



## Drumbeat: February 12, 2011

Posted by [Leanan](#) on February 12, 2011 - 11:06am

### [Gulf rulers shaken by Egypt, but will weather storm](#)

(Reuters) - Gulf Arab rulers, eyeing the fall of a fellow U.S.-ally in Egypt, have lost a longheld sense of invulnerability to popular unrest and will only survive the immediate crisis if they offer concessions to their populations.

From oil behemoth Saudi Arabia to majority-Shi'ite Bahrain and sleepy Oman, Gulf governments may be forced to offer political and economic reforms to prevent unrest from reaching their shores.

But they will also not hesitate to use force to stifle dissent if needed to maintain their hold on power.

---

### [Ex-Shell head says energy policies choke economy](#)

WASHINGTON — Former Shell Oil Co. president John Hofmeister said Thursday the Obama administration's energy policies and regulations are strangling the U.S. economy and preventing the country from decreasing its dependence on foreign oil.

Testifying before the House Energy and Power Subcommittee, the Houston businessman blamed the administration for restricting offshore drilling after the oil spill in the Gulf of Mexico last year.

"I believe that the decline" in drilling in the Gulf of Mexico "will be sharper and deeper than what anyone is currently projecting," he told lawmakers. "We have made a horrible error as a country."

### [Spill Commissioners Call for Review of Energy Policy](#)

Two members of President Obama's commission on the Deepwater Horizon explosion and spill said at a Congressional hearing on Friday that regulatory failures and industry overconfidence helped lead to the catastrophe and called for an overhaul of federal oversight of offshore drilling and a transition to safer, cleaner forms of energy.

### [Rich in Land, Aborigines Split on How to Use It](#)

As resource companies push ever deeper into Australia's remotest areas, however, Aboriginal leaders are leveraging their rights as traditional landowners to negotiate deals with companies and governments that are seeking to develop their holdings. They say the potential windfall — hundreds of millions of dollars — will rescue their communities from their long dependence on welfare and state subsidies.

"These resources booms come along maybe every 50 to 100 years, big ones like this," said Wayne Bergmann, 41, a lawyer and executive director of the Kimberley Land Council, the largest Aboriginal group here. "So if we don't get positioned during this next stage, the chances are we're going to be locked out of the opportunities that are going to help build the economic basis for our families in the future. We can't sit back."

### [Need to filter fact from fiction!](#)

WHAT Saddam Al-Husseini said, or in fact did not say, is making rounds — all around. For what he said carried tremendous implications to the global energy order.

### [Moscow's armada](#)

While much of Europe slashes spending to reduce deficits, surging oil prices are allowing Russia to splurge. The Kremlin's choice of stimulus package is a bit of a throwback, though — among other things, a new fleet of warships to challenge China.

Last week Prime Minister Vladimir Putin announced a whopping \$678 billion package of new defence spending for the next decade, with a quarter of the money going to revamp Russia's Pacific fleet. On the Kremlin's shopping list: 20 new ships, including a new class of attack submarines, plus new missile subs, frigates, and an aircraft carrier.

### [Paul Erhlich interview- Humanity on a tightrope](#)

In this wide-ranging interview, after 40 books, thousands of scientific papers, and 40 years after "The Population Bomb" - Dr. Paul Ehrlich talks about our dependence of fossil fuels, climate change, toxic disruption, and food.

His new book "Humanity on a Tightrope" is not about population! Instead, Erhlich and co-author psychologist Robert E. Ornstein look into the human brain for a tool that could help us survive the multiple threats facing humanity.

### [Norway's carbon capture coup](#)

The Norwegian company Protia is betting that a new approach to carbon capture, based on ceramic membranes, will make a big difference to efficiency and costs.

### [Nigeria presidential rally ends in deadly stampede](#)

(Reuters) - At least 11 people were trampled to death on Saturday in a stampede at an election campaign rally for Nigerian President Goodluck Jonathan in the southern oil city of Port Harcourt.

### [Saudi Arabia to save energy through insulation](#)

(Reuters) - Top oil exporter Saudi Arabia plans to cut up to 40 percent of its energy use, largely by enforcing investment in insulation, its water and power minister said on Saturday.

Power demand in the top OPEC producer is rising at an annual rate of 8 percent, requiring investments of close to \$80 billion by 2018.

Without reducing the rate of energy consumption growth, the kingdom could see oil available for export drop some 3 million barrels per day (bpd) to less than 7 million bpd in 2028, Khalid al-Falih, the chief executive of state oil firm Saudi Aramco said last year.

### [Obama Seeks to End \\$46.2 Billion in Energy Tax Breaks in Decade, Chu Says](#)

The Obama administration will seek to repeal \$46.2 billion in subsidies for oil, natural gas and coal companies in the next 10 years, to fund renewable energy spending, Energy Secretary Steven Chu said.

The plan is part of President Barack Obama's commitment to lower dependence on fossil fuels and increase to 80 percent the share of U.S. electricity from "clean" sources by 2035. Cutting the subsidies will help pay for \$8 billion in "clean energy" investments, Chu wrote on his blog yesterday. The president is scheduled to present the 2012 budget on Feb. 14.

"Fiscal responsibility demands shared sacrifice," Chu wrote.

### [Energy Department to seek \\$600 million in budget cuts](#)

The Obama administration will call for deep cuts in the headquarters staff of the Energy Department next week but will seek \$8 billion in investments in the research, development and deployment of what it calls "clean energy technology programs."

### [Oil Industry Urged to Pay \\$200 Million for Added Gulf Drilling Oversight](#)

The U.S. oil industry should pay about \$200 million a year to support stricter and more efficient oversight of drilling in the Gulf of Mexico, a member of the National Commission on the BP Deepwater Horizon Oil Spill said.

The funding, which is about 7 cents to 12 cents a barrel of oil produced, would help hire rig inspectors and engineers to review energy companies' well designs, Donald Boesch, a member of the panel, said today at a hearing of the House Committee on Transportation and Infrastructure.

### [Gas pump prices highest ever for this time of year](#)

NEW YORK – U.S. gasoline prices have jumped to the highest levels ever for the middle of February. The national average hit \$3.127 per gallon on Friday, about 50 cents above a year ago.

The price is about 6 percent higher than on this date in 2008. The next day, pump prices began a string of 32 gains over 34 days. They rose 39 percent over five months, eventually hitting an all-time high of \$4.11 per gallon in July.

### [Nigeria: Pirates Attack Foreign Ship in Lagos](#)

Lagos — Pirates off the coast of Lagos have attacked an unnamed foreign chemical tanker in a bid to board and rob the ship in the Gulf of Guinea.

A report Friday by the International Maritime Bureau showed the attack happened late on Thursday about 50 nautical miles off the coast of Lagos.

### [Crude Oil Falls to 10-Week Low After Egypt's Mubarak Resigns](#)

Oil fell to a 10-week low in New York after Egyptian President Hosni Mubarak stepped down and handed power to the military, reducing concern that crude shipments from the Middle East will be disrupted.

### [Midwest Gasoline Gains as Conoco's Oklahoma Plant Flares Gases](#)

Also in Oklahoma, Explorer Pipeline Co., based in Tulsa, canceled Cycle 5 on its oil products line because a destination "couldn't handle" products. Tom Jensen, a spokesman for the line, said in a telephone interview. He declined to identify the destination.

### [Deep drills set for Gulf](#)

Get the rigs warmed up. The deep-water drilling permits are on the way.

### [Report: Yemeni protesters clash with knife-wielding men](#)

Sanaa, Yemen (CNN) -- Men armed with knives attacked more than a thousand anti-government protesters gathered in the Yemeni capital to demand reform, human rights groups said.

The protesters took to the streets of Sanaa on Friday night to support the ouster of Egyptian President Hosni Mubarak.

### [Explosions hit 3 gas pipelines in Iran](#)

Iran's semiofficial Mehr News Agency says simultaneous blasts have struck three pipelines near the holy city of Qom, cutting the flow of gas.

Mehr said the blasts, which occurred at 5:50 a.m. local time (2:20 GMT) outside the town of Salafchegan, 130 kilometers south of Tehran, were felt kilometers away.

Local official Majid Bojarzadeh said the blasts were not caused by technical failures, but did not elaborate if officials believed the explosions were acts of sabotage.

### [Mexican city tries to close Sempra LNG terminal](#)

(Reuters) - A Mexican city ordered U.S. firm Sempra Energy to shut down its Costa Azul liquefied natural gas terminal, citing safety concerns, but the company said it was protected by a court order and was operating normally.

Sempra's terminal in Baja California, northern Mexico, was inaugurated in 2008 and pipes natural gas to local industry as well as across the border to California.

### [U.S. lawmakers lend support to Keystone pipeline project](#)

CALGARY - TransCanada Corp. said Friday it has received more support from U.S. lawmakers for its controversial Keystone XL pipeline project.

The Calgary-based pipeline company said a letter has been sent to Secretary of State Hillary Clinton with the signatures of 30 congressional representatives from 18 states, calling for approval of the project.

### [Transocean nixes dividend for now](#)

Transocean the world's largest rig contractor, has abandoned efforts to overcome a Swiss challenge against its 2010 \$1 billion dividend payout, while setting out plans for another.

### [TNK-BP exec says BP offered it Rosneft deal role](#)

KHANTY-MANSIISK, Russia - BP has offered its Russian venture TNK-BP a chance to join its partnership with Rosneft, TNK-BP's deputy chief executive told reporters, signalling a possible resolution to a row.

"We had an offer from BP ... about its agreements with Rosneft. Obviously a partnership would be interesting," Maxim Barsky told reporters on a visit to an oil-rich west Siberian region.

### [Obama to cut heat subsidies for poor](#)

NEW YORK (CNMoney) -- President Obama's 2012 budget will propose cutting \$2.5 billion from a program that helps low-income people cope with high energy costs in the cold of winter and heat of summer, according to a source familiar with the budget process.

The reduction is steep, and might impact millions of families. In 2010, the program received \$5.1 billion in federal funds, which were then distributed to states that have both low average incomes and high energy costs.

### [BP fund to settle more than 2,000 claims of damage from gulf oil spill](#)

The administrator of the BP escrow fund will settle more than 2,000 claims of damage from last year's oil spill from hotels, oystermen, condominium owners and others from Louisiana to Florida. Individual payments will range from \$10,000 to \$30 million, according to a lawyer for the claimants.

### [Is Oil Output Peaking or Not? Either Way, Cheap Oil Is Gone for Good](#)

As investors and as drivers, most of us have an interest in the price of oil, and what it's going to do next. But if you're having trouble figuring out whether global oil production is about to peak -- an occurrence that will inevitably be followed by a surge in oil prices -- you're not alone.

### [Even whitewash won't halt Green machine](#)

There is a fair amount of jargon in this document which will serve to confuse the ordinary voter, but one phrase that is explained is "peak oil". This is the point at which the petrol pumps start to run dry because the maximum rate of production has been passed. The Greens argue that this provides Ireland with a chance to utilise our "bountiful natural resources" to develop alternative sources of energy and become an oil-free economy.

Like the early Christians, the Greens have not always received a friendly or understanding reception, but the message they propound is likely to be heard for a long time to come.

### [Preface to a Prelude to Peak Oil](#)

The stark reality that few have truly woken to is the high probability that we have already passed the peak of oil production and that it is all downhill from here. If this is a new idea to you, or even if you already have some familiarity with it, you will enjoy the new novel, *Prelude*, from peak oil analyst Kurt Cobb.

### [Ontario Halts Approval of Offshore Wind Energy Projects Pending Review](#)

Ontario's government said it suspended approval of offshore wind-power projects, citing concern that more research is needed on their effect on the environment.

The Canadian province has also stopped accepting applications for its renewable energy subsidy program, its government said today in a statement.

### [Maryland Considers Legislation That May Boost Offshore Wind Energy](#)

Maryland lawmakers are considering a bill that would require utilities in the state to purchase electricity generated at offshore wind farms built in the mid- Atlantic.

The Maryland Offshore Wind Act of 2011, to be introduced before the state's general assembly today, would require public utilities to purchase between 400 megawatts and 600 megawatts of capacity from wind farms in federal waters off Maryland's coastline for at least 20 years, according to an e-mailed statement from Governor Martin O'Malley's office.

### [Global Wind Turbine Orders Increased 75% in Second Half of 2010](#)

The world's wind turbine order intake rose 75 percent in the second half of last year, reaching the highest level of activity in two years, MAKE Consulting said.

### [U.S. must move past Yucca dump for nuke waste: Chu](#)

(Reuters) - Energy Secretary Steven Chu on Friday reiterated the Obama administration's case against moving forward with a nuclear waste dump at Yucca Mountain in Nevada.



## [A world of hunger again](#)

Once again, world food stocks are looking precarious. As Mr. Michael Richardson detailed in these pages on Feb. 3, prices are soaring for basic food products and the prospect of hunger, starvation and unrest are rising as well. There are several reasons for this spike in prices, but weather — and climate change — is the most important. It will be difficult if not impossible to insulate food production from weather-related problems in the short term, but steps can be taken to insulate prices from their impact.

## [Southwestern Water: Going, Going, Gone?](#)

The glum projections of the growing gap between demand for water in the Southwest and the dwindling supplies have never been optimistic, but two new studies— one a research report based on satellite data, and the other an analysis of rainfall, water use and the costs associated with obtaining new water — make earlier forecasts seem positively rosy.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).