



Drumbeat: June 20, 2010

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Topic: [Miscellaneous](#)

[US envoy cautions Pakistan over Iran gas deal](#)

ISLAMABAD (AP) -- The U.S. warned Pakistan that a recently signed gas pipeline deal with Iran could run afoul of new sanctions being finalized in Congress, the U.S. special envoy to Pakistan and Afghanistan said Sunday.

Richard Holbrooke delivered the message during a visit to Pakistan, his first since Iran inked a contract earlier this month to export 21.5 million cubic meters (760 million cubic feet) of gas per day to Pakistan beginning in 2014.

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ing Pennsylvania and other states have rushed pell-mell into the Northeast's version of an energy boom — making some people richer and some environments poorer — and while concern has steadily risen about the evolving industrial practices used to extract gas from shale, New York and Gov. David A. Paterson have held back. Instead of jumping in, the state has written fairly tough regulations that are still being tweaked and has added extra protections for the most sensitive areas, particularly the upstate watershed that provides drinking water to nine million people in New York City and its suburbs and exurbs to the north.

[Iranian Official Says Crude Sales To Europe Increasing](#)

LONDON -(Dow Jones)- Iranian crude oil sales to Europe have been increased in 2010, a top official at the National Iranian Oil Co., or NIOC, was quoted as saying Saturday.

In an interview with Iranian oil ministry agency Shana, Ali Asghar Arshi, the NIOC's director of international affairs, said crude oil sales to western countries have increased this year, without giving more details.

[BP Ignored the Omens of Disaster](#)

“We have to get the priorities right,” the chief executive of BP said. “And Job 1 is to get to these things that have happened, get them fixed and get them sorted out. We don’t just sort them out on the surface, we get them fixed deeply.”

The executive was speaking to Matthew L. Wald of The New York Times, vowing to recommit his company to a culture of safety. The oil giant was adding \$1 billion to the \$6 billion it had already set aside to improve safety, the executive told Mr. Wald. It was setting up a safety advisory panel to make recommendations on how the company could improve. It was bringing in a new man to head its American operations — the source of most of the company’s problems — who would make safety his top priority. And on, and on.

That interview didn’t take place this week — a week in which BP was excoriated in Congress for the extraordinary safety lapses that led to the Deepwater Horizon rig disaster, while also being strong-armed by President Obama into putting \$20 billion in escrow to compensate victims.

No, the interview took place nearly four years ago, after BP’s previous disaster on American soil, when oil was discovered leaking from a 16-mile stretch of corroded BP pipeline in Prudhoe Bay in Alaska. And that was just a year after a BP refinery explosion in Texas City, Tex., killed 15 workers and injured hundreds more.

[Design Considerations for a Shock-Hardened Deepwater Drilling Rig and Plausibility Argument for the Loss of the Deepwater Horizon Drilling Rig](#)

President Obama has stated this is a war and indeed it is. These very large surface combatants (we call them Deepwater Drilling Rigs) are operating in an explosive environment where they can be both subjected to underwater blast loadings as well as airborne explosions – think of them being in a “war zone”. During the shock loading to the drill deck the drill pipe that is “racked” can fall over on everything below. There are no systems currently in place to hold any drill pipe in event of shock loading to the deck. We can no longer afford or permit the mentality of “abandon the rig” for deepwater operations if something catastrophic happen. If the drilling rig cannot maintain station-keeping (as in the case of the Deepwater Horizon) during a large explosion event the rig can capsize. If it moves very far laterally to get out of the burning pool of water it can pull a BOP entirely off the wellhead.

[As BP Staggers, Pension Funds Skid](#)

A retirement fund for Louisiana’s municipal police officers, for instance, had fully 20 percent of its money invested in BP shares before the disaster. The Florida pension fund has lost \$85 million on the 21 million BP shares it held when the offshore rig went down. And the retirement system of Alabama has lost nearly \$100 million on paper from its own BP investment.

Some pension funds are seeking to recoup their losses by filing suit, not against BP itself, but against the company’s corporate officers. Called derivative lawsuits, these filings

seek damages from BP leaders like Tony Hayward, the chief executive, for harming the company by undermining safety in pursuit of profits.

[Oil Workers Muse on Renewable Energy](#)

"I come pretty straight from school, National Guard," said Charles Buckhanan, a derrickhand. "I've been here ever since. This is all we know."

But while Mr. Buckhanan and his fellow crew members were insistent in their belief that the six-month pause in deepwater drilling — put in place by President Obama to allow time to investigate the unprecedented disaster — was unnecessarily onerous, they also offered measured and nuanced views on the larger social need to seek alternatives to fossil fuels, including the crude that they toil and sweat to extract from the depths every working day.

[Are Consumers Sold on Clean Energy?](#)

Advocates of "clean energy," including President Obama, have seized on the disaster in the Gulf of Mexico to make the case for developing alternatives to sludgy, messy carbon fuels. But are Americans willing to pay extra in order to achieve this goal? A couple of polls yield an ambiguous verdict.

[Ford, Edison and the Cheap EV That Almost Was](#)

That Henry Ford and Thomas Edison were good friends late in their lives is well-known. They camped together, presented each other with lavish gifts, even owned homes adjacent to each other.

Many Ford enthusiasts also know Ford, when he first drove his Quadricycle on the streets of Detroit in 1896, worked for Edison at Detroit Edison Illuminating Company. And historians know Edison, when introduced to Ford some months later and shown Ford's plans for a gasoline automobile, encouraged the budding industrialist to pursue those plans.

What is far less known is Edison and Ford worked together on an affordable electric vehicle.

This is the story of what happened and why the car never came to be.

[Innovative Mayor Sam Adams Builds a Cleaner Portland](#)

We're also working to make every section of Portland a complete 20-minute

neighborhood to strengthen our local economy. Two-thirds of all trips in Portland and in most American cities are *not* about getting to and from work. So if I can offer quality, affordable goods and services, eliminate food deserts, have neighborhoods with schools and parks and amenities--if I can create these 20-minute complete neighborhoods all over Portland--it strengthens our local economy. We drive 20% less than cities of comparable size, and because we don't manufacture cars, produce oil, or have car insurance companies, every dollar that we don't spend elsewhere, will stay in Portland's economy. There's about \$850 million that stays in Portlanders's pockets because we drive less. With a 20-minute neighborhood, also reduce congestion and meet our climate action plan goals.

[How low can you go: Milwaukeeans plan to "power down"](#)

As millions of gallons of oil continue to spill into the Gulf of Mexico, a group of Milwaukeeans prepare to live, by choice, without electricity and other conveniences in conjunction with a local, underground event called "Power Down Week."

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[INTERVIEW - Russia's Sechin says Gazprom must raise game](#)

Russia (Reuters) - Russian gas behemoth Gazprom (GAZP.MM) must raise its game by penetrating the swiftly growing markets of Asia after a fall in exports to European Union customers, Russia's energy tsar told Reuters.

Gazprom usually supplies a quarter of the European Union's gas needs but exports tumbled last year as some customers turned to cheaper alternatives such as liquefied natural gas on the growing spot market.

[Oman Oil Co eyes Oman oil, gas block as BG exits](#)

MUSCAT/DUBAI (Reuters) - State-run Oman Oil Company (OOC) is in talks with Oman's Ministry of Oil and Gas to take on an exploration block ceded by Britain's BG Group, a senior Omani oil official said on Sunday.

Like most of its Gulf neighbours, Oman is short of the gas it needs to meet rapidly rising demand for industry and power. Across the region, governments have embarked on exploiting unconventional gas reserves, such as Oman's tight gas.

The gas is in complex formations that is more expensive to produce than more conventional reserves.

[BP appoints American to handle Gulf of Mexico oil leak](#)

BP'S chief executive Tony Hayward has handed over the daily management of the Gulf of Mexico oil spill.

The fuel giant's chairman Carl-Henric Svanberg said Mr Hayward, a Briton, was handing over the running of the containment efforts to another top BP official, Bob Dudley, an American.

[BP chief rapped for yacht trip as oil cleanup goes on](#)

A yacht outing has landed BP chief Tony Hayward in more hot water, unleashing fresh criticism of his handling of the Gulf of Mexico oil spill and overshadowing modest progress in containing the disaster.

The White House and environmental groups were quick to lash out at Hayward's latest mishap after he was sighted at the JP Morgan Asset Management Round The Island Race, which sees hundreds of yachts race around the Isle of Wight off England's south coast.

[BP May Seek to Raise \\$50 Billion for Oil Spill, Times Reports](#)

(Bloomberg) -- BP Plc is seeking to raise \$50 billion to cover the cost of the oil spill in the Gulf of Mexico, the Sunday Times said, without saying where it got the information.

The first \$10 billion may come from a bond sale this week and the company is talking to banks to get a \$20 billion loan, the newspaper said. The remaining \$20 billion would come from asset sales over two years, the paper said.

[Anadarko's Long-Term Debt Rating Cut to Ba1, or Junk, by Moody's](#)

(Bloomberg) -- Anadarko Petroleum Corp.'s long-term debt rating was cut to Ba1, or below investment grade, from Baa3 by Moody's Investors Service.

[BP Should Pay Dividends in Oil](#)

BP has plenty of two things: cash and oil (ok – if you count emotive assets, you can throw animosity in the mix). Cash is going to become much more dear, so I propose that BP pay dividends in oil instead.

[Louisiana oystermen worry that BP payout won't be enough](#)

PORT SULPHUR, LA. -- It sounds like a bottomless gusher of money: a \$20 billion fund to help make Gulf Coast residents and businesses whole. But here in the bayou, where rich oyster beds have provided livelihoods to many and brought wealth to a few, people worry just how far BP's handouts will go.

[With No Gulf Solution in Sight, Louisiana Turns to Prayer](#)

State senators in Louisiana have designated Sunday as a day of prayer aimed at seeking an end to the Gulf of Mexico oil spill disaster.

[Scientists: Gulf oil spill threatens breeding ground for bluefin tuna](#)

WASHINGTON -- Near the end of a 12-day cruise in the Gulf of Mexico to study the habitat of just-hatched Atlantic bluefin tuna, scientist Jim Franks came upon fields of oil sheen as far as he could see.

Mixed with the oil were large amounts of sargassum, the golden brown algae that drifts at the whim of winds and tides and shelters the quarter-inch-long bluefin tuna larvae.

How the young will fare and what will happen to the population of bluefin tuna will affect a wide range of people, including the tuna fishermen of Gloucester, Mass., for whom a single fish can fetch \$20,000 or more, and sushi chefs everywhere.

[Perspective on the Spill \(Before It Began\)](#)

AMERICA'S addiction to oil is making itself felt on the blackened wings of pelicans in the Gulf of Mexico. As BP takes heat for the environmental and economic damage caused by the Deepwater Horizon spill, a timely new book by Tom Bower titled **"Oil: Money, Politics, and Power in the 21st Century"** (Grand Central, \$26.99), reminds us that our insatiable thirst for oil makes us as much a part of the larger problem as the major

oil companies.

"We are all simultaneously both the victims and the beneficiaries of conflicting realities in the search, production and trading of oil," Mr. Bower writes, adding that "oil is a uniquely human story."

[The Natural Resource Curse: A Survey](#)

INTERNATIONAL. It is striking how often countries with oil or other natural resource wealth have failed to grow more rapidly than those without. This is the phenomenon known as the Natural Resource Curse.

The principle is not confined to individual anecdotes or case studies, but has been borne out in some econometric tests of the determinants of economic performance across a comprehensive sample of countries.

[NH issues first-year review of climate plan](#)

CONCORD, N.H.—A Nashua elementary school that uses environmentally friendly practices, an active town energy committee in Temple and a new biomass plant at the Winnisquam school district are among the success stories cited in a report Friday on the state's year-old climate action plan.

Those are examples of ways the state is looking to reduce greenhouse gas emissions to 80 percent below 1990 levels by 2050. The review shows a declining trend in emissions in the last few years.

[Rising waters pose threat to Va. coast](#)

POQUOSON -- Hurricane Isabel flooded Sandy Firman's house in 2003, and now routine storms drive water into the roads and marshes close by.

Several homes in this low-lying city, including Firman's, have been elevated about 10 feet to keep them above the ever-closer waters.

"We used to not have it like that," said Firman, who has lived in Poquoson all of his 46 years. "But something has changed around here."

One big thing that has changed is the sea level, which is rising -- an increase blamed on global warming.

[Journalists should not forget climate change, say experts](#)

A British study shows journalists are overlooking the issue of global warming in favor of more sensational stories, an issue that will be discussed at this year's Deutsche Welle Global Media Forum.



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