



Drumbeat: January 10, 2011

Posted by [Leanan](#) on January 10, 2011 - 9:58am

[Afghans Strained by Shortages as Iran Tightens Flow of Fuel](#)

KABUL, Afghanistan — The price of fuel has risen sharply in parts of Afghanistan as an Iranian-imposed slowdown on tanker traffic at key border crossings has stretched into its second month, Afghan officials say.

The slowdown has increased the price of refined fuel by more than 50 percent in some provinces, forced gas stations on major highways to close and driven up the costs of other basic commodities, including food and heating oil, just as winter is setting in. The bottleneck is also hurting farmers in the south who depend on diesel pumps for irrigation.

The issue threatens to strain relations between Afghanistan and Iran, and adds yet another obstacle to President Hamid Karzai and NATO forces as they try to rebuild the economy and provide government services in the face of a resurgent Taliban.

[Watchdog warns of 'North Sea disaster'](#)

An investigation by industry watchdog Platform has warned an oil spill similar to the Deepwater Horizon disaster in the Gulf of Mexico last year was possible in British waters, unless current policies were changed.

[Norway's 2011 oil output seen falling again](#)

OSLO (Reuters) - Norway's oil output is seen falling in 2011 and throughout the coming decade if no new big finds are made soon -- an unlikely prospect given recent discoveries and political reluctance to open up environmentally-sensitive areas.

[Canadian Natural May Run Upgrader at Lower Rate With Return of Some Units](#)

Canadian Natural Resources Ltd. said it may be able to return two of four coke drums to service at its oil-sands upgrader in northern Alberta after the equipment was struck by a fire and explosion Jan. 6.

[Petrobras Debt Losing to Pemex on 'Uncomfortable' Galp Bid: Brazil Credit](#)

Investor perceptions of Petroleo Brasileiro SA's credit are worsening relative to Petroleos Mexicanos as the Brazilian oil producer's pursuit of a stake in Galp Energia SGPS SA may add to the biggest debt level in the energy industry.

[Rulers to send the nation back to Stone Age, says Salim Saifullah](#)

ISLAMABAD, (SANA): President Pakistan Muslim League-Q (Like Minded Group) Senator Salim Saifullah Khan has said that the incumbent rulers will send the nation back to Stone Age, gas and electricity load-shedding have neither disturbed the life of common man but also brought industries on the edge of disaster.

[Fuel crisis hits railways' freight service](#)

LAHORE: Of the several freight trains that were supposed to leave Karachi for upcountry destinations on Sunday, only one did so amid a fuel crisis.

The problem began on Saturday when a cheque for Rs700 million issued by Pakistan Railways to Pakistan State Oil was not honoured. The PSO subsequently stopped the supply of fuel to Railways.

[Freight Rates Tumbling as 35 Miles of Ships Passes Ore Demand](#)

At a time when analysts anticipate record profits for the biggest mining companies and a third year of gains in commodity prices, shipping lines carrying raw materials are set for the lowest freight rates since 2002.

Leasing costs for capesizes, 1,000-foot-long ships hauling iron ore and coal, will drop 34 percent to average \$22,000 a day this year, according to the median in a Bloomberg survey of eight fund managers and analysts. The last time that happened, China's economy, the biggest consumer of the minerals used in steel and power, was 75 percent smaller and the benchmark Standard & Poor's GSCI commodity index 67 percent lower.

[Duke Energy buying Progress energy for \\$13 billion](#)

NEW YORK (AP) — Duke Energy is buying Progress Energy for more than \$13 billion in stock, in a deal that would create one of the nation's largest utilities.

The transaction, announced Monday by the two North Carolina companies, would create a business with about 7.1 million electric customers in North Carolina, South Carolina, Florida, Indiana, Kentucky and Ohio.

It would also have a sizable nuclear energy business.

[Kurt Cobb: The extremely leisurely pace of American democracy and the urgency of our predicament](#)

Winston Churchill once remarked that "[t]he United States invariably does the right thing, after having exhausted every other alternative." The assumption behind that remark is that there will be time to do the right thing after all alternatives have been exhausted. This assumption is especially troubling when it comes to addressing such issues as peak oil and climate change.

[Review: Prelude by Kurt Cobb](#)

Cobb felt that *Prelude* would be more effective if set in a familiar present or recent past, rather than some bizarre dystopian future with burned-out office parks for battlegrounds. Thus, the novel's setting of summer 2008 is the very summer '08 that we all lived through, with only minor changes. (The made-up country of Ammar and its national oil company Royal Sovoco are stand-ins for Saudi Arabia and Saudi Aramco, respectively; but oil still hits that historic \$147 per barrel that has stuck in the public memory.) In short, *Prelude* is the most down-to-earth novel written about peak oil to date, and that is its chief virtue.

[Commentary: The Tierney-Simmons bet](#)

Five years ago, John Tierney, a columnist with The New York Times, and Matt Simmons, peak oil guru and founder of energy investment bank Simmons & Co., made a bet. Simmons argued that oil prices would be much higher in 2010. Tierney, a believer in human ingenuity and a follower of economist Julian Simon, took the other position. Simon, a so-called Cornucopian, argued that there would always be abundant supplies of energy and other natural resources and that the real price of commodities like oil would remain stable or decline over time.

[The 80% solution](#)

At the beginning of the 1980s, there was a sharp worldwide downturn, and Western Europe was hard hit. The Netherlands took an especially pro-active stance, opting for stable real wages and declining hours of work in order to get people back to work. New government employees were hired at 80% of a full-time schedule. Many got a four-day workweek, which was well-suited to a small country where quite a few young people commuted by train to their places of employment. The 80% schedule caught on, and by the time I arrived in the Netherlands in 1995 as a Professor at Tilburg University, the nation was heavily invested in 80% schedules. Public sector workers were joined by academics. It was possible to be not only an 80% time faculty member, but also a 60%, 40%, or even a 20%, i.e., a one day a week professor. And in what is likely to be most surprising to American readers, the whole banking industry had gone to 80% schedules and a four-day workweek. People weren't filling up their garages with consumer goods, but they did have loads of time. By 2000, the country passed the Working Hours Adjustment Act that gave every employee the right to reduce their hours, without losing

their job, hourly pay rate, health insurance or benefits. (Benefits are pro-rated).

[Alaska oil pipeline disruption enters third day, boosts prices](#)

The shutdown is the latest setback for the 33-year old duct, which is becoming more expensive to maintain as it ages. It currently handles less than a third of the oil it did at its peak in the 1980s.

Closures of the pipeline, although short, has provoked criticism of its operators, particularly major owner BP, whose reputation was diminished after the Gulf of Mexico blow-out last year caused the largest-ever U.S. oil spill and attracted renewed government scrutiny of the oil production industry.

"Particularly for BP, it is really important to fix this quite soon," said Hannes Loacker, oil analyst at Raiffaisen Bank International.

[Alaskan Pipeline Shutdown Cuts Oil Output, Pushes Crude Higher](#)

BP Plc and its partners in the Trans-Alaska Pipeline System that carries 15 percent of U.S. crude output can't say when production will return to normal after a leak two days ago.

The shutdown forced BP, ConocoPhillips and Exxon Mobil Corp. to suspend 95 percent of production from the North Slope area. The pipeline was still closed as of 2:21 p.m. local time yesterday with no estimate of when it will return to service, said Michelle Egan, a spokeswoman for operating partnership Alyeska Pipeline Service Co.

[Oil Rises in New York After Alaskan Crude Pipeline Leak Cuts U.S. Supplies](#)

Oil climbed for the first time in three days after an Alaskan pipeline carrying about 15 percent of U.S. crude output was shut following a leak.

Futures gained as much as 2.2 percent after the Trans- Alaska Pipeline System was closed Jan. 8, forcing companies including BP Plc to suspend 95 percent of production from the North Slope area. China's oil imports rose 18 percent in 2010, customs data showed today. Crude will breach \$100 a barrel this year as spare production capacity shrinks, Morgan Stanley said.

[Cost of gas up about 9 cents in the last 3 weeks](#)

CAMARILLO, Calif. — The twice-monthly Lundberg Survey has found the price of regular gasoline has risen about nine cents a gallon over three weeks to \$3.08.

The price of mid-grade gasoline is now \$3.22 a gallon and premium is \$3.33 a gallon,

analyst Trilby Lundberg said Sunday. The U.S. average for diesel was \$3.36, up 7.18 cents.

[Saudi Aramco to Supply Asia With Full Oil-Contractual Volumes for February](#)

Saudi Arabian Oil Co., the world's largest state-owned oil company, will supply full contractual volumes of crude to China and South Korea for loading in February, according to refinery officials in the region.

Saudi Aramco, as the company is known, will provide 100 percent of cargoes sold under long-term contracts for a 15th month, according to the officials from China and South Korea, who requested anonymity, citing confidentiality agreements with the Middle East producer.

[OPEC to cut supplies in January by most since August 2010](#)

According to tanker tracker Oil Movements, the Organization of Petroleum Exporting Countries will reduce supplies this month by the most since August 2010 as demand for winter fuels in the northern hemisphere passes its peak.

Oil Movements said that shipments will drop 1.3% to 23.6 million barrels a day in the four weeks to January 22nd 2011 from 23.91 million barrels in the period to December 25th 2010. It is the biggest decline since a 1.8% fall during the four weeks to August 28th 2010. The data exclude Ecuador and Angola.

[BP, Repsol to Supply China's Terminal With LNG Spot Cargoes This Month](#)

BP Plc and Repsol YPF SA may supply two spot cargoes of liquefied natural gas to China, the world's biggest energy consumer, in January as cold weather and a growing economy spur demand, according to ship-tracking data.

[Hedge Funds Almost Double Bullish Gas Bets on Cold Snap](#)

Hedge funds almost doubled bets on gains in natural gas as futures climbed to the highest level since August on forecasts for colder-than-normal weather.

The funds and other large speculators raised their net-long positions, or wagers on rising prices, in four gas contracts by 94 percent in the seven days ended Jan. 4, according to the Commodity Futures Trading Commission's weekly Commitments of Traders report. It was the biggest increase in records dating to January 2010.

[China's Net Oil Imports Rise After Refiners Boost Fuel Output on Shortage](#)

China, the world's biggest energy user, increased net imports of crude oil by 1.4 percent in December from a month earlier as refineries maintained high operating rates to ease a diesel shortage.

[Govt hopes to resolve Iran oil payment row this week](#)

NEW DELHI (Reuters) – India hopes to resolve an oil payment row with Iran when officials travel to Tehran this week, Oil Secretary S. Sundareshan said on Monday, as New Delhi looks to balance its energy needs with its diplomatic interests.

[Reliance Asked by India Regulator to Increase Oil, Gas Output, Times Says](#)

Reliance Industries Ltd. was asked to increase natural gas and oil output at fields off India's east coast, the Times of India reported, citing a letter from the oil regulator.

The Directorate General of Hydrocarbons said Reliance must raise production by March to levels approved in the field development plan, the newspaper said.

[Shale Oil Drillers Chesapeake, EOG Strike Rising Costs in Flight From Gas](#)

U.S. natural-gas companies are getting hit with the highest costs in four years as they shift more production to oil to escape low gas prices.

[PG&E raised pipeline pressure to legal limit](#)

The utility company responsible for the gas pipeline that exploded in a San Francisco suburb last year has acknowledged that it briefly raised the pressure on the pipeline to the legal limit two years before the fatal blast.

[FACTBOX-PetroChina's global trading portfolio](#)

(Reuters) - PetroChina, Asia's largest oil and gas producer, has been flexing its muscles across the world, expanding international trading network and buying refineries, with the latest deal to invest in two European refineries owned by British private firm INEOS.

[South Sudan Votes in Referendum to Declare Oil-Rich Region's Independence](#)

Southern Sudanese voters turned out for the second day of balloting in a referendum on independence that appeared set to establish the oil-rich region as the world's newest nation.

[Future of Sudan's oil resources hangs on secession vote](#)

Officials in south Sudan hope separation from the north, if voters opt for it, will attract oil-sector investment that has been prevented by sanctions against Khartoum.

Residents of south Sudan today start voting in a referendum that may result in a new African nation that will join the ranks of the world's largest oil exporters.

[Accession to OPEC possible for south Sudan](#)

If south Sudan emerges as Africa's newest country after the secession vote beginning today, it could allow for Sudanese oil to be counted in OPEC reserves.

The energy minister of south Sudan, where about 80 per cent of Sudan's oil resources are located, said a possible future independent government in Juba would consider membership in OPEC "in the near future".

[Saudi social fragility exposed in quest to "modernize"](#)

"The growing disconnect between the American-aspirational elite and a population that grows more conservative in response to the moral shocks like Israel's massacre in Gaza and US military action in Afghanistan, is fraying the glue binding together Saudi Arabia for the past century. Having been forbidden by the US to publicly propagate Wahhabism, the monarchy is bereft of the stage on which it assumed a pious persona for the benefit of the populace. Saudi-funded jihad operated as a pressure valve in the desert kingdom, channeling local tensions towards the global oppressions in Kashmir, Chechnya, Palestine, and other locales."

[Now is not the time to keep on trucking](#)

Truckers are planning protests over the rise in excise duties and the price of oil. But rather than protecting this industry, we should be looking for ways of replacing carbon-based transport.

[The Coming Year of Heavy Oil and Hard Truth](#)

I have seen the future.

It skulks nervously and just tracked tar across your carpet.

It's been touched by a bitumen that snakes down from northern Alberta, a gummy substance that presents the American polity with a stark near-term dilemma. Yes, Green may be the angel of our better nature, but the "golden arm" still screams out for

another hit of ol' petrol.

[Hidden Pitfalls of Increasing U.S. Dependence on Canadian Oil Sands](#)

Canada is the biggest supplier of oil imports to the United States. Increasingly, those imports come from its vast reserves of oil sands. Is the growing U.S. dependence on Canadian oil sands a win-win deal for both countries, crucial for U.S. energy security, and a source of jobs and economic growth, as American Petroleum Institute President Jack Gerard claims? Is the development of Canadian oil sands "the most destructive project on earth", as a Canadian environmental report calls it? What pitfalls for policy makers and investors lie hidden in the heated rhetoric coming from both sides in the oil sands debate?

[Thomas Malthus: Wrong Yesterday, Right Today?](#)

Over the past five years, the world's population has risen by roughly 80 million people annually, reaching an estimated 6.8 billion in 2009. Barring a sudden reversal in demographic trends, more than 9 billion people will inhabit Earth by 2050. Needless to say, the constellation of challenges created by population growth have placed potentially irreversible strains on the interconnected systems and cycles that comprise the Earth's climate. Water scarcity, diminishing agricultural yields and biodiversity loss are only a few of the consequences of these forces.

These challenges have contributed to a rebirth of the profoundly misguided philosophy espoused by Thomas Malthus, an English priest and economist who lived during the late 18th Century. In 1798, Malthus argued that human population always grows more rapidly than the human food supply until war, disease or famine reduces the number of people. He was wrong – and spectacularly so.

[Population problem is the third rail](#)

Some time this year our planet Earth will become home to 7 billion human souls. Realization of that fact has set this old cow man (that's "cow" in the singular, and "old" means 30 years ago) to remembering such things as "total digestible units" and "carrying capacity" of the land – even if it was only two acres.

These two concepts need to be recognized by everyone because, when you stop to think about it, we are not too unlike cows on the range.

[Hubbert's Hacks: The Peak and Decline of a "Doomer"](#)

It had been an eventful week for me. I published an OpEdNews article the Monday before called "The End of the End: How the Peak Oil Movement Failed," in which I explained how I have come to alter my view of peak oil, from doomer to agnostic, and

how I believe the public relations campaign has been an utter disaster. I satirized some of the most prominent "voices" in the movement, citing their involvements in such questionable activities as astrology, climate denial, and 9-11 conspiracy-mongering. I expected it to end there.

But the piece was picked up by The Oil Drum, a peak oil website rife with everyone from petroleum scientists to human billboards of doom, and the comments section became a lively and educational place for me for about a week, especially as the announcement of possibly yet another new record high in oil production had just been posted. At first, I was just pleased that my article was being discussed; most of the comments acknowledged that I at least had a point; but eventually I got to witness firsthand the ingrained dogmatism of "The Doom." It's a view I have entertained for some time.

It's time to let go of it.

[Community-minded Tony Robalik works toward stability](#)

Burning cheap oil has roundhouse-kicked the climate, Tony Robalik says.

Now, cheap oil supplies are shrinking, dramatically upping the chance for global turmoil and a Great Depression, Part II.

"What shall we do?" Robalik asks rhetorically.

The 28-year-old city resident is betting on Transition Lancaster, the community organizing group he and his wife started in 2009.

[Ecuador offers not to exploit pristine reserve](#)

How much would you pay for the most biologically rich patch of land on Earth -- some 1 000km² of pristine Amazon, home to several barely contacted indigenous tribes, thousands of species of trees and nearly a billion barrels of crude oil?

Ecuador, home of the Galapagos Islands, the Andes mountain range and vast tracts of oil-rich rainforest, last year asked the world for \$3,6-billion not to exploit the Ishpingo-Tiputini-Tambococha oil block in the Yasuni National Park.

[Hillary Clinton to visit Abu Dhabi's Masdar City](#)

Hillary Clinton, the US secretary of state, is expected to visit Masdar City as part of a GCC tour to encourage democratic and social reforms in the region.

['Fistful of Rice' argues for making a profit while helping poor](#)

Is making a profit from the poor a form of exploitation? It's a frequently raised question in the world of microfinance, where financial services such as loans are provided to those who have not traditionally had access to banks.

Vikram Akula, the founder of India's SKS Microfinance, argues that not only is it ethical for microfinance institutions (MFIs) such as his to earn high profits, it's more ethical than practicing non-profit microfinance.

[Volt wins annual car award at Detroit auto show](#)

DETROIT (AP) -- The Chevrolet Volt has won the 2011 North American Car of the Year at the Detroit auto show.

[Tesla Exceeds 1,500 Roadster Deliveries Worldwide](#)

PALO ALTO, Calif.--(BUSINESS WIRE)-- Tesla Motors has delivered more than 1,500 Roadsters worldwide, a significant milestone as the automaker's momentum builds in North America, Europe and Asia.

The fleet of Roadsters spans more than 30 countries. They have accumulated more than 8.5 million miles (14 million kms) in real-world driving, saving 415,000 gallons (1.6 million liters) of gasoline and more than 22,000 barrels of oil.

[Pentagon Must 'Buy American,' Barring Chinese Solar Panels](#)

HONG KONG — The military appropriations law signed by President Obama on Friday contains a little-noticed “Buy American” provision for the Defense Department purchases of solar panels — a provision that is likely to dismay Chinese officials as President Hu Jintao prepares to visit the United States next week.

[High Food Prices Threaten Growth of Energy Crops in Britain](#)

LONDON — Record high world food prices threaten to limit the use of land for low-carbon energy crops just as British efforts to pioneer growth of the giant grass miscanthus in Europe are poised to gather pace.

[At Least Some Politicians Get It](#)

As Congress dawdles and denies, some states are moving forward. Massachusetts recently announced a plan to curb emissions from homes, cars and factories by one-fourth below 1990 levels over 10 years — considerably more aggressive than President Obama's commitment in Copenhagen to reduce emissions 17 percent below 2005 levels. The plan relies on existing technologies to produce more power from renewable sources

like wind, tougher energy-efficiency standards for buildings and more investments in mass transit.

[Climate change reveals disease as national security threat](#)

WASHINGTON — One of the most worrisome national security threats of climate change is the spread of disease, among both people and animals, U.S. intelligence and health officials say.

But more than a decade after such concerns were first raised by U.S. intelligence agencies, significant gaps remain in the health surveillance and response network — not just in developing nations, but in the United States as well, according to those officials and a review of federal documents and reports.

[Climate-induced mayhem likely to start in Bangladesh](#)

RAJENDRAPUR, Bangladesh — Nowhere is the potential threat from climate change more worrisome than in Bangladesh, a country strategically sandwiched between rising superpowers China and India, and which also acts as a bridge between South Asia and Southeast Asia.

[Canadian Climate Study Forecasts 'Global Warming for Centuries'](#)

Carbon dioxide already emitted into the atmosphere will keep contributing to global warming for centuries, eventually causing a huge Antarctic ice sheet to collapse and lift sea levels, Canadian scientists said Sunday.

Even the complete abandonment of fossil fuels and halt to emissions cannot prevent devastating ocean warming in Antarctica as well as increasing desertification in North Africa, the research finds.

Even so, many of the negative consequences in the Northern Hemisphere, such as loss of Arctic sea ice, are reversible. That means global efforts to cut greenhouse gases are not a waste of effort and money, said Shawn Marshall, a University of Calgary geography professor and one of the study's authors.

[Warming to devastate glaciers, icesheet: report](#)

Global warming may wipe out three-quarters of Europe's alpine glaciers by 2100 and hike sea levels by four metres by 3000 through melting the West Antarctic icesheet, two studies published at the weekend said.

The research places the spotlight on two of the least understood aspects of climate change: how, when and where warming will affect glaciers on which many millions depend for their water and the problems faced by generations in the far distant future.



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