



## Drumbeat: May 11, 2013

Posted by [Leanan](#) on May 11, 2013 - 9:56am

### [Icy Arctic rising as economic, security hot spot](#)

WASHINGTON (AP) — The icy Arctic is emerging as a global economic hot spot — and one that is becoming a security concern for the U.S. as world powers jockey to tap its vast energy resources and stake out unclaimed territories.

Diplomats from eight Arctic nations, including Secretary of State John Kerry, will meet next week over how to protect the thawing region as its waterways increasingly open to commercial shipping traffic.

U.S. officials estimate the Arctic holds 13 percent of the world's undiscovered oil reserves, and 30 percent of undiscovered gas deposits. Until recently, however, the lucrative resources that could reap hundreds of billions of dollars in revenues were frozen over and unreachable.

But global warming has melted sea ice to levels that have given rise to what experts describe as a kind of gold rush scramble to the Arctic.

### [WTI Crude Falls a Second Day on Dollar Rally](#)

West Texas Intermediate crude fell for a second day as the dollar climbed, reducing the appeal of raw materials priced in the U.S. currency.

Futures declined 0.4 percent as the Dollar Index advanced above 83 for the first time in more than two weeks. Gold dropped 2.2 percent. The 12 members of the Organization of Petroleum Exporting Countries bolstered oil output last month, a report from the group's Vienna-based secretariat showed. OPEC's demand forecast was little changed. Crude rebounded sharply in the last 30 minutes of floor trading.

### [Brent Pressured by U.S. Tripling Crude to Canada](#)

U.S. oil exports are poised to reach the highest level in 28 years as deliveries to Canada more than triple, helping bring down the price of the global benchmark Brent crude relative to U.S. grades.

The shipments will rise to at least 200,000 barrels a day by the end of the year, according to Ed Morse, head of global commodities research at Citigroup Global Markets

Inc. Exports were 59,600 in 2012 and haven't averaged more than 200,000 since 1985. The U.S. restricts companies from sending American crude abroad, with Canada an exception.

### [Middle East-U.S. Tanker Rates Seen Higher as Ships Head to Asia](#)

Charter rates for the largest oil tankers hauling Middle East crude to the U.S. climbed after stronger demand drew vessels to Asia, according to shipbroker Braemar Seascope Ltd.

Earnings to carry cargoes to China topped those for crude bound for the U.S., London-based Braemar Seascope said today in an e-mailed report. Rates "jumped up" because shipowners were unwilling to accept lower returns, it said.

### [No 'Peak Natural Gas' Anytime Soon](#)

ne does not hear much these days about "peak oil", as new technologies are developed and implemented that, together with market conditions, make feasible the exploitation of previously uneconomical or irretrievable deposits. A new report by the Diplomatic Center for Strategic Studies (DCSS), based in Kuwait, just published, confirms an International Energy Agency report from two years ago, estimating that under present rates of consumption, global supplies of natural gas could last up to 250 years, until the middle of the twenty-third century.

### [The Obama Administration's Natural Gas Policy Is Tragically Misguided](#)

The Obama administration has come out in support of the idea of exporting U.S. natural gas. This stance is counterproductive and shortsighted, and if followed, it will prove harmful to domestic manufacturing (i.e., value generation) and to future generations of Americans.

While exporting natural gas would certainly prove to be an economic boon for a very select minority of companies and individuals, it makes no sense from an energy standpoint and undermines our national interests. All it will do is enrich a few while boosting prices for all domestic consumers and shortchanging the energy and environmental inheritance we pass along to our children.

### [Struggling at home, US coal finds markets overseas](#)

Coal companies in the US have been unable to compete with natural gas at home, Alic writes, but overseas this coal market is getting hotter by the minute.

### [Algeria after terrorist attack: Don't count on security promises](#)

Four months after militants linked to Al Qaeda attacked the In Amenas gas facility in eastern Algeria – triggering a four-day confrontation with the Algerian army and the deaths of nearly 40 hostages – the Algerian government has beefed up border security and pledged to deploy the army to protect energy sites.

Threatened with a potentially weakened oil and gas sector, which accounts for more than 95 percent of Algeria's exports, Algerian authorities had every incentive to quickly shore up confidence. This is particularly true at In Amenas, which represented over 10 percent of Algeria's natural gas production and nearly 18 percent of its gas exports prior to January's attack. The concerns of foreign governments, energy companies, and other investors, however, should not be assuaged by Algeria's security window-dressing or assertions that the country's woes can simply be traced back to a resurgent Al Qaeda.

### [18 dead in explosions on Turkey's border with Syria](#)

Istanbul (CNN) -- At least 18 people were killed and more were wounded when two car bombs exploded Saturday afternoon in the Turkish town of Reyhanli, along its southern border with Syria, Turkish Interior Minister Muammer Guler said.

Guler said one of the bombs erupted in front of the post office and the other in front of the municipality building.

### [Electric energy requirement for 13 Indian mega cities estimated at 168 billion units by 2017](#)

KOLKATA: Data compiled by the Electric Power Survey Committee (EPSC) estimates that total electric energy requirement (EER) for the 13 Indian mega cities by the end of 12th Plan (2016-17) will be about 168 billion units and by end of 13th Plan the requirement would be 233 billion units.

### [Turkey to help Iraq build oil pipeline](#)

ANKARA: Opec member Iraq will need new oil pipelines to export its crude to world markets as it prepares to raise production, and Turkey is keen to help its neighbour build the infrastructure, Turkey's Energy Minister said yesterday.

Iraq, the world's fastest-growing oil exporter, aims to boost the 2.4 million barrels per day of oil it ships to world markets this year, mostly by increasing output from the fields around the disputed northern oil city of Kirkuk in the semi-autonomous Kurdistan region.

### [Clashes likely to delay Myanmar-China pipeline start-up - official](#)

YANGON (Reuters) - Security concerns will likely delay the first shipments of gas and

oil from the Myanmar coast to China through a new pipeline running across territory controlled by ethnic militia groups, a Myanmar energy official said on Saturday.

### [Down the line: How TransCanada fumbled the Keystone pipeline project](#)

TransCanada wanted to build its Keystone XL project through the middle of the Thompsons' corn field. The family was worried that it would disrupt the farm's irrigation system. But there was a solution. If TransCanada would move the pipeline an eighth of a mile – 200 metres – the Thompsons could live with that.

“We said, ‘you just run this thing down to the end of our field so it’s not cutting our field in half, and we’ll sign the damn easement,’ ” he says.

TransCanada said no, arguing that the move would require too sharp a bend in the pipe. It threatened expropriation if the family would not sign a deal. Mr. Thompson grew angry. His face, the Stetson-bearing image of the “pissed-off farmer” he calls himself, became the symbol of an opposition that sprung out of the corn fields and spread all the way to the White House. Mr. Thompson would go on to personally meet with some of the most powerful political leaders in the United States to argue against Keystone XL.

But, he says six years later, it didn't have to be this way – TransCanada could have just moved the pipe route at the time and settled the matter.

It is a common sentiment.

### [Apache Seen Leading Industry in Offshore Lapses](#)

Three years after BP Plc's oil spill fouled Gulf of Mexico beaches, drilling safety is improving, though deficiencies remain at some of the same companies operating offshore, Democrats on a House panel said in a report.

### [The downwinders: Fracking ourselves to death in Pennsylvania](#)

More than 70 years ago, a chemical attack was launched against Washington state and Nevada. It poisoned people, animals, everything that grew, breathed air and drank water. The Marshall Islands were also struck. This formerly pristine Pacific atoll was branded "the most contaminated place in the world". As their cancers developed, the victims of atomic testing and nuclear weapons development got a name: downwinders. What marked their tragedy was the darkness in which they were kept about what was being done to them. Proof of harm fell to them, not to the US government agencies responsible.

Now, a new generation of downwinders is getting sick as an emerging industry pushes the next wonder technology - in this case, high-volume hydraulic fracturing. Whether they live in Texas, Colorado, or Pennsylvania, their symptoms are the same: rashes, nosebleeds, severe headaches, difficulty breathing, joint pain, intestinal illnesses, memory loss and more. "In my opinion," says Yuri Gorby of Rensselaer Polytechnic Institute, "what we see unfolding is a serious health crisis, one that is just beginning."

### [China battery plant protest gives voice to rising anger over pollution](#)

SHANGHAI (Reuters) - Hundreds of protesters gathered in the Chinese financial hub of Shanghai on Saturday to oppose plans for a lithium battery factory, highlighting growing social tension over pollution.

### [This Bill Wants to Cut Ethanol Production in Half](#)

The Renewable Fuel Standard, or RFS, was first passed in 2005 to mandate the use of biofuels in America's transportation sector. Despite being amended in 2007, it still has some pretty big flaws that need to be addressed. Now, four members of Congress have drafted legislation that seeks to make some pretty important changes. The proposed bill is far from perfect, but it could devastate the country's biggest ethanol producers and even disrupt the global ethanol market. Here's what investors need to know and two potential opportunities to keep in mind.

### [The Real Reason Tesla Is Still Alive \(And Other Green Car Companies Aren't\)](#)

So what's different about Tesla?

Experience, for one thing. While most of the other green car start-ups were founded by traditional car guys with a dream but little experience running a company, Tesla founder Elon Musk, with degrees in physics and business, had already built and sold one successful company, PayPal, (to eBay in 2002 for \$1.5 billion) and also runs SpaceX, a maker of rockets and spacecraft. He had the stomach to push through difficult times, and the chutzpah to twist the arms of reluctant investors.

### [Environmental Review to Delay Two Engineered Crops](#)

Genetically engineered crops that could sharply increase the use of two powerful herbicides are now unlikely to reach the market until at least 2015 because the Department of Agriculture has decided to subject the crops to more stringent environmental reviews than it had originally intended.

### [Why Federal Efforts to Ensure Clean Tap Water Fail to Reach Faucets Nationwide](#)

MONSON, Calif. — Laura Garcia was halfway through the breakfast dishes when the spigot went dry. The small white tank beneath the sink that purified her undrinkable water had run out. Still, as annoying as that was, it was an improvement over the days before Ms. Garcia got her water filter, when she had to do her dishes using water from five-gallon containers she bought at a local store.

Ms. Garcia's well water, like that of her neighbors, is laced with excessive nitrates, a pollutant associated with agriculture, septic systems and some soils. Five years ago, this small community of 49 homes near the southern end of the Central Valley took its place on California's priority list of places in need of clean tap water.

Today the community is still stuck on that list, with no federal help in sight.

### [Paris projected as pivotal climate point](#)

So, in other words, it's Paris or bust, he suggests, for COP meetings to deal with climate change on the international level, because he doubts that the COP process will survive if agreement fails at such a notable meeting. We'll see. At least the meeting participants should be able to find a good meal, as they see how this climate prediction pans out.

### [Carbon dioxide level crosses milestone at Hawaii site](#)

WASHINGTON (Reuters) - The amount of climate-warming carbon dioxide in the atmosphere topped 400 parts per million at a key observing station in Hawaii for the first time since measurement began in 1958, the National Oceanic and Atmospheric Administration said on Friday.



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