



DrumBeat: July 18, 2008

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Topic: [Miscellaneous](#)

[Fuel costs strain U.S. mass transit, too](#)

"High gas prices are really a double-edge sword," says Virginia Miller, spokeswoman for the American Public Transportation Association (APTA). "While they are bringing more people to ride buses and trains all across the country, public transit agencies are facing challenges to meet their costs."

In many cases this means fare hikes and service cuts. So far this year, nearly half of metropolitan bus operators surveyed by the APTA said they had increased prices to address the strains of rising fuel costs; 19 percent said they had reduced service.

Such fare hikes are hurting the poor disproportionately. While more of the country's suburbanites are choosing mass transit, many of the nation's poorest urban dwellers, whose only option is often public transportation, aren't riding at all because of fare hikes and the downturn in the economy, transportation experts say. Some no longer have a job to commute to, they add.

[Russia's LUKOIL forecasts production decline: RIA](#)

MOSCOW (Reuters) - Russia second largest oil producer LUKOIL has revised 2008 production forecasts to a decline of about 3 percent, Russia's RIA news agency reported on Friday, citing comments by Lukoil's president.

The forecast of a decline in LUKOIL production comes after a previous estimate of slight growth or at least flat output, the news agency said.

[McCain: States should set fuel efficiency marks](#)

WARREN, Mich. — Sen. John McCain said this morning that states should be able to determine their own fuel efficiency standards.

The policy, which a dozen states are pushing, is strongly opposed by the domestic auto industry as a job-killing proposal that would seriously harm the industry.

[Iraq, U.S. agree on 'general time horizon'](#)

WASHINGTON (AP) — The United States and Iraq have agreed to seek "a general time horizon" for deeper reductions in American combat troops in Iraq despite President George W. Bush's once-inflexible opposition to talking about deadlines and timetables.

[BP on verge of losing control of Russian joint venture](#)

MOSCOW: For all its effort to retain an equal share in a Russian joint venture here, BP seems to be edging ever closer to losing control.

The British company's four billionaire Russian partners have pressed an unrelenting campaign to oust the joint venture's chief executive, Robert Dudley, who was appointed by BP, and to expel other foreign managers from the company, and from the country, in the latest turmoil in Russia's oil patch.

[Nigeria: Sabotage behind pipeline blast](#)

An explosion that destroyed an Eni SpA oil pipeline in Nigeria's restive southern oil region was caused by aggrieved youths from a nearby community, a military official said Friday.

Col. Chris Musa, the head of the Bayelsa State military, said Thursday's blast was not an accident but "deliberate sabotage" by a group protesting the alleged nonpayment of fees by the energy company to the local population.

[Drivers going to great lengths for free fuel](#)

NEW YORK - Some U.S. motorists sick of getting clobbered at the pump seem willing to do just about anything for free fuel, from giving up the right to name their children to stealing from day-care centers to donating blood.

[Russia gears up to develop vast oil reserves](#)

MOSCOW—President Dmitry Medvedev signed a law today enabling the Kremlin to handpick companies to develop the vast oil reserves believed to be located in the Russian Arctic.

In a televised meeting with Deputy Prime Minister Igor Sechin, who oversees the energy industry, Medvedev outlined priorities for developing some of Russia's richest and most challenging oil deposits.

The government will take the unusual step of selecting companies to develop the Arctic reserves, instead of holding auctions or tenders, the president said.

"The continental shelf is our national heritage," said Medvedev, signalling a move toward greater state control over the country's lucrative energy industry. "This was done consciously to ensure rational use of this national wealth."

[Ukraine's Naftogaz halts siphoning of Gazprom gas](#)

MOSCOW (RIA Novosti) - The Ukrainian oil and gas company Naftogaz has stopped tapping Russian gas in excess of a standing contract with Gazprom, the Russian energy giant said on Friday.

It said the Ukrainian company had complied with Gazprom's demand to stay within the contract-mandated quotas for 2008.

[Deadly tension on the roads — cars vs. bikes: As gas-shocked commuters opt for bicycles, they save money — but are left more vulnerable to accidents](#)

The problem is that so many new riders create road hazards because they don't know the rules, police say. Too often, inexperienced riders take traffic signs as suggestions, not commands.

After the Seminole County, Fla., sheriff's office recently began fielding scores of complaints from drivers that bicyclists were clogging major streets, it sent out deputies with video cameras. The cameras revealed large groups of bike riders illegally disrupting traffic.

[Park tests hybrid buses in McKinley's shadow](#)

ANCHORAGE, Alaska - For years, visitors wanting to see Denali National Park's grizzly bears, moose, sheep and caribou have had to ride school buses that polluted the air and spoiled the tranquillity with their noisy, carbon dioxide-spewing diesel engines.

Now park officials are testing a hybrid bus that promises to run cleaner, cheaper, and quieter.

[American to lay off 1,500 maintenance workers](#)

DALLAS - American Airlines will cut 1,500 jobs in its maintenance division as it reduces its fleet of aircraft.

[U.S. Fuel Use Drops Most in 17 Years in 1st Half 2008, API Says](#)

(Bloomberg) -- U.S. fuel consumption fell 3 percent in the first half of 2008, the biggest decline for the period in 17 years, as high prices and a slowing economy curbed demand, an oil industry report today showed.

Deliveries of petroleum products declined to an average 20.08 million barrels a day through June, American Petroleum Institute said in a monthly report. Gasoline deliveries fell 1.7 percent, the first "significant" decline in 17 years.

[Soaring inflation undermines sustainability of Persian Gulf region](#)

Cairo - Just as Persian Gulf cities such as Dubai and Abu Dhabi were becoming synonymous with excess and success, the Gulf boom is in danger of going bust. Instead of conjuring images of towering skyscrapers and indoor ski slopes, they are struggling with soaring inflation rates. Indeed, the Gulf region may want to position itself at the center of global capitalism, but it will first have to contend with the impact that skyrocketing energy costs and a cooling global economy are having on the local economy and the impoverished migrant labor force that bears the brunt of rising oil and food costs.

High inflation is causing concern among policymakers in the Gulf Cooperation Council (GCC), a regional organization that includes Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates (UAE).

In June, inflation in Egypt, the most populous Arab country, hit a 19-year high of 20.2 percent. Saudi Arabia also saw a 30-year inflation high of 9 percent in May. Meanwhile, inflation in Bahrain rose from 4.07 to 6.2 percent between December 2007 and April.

To make matters worse, five of the six GCC members, with the exception of Kuwait, peg their currencies to the US dollar. As its value drops, their inflationary woes grow, and the sustainability of economic growth in the Gulf is brought into question.

[Crude oil at \\$250 per barrel?](#)

You should never make predictions, especially about the future", advised Samuel Goldwyn. Forecasting future price of oil is even more hazardous. Yet, in this article we gaze into the crystal ball to guess where the price of oil is headed.

[Russian natural gas monopoly Gazprom to slash jobs in effort to cut costs](#)

MOSCOW: Gazprom announced Friday that it will slash some of the nearly 6,000 jobs at its Moscow headquarters as part of a cost-cutting plan.

[Report: U.S. sanctions fail to cripple Iran's oil industry](#)

WASHINGTON (Xinhua) -- The United States, having long imposed sanctions against Iran for its controversial nuclear program and alleged support for anti-U.S. militants in Iraq, has failed to cripple the oil industry of the Islamic republic, the Wall Street Journal reported Friday.

[China May Face Worse-Than-Expected Power Shortage](#)

(Bloomberg) -- China, the world's second-biggest energy consumer, may face a worse-than-expected power shortfall when demand peaks in summer, the nation's largest electricity distributor said.

[Fiji: Islanders without kerosene](#)

VILLAGERS of Dravuwalu on Totoya in Lau have been without kerosene for the past three months as a result of irregular shipping services.

Sikiti Cakacaka told The Fiji Times from Totoya it has been hard to cope without fuel, food or medical supplies.

Mrs Cakacaka most families have to resort to using candles at night.

[The Crises of Our Time - and the Need for a Paradigm Shift](#)

For the first time in history the human family as a single entity is faced with multiple global crises, each of which has far-reaching implications for the future of our species. These crises are not just the consequences of specific events or even systemic flaws in say the global economic architecture. They are related to fundamental values and deeply entrenched worldviews. The solutions to these crises may require an unprecedented paradigm shift --- a radical shift in the way in which we look at ourselves, at others, and at the planet that we inhabit.

[America's Economic Demolition... Through Oil Implosion](#)

We're exactly where they want us, where they've been maneuvering us for decades.

hey've been clear about their desire to increase the price of gasoline so high it would drive SUVs and other oil/gas guzzlers off the streets - while doubling tax revenues - using global warming as their means of deception. Achieving power over the masses. with unbelievable wealth, Al Gore and his panic-cronies will not debate real

Climatologists and other professionals, because they know their claims are fraudulent. Their strategy of creating an energy shortage by shutting down American drilling and oil refining facilities for the past 25 years has been successful and the American economy is sliding into a painful recession with gas at over \$4.50 per gallon (Calif.) and continuing to climb with no end in sight. Chavez, in Venezuela, and OPEC anticipate that oil will reach \$300 a barrel, and liberals will not allow us to do anything to stop it from happening. 'Evil' public-owned oil companies - that liberals are suing - have tried to save us, as they were forced to purchase over 70% of our needs from foreigners, mostly from Muslims who demand we convert, or die. But why die quickly when they can keep us in self-imposed bondage of extortion oil costs.

[Roads feeling bumpier? Blame soaring costs](#)

Sweigart said an increasingly popular technology being employed by oil refineries in just the last few years is beginning to contribute to higher asphalt prices.

"Cokers" can refine the material in oil that used to end up on the market as asphalt and fuel oil into more lucrative gasoline and diesel fuel. Less of that material going for asphalt means higher prices, he said.

[Prius owners get the last laugh as gas prices rise](#)

Justin Wages became "one of them" when he bought a new Toyota Prius hybrid three years ago.

"I always had really high-horsepower racing cars, so all my friends on that side give me the tree-hugger, hippy stuff," says Wages, who lives in the south Placer city of Lincoln. "My Prius gets 53 mpg, but if I take the back roads, drive slow and am careful, I've gotten 62 mpg."

[Qantas name will survive but low-cost fares are over](#)

As the dust of more job losses, grounded planes and additional capacity cuts starts to settle on the worn tarmac of the aviation industry, three clear things have begun to emerge from the gloom.

[Energy crisis? What energy crisis? Petrol is still cheaper than sweets](#)

The difficulty I have with getting cross about the price of petrol is that, the way I see it, it's still relatively cheap.

In some places it's about £7 a gallon, but that's still only roughly the same price as semi-

skimmed goats' milk (please don't ask how I know this), or just a third of the cost of a pint of bitter in my local.

[Don't Drink the Nuclear Kool-Aid](#)

We can't let the nuclear power industry use global warming as an opportunity to sell its insanely expensive and dangerous power plants.

[Israel to invest NIS 400m in alternative energy](#)

The government will invest NIS 400 million in the five-year plan for 2008-12. The plan is intended to encourage R&D and production of electricity by renewable energy sources in order to consolidate Israeli industry's standing as a central player in the global market as the world turns to using renewable energy. The goal is for Israeli renewable energy companies to achieve NIS 500 million in annual sales.

[Crop residue may be too valuable to harvest for biofuels](#)

In the rush to develop renewable fuels from plants, converting crop residues into cellulosic ethanol would seem to be a slam dunk.

However, that might not be such a good idea for farmers growing crops without irrigation in regions receiving less than 25 inches of precipitation annually, says Ann Kennedy, a USDA-Agricultural Research Service soil scientist and adjunct professor of crop and soil sciences at Washington State University.

“With cultivation, organic matter tends to decline in most places around the world,” she said. “In the more than 100 years that we have been cultivating soils in the Palouse,” —the wheat growing region of Eastern Washington, Northern Idaho and Northeast Oregon—“we have lost about half of the original organic matter.”

Ideally, according to Kennedy, soils in the Palouse should have about 3.5 percent organic content. In most farm fields, she said, it is now closer to 2 percent.

[Gas bills 'to top £1,000 a year'](#)

Energy bills could rise by more than 60% within the next few years, a report for the UK's biggest domestic energy supplier Centrica has said.

It said annual average gas bills could rise from £600 to more than £1,000 early in the next decade.

Continuing high oil prices could lead to rises in the cost of both gas and electricity, it

added.

[Of 'myth' of a shortage and Saudi capacity](#)

Crude demand-supply balance is definitely tight, no one argues. The spare cushion has perilously gone down to two percent from six percent a few years back. Galloping consumption in the emerging economies of Asia coupled with rising demand within the Arab Gulf has contributed to tight markets.

Skepticism appears ruling the sentiments. Pundits continue churning out various, cooked and semi-cooked, theories about the Saudi capacity to sustain and increase its production from the current levels. Matthew Simmons and his disciples term the Saudi announcement to take production to 12.5 million bpd by next year, and 15 million bpd, if and when required as “a bunch of empty boasts.”

[In transportation, it looks a lot like 1910](#)

Automakers with names like Maxwell, Ames, Corbin the Baker Electric and Haynes don't leap to mind for most of us, but they were all on the market and motoring along roadways at one time. In 1910, there were dozens of automobile manufacturers banging away from coast to coast. Cars were powered by gasoline, diesel fuel, steam electricity and alcohol. If some imaginative tinkerer could find a way to squeeze a few horsepower out of a new engine, or a new fuel, he did. Shortly afterward, he took it upon himself to hang out a shingle and begin selling his creation.

That's the beauty of the American system. A hard-working man or woman with a good idea can open up shop, sell the wares and possibly change the world. Henry Ford did it. Thomas Edison did, too. In our own time, Bill Gates, Steve Jobs, Ray Kroc and Col. Harland Sanders each made an impressive impact in their own way.

[The New Boom Towns: Latest Energy Crisis is a Boon for Many Cities Across the U.S.](#)

The steep hike in gas and energy prices has created a national debate about the future of American metropolitan areas -- mostly about the reputed decline of suburbs and edge cities dependent on cars. But with all this focus on the troubles of traditional suburbs, one big story is overlooked: the rapid rise of America's energy-producing metropolitan areas.

[Energy crisis to alter utilities, speaker says](#)

What are the jobs of the future? Think solar panel installer. Think energy-efficiency auditor. Think about jobs that help conserve energy or make it from renewable sources,

said Tom King, president of National Grid USA.

[Money talks on climate change](#)

Al Gore's call for carbon-free electricity changes the terms of the global warming debate by focusing on investment

[Nations with vast oil wealth gaining clout](#)

MOSCOW -- The boom in world oil prices is bolstering autocratic governments in a handful of petroleum-rich countries, emboldening them to challenge U.S. objectives and weakening their own democratic movements.

The cost of a barrel of oil has climbed dizzyingly, from \$80 in September to more than \$147, before settling Wednesday at \$134.60. Some analysts expect it to continue rising to \$200. The effects are visible across the globe:

Iraq's warring factions are scrapping for a share of the massive oil wealth. The Sudanese government has more money to spend on military equipment and the campaign against rebels in Darfur. Saudi Arabia has grown more distant from its allies in Washington.

But some of the most obvious effects are in countries whose leaders are most hostile to the United States: Venezuela's populist President Hugo Chavez, Iran's stringent Islamic rulers and Russia's growing autocracy.

The governments of these three countries, among the top eight in proven reserves, are demanding a greater role in world affairs while spending on domestic social programs, raising salaries and building infrastructure -- measures that help blunt concerns over a slide into greater authoritarianism.

[Inflation threatens global economy, IMF warns](#)

Driven by surging oil and food costs, inflation in countries such as Saudi Arabia, Pakistan and Russia is expected to crest at an average of 9.1% this year before easing to 7.4% in 2009, the IMF says. A key risk is that officials in fast-growing developing countries won't do what is needed to cool off their economies, Johnson says. If they fail to act, the risk of a global recession in 2009 would rise.

[Oil markets: Bottoming out or taking a breather?](#)

NEW YORK - Oil prices tumbled below \$130 a barrel for the first time in more than a month Thursday, as crude's dramatic slide entered a third day accompanied by a sharp sell-off in natural gas.

The declines accelerated amid growing concerns that the weakening economy and creeping inflation are eroding demand for fossil fuels in the U.S. and other large energy-consuming nations.

Oil is now more than 10 percent cheaper per barrel than it was on Monday; natural gas prices are down more than 20 percent just since the Fourth of July. Still, experts are not convinced that prices have turned a corner.

[Cutting Through the Energy Myths](#)

Since crude prices have moved into the stratosphere, the world of oil has become awash in myths and other misinformation about the causes and potential cures for the run-up. The biggest problem with these myths is that they subject policymaking to politics, rather than to economics and engineering.

[Holiday travel will get costlier](#)

If you want to travel during the fall or winter holidays, consumer travel experts say you ought to be checking prices now.

"This is going to be one of the most expensive holiday travel seasons ever," warns Tom Parson at BestFares.com.

Nearly all U.S. airlines are making big cuts in their schedules this fall in response to record jet fuel prices. Airlines' domestic flying will fall about 9% in November vs. a year ago, according to a USA TODAY analysis this week of schedule data from OAG-Official Airline Guide. More cuts are likely.

[For Sale: Cheap heating oil -- from my basement](#)

NEW YORK (Reuters) - U.S. homeowners scared of paying through the roof for heating oil this winter are cruising online classified sites for deals on unwanted fuel -- and finding them.

"I have an old pickup truck and I stock it with 50-gallon drums, and I have an oil transfer pump," said Bob Difiore, a mechanic who lives on Long Island, outside New York City.

"I pull into people's driveways and lower a hose through a window or other access points and I start pumping it into the drums."

The deals are possible because many homeowners in the Northeast are switching from heating oil to cheaper natural gas or other alternative fuels, leaving them with tanks full of unused oil. And those still using heating oil are eager to snap it up at a discount as the oil market skyrockets.

[Patriotic answer to \\$4-a-gallon gas: Drive less, and slow down](#)

There are two steps we can take right away that could have greater impact than oil from the Arctic. They are so simple and straightforward that they are seldom mentioned. But Americans took these steps during World War II, and they worked.

First, drive slower.

Second, drive less.

The savings of gasoline from these two steps would be phenomenal. (More on that in a moment.)

[Gas majors seek more say on Norway export pipelines](#)

OSLO (Reuters) - Some of the world's biggest energy producers accused Norway on Friday of giving its own companies too much say in running Gassled, a pipeline system that carries nearly all Norwegian gas to Britain and continental Europe.

Total, Royal Dutch Shell, Exxon Mobil, Eni, Danish Dong and ConocoPhillips jointly complained to Norway's Petroleum and Energy Ministry about what they see as an overly dominant role of StatoilHydro and state-run Petoro in Gassled.

[Schlumberger profit tops estimate; shares rise](#)

HOUSTON (Reuters) - Schlumberger Ltd (SLB.N), the world's largest oilfield services company, posted better-than-expected quarterly profit on Friday, driven by energy companies' brisk spending on oil and gas exploration.

[UK: Labour attacked on fuel poverty](#)

Opposition parties are queuing up to lambaste the government over its attitude to fuel poverty today, as Centrica released a report warning of further rises in domestic gas bills.

"Frankly it's frightening that the Government has no strategy for protecting the poor against rising prices," said shadow energy minister Charles Hendry.

[France to test water near reactors after uranium leak](#)

PARIS (AFP) — France's ecology minister has called for tests of the ground water near all of the country's 58 nuclear reactors after a uranium leak at a plant in the south polluted the local water supply.

"I don't want people to feel that we are hiding anything from them," Jean-Louis Borloo said in a newspaper interview Thursday.

Residents in the Vaucluse region of southern France have been told not to drink water or eat fish from nearby rivers after the liquid uranium spill on July 7 at the Tricastin nuclear plant.

[Hydrogen future doable, experts tell Congress](#)

A transition to vehicles that run on hydrogen — and independence from oil as well as a sharp drop in carbon emissions — is doable but that best-case scenario requires nearly \$200 billion in funding and further breakthroughs, National Research Council experts said Thursday in a report requested by Congress.

[The Free Green Energy Age \(Part 5\)](#)

Did you know that we will, over the next year, send to foreign oil producers around \$700 billion to pay our annual oil bill, while we invest less than \$1 billion on renewable energy research? What are our personal priorities? Americans annually spend \$25 billion on video games, \$80 billion on cigarettes and \$100 billion on alcohol, with a huge subsequent downside on time lost, health and relationships. Problem #1: the lack of public will regarding critical national priorities.

[Obama shifts stance on environmental issues](#)

WASHINGTON — In May 1998, at the urging of the state's coal industry, the Illinois Legislature passed a bill condemning the Kyoto global warming treaty and forbidding state efforts to regulate greenhouse gases.

Barack Obama voted "aye."

The presumptive Democratic presidential nominee now calls climate change "one of the greatest moral challenges of our generation," and proposes cutting carbon emissions 80% by 2050. But as a state senator, from 1997 to 2004, he usually supported bills sought by coal interests, according to legislative records and interviews.

[Should we move species to save them?](#)

WASHINGTON - With climate change increasingly threatening the survival of plants

and animals, scientists say it may become necessary to move some species to save them. Dubbed assisted colonization or assisted migration, the idea is to decide how severe the threat is to various species, and if they need help to deal with it.

[Shell Says Carbon Capture Could Cut EU Emissions 3.7% by 2015](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's largest oil company, said financial incentives for carbon dioxide capture would cut the region's emissions from factories and power stations by 3.7 percent as early as 2015.

[Warming health report: Poor, elderly to hurt most](#)

WASHINGTON - Global warming will affect the health and welfare of every American, but the poor, elderly, and children will suffer the most, according to a new White House science report released Thursday.

The 284-page report, mostly written by the U.S. Environmental Protection Agency, said every region of the country will be hit by worse health from heat waves and drought. It said all but a handful of states would have worse air quality and flooding. It predicts an increase in diseases spread by tainted food, bad water and bugs.



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