields, more than 40 years old, are not even close to peaking. The Saudis themselves say they expect to develop sizable fields that, in the longer term, will push them past 12 million barrels of production a day.

Some of us question whether the Saudis can achieve this from their present 10-million-barrel capacity. Satellite cameras don't tell you much about Saudi capacity. Recent photos suggest a high level of pressure pumping, which is what you do to keep an oil reservoir at peak production rates. But there is no proof that their fields have peaked. Recently, however, the retired head of Aramco, the Saudi production company, said future production could not exceed 12 million barrels.

### [School district's 4-day week approved](#) (Minnesota)

MACCRAY will be the first district in Minnesota to join rural districts in 17 other states to adopt the alternative schedule that promises to save \$85,000 in energy and transportation costs.

### [Gas Prices Keep Vacationers at Home](#)

WATERBURY, Conn. (AP) - Despite a spate of wet weekends, family camping is enjoying a surge in Connecticut this vacation season. High gas prices are given much of the credit.

### [Maine: High cost of oil turns focus back to wood](#)

AUGUSTA — Facing a winter where home heating oil likely will cost \$4.50 or more per gallon, a task force created by the governor believes the public is ready to start making the switch back to the state's most plentiful homegrown resource: wood.

The goal is to convert 10 percent of home oil-based heating systems to wood in five years, using pellet or wood chip technology, according to a draft report released by Gov. John Baldacci's Wood-to-Energy Task Force.

### [Marshall Islands declares 'economic emergency' over energy crisis](#)

MAJURO (AFP) — The tiny western Pacific island nation of the Marshall Islands has declared a state of economic emergency as soaring fuel prices threaten to shut down electricity supplies.

Failure to resolve the fuel crisis could lead to a "disaster of unimaginable magnitude," President Litokwa Tomeing said in a statement late Thursday.

### [Indonesia: A strategy to cope with the worsening energy crisis](#)

Until the end of the last decade, Indonesia always cheered on any increase in the oil price because it translated into windfall profits for the country. But now Indonesia has become a net oil importer and even withdrawn from the Organization of Petroleum Exporting Countries (OPEC), the current oil price increase is hurting the country a lot.

Like other countries that maintain a subsidy policy to provide affordable fuel for the public, Indonesia has no option but to raise fuel prices to cut the ballooning subsidy.

Raising fuel prices is, however, only a short-term solution with no long-lasting impact. It helps ease the increased burden on the state budget caused by the rising oil prices. However, the burden will only increase with the continually rising oil price.

### [Londoners steer clear of city's Carpool Zone](#)

With gasoline prices going through the roof, you'd think there'd be no shortage of takers for a free London carpool match-making service.

Think again.

Only 350 people -- about .01 per cent of the population -- have registered for city hall's Carpool Zone since the Internet-based, ride-sharing program was launched last year.

### [Diesel deliveries in Baja slow to a trickle](#)

TIJUANA – The search for diesel led Daniel Rojas and his 18-wheel Freightliner from Pemex station to Pemex station one afternoon this week, but each time he heard the same stories: It hasn't arrived. We're still waiting. We've run out.

While gasoline has continued to flow, shuttered pumps and long lines have greeted diesel customers across the state of Baja California in recent days – the result of a dramatic spike in demand for low-cost Mexican diesel created by rising U.S. prices.

### [Attack on nuclear sites means war, says Iranian commander](#)

Tehran - An Iranian military commander warned Friday that any attacks against Iran's nuclear sites would mean the start of a war, official news agency IRNA reported.

'Any military action against (nuclear sites in) Iran would mean start of a war and the Iranian reaction would definitely make the enemy regret both its decision and action,' commander of the paramilitary Revolutionary Guards, General Mohammad Ali Jafari,

told IRNA.

### [The energy panic](#)

The poll results sure make it seem like Americans are fearful enough to embrace all the wrong solutions to their energy woes. Support for conservation is down markedly in just a few months.

### [Alaska: Stevens outlines energy goals, stresses domestic resources](#)

FAIRBANKS — In order for any energy plan to move forward, lawmakers in Washington, D.C., will have to set aside party politics that are blocking domestic oil and gas development, Sen. Ted Stevens said this morning.

“We need to get together as Americans and forget about all this political baloney,” he said. But, he added, relief from high energy prices could come sooner than people realize because of the heavy pressure the public is putting on lawmakers.

### [Ad Hoc Citizen Energy Board Lighting Up The Future](#)

The scant reader response my articles elicited, combined with the ease with which a heartbreaking number of acquaintances dismissed the subject in conversation, just about convinced me no one was listening.

Now that prices at the pump have nearly doubled, of course, Americans are sitting up. It seems now everyone and her cat has an opinion of what’s going on and what must be done to preserve that which cannot be saved – our “just in time” economy dependent on faraway sources of energy, supply and even government.

### [New Zealand: Moore slapped with council ban](#)

For several months now Mr Moore has been a constant thorn in the council's side as he has campaigned to force it to prepare more for the effects of climate change and peak oil.

He's already been thrown out of one council meeting, and became perilously close to being turfed out of another.

But in her letter, Mrs McKerrow claims it is Mr Moore's treatment of council staff that is the reason behind the trespass notice. In his dealing with staff he has shouted, used bad language, yelled over their efforts to speak to him, and generally intimidated them, she says.

### [Let's use 'telework' to grease economy](#)

"We've found that folks can telecommute and be more productive when they do it," says Malcolm D. Woolf, director of the Maryland Energy Administration. "My perception is that employees are more focused because they're not interrupted by colleagues. They're able to read the big document and get focus time."

Many bosses worry if they can't see people toiling, but this is as outdated as it is benighted. Among computers' many advantages is their ability to measure work accomplished, wherever it is done. Instant messaging ought to satisfy even hovering, neurotic supervisors.

### [The U.S. Declaration of \(Energy\) Independence](#)

When in the Course of human events, it becomes necessary for one people to dissolve the economic bands which have connected them with another — and to *assert* among the powers of the earth, a separate and equal access to the *energy resources necessary to preserve that people's standard of living*, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

### [Response to oil, gas rules disappoints Colo. gov](#)

DENVER - Gov. Bill Ritter said he's disappointed by the oil and gas industry's campaign assailing proposed new regulations as "job-killing" because the goal is to balance energy development with other important Colorado resources.

### [Energy Myths](#)

#### **"We can't drill our way out of our energy crisis."**

Actually, we can. As we've noted before, conservative estimates put the total amount of recoverable oil in conventional deposits at about 39 billion barrels. Offshore, we have another 89 billion barrels or so. In ANWR, 10 billion barrels.

In oil shale deposits, we have more than 1 trillion barrels of oil. In perspective, that's about four times the total reserves of Saudi Arabia. And if estimates of shale reserves as high as 2 trillion barrels prove true, we'll have about a 300-year supply of oil just from shale. This compares with current estimated total U.S. oil reserves of about 21 billion barrels.

### [Biofuels behind food price hikes: leaked World Bank report](#)

LONDON (AFP) - Biofuels have caused world food prices to increase by 75 percent, according to the findings of an unpublished World Bank report published in [The Guardian](#) newspaper on Friday.

The daily said the report was finished in April but was not published to avoid embarrassing the US government, which has claimed plant-derived fuels have pushed up prices by only three percent.

...The report's author, a senior World Bank economist, assessed that contrary to claims by US President George W. Bush, increased demand from India and China has not been the cause of rising food prices.

"Rapid income growth in developing countries has not led to large increases in global grain consumption and was not a major factor responsible for the large price increases," the report said.

Droughts in Australia have also not had a significant impact, it added. Instead, European and US drives for greater use of biofuels has had the biggest effect.

#### [EPA considers requests on easing ethanol rules](#)

The Environmental Protection Agency said it's reviewing congressional requests to relax rules mandating the use of ethanol, which some lawmakers say is straining corn supplies.

#### [Oil steady above \\$145 in Asia on Saudi declaration](#)

BANGKOK, Thailand - Oil prices remained near record highs above \$145 a barrel in Asia after Saudi Arabia's oil minister suggested his country doesn't plan to boost production.

Light, sweet crude for August delivery was up 23 cents at \$145.52 a barrel in Asian electronic trading on the New York Mercantile Exchange, midafternoon in Singapore. Crude futures rose to \$145.85, a record high, in New York on Thursday before settling at a record finish of \$145.29 a barrel.

Oil prices have risen more than 50 percent so far this year.

#### [Gas prices scale record \\$4.10 a gallon](#)

LONDON (CNNMoney.com) -- The high cost of gas is one thing Americans won't be celebrating on July 4.

Retail gas prices in the U.S. rose overnight to a record high for the fifth straight day, a daily survey by auto club AAA showed Friday.

### [Why Isn't Natural Gas at \\$19.50 Per Mcf?](#)

Traditionally gas was evaluated at its energy content which, when compared to the energy content of a barrel of conventional oil, was about one-sixth. This traditional measurement was used for years as a tool for evaluating gas reserves in barrels of oil equivalent (BOE). Therefore, it was a tool for setting the value of reserves in a single format.

Over the last half dozen years this traditional measurement has lost its validity as the price of natural gas has failed to maintain its place in a rising oil price environment.

### [Michael Klare: Life at the summit](#)

Because the oil summit will extend over another decade or so, it is easy to fall into denial and behave as if the eventual decline in output is so far into the future as to not require serious concern today. And, for the most part, this is the way most consumers are behaving. Although high gasoline prices in America, for example, are forcing motorists to cut back on summer driving plans and to trade in their old gas-guzzlers for more fuel-efficient automobiles, few are abandoning their reliance on private motor vehicles as their prime means of transportation. Meanwhile, automobile ownership in China, India, and other rapidly developing nations continues its meteoric rise. All this ensures that global oil demand will continue to rise.

While such behaviour is certainly understandable, it would be a grave mistake to persist in denying the fundamental realities of life on the summit. The global market has more oil than ever before – but not enough to cope with major crises and certainly not enough to satisfy unbridled increases in demand. From now on, we must view petroleum as a precious commodity, to be used prudently and for the most valuable purposes; we must also take steps to reduce our vulnerability to crisis and turmoil, and slow the rise in international demand.

### [The Peak Oil Crisis: Assesing \\$200 Oil](#)

Three months ago anyone talking about \$200 oil was considered a fear monger, or worse, but things happen fast these days. In the intervening period, oil prices have risen by nearly \$40 a barrel and show no signs of stopping. All of a sudden it has become fashionable to start talking about much higher prices and to start thinking about the implications of multi-hundred dollar oil.

### [The Wheels Are Coming Off](#)

The consequences of "peak oil," of course, loom far more ominous than what can be described in terms of a mere "business cycle." The planet is running out of oil, plain and simple, and even tapping new offshore or Alaskan fields would only temporarily postpone that reality. Given the lack of cyclical references in Paulson's speech yesterday, it is plausible to assume that he recognizes this fact, even if not explicitly acknowledging it publicly.

### [Cities Plan for World Where Oil is Scarce](#)

Knowledge of peak oil, the point at which the amount of petroleum that is economically feasible to extract and refine goes into decline -- and prices go through the roof -- has spurred some cities in the United States to curb their oil use. Some activists cry out for a World War II-scale mobilization that would transform the economy to run on a fraction of its fossil fuel base.

### [Oil prices are probably going up no matter what we do](#)

But here's what is really scary: Even though oil prices have been rising sharply for several years and that has encouraged additional drilling, the global supply of oil has increased only modestly. Output is actually falling in some substantial oil-producing nations as a result of declining fields, civil war or other issues.

### [High costs hit fireworks producers](#)

As in so many other industries, the cost of procuring materials and transporting goods has been rising precipitously. Add in shipment problems with China, where most fireworks come from, and the result is a rocky start to 2008.

### [National speed limit pushed as gas saver](#)

WASHINGTON (AP) -- An influential Republican senator suggested Thursday that Congress might want to consider reimposing a national speed limit to save gasoline and possibly ease fuel prices.

Sen. John Warner, R-Virginia, asked Energy Secretary Samuel Bodman to look into what speed limit would provide optimum gasoline efficiency given current technology. He said he wants to know if the administration might support efforts in Congress to require a lower speed limit.

### [Air France eyes move to railways](#)

Air France is holding talks on a joint venture that could lead to it offering high-speed rail

travel.

The airline confirmed reports it was discussing a possible tie-up with Veolia, a French utility firm that also runs several rail services.

Commentators suggest such a deal would enable the airline to cut fuel costs by moving some services onto the railways.

### [UK: Oil prices could sink resort](#)

“Peak oil is upon us and, given the rising demand for oil from India and China, it is unlikely that future long-distance travel will be as commonplace as now,” he said. “Is our economic future one in which this kind of resort will flourish, or is it more likely that future behaviour and the need to act sustainably will render it redundant before it is built?”

### [From flat world to free world](#)

The lack of an intellectual defence of capitalism has left free markets vulnerable. "The power of the state is reasserting itself," said Daniel Yergin, coauthor of *The Commanding Heights* and a free market optimist, in *The Wall Street Journal* recently.

### [Israel: Kinneret Water Line Just Days Away From Red Line](#)

Though the Kinneret is not in as bad shape as it was seven years ago, the overall water situation is even worse. This is because the Coastal and Mountain Aquifers (underground water reservoirs), Israel's next two largest water sources - each providing 20% of Israel's water, as compared with the Kinneret's 27% - are very low on water.

Many water experts say that water conservation by residents could save tens of millions of cubic meters of water each year, and that campaigns to this effect should be run. "However," one official said, "in reality, we are not short tens of millions, but rather hundreds of millions. Therefore, desalination is the only real solution."

### [Japan Sees a Chance to Promote Its Energy-Frugal Ways](#)

“Superior technology and a national spirit of avoiding waste give Japan the world’s most energy-efficient structure,” Prime Minister Yasuo Fukuda said in a speech outlining his agenda for the meeting. Japan “wants to contribute to the world,” he said.

### [Merger of US earth sciences agencies proposed](#)

WASHINGTON - From climate change to volcanoes and earthquakes, the world's growing challenges have leaders in earth science proposing a merger of agencies that study the planet.

Creation of a new Earth Systems Science Agency is urged in this week's edition of the journal Science, by merging the National Oceanic and Atmospheric Administration and the U.S. Geological Survey.

### [Hot future shock: Heat wave temperatures to soar](#)

WASHINGTON - During the European heat wave of 2003 that killed tens of thousands, the temperature in parts of France hit 104 degrees. Nearly 15,000 people died in that country alone. During the Chicago heat wave of 1995, the mercury spiked at 106 and about 600 people died.

In a few decades, people will look back at those heat waves "and we will laugh," said Andreas Sterl, author of a new study. "We will find (those temperatures) lovely and cool."

Sterl's computer model shows that by the end of the century, high temperatures for once-in-a-generation heat waves will rise twice as fast as everyday average temperatures. Chicago, for example, would reach 115 degrees in such an event by 2100. Paris heat waves could near 109 with Lyon coming closer to 114.



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