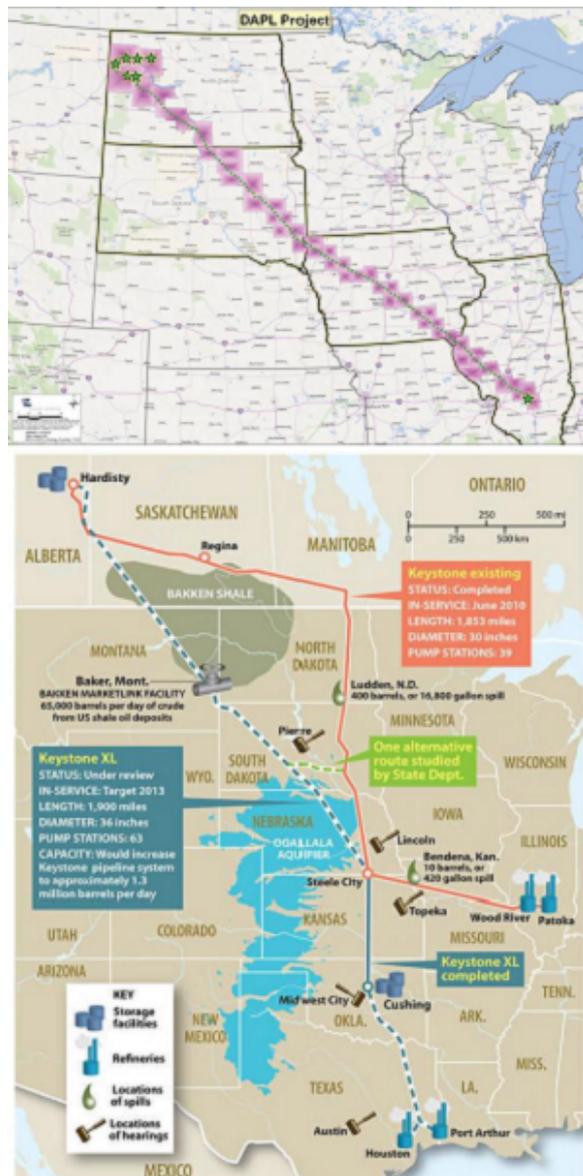


NORTH DAKOTA AND FEDS SUPPRESS NATIVE AMERICAN PIPELINE PROTESTERS



[top: planned Dakota Access pipeline route, via Dakota Access LLC; bottom: Keystone XL pipeline, via Independent-UK]

What's the difference between these two pipelines? Only variations are the origin of the oil they may transport and their

location as far as I can tell since they are described as competing pipelines.

Oh, and the Keystone XL pipeline was vetoed by President Obama a year ago this past February because Congress tried to ram through approval, attempting to “circumvent longstanding and proven processes for determining whether or not building and operating a cross-border pipeline serves the national interest,” according to the president.

In both cases – Keystone XL and the Dakota Access – the planned pipelines traversed Native American tribal lands and/or water systems upon which these sovereign nations relied. The affected tribes have protested the credible threats these pipelines pose to their health and safety as well as their heritage and sovereignty.

The threat is real; there have been 11 pipeline accidents since 2000 on lines carrying oil or gasoline across the Dakotas. One of those pipeline accidents resulted in roughly 20,000 barrels or 865,000 gallons of oil spilling beneath a farm in North Dakota in 2013. There was a ten-day lag after the farmer brought the spill to the company’s attention until the state’s governor heard about the accident – ridiculous, considering North Dakota is the 47th largest state in terms of population, at less than 800,000 residents. It’s not like there were a lot of people in the way. The spill covered an area equal to seven football fields and clean-up is still under way and may not be completed until some time in 2017. The North Dakota Tesoro pipeline oil spill is one of the largest in the U.S. to date.

Oil producers and pipeline owners/operators have frankly been lousy in their responsibilities to the public. It’s not just the 11 pipeline accidents in the Dakotas since 2000; it’s a rather lengthy list of them across the entire country and a lengthy track record of crappy response to the damage done to the environment.

My state, Michigan, which is surrounded by the largest bodies of fresh water in the world, is also the site of the largest oil pipeline spill in the U.S. In 2010, more than 1.1 million gallons of oil spilled, much of it into a waterway. Alarms notifying the pipeline's owner, Enbridge, of the spill were initially ignored for 17 hours, blown off as operation notifications.

Simply unacceptable.

The Native American tribes have no reason whatsoever to believe oil producers and pipeline owners/operators will act with any more care than they have to date. Further, they have no reason to trust the U.S. government about these pipelines, either. They have been betrayed and damaged again and again by the U.S. – excessive and mortal police brutality, theft of human remains, theft and mismanagement of billions in assets, the indignity of fighting to remove the name of a mass murderer from public lands, the catastrophic contamination of the San Juan River supplying water to the Navajo nation – the insults are endless.

The latest insult: North Dakota's Governor Jack Dalrymple signed an executive order to obtain more funding for additional police to deter approximately 1,500 protesters. The state has pulled water supplies used by the protesters and refused to allow portable toilets to be emptied. This follows a temporary restraining order granted to Dakota Access LLC by a federal district court against protesters' interference with pipeline work. Native Americans have also been prevented from leaving reservation land, which may be a violation of civil rights and treaties.

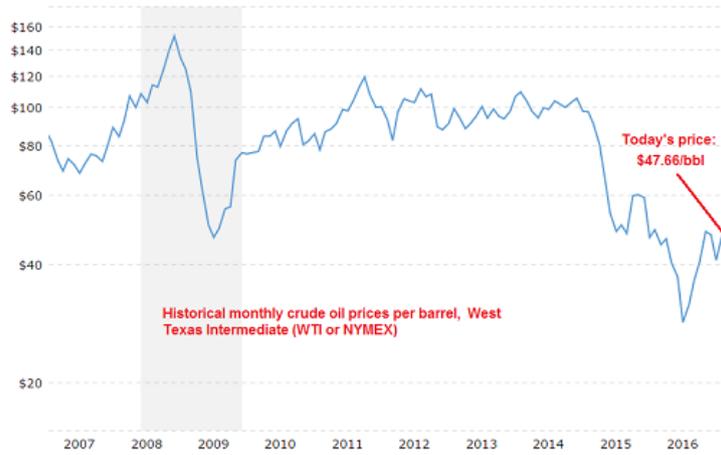
Native Americans have legitimate concerns with the Dakota Access pipeline. For one, its planned route crosses the Missouri River which serves as the entire water source for the Standing Rock Sioux Tribe; the Army Corp of Engineers (ACOE) approved 200 water crossings by the pipeline in spite of requests by the Sioux to deny

construction permits. The ACOE, however, reviewed and rejected an alternate pipeline route crossing the Missouri River near Bismarck as it was deemed a threat to the municipal water supply. This looks like outright racism on the face of it; the pipeline is a threat to 92% white Bismarck, but not a sovereign Native American tribe?

Secondly, the ACOE has been asked by U.S. Environmental Protection Agency (EPA), the U.S. Department of Interior (DOI) and the Advisory Council on Historic Preservation to conduct an investigation and prepare a formal Environmental Impact Statement (EIS), requiring consultation with the affected tribes. No EIS appears to have been conducted to date. In addition to the health and environmental safety concerns related to the pipeline's installation and operation, the historical significance of the area is inadequately documented. The lack of a thorough assessment means the current Dakota Access pipeline plan may disrupt an older Mandan village site where Mandan may be buried. The site has cultural and religious significance to tribes and should be protected by the Advisory Council on Historic Preservation under federal law.

Dakota Access LLC is pressing for this pipeline to reduce the costs of oil. Shipping crude oil from North Dakota's Bakken Shale reserve by rail or truck is more expensive than shipping by pipeline.

That is until ALL the true costs and externalities are added, like the spills, remediation, short- and long-term health and environmental problems are added. These costs haven't been added to the true cost of oil and are instead a gamble which humans living nearest to the pipeline must pay if there is a failure.



[10-year monthly price of WTI per barrel via Megatrends]

While the oil producers and pipeline operators continue to hammer away at the cost of oil, the price of oil has fallen. They can't drop the cost fast enough and deep enough to realize a return on investment. They will cut corners as much as possible as the price of oil falls – and it will, if demand for oil also falls as it has with the rise of hybrid and electric vehicles. Cutting corners means there will be greater risk the pipeline will not be adequately monitored or maintained, just as it wasn't in Michigan.

As more and more alternative, green energy resources come on line along with the technology to use them, it will make even less sense to invest in pipelines which may not carry all that much oil. The Bakken Shale reserve is estimated at several hundred billion barrels of oil, but the amount which can be recovered readily and economically is much less than 10% of the estimated total reserve. If the oil is too expensive to extract AND competing energy resources are both cheaper and available, why build this pipeline at all? How is enabling our continuing addiction to oil in the long-term

best interests of our country?

It will take some spine to do the right thing and force this project to slow down for a full EIS assessment. It will take even more spine to point out we are both at the end of fossil fuel and at the limit of our disregard for Native Americans' lives. It can be done, however; just ask Canada's Justin Trudeau how he did it.

MONDAY: GREY BULL

Hope you have some free time today to enjoy this short film. Grey Bull by Khoby runs 15 minutes long, but worth it. Its pace is slow, but the emotions this short musters are full and richly explored. I look forward to more from filmmaker Khoby.

Energy escapades

NV ENERGY: Last Friday I posted a link to a story about Nevada's governor replacing a member of the Public Utilities Commission as a result of costly barriers to residential solar energy integration. Commenter jo6pac pointed out that Berkshire Hathaway-owned NV Energy (NVE) has been part of the challenge to increasing the use of individual residential solar-generated electricity in NV. I thought there was another electricity provider in Nevada besides NVE given the number of businesses switching from NVE. It's a challenge, though, if NVE has near-monopolistic position in the state's electricity market, especially since NVE has the second highest residential rates for electricity in the mountain west region.

But that's only part of NV's problem. Like much of the U.S., NV must phase out of fossil fuels like coal and gas – NVE's standard energy mix relies on 75% or more fossil fuels. As a nation we're not talking enough about exiting fossil

fuels, and how to prevent economic damage while winding down an entire industry in the case of coal. The public does not owe corporations guaranteed profits, but there is a compelling reason for the state to minimize damage to the public's interests by ensuring coal does not crash.

Putting aside that rather large topic, Friday's story is really the inversion – it's not the lone PUC commissioner who might have been battling for NVE, but the largest industry in the state damaged by electricity monopoly and using its power to persuade regulatory change.

This January 2016 article explains a lot: casinos want to exit NV Energy for another provider, but they are being assessed enormous exit fees over which they are suing. More than \$100 million in fees between three casinos is a lot of pressure to remain with the status quo.

We're entering a phase where electricity attains commodification – any supplier will do, and the user should be able to freely switch – but the traditional infrastructure based on coal and other fossil fuel sources with steep and long-term sunk costs can't compete with commodified alternative energy suppliers. It's a challenge not unlike the transition from brick-and-mortar retail to e-tail, or newsprint to online news. The legacy system must give way, but it's going to hurt when there is little forethought put into the transition. Nevada's PUC is in for a very rough ride.

SOLARCITY: Tesla announced it's buying out all of the solar power systems company for a price \$200 million below its initial offer last month. While SolarCity's headquarters are in San Mateo, California, after the merger it will have battery production facilities in the Gigafactory under construction near Reno, Nevada. Last year the SolarCity sued Salt River Project (SRP) claiming SRP's increased rates for residential solar energy users violated antitrust laws since

the consumers could not leave SRP's portion of the grid.

Which sounds a lot like the situation in the rest of Nevada where NVE charges higher rates for residential users who install solar panels as jo6pac pointed out (more in NYT via bloopie2). Is there another antitrust suit in the offing? Or will billionaires Elon Musk of Tesla and Warren Buffett of Berkshire Hathaway have a meeting of the minds?

Frightening flooding

- MARYLAND: Patapsco River near Elkridge at Patapsco Valley State Park rose 20 feet in a matter of minutes on Saturday evening. (Bill McKibben-Twitter) – Absolutely mindboggling how fast this flash flood happened; it's surprising there were only two deaths so far.
- INDIA: At least 32 deaths reported in eastern India due to flooding (Times of India) – Worst of the flooding occurred in Assam, Meghalaya, Bihar and West Bengal. Another 27 people were killed by lightning in Odisha. Read the comments at that article; surprising how much the remarks parallel what we see in the U.S. wrt government responsibility and pleas to deities for help.

- CHINA: Heavy flooding slowed manufacturing demand and production in July (Asia Times) – Flooding exacerbated already softer demand from abroad and may lead to layoffs.

Troubled Turkey

- Nigeria cooperates with Turkey, shutting down 17 schools (AllAfrica) – The Nigerian Turkish International Colleges are allegedly tied to the Gülenist movement. Somalia has now also agreed to shut down schools believed to be pro-Gülenist.
- Kazakhstan and Kyrgyzstan have now both turned down Turkey's request to shut Turkish schools (The Diplomat) – Uzbekistan and Tajikistan had already closed Gülen-linked schools well before the attempted coup.
- More journalists detained (European Federation of Journalists) – As of today, the total number of journalists arrested is now 58.
- Academic take on Gülen's responsibility for the coup (Dani Rodrik's blog) – Long

read by Ford Foundation
Professor of International
Political Economy at
Harvard's John F. Kennedy
School of Government.
Interesting how weaselly
everyone is with carefully
worded rebuttals. See also
followup post as to whether
U.S. backed Fethullah Gülen.

That's it for Monday, only one more month before
Congress returns to DC. See you tomorrow!

FRIDAY: POSSIBILITY

Let's try a Swedish import today, a little
something I can't really classify by a
particular genre. This piece is one of my
favorites, one of the most haunting tunes I've
ever heard. It's probably dream pop for lack of
a better label. Lykke Li's most popular works
tend toward indie and synth-pop, sharing a
strong rhythm and English lyrics melded with
Lykke Li's unearthly vocals.

Try out I Follow Rivers (dance/synth-pop) and
Sadness Is A Blessing (retro indie pop) for
comparison. The latter in particular has a funky
video featuring another famous Swedish artist,
Stellan Skarsgård. Love his understated effort
which acts like a punctuation to the singer's
work.

Speaking of Sweden...

Carl Bildt, a former prime minister of Sweden
(1991-1994) and former Minister for Foreign
Affairs (2006-2014), tweeted on Wednesday:

I never thought a serious candidate for

US President could be a serious threat against the security of the West. But that's where we are.

Bildt is known for his conservative politics and neoliberal business ethics. Pretty sure he wasn't referring to Clinton.

Turkic troubles

- Insane numbers of people arrested or detained after Turkey's anti-Gülenist crackdown (EWN) – Graphic in article offers a breakdown. Doesn't break out the journalists arrested; see Mahir Zeynalov's timeline for a journo-by-journo roll call.
- UN Special Rapporteur and OSCE worried about Turkey's journalists (OSCE) – UN Special Rapporteur on the right to freedom of opinion and expression and the Organization for Security and Cooperation in Europe Representative on Freedom of the Media condemned President Erdoğan's purge of journalism attacking free speech. The numbers bolster their concerns:

Reports indicate that the Government ordered the closure of three news agencies, 16 TV channels, 23 radio channels, 45 papers and 15 magazines. Since the attempted coup, authorities

have issued arrest warrants against 89 journalists and have already arrested several of them, blocked access to more than 20 news websites, revoked the licenses of 29 publishing houses, and cancelled a number of press accreditations.

- Generals stepped down as military rejiggered (Euronews) – Looks like the president is grabbing power over the military in the same way the judiciary's independence has now been smashed by removals from office. Hey, anybody worried at all about Incirlik air base while the Turkish military is reformulated?

Economic emesis

- Investors 'totally lost' (Business Insider) – Credit Suisse's clients are casting about for direction because there's no strong performance in the market across any industry, and indicators are confusing:

Here's a summary of what clients are worried about: workers fighting back in the US, hitting earnings; equities still not cheap; US growth mixed; China still screwed; central banks' empty policy cupboards; politics being nuts (protectionism, anti-

immigration moves,
anticorporate feeling); and
technology running rampant and
destroying business models.

Yeah, about the “workers fighting back”...perhaps if workers were better paid, making a living wage, all of the confusion would evaporate as consumption improved. There’s a reason home ownership rates have dropped below 1965 levels and it’s not because Millennials don’t want them (really crappy blame-casting, CNBC, catch the cluestick).

- Nevada utilities commish not reappointed due to solar energy rate structure (Las Vegas Sun) – Something about this story tweaks my hinky-meter. Maybe a certain commissioner has friends who don’t want solar energy to become competitive? Which is really a shame considering the Tesla’s new Wonderwall battery plant now in the Reno area.
- Five-year-long shortage of cancer drug forces reliance on disqualified Chinese maker (Bloomberg) – There’s been a shortage of doxorubicin since 2011, and companies the size of Pfizer – the largest pharma company in the world – rely on a facility in China banned by the FDA because of quality

problems like contamination.
What the hell is wrong with
this picture?

- Kazahk emigre sentenced for export violations (The Hill) – How did this guy pull off exporting dual-use technology to Russia for ten years? Doesn't look like it took much effort based on available information. Have we cut regulatory oversight so much and been so distracted at the same time that we've given away the farm?

Something STEMmed

- TSA's keys compromised (TechCrunch) – Hacking's not just for software. All seven of TSA's master keys have been cloned; anybody can 3D print one and unlock baggage with TSA-approved padlock. Why even bother locking stuff? Of course bags can be so damaged during handling the lock may be worthless anyhow. Makes you wonder how many other physical security devices can be defeated with 3D printing.
- Bees' sperm dramatically affected by insecticides (SFGate) – Hey dudes, especially you in Congress.

Maybe you ought to ask if insecticides reduce bees' sperm production by 40% whether human sperm might also be similarly affected? Just sayin'.

- Huge great white shark trolls family's boat off east coast (Cape Cod Chronicle) – But there's an app for that; they could 'see' him coming, thanks to an app which monitored the tag. Mixed feelings on this: glad the family was safe, but jeepers, how else can this tag be used?

Oikonomia

How screwed up is the United Kingdom post-referendum vote and how jacked up is the current economic system, when a disabled theoretical physicist and cosmologist must beg in an op-ed for his country to reconsider its understanding and reaction to wealth?

Worth recalling the word 'economics' originated from the Greek 'oikonomia', meaning "household management."

Have a safe, relaxing weekend!

THURSDAY MORNING: DON'T FEEL BAD

While I am sorry a family has lost their father, I can't mourn the bizarre passing yesterday of Chesapeake Energy CEO Aubrey McClendon.

McClendon had been indicted Tuesday for price fixing on real estate related to natural gas and oil development. Charges against him had been expected since 2012 when the violations of the Sherman Antitrust Act came to light.

But for a Michigander like me, this is not a remote and abstract story. Property over the Collingwood Shale formation in Northern Michigan was included in collusion between McClendon and Encana Oil & Gas executives to “avoid bidding up” prices. Between Chesapeake and Canadian corporation Encana, the two businesses owned nearly a million acres of Michigan – a chunk of land the size of Rhode Island.

Imagine it: two corporations buying a state-sized mass of land at rigged prices within a state. And all of it with underground water connected to a couple of the largest freshwater bodies in the world, much of it earmarked for fracking.

“Energy visionary“? That’s what other resources leeches might call McClendon, who was at the heart of a dispute over Lake Michigan shoreline property. The land had been willed to “the children” of Benton Harbor by former residents J.N. and Carrie Klock, in memory of their daughter Jean, for use as a public park. In dedicating the land, J.N. Klock said, “...See to it that the park is the children’s.”

It was the only such lakefront park for Benton Harbor, a financially-challenged city with 89% African American residents. But the property adjoined the intended development of a Jack Nicklaus golf course, and the McClendon family as well as other notable figures (like Rep. Fred Upton and Whirlpool CEO Jeff Fettig) lived in the neighborhood of both the intended golf course and Jean Klock Park. The dispute caused considerable heartburn for Benton Harbor residents. It still boggles my mind that wealthy parasites like McClendon simply felt they could ignore the intent of the Klocks’ intentions, their proxies arguing the pricey (read: unaffordable to the average Benton Harborite)

golf course would meet the standard of public access.

Note also, that Benton Harbor was among the Michigan cities to which an emergency financial manager had been appointed because of its municipal financial crisis – just like Flint, Michigan.

I can only imagine what other parasitic nonsense will emerge in the debris field left by McClendon. Good riddance to bad rubbish.

Quick hits

- Google's former CEO Schmidt named to defense advisory board

Eric Schmidt will lead the Defense Innovation Advisory Board, which is "...intended to help the Pentagon become more innovative and adaptive in developing technology and more nimble." Good luck with that. Important to note Schmidt may be GOOG's former CEO, but he is the current executive chair of GOOG's parent, Alphabet.

- "Flash Boys" network providers want to build 1000-ft towers in UK countryside

Locals are pissed off at proposals for microwave communications towers intended for use by high frequency traders. Can't blame their feelings about the eyesores, and wanting to

avoid cluttering up historic rolling countryside with technological crap, especially when they have to look at a power plant already.

- Big banks across Europe have the blues, struggle to perform

Hey, just a helpful hint: maybe big EU banks never had enough capital to begin with. Maybe they blew capital on the wrong stuff, like unethical business (hello, FIFA?), which in turn ate up profits in hefty penalties.

- “Dirty little secret” about Google car crash not really dirty or secret

Author of Computerworld essay claims it’s the lack of intuition that contributed to Google’s self-driving car-meets-bus accident. Nah. It’s the lack of adaptive unconscious humans use to respond rapidly without appearing to engage consciousness fully.

- Trap cam captures first golden jackal in Netherlands Wow. In a nature reserve. They should have set up a trap cam a long time ago near EU’s Too Big To Fail

banks in Netherlands.

That's enough damage for now. Be anti-parasitic and do something nice for others today.

TUESDAY MORNING: CHANGING THE TENOR

Once in a while, I indulge in the musical equivalent of eating chocolate instead of a wholesome meal. I'll listen to my favorite tenors on a continuous loop for an afternoon. I have a weakspot for Luciano Pavarotti and Franco Correlli, though the latter isn't one of the Three Tenors.

Speaking of which, this video features a really bizarre event: the Three Tenors performing at Los Angeles' Dodgers Stadium in 1994. Poppy and Barbara Bush are there in the audience, too. What a supremely odd venue! And yet these guys did a bang up job in such a huge, open space. Pavarotti's *Nessun Dorma* at ~1:05 is my favorite cut, but it's all fun.

Now let's change the tenor...

Former Microsoft CEO Bill Gates sides with FBI against Apple
Gates isn't the best salesman for this job, promoting compelled software. Given Gates' role as technology adviser to Microsoft's current CEO Satya Nadella, how persistently invasive Windows 10 is, and Microsoft software's leaky history, Gates comes off as a *soldato* for USD0J. Do read the article; it's as if Gates was so intent on touting USD0J's line that he didn't bother to read any details about USD0J's demands on Apple.

UPDATE – 10:25 AM EST – Poor Bill, so misunderstood, now backpedaling on his position about Apple's compliance. This, from a Fortune 100 technology adviser...~shaking my head~

Gates talks out of the other side of his face on climate change

Unsurprisingly, Bill Gates also looks less than credible when he pleads with students for an 'energy miracle' to tackle climate change. This is shameless: first, guilt-tripping minors in high school, second for the blatant hypocrisy. The Bill and Melinda Gates Foundation continues to hold investments in ExxonMobil, BP, and Shell because of their yields. Not exactly a commitment to alternative energy there. How's that investment strategy working for you now, Gates?

Fossil fuel-based industries: wall-to-wall bad news

Speaking of crappy investments in dirty hydrocarbons, conditions are just plain ugly.

- JPMorgan expects loans to go bad if oil prices stay low, requiring greater reserves.
- Decreased demand for coal hurting mining companies. (WSJ paywall)
- International Energy Agency forecasts continued pain across oil industry with retrenchment expected due to low oil prices.
- And in spite of the non-cyclical change in energy, University of Texas Investment Management Co. doubles down on stupid by buying more fossil fuel exposures. Must be taking lessons from Bill Gates on 'energy miracles.'

Office of Personnel Management's CIO steps down
Donna K. Seymour stepped down from her role, the

second OPM management team member to leave after the massive hack of U.S. government personnel records. She was scheduled to appear before Congress this week; that hearing has now been canceled by House Oversight and Government Reform Committee chair Jason Chaffetz. Huh. That's convenient. Wonder if she would have said something that reflected badly on a previous GOP administration? This bit from the linked article is just...well...

FBI Director James Comey called the hacks an "enormous breach," saying his own data were stolen. U.S. authorities blamed China, which strongly denied the accusation before it said in December that it had arrested several "criminal" Chinese hackers connected to the breach.

Wow, I wonder what China could do if they had access to every U.S. government employees' iPhone? Anybody asked Comey what kind of phone he carries?

That's a wrap. I'm off to listen to something sung in a sweet tenor voice.

THURSDAY MORNING: CHINESE FORTUNE NOT LOOKING GOOD



[image by Images Money
via Flickr]

If I was still a practicing Catholic, I'd be tempted to pray to St. Angela of Foligno today, her saint's day. She was known for walking away from wealth and practicing charity. Given the Chinese stock market's plummet overnight, St. Angela might be the right guide for this leg of the journey.

China halts stock trading after market sinks more than 7%

Second time this week trading has been suspended in China, with free fall blamed on Chinese currency, lower oil prices, economic slowdown. Some also blame North Korea's nuclear test, but anecdotes from Pacific Rim region suggest news about the test did not receive the same level of attention across Asia as in U.S. Not much feedback at the time this post was written in news media about response to market by China's leadership.

Richard Perle's long tail seen in North Korea
Worth revisiting an analysis on North Korea's nuclear program written last January by Siegfried Hecker of Stanford University's Center for International Security and Cooperation (CISAC). I agree with Hecker's assessment, only surprised he didn't name Richard Perle specifically for the cascade of diplomatic fail

on North Korea that began under the Bush administration.

Self-driving cars, now self-driving passenger drones?

At CES 2016, China's Ehang Inc. showed off a single-passenger drone, launched by commands entered on a tablet. The drone has no backup controls, which sounds scary as hell for a passenger flying 1000-1600 feet above the ground at +60 miles per hour. I can hear George Jetson screaming, "Jane! Stop this crazy thing!" even now. FAA would be insane to permit these devices in the U.S.

Unnamed sources say VW may buy back polluting cars sold in U.S.

This report could be a trial balloon floated by Volkswagen to see if a buy-back or a hefty discount on a new car will appease U.S. owners of so-called "clean diesel" vehicles. Is this really a satisfactory remedy to fraud?

Rethinking Saudi Arabia's future in a time of cheap oil

Another worthwhile read, if a bit shallow. It's time to model not only Saudi Arabia's future, but a global economy no longer dependent on oil; what risks are there for OPEC countries if they cannot depend on increasing oil revenues? Could political instability spread across Central and South America as it has in the Middle East and Africa? How will climate change figure into the equation, as it has in Syria? And then back to economic unease in China, where the market has reacted negatively to lower oil prices.

I'm out of pocket this morning, will check in much later. Talk amongst yourselves as usual.

POWER IMBALANCES IN

UKRAINE

The western press is ginning up alarm because hackers caused a power outage in Ukraine.

Western Ukraine power company Prykarpattyaoblenergo reported an outage on Dec. 23, saying the area affected included regional capital Ivano-Frankivsk. Ukraine's SBU state security service responded by blaming Russia and the energy ministry in Kiev set up a commission to investigate the matter.

While Prykarpattyaoblenergo was the only Ukraine electric firm that reported an outage, similar malware was found in the networks of at least two other utilities, said Robert Lipovsky, senior malware researcher at Bratislava-based security company ESET. He said they were ESET customers, but declined to name them or elaborate.

If you buy that this really is the first time hackers have brought down power (I don't), it is somewhat alarming as a proof of concept. But in reality, that concept was proved by StuxNet and the attack on a German steel mill at the end of 2014.

I'm more interested in the discrepancy of coverage between this and the physical sabotage of power lines going into Crimea in November.

A state of emergency was declared after four pylons that transmit power to Crimea were blown up on Friday and Saturday night. Russia's energy ministry scrambled to restore electricity to cities using generators, but the majority of people on the peninsula remained powerless on Saturday night.

Cable and mobile internet stopped working, though there was still mobile phone coverage, and water supplies to

high-rise buildings halted.

[snip]

On Saturday, the pylons were the scene of violent clashes between activists from the Right Sector nationalist movement and paramilitary police, Ukrainian media reported. Ukrainian nationalists have long been agitating for an energy blockade of Crimea to exert pressure on the former Ukrainian territory.

There was even less attention to a smaller attack just before the New Year. (h/t joanneleon, who alerted me to it)

Officials said concrete pylons supporting power lines near the village of Bohdanivka, in southern Ukraine's Kherson region, were damaged on Wednesday night.

"According to preliminary conclusions of experts... the pylon was damaged in an explosion," a statement from police said on Thursday.

[snip]

Crimean Tatar activist Lenur Islyamov suggested that strong winds might have brought down the pylon and denied that Tatar activists had been behind the latest power cut.

While the physical attack did get coverage, there seemed to be little concern about the implications of an attack aiming to undercut Russian control of the peninsula. Whereas here, the attack is treated as illegitimate *and* a purported new line in the sand.

I get why this is the case (though the press ought to rethink their bias in reporting it this way). After all, when *our* allies engage in sabotage we don't consider it as such.

But the US is just as vulnerable to physical sabotage as cyber sabotage, as an apparently still unsolved April 16, 2013 attack on a PG&E substation in Silicon Valley demonstrated, and as the case of Crimea shows, physical sabotage can be more debilitating. We should really be cautious about what we treat as normatively acceptable.

OBAMA'S TERRORISM CANCER SPEECH, CARTER'S MALAISE SPEECH

The right wingers who insist on calling any attack by a Muslim “terrorism” – who insist on tying the San Bernardino attack to ISIS, even in the absence of evidence – do it to prioritize the fight against Islamic terrorists over all the other ills facing America: over other gun violence, over climate change, over the persistent economic struggles of most Americans. Theirs is a profoundly unpatriotic effort to put war over every other policy priority, even far more pressing ones. That stance has led to a disinvestment in America, with real consequences for everyone not getting rich off of arms sales.

Last week, President Obama capitulated to these forces, giving a speech designed to give the attack in San Bernardino precedence over all the other mass killings of late, to give its 14 dead victims more importance over all the other dead victims. Most strikingly, Obama called attacks that aren't, legally, terrorism, something his critics have long been demanding.

It is this type of attack that we saw at Fort Hood in 2009; in Chattanooga earlier this year; and now in San

Bernardino.

And he lectured Muslims to reject any interpretation of Islam that is “incompatible” with “religious tolerance.”

That does not mean denying the fact that an extremist ideology has spread within some Muslim communities. This is a real problem that Muslims must confront, without excuse. Muslim leaders here and around the globe have to continue working with us to decisively and unequivocally reject the hateful ideology that groups like ISIL and al Qaeda promote; to speak out against not just acts of violence, but also those interpretations of Islam that are incompatible with the values of religious tolerance, mutual respect, and human dignity.

Not only does this give too little credit for the condemnation Muslims have long voiced against terrorist attacks, but it holds Muslims to a standard Obama doesn't demand from Christians spewing intolerance.

It was a horrible speech. But this line struck me.

I know that after so much war, many Americans are asking whether we are confronted by a cancer that has no immediate cure.

In context, it was about terrorism.

I know we see our kids in the faces of the young people killed in Paris. And I know that after so much war, many Americans are asking whether we are confronted by a cancer that has no immediate cure.

Well, here's what I want you to know: The threat from terrorism is real, but

we will overcome it

But, particularly coming as it did after invoking dead children, it shouldn't have been. Aside from those whose own kids narrowly missed being in Paris, why should we see our kids in the faces of the young people killed in Paris, rather than in the faces of the young people killed in the Umpqua Community College attack or the over 60 people under the age of 25 shot in Chicago between the Paris attack and Obama's speech? If we were to think of a cancer with no immediate cure, why wouldn't we be thinking of the 20 6-year olds killed in Newtown?

We have a cancer, but it's not terrorism. And it's not just exhibited in all our shootings. It is equally exhibited in our growing addiction rates, in the increasing mortality in some groups. Obama gave the speech, surely, to quiet the calls from those who demand he address terrorism more aggressively than he address the underlying cancer.

Obama's horrible, flatly delivered speech made me think – even as I was watching of it – of that far more famous malaise speech, delivered by Jimmy Carter, 36 years ago.

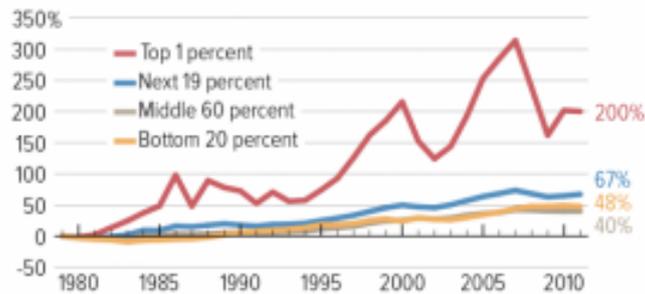
Carter's malaise speech, after all, was offered at the moment so much of the current malaise, the cancer, started. Inflation-adjusted wages for the middle class had already peaked, 6 years earlier. That was the moment when the rich and the super-rich started running off with greater and greater portion of the benefits of America's productivity.

FIGURE 2



Income Gains at the Top Dwarf Those of Low- and Middle-Income Households

Percent change in real after-tax income since 1979



Source: Congressional Budget Office

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And the overthrow of our client dictator in Iran months earlier would set off our decades-long dance with Islamic extremists. Indeed, just 12 days before Carter delivered what would be dubbed the malaise speech, he authorized covert support for what would become the *mujahadeen* in Afghanistan. Our entanglement with the Saudis – and with it our refusal to ditch our oil addiction – has disastrously governed much of our foreign policy since, even while the petrodollar delayed the recognition that our economy isn't working anymore, not for average Americans.

Carter correctly diagnosed his moment. After making an effort to hear from Americans from all walks of life, he recognized that people believed – correctly, we now know – that the future might bring decline, not progress.

The erosion of our confidence in the future is threatening to destroy the social and the political fabric of America.

The confidence that we have always had as a people is not simply some romantic dream or a proverb in a dusty book that we read just on the Fourth of July.

It is the idea which founded our nation and has guided our development as a people. Confidence in the future has

supported everything else – public institutions and private enterprise, our own families, and the very Constitution of the United States. Confidence has defined our course and has served as a link between generations. We've always believed in something called progress. We've always had a faith that the days of our children would be better than our own.

Our people are losing that faith, not only in government itself but in the ability as citizens to serve as the ultimate rulers and shapers of our democracy. As a people we know our past and we are proud of it. Our progress has been part of the living history of America, even the world. We always believed that we were part of a great movement of humanity itself called democracy, involved in the search for freedom, and that belief has always strengthened us in our purpose. But just as we are losing our confidence in the future, we are also beginning to close the door on our past.

In a nation that was proud of hard work, strong families, close-knit communities, and our faith in God, too many of us now tend to worship self-indulgence and consumption. Human identity is no longer defined by what one does, but by what one owns. But we've discovered that owning things and consuming things does not satisfy our longing for meaning. We've learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose.

The symptoms of this crisis of the American spirit are all around us. For the first time in the history of our country a majority of our people believe that the next five years will be worse than the past five years.

He saw the gap growing between Washington's policy wonks and the people they purportedly served.

Looking for a way out of this crisis, our people have turned to the Federal government and found it isolated from the mainstream of our nation's life. Washington, D.C., has become an island. The gap between our citizens and our government has never been so wide. The people are looking for honest answers, not easy answers; clear leadership, not false claims and evasiveness and politics as usual.

What you see too often in Washington and elsewhere around the country is a system of government that seems incapable of action. You see a Congress twisted and pulled in every direction by hundreds of well-financed and powerful special interests. You see every extreme position defended to the last vote, almost to the last breath by one unyielding group or another. You often see a balanced and a fair approach that demands sacrifice, a little sacrifice from everyone, abandoned like an orphan without support and without friends.

36 years ago, Carter saw that the nation was at a turning point, a moment where it could choose to continue down the path it was (and remains on) or come together again.

We are at a turning point in our history. There are two paths to choose. One is a path I've warned about tonight, the path that leads to fragmentation and self-interest. Down that road lies a mistaken idea of freedom, the right to grasp for ourselves some advantage over others. That path would be one of constant conflict between narrow interests ending in chaos and immobility. It is a certain route to

failure.

All the traditions of our past, all the lessons of our heritage, all the promises of our future point to another path, the path of common purpose and the restoration of American values. That path leads to true freedom for our nation and ourselves. We can take the first steps down that path as we begin to solve our energy problem.

There are parts of Carter's speech that grate, now. Given his singular focus on energy independence, he pushed hard for coal and shale oil exploitation. Carter's endorsement of saying something nice about America dismisses the possibility some introspection about America's mistakes was in order.

Moreover, some areas of strength, the areas where Carter believed America would endure, have not.

I do not mean our political and civil liberties. They will endure. And I do not refer to the outward strength of America, a nation that is at peace tonight everywhere in the world, with unmatched economic power and military might.

We still have unmatched military might and the largest economy, but that hasn't brought us peace or respect for civil liberties. Instead, the monster Carter and his advisor Zbigniew Brzezinski first unleashed led us to double down on our own malaise, one which led, after many years, to Obama's cancer speech.

And while the initial response to the speech was quite positive, Carter squandered the value of the speech.

Obama was, in my opinion, wrong to capitulate to those who want to focus singularly on terrorism rather than on America's problems more

generally. Because both here and abroad, our failure to address the malaise Carter identified decades ago remains the more critical problem.

TEN BILLION: A KICK IN THE ASS WE'VE NEEDED

[Note: You can join Professor Stephen Emmott for a @reddit AMA TODAY Friday 04-DEC-2015 at 4:00 pm (UK) / 11:00 am EST.]

If we learned a cataclysmic, extinction-level event was hurtling toward our planet, how would we respond? How should we respond if we know we can minimize the threat?

This is in essence the question asked of us by *Ten Billion*, a film based on Professor Stephen Emmott's eponymous book. The film premieres this Saturday at 22:00 UTC on SkyTV.

I was fortunate to screen *Ten Billion* recently. Crafted by director Peter Webber, it deftly evokes *Koyaanisqatsi* (1982), its name based on the Hopi word for "life out of balance." *Ten Billion* similarly shows us a world even more off kilter, its resources relentlessly consumed by humans. Where *Koyaanisqatsi*'s Philip Glass score was reflective and elegiac, *Ten Billion*'s Alex Heffes' score underlines the mounting urgency of crises.

These crises are many, pegged directly to population growth and its corresponding rate of consumption. The film's use of a timeline depicting past and future projections of population are effective, like watching the tipping point of a virus infecting its host.

Effective, too, are comparisons between recent and archival photos depicting the changes

wrought by humans. Evidence of glaciation loss is horrific, as one example.

Photos of earth from the International Space Station remind us that we are all in this together. There is no escape, no way around this; this is home, and we must work together to save it.

My sole critique is about the diversity of "climate migrants" – so-called in the film, but we know now that many who flee political instability are really "climate refugees." *Ten Billion* depicts the plight of peoples affected most by climate change. Most live closer to the equator, and are therefore darker skinned. They have been too easily ignored by light-skinned northern cultures. We see that now with the response to Syrian refugees, whose home country began to fall apart due to severe drought long before overt military action began against Bashar al-Assad's regime and ISIS.

We also see the same blindness in western response to world-record typhoons Bopha, Haiyan, Hagupit, Koppu hitting the Philippines year after year; cyclone Pam nearly wiping away Vanuatu this past March; and the combination of severe drought and catastrophic flooding affecting Chennai, India even now. There is little if any news coverage here in the U.S., and a nominal amount in the U.K. and EU, as if Asians and Pacific Islanders don't even exist though they number in the billions. We ignore our role in exporting not only manufacturing jobs but associated air pollution to India and China.

Ten Billion would have been more effective holding a mirror up to the pale faces of northern climes, forcing them to see they, too, are affected. Whites fled both New Orleans and the Gulf Coast ahead of hurricanes like Katrina. They fled the coast of New Jersey and New York after Hurricane Sandy – some who stayed and returned to the affected area are still dealing with post-storm damage years later. There will be more internal climate refugees again whenever

the next Category 4 or 5 hurricane hits U.S.

And there will be refugees from drought, when the need for water in states like California finally exceeds the ability of other states to sell and ship enough to meet the shortfall. We are not prepared to deal with this generation's version of the Okies fleeing a new Dust Bowl.

Until the west – especially the U.S. based on its consumption habits and political reach – realizes its own pale skin is invested in these crises, it may continue to look the other way while making idle greenwashed gestures like COP21 in Paris this week.

I am on the fence about Emmott's understatement about his own background in this film. If he had been more explicit about his role as a scientist, would the public take his plea in *Ten Billion* more seriously?

It's important to note this film may be part of a growing trend – scientists bypassing the suffocation of politicized corporate media, in order to reach the public.

We've seen this recently with the op-ed by NASA Jet Propulsion Laboratory/Caltech senior water scientist Professor Jay Famiglietti, warning California only had one year of water left in its reservoirs. Famiglietti didn't wait for a report issued from either NASA or academia to filter its way into the stultifying news reporting process. He cut out the middle men and wrote an op-ed for the Los Angeles Times to convey urgency and effect immediate action.

Some will criticize this film as expository and hortatory, failing to provide solutions to the crises we've created. This is not that film. This is not meant to guide us toward help, when so many other scientists have already told us for decades what is wrong and what action we must take to minimize the threat to our planet and ourselves.

This film is meant to be a much-needed kick in the ass, to propel us to action appropriate to a

cataclysmic, extinction-level event.

Because as Emmott says, in concise terms familiar to civilians and scientists alike, we're fucked if do not take immediate, appropriate action.

You can join Professor Emmott for a @reddit AMA TODAY Friday 04-DEC-2015 at 4:00 pm (UK) / 11:00 am EST. Emmott also has an op-ed today in The Guardian.

“IT’S GOOD TO BE BACK,” PETRAEUS SAYS BEFORE HE OFFERS A VAGUE APOLOGY AND OIL MARKET ADVICE

John McCain has officially launched David



Petraeus' rehabilitation tour.

Petraeus testified today before the Senate Armed Services Committee on what to do in the Middle East. But you could tell how much this is about rehabilitation for the heartfelt thanks Petraeus offered McCain for bringing him in to testify. “It’s good to be back,” Petraeus said, before launching into the most hailed part of the hearing, this vague apology.

I think it is appropriate to begin my remarks this morning with an apology, one that I have offered before, but

nonetheless one that I want to repeat to you and to the American public. Four years ago I made a serious mistake, one that brought discredit on me and pain closest-to those closest to me. It was a violation of the trust placed in me, and a breach of the values to which I had been committed throughout my life. There's nothing I can do to undo what I did. I can only say again how sorry I am to those I let down and then strive to go forward with a greater sense of humility and purpose, and with gratitude to those who stood with me during a very difficult chapter in my life.

He didn't actually say what part of the scandal he was apologizing for, though some of the press seemed to be certain that it was about one or another aspect of it. His invocation of the pain he caused those closest to him suggests it was the affair itself. The timing – just over four years ago, August 28, 2011, was the day he gave his black books full of code word intelligence to Paula Broadwell for several days – suggests it was about actually leaking intelligence.

If the acts he apologized for were four years ago, though, it means this apology doesn't cover the lies he told the FBI on June 12, 2012 about sharing this intelligence. And it doesn't cover keeping those books with code word intelligence in the top drawer of his unlocked desk until FBI found them on April 5, 2013, the act – mishandling classified information – that he technically pled guilty to.

Though I wouldn't be surprised if the lawyer he shares with Hillary Clinton, David Kendall, advised him *not* to apologize for lying to the FBI, given that would involve admitting guilt for something he didn't plead guilty for.

So having apparently apologized for a range of things that didn't apparently include lying to the FBI, David Petraeus gave unsworn testimony to Congress.

The testimony was about what you'd expect. David Petraeus' surge was, according to David Petraeus, a huge success. Petraeus told of some great things Nuri al-Maliki did even while explaining some great things Haider al-Abadi is doing. Petraeus envisioned the break up of Syria while insisting that the same couldn't happen in Iraq (because the Sunnis in Iraq would have no oil revenues). All casualties in Syria were the fault of Bashar al-Assad, and not the US ally-backed forces Petraeus watched get armed while he was still CIA Director. Petraeus denied, without being asked, that the military had a policy of ignoring Afghan bacha bazi, as reported in NYT this week.

Not a word was mentioned about the chaos CIA-led intervention in Libya has caused, or what to do about it (Petraeus did mention Libya in a passing answer to a question), not even in discussions of why the Russians would never be willing to work under US command in countering ISIS, not even from the party that remains obsessed about Benghazi.

Nothing was mentioned about how all the men we've – Petraeus – has trained have been prone to flee.

The closest Petraeus came to discussing the support for Sunni extremism our allies – Qatar, Saudi Arabia, and Turkey – give (and therefore their role in the region's instability) came when Petraeus discussed Turkey's increasing targeting of PKK that happened at the same time Turkey agreed to let us use Incirlik Air Base, though Petraeus didn't note any connection between those two things.

Perhaps the most interesting part of the hearing, though, came towards the end (after 2:11), when Thom Tillis asked a very reasonable question about how other countries (he didn't say, but he probably had China in mind) reliance on Iran once they start selling oil will become important strategically.

After claiming Tillis' break-even number for

Iran's budget (which accords with public reporting) was incorrect, Petraeus put on his private equity guy hat.

I'm the chairman of the KKR global institute and a partner in KKR, one of the global investment firms, uh [hand gesture showing breadth] big private equity firms in our country. And, first of all, by the way, the analysis on crude oil export shows that not only would the price of WTI, West Texas Intermediate go up slightly, so the producers would be better off, it would also have an impact on Brent Crude prices, which would come down, the global price, which is a lot of what we refine, and the price at the pump probably would go down. So it's very interesting – if you look at, I think it's the CBO that did the analysis of this. One of our analytical organizations here, I think, on Capitol Hill has looked at this. And it's a very interesting dynamic.

[Tillis tries to interrupt, Petraeus keeps speaking.]

Beyond that, I don't think we should get involved in markets as a country, unless we want to do something like sanctions. So again, you wouldn't do it – if you want to use sanctions for economic tools as a weapon, gives thumbs up sign] fine, but otherwise I think you have to be very careful about intervention in the global markets.

Tillis tried again, restating his question about whether we should drill as much oil as we can to hedge against increased Iranian influence.

We ought to produce all the oil that we can, if we're making a profit. If we can enable countries like Iraq to revive their oil industry as we did, it helps

Iraq, it funds their gover—by the way they're running into fiscal deficit now. But again, this is really about market forces I think, much more than getting involved in this as a country.

Not much of Petraeus' answer made sense, but I can assure you, the head of KKR's Global Institute is pretty excited about natural gas.

Sure, the expertise of a private equity guy might be worthwhile to Congress, though that affiliation was not listed on the SASC website.

General David H. Petraeus, USA (Ret.)
Former Director Of The Central Intelligence Agency; Commander, International Security Assistance Force/Commander, United States Forces Afghanistan; Commander, United States Central Command; And Commander, Multi-National Forces-Iraq
NO ELECTRONIC TESTIMONY SUBMITTED

But it's all the more absurd given the rest of Petraeus testimony, most notably his silence about Saudi Arabia's destabilizing influence, given that we do play in global markets precisely through our unquestioningly loyalty to the Saudis.

I guess the Senate – which turned out in big numbers – finds this kind of analysis useful. But it is, once again, about David Petraeus more than it is about testimony that will help us adopt a sound policy in the Middle East.