



Drumbeat: February 18, 2013

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[Governments Look for New Ways to Pay for Roads and Bridges](#)

Governments are struggling with good news that has a fiscal downside. Cars are becoming more efficient, alternative fuels are on the rise and people are driving less. That is good for the environment, but bad for the revenues that go into building and maintaining roads, because it means that the money collected from gasoline taxes has been dwindling while costs climb.

Fuel taxes provide some 40 percent of state highway revenues and 92 percent of the federal highway trust fund, according to the National Conference of State Legislatures. But the funds, squeezed by fuel economy, are not keeping up with the nation's infrastructure needs. Moreover, according to figures collected by the organization, only about a dozen states tie their tax to inflation, which means that the revenue loses ground every year. Seventeen states have not raised their gas taxes in at least 20 years; only six states and the District of Columbia have raised their gas taxes since 2008. The federal gas tax, currently 18.4 cents per gallon, has not been raised since 1997.

[WTI Crude Drops a Second Day; Saudi Exports Fall to 15-Month Low](#)

West Texas Intermediate oil fell for a second day, extending the biggest drop in two weeks, while Brent futures were little changed. Saudi Arabia's crude shipments slid to a 15-month low in December.

New York crude declined as much as 0.4 percent. Data from the Federal Reserve showed U.S. industrial production unexpectedly shrank in January. Saudi Arabia exported 7.06 million barrels of crude a day in December, the least since September 2011, according to the Joint Organisations Data Initiative. Christof Ruehl, chief economist at BP Plc, sees no scarcity of supply and expects Saudi Arabia to reduce exports further, he said today in an interview in London. Brent's premium to WTI widened as the London-traded contract rose.

[IEA Chief Economist Says High Oil Prices Harmful to Global Economy](#)

The International Energy Agency's chief economist, Fatih Birol, said high Brent crude oil prices are posing big risks for the global economy.

"The current prices now they are a major problem for global economic recovery,

especially for Europe, the weakest chain of the global economy for the time being," Mr. Birol told Dow Jones Newswires, speaking on the sidelines of a conference.

[Iraq, Saudi cut December oil exports while Venezuela boosts shipments](#)

Iraq and Saudi Arabia cut crude oil exports in December for a second month, while fellow Opec member Venezuela boosted shipments to their highest in more than four years, according to the Joint Organisations Data Initiative.

Iraq, the biggest producer in the Opec after Saudi Arabia, curtailed exports by 10 per cent to 2.35 million barrels per day, data posted on the initiative's website showed. The Saudi kingdom shipped 7.06 million bpd in the month, down 1.3 per cent from November, according to the data.

[Saudi Crude Exports for 2012 Reached Seven-Year High, Data Show](#)

Saudi Arabia boosted its average crude oil exports last year to the highest level since 2005, while Iraq and Kuwait shipped the most in at least a decade, according to the Joint Organisations Data Initiative.

Saudi Arabia, the largest producer in the Organization of Petroleum Exporting Countries, exported 7.41 million barrels a day on average in 2012, up 5.2 percent from 2011, according to Bloomberg calculations based on monthly data from the initiative. Last year's shipments were the highest since the kingdom's exports averaged 7.47 million a day in 2005, the data showed.

[Platts proposes changes to Brent benchmark assessment](#)

LONDON (Reuters) - Pricing agency Platts has proposed changes to the way it assesses the Brent oil market following calls from the industry for a sweeping reform to boost liquidity and transparency of one of the world's most important oil benchmarks.

Platts said on Monday it would move to a full month-ahead assessment process for its North Sea Dated Brent, cash Brent (BFOE) and related markets in March 2015 from the current 25 days. From 2020 it proposed to move to a 45-day ahead structure.

[32 days of higher gas prices comes at tough time](#)

NEW YORK (CNNMoney) - Gas prices have risen for 32 days straight, according to AAA.

That means that the average price for a gallon of regular unleaded gasoline has increased more than 13% over that period to \$3.73.

It's hitting wallets right in the middle of winter, when people are already looking at large home heating bills. And it comes just after many Americans have been hit with smaller paychecks, and are worried about looming budget cuts that could deliver an even deeper blow.

[Hedge Funds Cut ICE Brent Crude Net-Longs From Two-Year High](#)

Hedge funds and other money managers reduced bullish bets on Brent crude from their highest level in more than two years, the first cut in a month, according to data from ICE Futures Europe.

[Ethiopian rebels warns Canadian firm against exploring oil in the country's east](#)

ADDIS ABABA, Ethiopia — Ethiopian rebels are warning a Canadian oil company against oil exploration in the country's east.

The Ogaden National Liberation Front, or ONLF, said Monday the region is unsafe for the Africa Oil Corporation and said it should halt operations until the rebels make peace with the government.

[Algeria In Amenas gas plant to restart partially before Feb.24](#)

ALGIERS (Reuters) - Algeria's In Amenas gas plant is likely to resume partial output in the next six days, the head of state energy firm Sonatrach was quoted as saying on Monday, after repairs following a siege by Islamist militants.

[Libya Parliament Chief Appeals for Calm Amid Dearth of Investors](#)

Libya's parliamentary chief and de- facto head of state said foreign companies' reluctance to move in was a sign of growing chaos, as he implored all to work to stabilize the nation two years after the start of the uprising against Muammar Qaddafi.

[Iran rejects global powers' offer on gold trade](#)

DUBAI — Iran has criticised a reported plan by major powers to demand the closure of a uranium enrichment plant in return for an easing of sanctions on Tehran's trade in gold and other precious metals, Iranian media reported.

[Indian pays for Iran oil in rupees, Turkey route halted-sources](#)

NEW DELHI (Reuters) - India is now paying Iran only in rupees for its oil after it lost

another payment route in euros due to tougher sanctions from Feb. 6, sources at local refiners said, leaving Tehran struggling to use the tightly-restricted Indian currency.

The rupee is only partly convertible, limiting its international acceptability, although Iran can use the currency to buy non-sanctioned goods and services from India.

[Crowds cheer Hugo Chávez' surprise return to Venezuela](#)

CARACAS -- Joyful supporters of Venezuelan President Hugo Chávez crowded outside a military hospital in the capital Monday after the cancer-stricken leader's surprise return from Cuba where he had undergone a fourth operation more than two months ago.

[Billionaire Miner Fights Rivals to Halt Digs on His Ranch](#)

"In Australia, by law, you only own the top meter, everything underneath, that is owned by the people of Australia," Peter Strachan, a resources analyst at Perth-based StockAnalysis, said in a phone interview. "If someone puts in a request to explore on your land, you have to deal with that and make sure you're compensated for access."

[Total joins Chevron in complaint over Indonesia earnings rules](#)

JAKARTA (Reuters) - French oil major Total has added its voice to complaints by U.S. leviathan Chevron that Indonesia's rules for overseas investors are hampering operations in the southeast Asian country.

Indonesia's central bank brought in rules in 2011 to force exporters to channel earnings through local banks, but the issue has become more sensitive in recent months because of the fall in value of the rupiah and could threaten future investment by the two companies.

[Thousands at climate rally in U.S. call on Obama to reject Keystone pipeline](#)

WASHINGTON (Reuters) - Thousands of protesters gathered on the Washington's National Mall on Sunday calling on U.S. President Barack Obama to reject the controversial Keystone XL oil pipeline proposal and honor his inaugural pledge to act on climate change.

[Obama Faces Risks in Pipeline Decision](#)

President Obama faces a knotty decision in whether to approve the much-delayed Keystone oil pipeline: a choice between alienating environmental advocates who overwhelmingly supported his candidacy or causing a deep and perhaps lasting rift with Canada.

[President Obama should reject the Keystone XL pipeline](#)

On February 13, during an act of planned civil disobedience, we both were arrested at the White House. Along with 46 other citizens – authors and ranchers, reverends and farmers, union leaders and scientists – we had handcuffed ourselves to the White House fence to deliver a message to President Barack Obama: We cannot save our climate if you allow the United State to make bad choices like building a pipeline to carry Canada's carbon-intensive tar sands oil to the Gulf of Mexico, which could prove catastrophic for our land, water, and climate. It would only feed the expansion of strip mining the boreal forests and wetlands for tar sands crude.

[The Keystone XL Pipeline, Terrorism and Our National Security](#)

Alberta, north of our most distant mountain states is far enough away that we know generally little about its governance. Are these recent grants an augury of Alberta's future course? Perhaps the question that needs be asked now is: are we helping to fund a future danger on our northern border, and will the revenues generated by the Keystone Pipeline help to create a condition deeply adversarial to our national security?

[The politics of emissions: Keystone is an easier target than U.S. coal-fired power plants](#)

Canada's oil sands are one of the most carbon-intensive sources of crude in the world, and for American climate activists, the Keystone XL pipeline represents a "line in the sand" on climate policy.

But greenhouse gas produced by the oil sands is a fraction of the amount spewed by U.S. coal-fired power plants. In 2010, the oil sands produced 48 million tons of carbon-dioxide emissions. Coal-fired power plants in the state of Wisconsin alone produced 43 million tons.

[BP to fund emergency support boat for North Sea](#)

OIL giant BP is stepping in to bankroll a second boat to provide emergency tug cover for major incidents in the waters around the Northern Isles, it was announced today.

[Rebuilding New York's economy: Is fracking the answer?](#)

ALBANY — The problem is the years-long economic decline of New York's Southern Tier, an area once known for its strength in manufacturing and agriculture.

The solution, some contend, is developing the Marcellus Shale, a gas-rich, underground rock formation that touches parts of 29 counties in New York.

[Faults may be active under Aomori plant](#)

Significant portions of major geological faults running under Tohoku Electric Power Co.'s one-reactor Higashidori nuclear power plant in Aomori Prefecture are probably active, a Nuclear Regulation Authority panel said in a draft report Monday.

[Nuclear waste: too hot to handle?](#)

THERE are 437 nuclear power reactors in 31 countries around the world. The number of repositories for high-level radioactive waste? Zero. The typical lifespan of a nuclear power plant is 60 years. The waste from nuclear power is dangerous for up to one million years. Clearly, the waste problem is not going to go away any time soon.

In fact, it is going to get a lot worse. The World Nuclear Association says that 45 countries without nuclear power are giving it serious consideration. Several others, including China, South Korea and India, are planning to massively expand their existing programmes. Meanwhile, dealing with the waste from nuclear energy can be put off for another day, decade or century.

[Could Wind Power Cool New England's Price Fever?](#)

Jim Gordon, who has been working for a decade to start up the project known as Cape Wind, said in an e-mail that the price spike "highlights why offshore wind power can be an increasingly important component of the North East's energy future."

In a telephone interview, he added that offshore wind was particularly well suited to production when gas demand was at its peak.

[Food crops should feed people, not motors](#)

It is painfully obvious that in order to prevent the most extreme predictions of global climate change from becoming a reality we must reduce and ultimately end our use of petroleum for fuel. But how we do so makes a big difference. Biofuels, both conventional (corn ethanol, fuel from sugar cane, palm oil, soy biodiesel, grain sorghum) and advanced (so-called cellulosic biofuel: made from plant waste materials, wood chips, restaurant grease, and even municipal waste), were thought to generate somewhat less carbon dioxide and other greenhouse gases than petroleum-based gasoline. By law, therefore – under a program called the Renewable Fuels Standard – gasoline producers in the United States must blend a certain amount of biofuel into their product, sold as either pure ethanol or blended fuels featuring different percentages of gas and biofuel.

[How Did Japan Curb Pollution Without Sacrificing Growth?](#)

Five decades ago, people were asking similar questions about Japan. Even as the world marveled at the country's 10 percent annual growth, alarm was growing over air pollution in several cities. Emissions of nitrogen dioxide, carbon monoxide and sulfur dioxide tripled during the 1960s. Japan became known for pollution-related illnesses: Yokkaichi asthma, Minamata disease (mercury poisoning) — both named after the cities where they first appeared — and cadmium poisoning, known as *itai-itai*, or “ouch-ouch,” because of the excruciating bone pain it caused.

Today, Japanese cities are among the world's least polluted, according to the World Health Organization. Japan's environmental record is hardly spotless, but the country rightly prides itself on blue skies, Prius taxis and mandatory recycling. What's more, it managed to clean up without sacrificing growth by investing in pollution-control technologies and giving local governments leeway to tighten standards beyond national requirements.

[Reducing Your Carbon Footprint](#)

Many people believe that Hurricane Sandy made the consequences of climate change painfully clear, so it might be tempting to think that stricter emissions standards and renewable-energy investments could lead to a less stormy future. But while these high-level policy initiatives are important, changes on the home front matter, too.

[Why Republicans Should Embrace The Reality Of Climate Change](#)

We have reached the point where every rational person who believes in making decisions based on science and available data should, if not fully believe that human beings are warming the planet by releasing greenhouse gases, at least recognize that this is what the data seem to suggest and that it is what the vast majority of scientists who study weather believe is the case.

[Reformed UN formula for making planet greener to get first test](#)

OSLO (Reuters) - A new United Nations plan to involve all nations in marshalling science to fix environmental problems ranging from toxic chemicals to climate change will be put to the test from Monday at talks in Nairobi.

[Report Points to Risk of Serious Gap in Weather Satellite Data](#)

Had it not been for polar-orbiting satellites, NOAA's forecasts of Hurricane Sandy's track could have been hundreds of miles off, scientists say. Rather than indicating five days in advance that Sandy would make landfall on Oct. 29, left, the forecasting models would have shown the hurricane remaining at sea.

[Arctic needs protection from resource rush as ice melts: UN body](#)

LONDON (Reuters) - The Arctic needs to be better protected from a rush for natural resources as melting ice makes mineral and energy exploration easier, the United Nations' Environment Programme (UNEP) said.

[Going With the Flow](#)

The reality of rising seas and rivers leaves no choice. Sea barriers sufficed half a century ago; but they're disruptive to the ecology and are built only so high, while the waters keep rising. American officials who now tout sea gates as the one-stop-shopping solution to protect Lower Manhattan should take notice. In lieu of flood control the new philosophy in the Netherlands is controlled flooding.



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