



## Drumbeat: June 22, 2011

Posted by [Leanan](#) on June 22, 2011 - 10:37am

### [Saudis Set To Bankrupt Iran With Flood Of Oil](#)

Today the Wall Street Journal has a fascinating piece describing a speech given this month by Saudi Prince Turki Al-Faisal. The prince, speaking to a group of U.S. and British servicemen at an airbase near London, explained that Saudi Arabia was so concerned about Iran's continued march toward attaining nuclear weapons that it was considering opening its oil spigots and swamping the world with oil in the interest of gutting Tehran's government revenue. The prince insisted that the Saudis still have sufficient spare production capacity that, if need be, "we could almost instantly replace all of Iran's oil production" of roughly 4 million bpd.

### [Koch Industries lobbying members of Congress against natural gas subsidy](#)

A top official of Koch Industries is sending letters to Capitol Hill Wednesday urging opposition to energy legislation that would boost use of natural gas, a proposal backed by energy billionaire, T. Boone Pickens.

### [Enbridge Discussing Shipping Cushing Oil To Gulf Coast](#)

HOUSTON -(Dow Jones)- Enbridge Inc. (ENB) is discussing with customers the viability of shipping crude oil from the over-supplied storage hub of Cushing, Okla., to refiners along the Gulf Coast, a company executive said Wednesday.

Increasing oil production in the U.S. midcontinent region has caused a supply glut in Cushing, forcing U.S. benchmark crude prices to fall well below those for European crude oil. Relieving supply pressure in Cushing has become a mantra for pipeline operators such as Enbridge.

### [Keystone oil shipments cut back for July](#)

(Reuters) - TransCanada Corp (TRP.TO) said on Wednesday that oil shipments on its Keystone pipeline will be cut by 19.28 percent as it works on the line following two oil spills in May,

### [Norway indicts Transocean over alleged tax fraud](#)

(Reuters) - Norwegian authorities said on Wednesday they have indicted two tax advisors and two Houston companies tied to U.S. oil services group Transocean over suspicions of tax fraud.

### [NOAA: US Unprepared for Changes in Arctic Ice](#)

The National Oceanic and Atmospheric Administration is being inundated with requests for weather and ice forecasts as well as navigation information about the Arctic, but isn't able to provide all of the information that the Coast Guard, industries and native Alaskans need, NOAA chief Jane Lubchenco said Monday.

The NOAA chief, the commandant of the Coast Guard and the chief of naval operations spoke at a symposium about challenges ahead for the United States as summer Arctic sea ice declines, opening the Arctic to oil and gas extraction, fisheries, tourism and shipping.

### [Managing the Risk of Energy Uncertainty](#)

A common characteristic with these future projections of climate change impacts and energy trends is uncertainty - levels of which differ but the sheer complexity of the issues makes it very difficult to accurately assess the levels of risk involved.

Instead of arguing how much hotter it will get or whether Hubbert was right, I think it would be much more productive, from a policy-making perspective, to focus on the nature of the potential threat. Which is more dangerous: a severe, short term, energy-induced economic crises? Or an unpredictable, long-term destabilisation of the Earth's climate? (Of course these need not necessarily be contrasted -- ambitious climate change abatement can also reduce reliance on diminishing oil reserves).

### [Food Prize Goes to Ex-Leaders of Ghana and Brazil](#)

Each year the World Food Prize recognizes the work of individuals who have advanced human development by improving the quality, quantity or availability of food in the world. The award was founded in 1986 by Norman Borlaug, a Nobel Peace Prize winner who transformed agriculture a half-century ago through his development of higher-yielding and heartier wheat varieties.

### [Why rational optimism beats ephemeral happiness](#)

Start with one simple measurement. Appropriately fitted out with a CIS tie covered in small light bulbs, Ridley asks how long you have to work today to earn an hour of reading light. On an average wage today, half a second of work will pay for an hour of

light. In 1950, the average wage earner worked eight seconds to run a conventional filament lamp; in 1880, 15 seconds of work was needed for a kerosene lamp; and more than six hours of work for an hour of light by tallow candle in the 1800s. In 1750BC, your average ancient Babylonian needed to work more than 50 hours to get an hour of light from a sesame oil lamp. That 43,200-fold improvement, says Ridley, signifies "the currency that counts, your time".

### [N.H.L. Tries to Give Back the Water](#)

Before the Stanley Cup Finals between the Vancouver Canucks and the Boston Bruins, the National Hockey League said that the finals would be the first "water neutral" series in its history.

"We've always been acutely aware of water usage," said Bernadette Mansur, the league's senior vice president for public affairs. "It's in the DNA of the N.H.L."

### [Levees Save a Farmhouse, but Farming Is Still a Risk](#)

The great flood of 2011 is still slowly receding from the Mississippi Delta, sitting stubbornly in some areas, leaving behind in others thousands of damaged homes and hundreds of millions of dollars worth of ruined crops. For farmers, who were expecting a banner year, it is closer to a nightmare.

"The two things that make or break us are the whims of a financial market and weather," said John Michael Pillow, 41, who farms the land that borders the Harts, and who lost three-quarters of his corn crop this year, his first as sole owner of the family farm. "You can't get any riskier."

### [Save the global economy, save the planet](#)

(CNN) -- For 50 years, environmentalists have argued we should save the planet for moral reasons, that there were more important things than money. But it will be the economic impact of climate change and resource limits that will motivate the sweeping changes necessary to avert catastrophe.

Leaders and experts are beginning to realize this. Chinese Environment Minister Zhou Shengxian recently said, "The depletion, deterioration and exhaustion of resources and the worsening ecological environment have become bottlenecks and grave impediments to (our) economic and social development."

### [Oil falls below \\$94 after mixed US supply report](#)

Oil prices fell below \$94 a barrel Wednesday after a crude supply report reflected mixed signs about U.S. demand and the dollar strengthened against other currencies.

...The American Petroleum Institute said late Tuesday that crude inventories fell 81,000 barrels last week while analysts surveyed by Platts, the energy information arm of McGraw-Hill Cos., had predicted a drop of 2.0 million barrels.

Inventories of gasoline dropped 1.5 million barrels last week, surprising analysts who had forecast an increase of 1 million barrels. Distillates fell 541,000 barrels, the API said.

### [High US Gasoline Prices to Cut July 4 Travel: AAA](#)

U.S. Independence Day holiday travel will fall 2.5 percent from a year ago as expensive gasoline eats at driving demand, travel group AAA forecast on Wednesday.

Even with the recent decline in gasoline prices, AAA estimates 39 million Americans will travel 50 miles or more from home during the July 4 weekend, down from 40 million last year.

Of these, some 32.8 million, or 84 percent, will drive to their vacations — a million fewer than last year.

### [Goldman Sachs Says Libya Oil Exports May Rise, Near-Term Prices 'Choppy'](#)

Libyan oil exports could rise by as much as 355,000 barrels a day in the short term from the opposition-controlled part of the country after rebels pledged to resume shipments, according to Goldman Sachs Group Inc. (GS)

### [Qaddafi Tanks Deprived of Diesel as Ships Shunning Libya: Freight Markets](#)

Libyan leader Muammar Qaddafi is facing a fourth month without the diesel cargoes needed to power tanks as he endures an 11-week air campaign led by NATO.

No vessel delivered the fuel to Qaddafi-controlled ports since February, according to five oil-product traders and three shipbrokers interviewed by Bloomberg. The country, once Africa's third-largest crude producer, normally got four shipments a month, they said. One vessel holds 34 million liters (9 million gallons), enough to fill all Libyan tanks 18 times over, based on data from IHS Jane's, a military analysis company.

### [China warns US to keep out of S. China Sea dispute](#)

BEIJING – China urged the United States on Wednesday to restrain other countries from provoking Beijing in disputes over contested territories in the South China Sea, warning that Washington risks becoming embroiled in an unwanted conflict.

### [Rubin: BP report shows economic growth still depends on oil](#)

The relationship between energy and global economic growth has never been clearer than in BP's World Energy Statistical Review for 2010. No sooner had the global economy shook off the shackles from the last recession than energy demand exploded. It grew by more than 5.5 per cent last year, the largest annual increase in more than 30 years.

### [Texas: Drillers Must Disclose 'Fracking' Chemicals](#)

Gov. Rick Perry has signed a bill requiring drillers to disclose the chemicals they use when extracting oil and gas from rock formations, making Texas the first state to pass such a law.

### [Deepwater Horizon Manager Refuses to Testify in Spill Lawsuits](#)

Jimmy Wayne Harrell, Transocean Ltd. (RIG)'s highest-ranking drilling employee on the Deepwater Horizon rig before it exploded and sank, refused to testify in civil lawsuits over the accident, according to court records.

### [Transocean Says in Own Probe Gulf Spill Disaster Result of BP's Decisions](#)

Transocean Ltd. (RIG), owner of the Deepwater Horizon drilling rig that sank in the Gulf of Mexico in 2010, said its internal investigation found the fatal explosion and subsequent oil spill was the result of many decisions made by BP Plc. (BP/)

In the two weeks leading up to the April 20 well blowout, decisions were driven by BP's knowledge that the geological window for safe drilling was becoming increasingly narrow, Vernier, Switzerland-based Transocean said today in a statement.

### [Goldman Sachs Fined by ICE Exchange for 'Disorderly' Trading](#)

Goldman Sachs Group Inc. (GS) was fined 25,000 pounds (\$40,000) by the ICE Futures Europe exchange for "disorderly" oil trading, the London-based exchange said.

An ICE committee that investigated the trades "found no evidence of intentional manipulation of the market; nevertheless it considered the breach to be of a serious nature," ICE said in a circular on its website dated June 17.

### [Fukushima post-mortem under way](#)

As ministers debate nuclear safety standards behind closed doors in Vienna the spotlight

is on changing the industry's culture of secrecy.

### [Japan Plans to Unlink Nuclear Agency From Government](#)

TOKYO — Responding to criticism that lax oversight played a role in the Fukushima nuclear accident, Japan's government may make its nuclear regulatory agency more independent as early as next year.

### [Flooding Brings Worries Over Two Nuclear Plants](#)

KANSAS CITY, Mo. — As record floodwaters along the Missouri River drench homes and businesses, concerns have grown about keeping a couple of notable structures dry: two riverside nuclear power plants in Nebraska.

### [N.Y. Missed Deadline on Indian Point Decision, Operator Says](#)

New York State missed a deadline for ruling on an application for a water quality certificate for the Indian Point nuclear plant, the plant's owner, Entergy, said on Tuesday in a notification to the Nuclear Regulatory Commission. The filing raised the possibility that state officials may have lost a tool for blocking a license renewal for the plant's nuclear reactors.

### [Uranium Mine Moratorium Extended at Grand Canyon](#)

The federal government on Monday extended for six months a moratorium on new uranium mining claims in a million-acre buffer zone around the Grand Canyon as it awaits the conclusions of a study of potential environmental harm to the region.

### [Siemens Seeks Rare Earths Outside China After Supplies Curbed](#)

Siemens AG (SIE) is working to obtain rare earths used in its wind turbines from outside China, the world's biggest supplier, after the nation curbed production of the strategic commodities to reduce environmental damage.

Siemens, Germany's largest engineering company, is seeking to develop supplies for rare earths in Australia, Russia, Greenland and California that will limit price increases and keep materials crucial to their products flowing, said Henrik Stiesdal, chief technology officer of Siemens Wind Power.

### [China Aims to Boost Share of Non-Fossil Sources in Energy Supply](#)

China aims to boost the share of non-fossil sources in its energy mix to 20 percent by



2030 and to 33 percent by 2050, said Han Wenke, head of energy research at the National Development & Reform Commission.

Non-fossil sources including wind, solar, biomass, hydro and nuclear power accounted for about 9.6 percent of China's energy supply at the end of last year, Han said at a conference in Beijing today, citing government data.

### [KLM to turn used cooking oil into aviation biofuel](#)

AMSTERDAM (AP) - Dutch airline KLM plans to use recycled cooking oil as biofuel to power flights to and from France in a move aimed at cutting carbon emissions.

Starting in September, KLM will begin more than 200 flights between Paris and Amsterdam using biofuel made from used cooking oil, the company said Wednesday.

### [The Great Ethanol Scam of 2011](#)

In an effort to get our fiscal house in order, Republicans decided it would be a good idea to cut funding for public radio and Planned Parenthood. Because clearly, this is what's bankrupting this country.

And last week, Joe Biden told reporters one of his first wasteful spending targets is a website dedicated to the desert tortoise.

Are you freakin' kidding me?! Can you believe the stones on this guy?

Meanwhile, the Senate has just rejected bills to end billions in tax breaks for oil companies and billions more in ethanol subsidies. The latter just went down last week, with a 40-59 vote.

### [Oil Free by 2020](#)

Sweden rightly believes that world oil supplies are peaking. The catchphrase here is Peak Oil—a theory I believe is on the money.

Peak Oil maintains that the supposedly friendly regime in Saudi Arabia does not have the oil reserves it says it has. I have been writing for a long time that America should not be doing business with the Saudis or any of the radical Muslim crowd. I mean zero business.

And I sure as hell would not be selling arms to any of these folk. Talk about abject stupidity.

My goal, like Sweden's, is to sharply reduce the use of oil. My strategic target is for a total collapse in world oil prices.

## [Book Review – Life Without Oil](#)

The premise of the book is that the world is running out of oil while at the same time depleting itself of its natural resources. These two issues can combine to cause destruction and complete collapse of a society. The book begins by highlighting some of the societies that have disappeared due to lack of resources whether it be water or trees or others. One of the most famous case studies he uses is that of Easter Island, now owned by Chile, and the irony that although the people knew their future was in jeopardy due to diminished resources, they used them all anyway. Will this be society today?

## [Collapseology: why this should be shaping Australian public policy](#)

In recent times there has been an emergence of a genre of research theory that could be called collapseology. Jared Diamond's *Collapse: How Societies Choose to Fail or Survive* (2005), Thomas Homer-Dixon's *The Upside and Down: Catastrophe, Creativity, and the Renewal of Civilisation* (2006) and Graeme Taylor's *Evolution's Edge: The Coming Collapse and Transformation of Our World* (2008) are three of many books seeing the likelihood of a collapse of modern civilisation based upon a business-as-usual use of resources and continuous economic growth.

The cover story edition of *New Scientist* (5 April, 2008), 'The Collapse of Civilisation: It's more precarious than we realised', discussed the work of a number of leading thinkers who believe that a breakdown of modern civilisation could occur because of technological systems becoming so complex that they reach 'critical dimensions of instability' and then collapse or slowly disintegrate. Joseph Tainter, an archaeologist at the University of Utah, and the author of *The Collapse of Complex Societies* (1988) believes that complex societies – including our own – can collapse in a matter of decades because of diminishing returns from increased complexity.

## [Making a post-oil transition](#)

Think of the Scouts' motto or the ads about getting ready for retirement.

In this case, the "retirement" is crude oil and the "getting ready" plan is setting up a transition town, which is a plan for the future.

Transition town advocate David Turner says that future is close and plans need to be put in place now. The Okato-based Brit says that when he was growing up in Britain in the 1980s, he heard of an oil crisis and how it would affect "our children".

## [Prophets of Doom airing in Canada](#)

***Prophets of Doom***, a two-hour special that originally aired about six months ago in the U.S.A., us getting its first airing here. It's about potential endings of the United



States, due to your choice of the following: peak oil, freshwater supply decline, financial explosion, nuclear terrorism (domestic or foreign). So basically this is a fun two hours! (History Channel, 8 p.m.)

### [Angry buzz rises among neighbors of beekeepers](#)

After planting an expansive garden in April, Perullo promptly added a hive of 50,000 bees to pollinate her vegetables and fruit plants. That's when the buzzing started from next door.

A neighbor fearful of bees had an attorney warn Perullo that zoning laws didn't permit them and she'd have to send her winged friends packing. As a result, the city council in this verdant suburb of San Francisco is studying whether to change its position on backyard beekeeping.

"I don't understand it — if I remove the hive, she'll still have bees," says a frustrated Perullo, 41, pointing to her neighbor's lot, which features numerous fruit trees and borders on bee-filled open space. "I didn't do this to create a nuisance but to teach my three kids where food comes from. I hope the city reconsiders."

### [Gore faults Obama on global warming](#)

WASHINGTON — Former Vice President Al Gore is going where few environmentalists — and fellow Democrats — have gone before: criticizing President Barack Obama's record on global warming.

In a 7,000-word essay for Rolling Stone magazine that will be published Friday, Gore says Obama has failed to stand up for "bold action" on global warming and has made little progress on the problem since the days of Republican President George W. Bush. Bush infuriated environmentalists for resisting mandatory controls on the pollution blamed for climate change, despite overwhelming scientific evidence that the burning of fossil fuels is responsible.

### [Justices Rebuff States on Utilities' Gas Emissions](#)

WASHINGTON — The Supreme Court on Monday unanimously rejected a lawsuit that had sought to force major electric utilities to reduce their greenhouse gas emissions without waiting for federal regulators to act.

### [Climate Change: Public Skeptical, Scientists Sure](#)

The American public is less likely to believe in global warming than it was just five years ago. Yet, paradoxically, scientists are more confident than ever that climate change is real and caused largely by human activities.

Something a bit strange is happening with public opinion and climate change.

### [Saving Nature by Ending It: Geoengineering and the Moral Case for Conservation](#)

Keith is one of the world's leading proponents of geoengineering research as well as an advisor on climate and energy to one of the world's leading philanthropists (and richest men), Bill Gates. As a maker of machines, including the first atomic-scale interferometer, Keith doesn't think we're running out of techno-fixes or even beginning to approach any limits on resources, technological progress or even the Earth's ability to support an expanding human population. "It is true that we will run out of easy oil in the Middle East with profound geopolitical impacts, but that's very different than running out of oil," he said. "We have an absurd amount of hydrocarbons in the world and a growing technological ability to get them out at prices we can afford."

In other words, peak oil (or coal or natural gas) won't save us from climate change. What might, according to Keith? Government regulations, which are what has allowed progress on remedying environmental problems from air pollution to eliminating toxic heavy metals from the soil.

### [Fastest Sea-Level Rise in 2,000 Years Linked to Increasing Global Temperatures](#)

ScienceDaily — The rate of sea level rise along the U.S. Atlantic coast is greater now than at any time in the past 2,000 years -- and has shown a consistent link between changes in global mean surface temperature and sea level.

The findings are published in the journal *Proceedings of the National Academy of Sciences* (PNAS).



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