

REMINDER: BYBEE WAS TOO BUSY PROTECTING BIG OIL TO OVERSEE TORTURE

Jay Bybee just gave a speech at University of Utah on the Constitution at which he tried to claim the torture memos that bear his name included constraints that no one else has been able to find.

One middle-aged man stood to the side of the classroom with a sign reading "Torture Is a War Crime." A woman of a similar age next to him tried to ask Bybee about executive branch power and "the secret torture of Muslims." The moderator from the Federalist Society cut her off before she finished the question.

"That question is way beyond my ability to predict," Bybee then replied.

[snip]

After the question-and-answer period, Irvine approached Bybee and tried to ask more about the memos.

Bybee pointed to a section in one memo telling the CIA that if the facts change, to notify the Justice Department for an updated opinion. Bybee also invited Irvine to his offices in Las Vegas to discuss the issue further.

Irvine said he would visit Bybee the next time he is in Las Vegas.

Irvine said moments later that the speech didn't make him feel better about the memos, though he found it interesting when Bybee described the constrictions on presidential power.

"That is not what I read in that [2002] memo," Irvine said.

It's worth remembering, however, that Bybee claims – and the record supports his claim – that he wasn't all that involved in writing the torture memos that bear his name. According to his own attorney, Maureen Mahoney, he swooped into the memo-writing process just weeks before they were finalized.

The reason she gave for why Bybee was so uninvolved in the nitty gritty of rubber stamping torture is worth noting. Jay Bybee was too busy protecting the secrecy of Cheney's sweetheart Energy Task Force to oversee his nominal subordinate John Yoo on torture.

I wanted to draw attention to a footnote she includes to–apparently–explain that Jay Bybee was a very busy man at the time when he was supposed to be overseeing John Yoo's attempts to legalize torture in the summer of 2002. (This is on PDF page 19)

Judge Bybee's role in reviewing the memo began in earnest around mid-July, roughly two weeks before he signed them.⁵

⁵ During the summer of 2002, in addition to his work on national security issues, Judge Bybee, as head of OLC, was also heavily involved in a number of other difficult and pressing legal matters. Of particular note, Judge Bybee was engaged in the district court litigation in *Walker v. Cheney*, No. 02-340 (DD.C.). The attorneys in that case were working closely with the Department's Civil Division and the Solicitor General's Office. The legal issues involved in the case were

peculiarly within Judge Bybee's expertise because his scholarly research had been cited as authority by both sides. See Jay S. Bybee, *Advising the President: Separation of Powers and the Federal Advisory Committee Act*, 104 *Yale L.J.* 51 (1994).

Walker v. Cheney, of course, is the suit the GAO took against Cheney's office to try to force it to turn over documents relating to his Energy Task Force. After District Court Judge John Bates **ruled against GAO** in December 2002, it ended one of the more important efforts to subject Cheney's office to Congressional oversight. Furthermore, this effort must be regarded as Cheney's first attempt to assert that his was a Fourth Branch, exempt from oversight but also executive regulation.

How interesting, then, that Mahoney highlighted Bybee's role in helping Cheney succeed in winning this suit to argue that Jay Bybee was doing what he should have been doing in summer 2002.

All one OLC office's work of expanding Executive Authority to coddle corporations and torture prisoners.

SHELL ANNOUNCES \$11 BILLION

PETROCHEMICAL PLANT FOR IRAQ: WHAT COULD GO WRONG?

Today's entry in the "What Could Go Wrong?" sweepstakes is quite a beauty, courtesy of Reuters:

Royal Dutch Shell (RDSa.L) has signed a deal with Iraq worth \$11 billion (7 billion pounds) to build a petrochemicals plant in the southern oil hub of Basra, Industry Minister Nasser al-Esawi said on Wednesday.

Esawi told a press conference in Baghdad the Nibras complex, which is expected to come on line within five to six years, would make Iraq the largest petrochemical producer in the Middle East.

"The Nibras complex will be one of the largest (foreign) investments (in Iraq) and the most important in the petrochemical sector in the Middle East," Esawi said.

Proponents of the deal undoubtedly will point to the fact that Basra is in the far southeastern part of Iraq, far from the swathe of territory controlled by ISIS. Others will even point to the apparent defeat of ISIS in Kobane and how that might signal a turning of the tide in the battle against them. And yes, oil output in Iraq has been steadily rising since that little blip in 2003. As of the time of that linked report from the US Energy Information Administration from 2013, there were other plans for another \$24 billion or so in new refineries in Iraq's oil-producing regions, so why not jump on this Shell plan?

It turns out that there is plenty of fodder for fans of Lee Corso to shout "Not so fast, my

friend!" when it comes to this deal. Back in June, there were already rumblings that the big uptick in Iraq violence could threaten expansion of Iraq's oil sector. Even that article, though, attempted to support the notion that the Basra area remained relatively safe:

As grim as the worst-case situations may be, most analysts still say there is no immediate threat to Iraq's southern oil fields, which account for approximately 90 percent of the country's production and oil export. Basra, the heart of Iraq's oil economy, is situated in an area strongly dominated by Shiites who generally support the central government and are implacable enemies of the Sunni forces on the march in the north.

Badr H. Jafar, chairman of Pearl Petroleum, a consortium that operates in Iraqi Kurdistan, said it was "highly unlikely" that terrorists could disrupt production and operations in southern Iraq.

The New York Times article containing the quote above is dated June 13, 2014. Just a couple of days later, though, we have this:

Turkey's consulate in the Iraqi city of Basra has been evacuated due to security concerns, Foreign Minister Ahmet Davutoğlu announced June 17. The 18 staff members at the consulate, including the consul general, were taken to Kuwait, Davutoğlu wrote via his Twitter account.

And that wasn't just a one-off thing. Consider this tweet from October:

Basra security continues to decline
<http://t.co/HRf1A3t2oI>

– Iraq Oil Report (@iraqoilreport)
October 25, 2014

A number of airlines discontinued flights to Baghdad because a civilian airplane was hit by bullets there yesterday while landing, but coverage of that halt notes that flights continue in and out of Basra. There was a report January 12 of a plot to attack the port just 20 miles or so from Basra.

There is one more situation that suggests future problems around Basra:

Thousands of Iraqis are living in penury and running out of money after fleeing fighting and settling in the south of the country, the UN's food agency said on Tuesday, warning that the situation was becoming critical for families in Najaf, Kerbala and Babil.

Jane Pearce, the World Food Programme's (WFP) country director for Iraq, said structures had not yet been put in place to cater for the people fleeing into the three southern provinces.

WFP is distributing food to 50,000 displaced families in Basra, Dhi Qar, Qadisiya, Missan, Wasit, Muthanna, Najaf, Kerbala and Babil.

/snip/

WFP needs \$292m for its operations in Iraq this year, and has a shortfall of \$200m.

Imagine that. Yet another region where the US has no trouble finding funds for bombs, weapons and "training" and yet the WFP is facing a shortfall of hundreds of millions of dollars. But never fear, I'm sure my adorable little troll will be around shortly to stamp his foot and inform us how disaster responders in all their glory have the situation safely in hand and the US can continue its work to create even more refugees because sufficient scraps will be found just in time to avert the worst.

And of course, folks living on the edge of

starvation and death from exposure will never, ever be radicalized by such an experience. Sure, go ahead and build that \$11 billion petrochemical plant. The US war-industrial complex will be happy to spend hundreds of times more than that amount defending the facility.

SAUDI ROYAL SUCCESSION AND PETRODOLLAR LAUNDERING

I was mostly offline when King Abdullah died, so while I got to read the fawning tributes to the regressive monarch, and have caught up in time to read about the contest General Dempsey is staging in tribute (h/t @tweetsintheME), I missed the far more important detail from last week's succession: that King Salman named Mohammed bin Nayef as Deputy Crown Prince. As Steve Coll lays out, this makes the American favorite (and the architect of Saudi Arabia's brutal internal policing) third in line for the throne. Coll draws a parallel to the way that Abdul Aziz ensured succession would pass from his oldest son, Saud, to the more competent Faisal.

Saud was corpulent, self-indulgent, and incompetent. Abdul Aziz rightly feared that he was not up to advancing and preserving what he had built.

Yet Abdul Aziz's second surviving son, Faisal, was shrewd, austere, and serious. Before he died, the king forged a compromise: he decreed that his throne would pass laterally from his eldest son to his youngest son, however long that took. This meant that, while Saud would

become king upon Abdul Aziz's death, Faisal would become Crown Prince, in a position to run things while Saud indulged himself. That decision proved sound. Faisal and the larger royal family eventually persuaded Saud to resign. Faisal modernized Saudi Arabia in many respects until, in 1975, a family member assassinated him.

Coll argues this appointment will signal to the world the Saudis intend to stick around for the long haul (and, implicitly, will remain a ruthless police state as well).

Within the kingdom and outside, the choice of Muhammad bin Nayef as the Deputy Crown Prince, and the vehicle for dropping down a generation, will be read by many as a signal of reasoned debate and consensus about continuity within the Council. Bin Nayef ran counterterrorism operations in Saudi Arabia when the kingdom cracked down on Al Qaeda after 2003. He then became the interior minister. He is a favorite in Washington and London, regarded as more serious and committed to government than many others in the royal family. He is also a ruthless type who has spent his ministry's enormous budget building one of the world's most attentive police states.

I'm not surprised MbN has been slotted into the succession plans. But I'm rather interested in how this will affect a key tool of US-Saudi relations, the Technical Cooperation Agreement which I spent some time obsessing about when MbN came to the US to renew it just as Obama shuffled his cabinet post-reelection. The State Department has been sitting on a FOIA for the Agreement – which might explain details about how US government employees report up through the Saudi chain of command, or might lay out how the new cybersecurity agreement relates to

having given the Saudis Third Party status at NSA. But it also might describe how this serves as a vehicle for petrodollar laundering – a way to bind the KSA to the dollar.

Whatever State was hiding, it was also hiding a relationship that put MbN squarely in charge of the relationship.

Meanwhile, the Brits have themselves been rolling out a strange petrodollar money laundering instrument. As Jack of Kent has begun to explore it, the Ministry of Justice has rolled out a fake commercial front, Just Solutions international (yes, small-i), that will increase judicial cooperation between England and Wales and the repressive Saudi government. JoK weighs this deal – which apparently is not yet a done deal – this way.

In respect of transparency, the simultaneous MoU and commercial bid are not in the public domain, and both of them should be, even if there was no question of a connection between the two. Both are documents which, on their own terms, should be published in the public interest.

In respect of domestic policy, your view on whether this is a a good way of scarce MoJ resources to be used – especially in a period of substantial cuts – will ultimately be a value judgment. And most people who follow the operation of the prison and probation services will legitimately wonder if the UK is in any position to market expertise abroad.

In respect of whether the proposal will improve the lot of those in the Saudi punishment system, your view will partly depend on whether you are satisfied by the the MoJ's (eventual) responses to the questions posed by Amnesty International. And even if the assistance is a Good Thing, there is no

reason why it should be offered by the UK on a “commercial” basis.

In respect of whether the proposal will give wrongful legitimacy to the barbaric Saudi punishment system will also ultimately be a value judgment.

However, in respect of the the concern as to whether the proposal creates a conflict of interest, the position is clear.

The MoJ, responsible for the legal system of England and Wales, is seeking a commercial relationship, by which it intends to make a surplus to be used for other services, with a foreign state which as the Corner House case alone documents coerces the legal system of England and Wales by illegitimate means at its disposal.

Interesting, PriceWaterhouseCooper seems to have a role, which it may also have had with iterations of the US petrodollar laundering ventures.

In short, it’s a weird deal that, like the TCA’s apparent current structure, blurs where our sovereign nation ends and where our contracts to sustain order in KSA begin. It might make the Saudis less oppressive. Or it might not – and it might tie the English corrections system more closely to the Saudi one.

And it would seem to put MbN, again, in a central role.

I don’t know if these are related or not, and I’m not sure how much, as Deputy Crown Prince, MbN will retain his portfolio in overseeing repression in KSA. But they’re both weird deals that deserve more scrutiny.

The Saudis, though, may have already decided they want more of the same.

PLANE MEETS PLOW: THE CURIOUS END OF TOTAL S.A. CEO CHRISTOPHE DE MARGERIE



[Photo tweeted by @Enel_Aire, post time stamped 2014-10-21 at 09:45 (time zone unknown)]

Forgive my skepticism about the accident Monday night that took the life of Christophe de Margerie. CEO of French oil and gas company Total S.A. We've been told by enough analysts that several target countries, including Russia, are under siege, though these experts don't refer to this openly as asymmetric warfare. The recent and ongoing drop in petroleum prices threatens cash inflows to those countries whose economies rely on oil revenues – Russia and Iran among them. The death of an

oil industry executive isn't unexpected given the amount of money in play; people die daily for far less cash.

Not as much as Moscow, mind you, but we get snow where I live in flyover country USA. Any time between mid-October and mid-April we can expect some frozen precipitation. A blizzard in October isn't unheard of – we had one 17 years ago this week, in fact. I've lived with six months of snow per year for most of my life.

Which is why the photo here of the crash site looks sketchy to me.

Early reports indicated the plane carrying de Margerie hit or was hit by a snowplow driven by a drunken operator, in poor visibility. It's not clear exactly which hit the other based on different accounts across the internet. A Russian reconstruction video furnished to Le Figaro shows the plane's wing clipping a vehicle upon landing – but the video exerts more effort on the fire and smoke than it does on the initial impact. Note in this second video of the plane after the crash during daylight hours that the wing which hit the plow as characterized in the video is missing.

At least one article claimed debris was spread 200 meters by the plane after impact. Perhaps the wing was in that debris, but it's not reflected in the Russian reconstruction video. A more recent report said the snowplow was parked on the runway.

Ultimately, what we see is a plane that flipped over – either tipped over by the force of a plow, or flipped over after impact.

And no snow. This particular photo is rather pixelated, but it doesn't reflect reduced visibility due to snowfall. There's no snow in the second video link above, though visibility

has worsened.

Moscow, RU LOCAL WEATHER			
	High	Low	precip
014	2°	-7°	0 mm
014	2°	-2°	10 mm
014	3°	-5°	1 mm

accuweather.com

Other photos from the site similarly reflect no snow. Almanac data from the 48-72 hours before and after the crash reflects temperatures dropping below freezing, but 1 mm to 11 mm of unspecified precipitation between Monday and Tuesday in Moscow depending on the weather site consulted. There had been some snow, the first of the season, on Sunday night local time, but almanac data doesn't reflect the same amount falling on Monday evening, nor does the almanac data shown in the graphic here report the precipitation on the correct date. (The 10 mm on Monday matches the photo of Sunday's first snowfall, not the images published of the airport and crash site late Monday night/Tuesday.)

Could there have been a vehicle on the tarmac treating the surface with de-icer? Sure – but why didn't the various accounts report just that? Not one report out I've seen in the last 24 hours has suggested runway icing was a problem.

Could the driver have been drunk? Hell yeah – it's Russia, where alcoholism is extremely common and too often deadly. But the driver's lawyer has said the driver was not under the influence as he takes a prescription heart medicine which does not mix with alcohol. Yet more reports indicate the dispatchers may have erred in their instructions, or were themselves under the influence.

Given the tensions between the west and Russia about Ukraine, and the subsequent likely attempts to unsettle Russia's economy via oil price volatility, and given Total Oil's position as fourth largest petroleum company, my hinky

meter is stuck somewhere between *Suspicious* and *Disbelieving* as to the real cause of the CEO's death.

Whether this tragic event was an accident or deliberate malfeasance, the question I'd like answered is *cui bono*? Who or what benefited the most from de Margerie's untimely demise?

He was characterized as "staunch defender of Russia and its energy policies amid the conflict with Ukraine," and a critic "of Western sanctions against Iran and Russia."

De Margerie's last speech in front of Russia's Foreign Investment Advisory Council during the day Monday was very pro-Russian, pro-oil development and anti-sanction. This is consistent with the CEO's comments in September when Total's joint venture with Russia's Lukoil was halted due to the sanctions. In August, Margerie had expressed commitment to Yamal LNG, a joint venture development project between France's Total and Russia's OAO Novatek:

"I am doing everything," to make progress, Chief Executive Officer Christophe de Margerie said in an interview on Yamal LNG. "There no reason to think that it won't happen."

One might reasonably assume the west had a beef with de Margerie, especially if there were any indications he encouraged work undermining sanctions intended to punish Russia for its incursion on Ukraine.

An additional risk factor for de Margerie was Total's relationship with Iran; the firm had a long history with Iran, having developed its South Pars gas field prior to sanctions in 2009. Margerie kept Total's foot in Iran's door, meeting with Iranian president Hassan Rouhani at Davos this year. The CEO hoped to position Total to benefit once sanctions against Iran relaxed. This stance could certainly annoy a few key entities quite a bit.

After an initial outpouring of condolences and florid eulogies for a larger-than-life industry leader, other skeptics have emerged. Russian tabloid Komsomolskaya Pravda suggests the crash was the work of Ukrainian special forces. A more measured France 24 says the facts about the accident are “highly contradictory.”

Given the lack of clarity about:

- actual atmospheric and ground conditions at the time of the crash;
 - the condition of the snowplow driver;
 - the dispatcher(s) who instructed the snowplow driver and cleared de Margerie’s plane to take off;
 - the possibility that the pilot may have made any errors contributing to the accident;
 - the likelihood de Margerie had annoyed one or more powerful entities with his in-your-face approach to oil and gas development;
- skepticism about Monday’s crash and de Margerie’s subsequent death is warranted.

THE FOSSIL FUELED MILITARY BATTLES CLIMATE CHANGE

“The responsibility of the Department of Defense is the security of our country.” Thus begins DOD’s 2014 Climate Change Adaption Road Map, released yesterday to much acclaim.

But then two paragraphs later, it refers to climate change as a “threat multiplier,” not a threat.

| In our defense strategy, we refer to climate change as a “threat multiplier”

because it has the potential to exacerbate many of the challenges we are dealing with today – from infectious disease to terrorism. We are already beginning to see some of these impacts.

A few more paragraphs later, it admits this report primarily looks at climate change's impact on DOD, not its impact on the US.

Our first step in planning for these challenges is to identify the effects of climate change on the Department with tangible and specific metrics, using the best available science.

I don't mean to be churlish – and I do recognize that DOD is quite forward-thinking, among government agencies for its awareness of and initial preparations for climate change.

But that's sort of the point. This is as good as it gets. And only secondarily does even one of the most progressive agencies in government, with respect to climate change, get to this kind of admission.

Maintaining stability within and among other nations is an important means of avoiding full-scale military conflicts. The impacts of climate change may cause instability in other countries by impairing access to food and water, damaging infrastructure, spreading disease, uprooting and displacing large numbers of people, compelling mass migration, interrupting commercial activity, or restricting electricity availability. These developments could undermine already-fragile governments that are unable to respond effectively or challenge currently-stable governments, as well as

increasing competition and tension between countries vying for limited resources. These gaps in governance can create an avenue for extremist ideologies and conditions that foster terrorism. Here in the U.S., state and local governments responding to the effects of extreme weather may seek increased [Defense Support of Civil Authorities].

Climate change is going to be hell. It's going to cause wars. And it will even require addition DOD resources domestically, in the form of Reserve troops to help local authorities cope with emergencies. And – though DOD doesn't say it, certainly not in its publicly released document – the US is one of the places that will struggle with governance of the internal effects of climate change, even if they'll do better than, say, Bangladesh or some harder hit countries. Certainly the US is no model of proactive government preparing for these disasters!

Meanwhile, here's what else DOD does in the name of fulfilling its responsibility for the security of the country. (h/t OTB)

To date, there have been approximately 240 coalition air strikes against ISIS targets in Iraq and Syria since air operations began nearly a month ago.

[snip]

What goes underreported and, hence, underappreciated, is the magnitude of the overall air operation being conducted in support of or in addition to the actual air strikes against targets on the ground. Simply put, behind every successful air strike is a massive supporting infrastructure of aircraft, ground operations and planning activities. Air strikes are not conducted in isolation. Every strike

package consists not only of bomb-carrying aircraft but others providing the protection, electronic warfare support, aerial refueling, battle space management and intelligence. The 240 strikes in Iraq and Syria were supported by some 3,800 aircraft sorties, 1,700 tanker flights and over 700 ISR sorties. There have also been thousands of flights by transport aircraft, C-17s and C-130s making up the largest fraction, providing humanitarian relief but also moving personnel and essential supplies into the region.

Behind all these aircraft stands the supporting personnel and infrastructure necessary to any air operation. These range from ground crews and air traffic controllers to maintainers, armorers and intel personnel. Then there are the people in the air operations center who put together the air tasking order that details all the air activities for a 24-hour period. There are more people and more complexity when it is a joint and coalition operation.

Doing the math, this means there have been around 20 supporting sorties for each strike conducted. This is in a fairly benign environment.

That is, even while DOD notes – laudably, given how dysfunctional our government is – that climate change is going to destabilize countries and will even require deployment of the Reserve to limit instability in our own country, it is burning up fossil fuels at an alarming rate, even in its relatively circumscribed operation against ISIL.

This report edges us closer to the point where we call climate change a threat to the US, rather than just a threat multiplier to all the other things looming out there.

But until we're there – until we recognize that climate change has killed far more people in the US since 9/11 than terrorism – we will continue to burn fossil fuel as a first or second response to threats on the other side of the world.

IS SOMEONE FUNDING SAUDI'S OIL FLOOD?

Iran, Venezuela, Algeria, Nigeria, Russia, Ecuador, Iraq, Angola. Those are the countries the budgets of which will face significant shortfalls if the Saudis succeed in their bid to drive the oil price down below \$90/barrel for the year or more. Kuwait, the Emirates, Qatar – all Saudi partners (albeit reluctantly, in Qatar's case) in whatever the hell it is doing – can afford the cuts, with Libya on the bubble.

New reports make it clear the Saudis intend to keep prices low for some time – and will force customers to lock in for a year.

Some, like Zero Hedge's Tyler Durden, have suggested this ploy is part of the plan the US and Saudis made when the Saudis finally agreed to engage in combat against ISIL.

I'm not sure I buy that though. Cutting prices will make it far harder for Iraq's Shia led government to invest in the fight against ISIL. So long as Western sanctions continue, it will destabilize Iran significantly, not only making it a lot harder for Iran to help Iraq and Syria, but also undermining the government that has chosen to deal with the US. The cuts will also destabilize Iran's allies in Venezuela and Ecuador. Oligarchic forces have been trying to foment a coup in the former country for some time and this may well help to do so.

The cut, made just before winter strengthens

Vladimir Putin's hand with Ukraine and the rest of Europe, and made in such a way that may make Europe as dependent on the Saudis as they are on Russia, will make it harder for Putin to play the waiting game that otherwise was bound to achieve his objectives in Ukraine. Without that Ukrainian victory, Putin will be unable to invest resources as heavily in Bashar al-Assad's government. The Saudis have been trying to undercut Russia for some time and – to the extent the ruble exchange with the dollar doesn't shelter Russia from these changes [Update: though see Mark Adomanis on how this is hurting Russian consumers] – this price cut will hurt Russia too.

Ultimately, though, I suspect the US is just as much the target of this move as Iran and Russia are. Since the US refused to take out Assad last year and inched forward with its Iran deal, the Saudis have been worried about having Shia Iran and Iraq take over its role as the swing producer in the world, mirroring what happened in 1976 when the US replaced Iran's Shah with the Saudis. By destabilizing the government in negotiations with the US, the price cut will make it a lot harder to achieve such a deal.

Just as importantly, the US is now a petro-state. And this price cut will make fracking (and deepwater drilling) unprofitable. We've been fracking largely to give ourselves some breathing room from the Saudis; cutting the price will make it far harder for us to sustain that effort (and will make some renewables uncompetitive).

To me, then, this move looks like part of an effort to force the outcome the Saudis have been chasing for a decade and even more aggressively since the Arab Spring: to paralyze Shia governments just as the chaos of ISIL threatens to remap the Middle East.

The Saudis may well claim to be supporting our fight against ISIL, but the long-term commitment to dropping oil prices, looks more like an effort to undercut it.

All that said, something remains unexplained here. The Saudi break-even point is \$90/barrel. Oil prices are already below that and may drop still further. And the Saudis rely on bribery just as much as some other petro-states to keep their populace from rising up. How will the Saudis sustain this for a year or more, if that's what they're doing (especially since they are at least purportedly contributing to the ISIL fight)?

Saudis have low debt-to-GDP right now, so it may be they'll just finance this play. But I wonder whether some cash rich Asian country has backed this move? What better way to end US hegemony than to ensure it gets sucked into another unwinnable war in the Middle East, wallowing in really cheap oil for the middle term, with the understanding that it will replace the US after the US exhausts itself with this latest Mideast adventure?

Sure, low oil prices might help Democrats retain the Senate. Low oil prices certainly will avoid any immediate backlash against the ISIL war. So it may well be this is part of a deal with the Obama Administration. But if so, it seems like a counterproductive deal, because it's going to make it even harder to achieve any success against ISIL.

DISAPPEARING KURDISH OIL

The other day, a Houston judge threw out an order that would have prevented the sale of a tanker of Kurdish oil the Kurds and the central government were squabbling about.

The Kurdistan Regional Government can bring \$100 million of crude ashore in Texas after a U.S. judge threw out a

court order that would have required federal agents to seize and hold the cargo for the Iraqi Oil Ministry until a court there decided which government owns it.

U.S. District Judge Gray Miller in Houston said he lacked authority under federal laws governing property stolen at sea to decide the dispute. Both Iraq's central government and the regional government claim control of 1 million barrels of Kurdish crude waiting in a tanker moored in international waters off the Texas coast for almost a month.

Miller ruled yesterday that Iraq's national oil ministry lost control of the crude when the Kurdish government pumped it without authorization from oilfields in the northern part of the country. Iraq failed to convince Miller that the oil was misappropriated when it was loaded into a tanker in the Mediterranean Sea after being pumped across Turkey in an Iraq-owned pipeline.

"Kurdistan's unauthorized export of oil over land -- and later overseas -- may violate Iraqi law, but it does not violate U.S. maritime law," Miller said.

After which you'd assume the tanker would come ashore and make the Kurds some money they can use to fight ISIS, right?

That didn't happen. Instead, the tanker disappeared.

A tanker near Texas loaded with \$100 million of disputed Iraqi Kurdish crude has disappeared from satellite tracking, the latest development in a high stakes game of cat-and-mouse between Baghdad and the Kurds.

The AIS ship tracking system used by the

U.S. Coast Guard and Reuters on Thursday showed no known position for the United Kalavrvta, which was carrying 1 million barrels of crude and 95 percent full when it went dark.

Several other tankers carrying disputed crude from Iran or Iraqi Kurdistan have unloaded cargoes after switching off their transponders, which makes their movements hard to track.

Read the whole article – there’s apparently a lot of Kurdish oil disappearing, which makes sense given the legal fights over who owns it (not to mention US selectivity about when to enforce national rights, as we have in Libya of late, and when not to, as we’re apparently not in Iraq).

Still, the prospect of buying and selling Kurdish oil off the books sure would free up money for other purposes (especially given Hunt Oil’s involvement in Kurdish drilling, which happened with a great deal of winking and nodding).

WHY CHALLENGE THE WASHINGTON CONSENSUS NOW?

A number of outlets are reporting on the BRICS move to establish a competitor to the World Bank.

The so-called BRICS countries agreed to form an international development bank with aspirations to challenge the dominance of the World Bank and the International Monetary Fund.

Leaders of Brazil, Russia, India, China

and South Africa said Tuesday that the New Development Bank will start with \$50 billion in capital and \$100 billion as a currency reserve fund for liquidity crises. Operating details still need to be resolved.

Still, the BRICS bank, which could add more member nations, represents a bid to expand the influence of the BRICS emerging markets and act as a counterbalance to institutions run by the U.S. and other developed nations, experts said.

“This is about the consolidation of BRICS 2.0,” said Marcos Troyjo, professor of international and public affairs at Columbia University and co-director of the BRICLab Center. “If BRICS 1.0 was about capturing investor attention to the scale of their economic relevance, BRICS 2.0 is about embarking on institution building.”

I absolutely understand the reason for the move. These large countries have been demanding more influence over the World Bank for years, to no avail. And US policies like Quantitative Easing have been really damaging to some of the countries, particularly Brazil. Though, this move may well come too late for Brazil and certainly for Dilma Rouseff.

“I don’t think that if Brazil was now to be thinking about these plans from the drawing board, it would really be thinking about a Brics development bank,” says James Lockhart-Smith, a Latin America risk analyst at Maplecroft in New York. “It would be more focused on restarting growth in the country.”

But at a time of slow growth, Brazil probably needs these economies on side more than ever. Add to that, trade with economically troubled Argentina –

traditionally one of its biggest trading partners – has become more difficult in recent years.

So while I understand the move, I wonder why now – aside from the fact that the World Cup provided a handy excuse for a meeting in Rio de Janeiro. It may be too late for Dilma, and India's new neoliberal Prime Minister Narendra Modi seems like an odd fit for the group.

Meanwhile, consider this. While Russia won't get any of the big perks in the new bank (it will be headquartered in Shanghai, India will pick the first President, Brazil will pick the first Chairman, and the bank will be denominated in – really! – dollars), Putin was also making other interesting moves in the hemisphere, at least according to RT (definitely click through for Putin's expression, which surely is staged to be that stern).

Moscow and Havana have reportedly reached an agreement on reopening the SIGINT facility in Lourdes, Cuba – once Russia's largest foreign base of this kind – which was shut down in 2001 due to financial problems and under US pressure.

[snip]

Russia considered reopening the Lourdes base since 2004 and has sealed a deal with Cuba last week during the visit of the Russian President Vladimir Putin to the island nation, reports Kommersant business daily citing multiple sources.

Russia shut down the base to more easily reschedule debt held by the US. Along with reopening the base, Russia will forgive a bunch of outstanding Cuban debt to Russia.

The timing of this – a year after Snowden's disclosures, but more importantly, as the US continues to try increasingly unilateral

sanctions against Russia's involvement in Ukraine – makes a ton of sense. The US refuses to believe it can't impose its will in Ukraine, in spite of increasing reluctance from our European partners, especially Germany, to ratchet up the pressure. Reopening a front in America's back yard as the US bunkers down on Ukraine makes perfect sense.

For some reason, the US appears to have believed it could simply impose its will indefinitely on the rest of the world. They appear not to have considered that, at some point, such behavior would provide the rest of the world cause to fight back.

TRENT FRANKS AND THE EMP THREAT TO THE ELECTRICAL GRID

At a House Judiciary Committee oversight hearing for Department of Homeland Security today, Trent Franks implored DHS Secretary Jeh Johnson to consider the threat of electromagnetic pulse or geomagnetic disturbance to the electrical grid because “we have additional information that seems to indicate the threat is more significant than we have been aware of.”

Franks also submitted an amendment to the Intelligence Authorization requiring the Director of National Intelligence to report on the threat EMPs pose to the US through 2025.

I have no idea whether this is credible or not. Franks is not one of the Members of Congress I consider to be the most reliable (and our resident desert rat has even less complimentary things to say).

But golly. Franks sure seems worried about the

EMP threat of late.

UNREAD REPORTS AS THE BIG DATA DUMP? NOT REALLY.

The very same week the President released his breathless report on Big! Data!, the Washington Post has a story criticizing the sheer number and types of reports Congress requires from the Federal bureaucracy.

It started out with a good idea. Legislators wanted to know more about the bureaucracy working beneath them. So they turned to a tool as old as bureaucracy itself – the interoffice memo. They asked agencies to send in written reports about specific things they were doing.

Then, as happens in government, that good idea was overused until it became a bad one.

[snip]

But as the numbers got bigger, Congress started to lose track. It overwhelmed itself. Today, Congress is not even sure how many of those 4,291 reports are actually turned in. And it does not try to save copies of all the ones that are.

So some agencies cheat and send in nothing. And others waste time and money sending in reports – such as the one on dog and cat fur – that simply disappear into the void.

To support its case, WaPo focuses on one report requiring Customs and Border Patrol to report on how much dog and cat fur products are being shipped into the US, which is probably a needless report (which is also probably why WaPo picked it out of the 4,291 it identified).

And WaPo – a member of the Fourth Estate that purportedly serves as a check on power – comes to this very dangerous conclusion.

The problem is that there is no system to sort the good ones from the useless ones. They all flow in together, which makes it hard for congressional staffers to spot any valuable information hidden in the flood.

First, the press is part of that system! Rather than throwing cat and dog fur, perhaps WaPo could have tried to distinguish those that were critical from those that are questionable and those that are clearly frivolous.

Moreover, it is the height of irresponsibility to absolve Congressional staffers – whose bosses are the only ones that can eliminate useless reports – of responsibility for reading the reports they get. Either the staffers must be held accountable for reading the reports, or for eliminating them. That's how you fix the system. That's why we're paying them.

Ultimately, too, I'm not sure I buy the WaPo's argument that these are useless reports. 4,291 seems like a not unreasonable amount of data for legislators to receive and read about the world's biggest (perhaps now second biggest) economy, about DOD's \$526 billion budget, about the many federal benefit programs, about the expanding police state.

And if you look at the actual list (rather than WaPo's admittedly snazzy but not very informative infographic on them), many – perhaps even most – of the reports make a lot of sense.

Consider the reports listed for General Services

Administration, an entity with an annual budget of \$26 billion, which has the ability to effect great change as the source of enormous spending, and one that has routinely experienced significant spending scandals.

1. Activities and status of advisory committees in existence during the previous calendar year
2. A report on the status of the high-performance green building initiatives under this subtitle
3. Administration's alternative fueled vehicle program
4. A description of lost opportunities for waste-heat recovery from the project described in paragraph (A)
5. A report on the use of photovoltaic energy in public buildings
6. Violations by Federal agencies of Federal Records Act of 1950, as codified 1950
7. Reports by Inspector General of particularly serious or flagrant problems, abuses, or deficiencies in the administration of programs and operations of the agency
8. Activities of the Inspector General
9. Accessibility to public buildings by the physically handicapped

10. Prospectus proposing a building project or lease
11. Location, space, cost, and status of each public building, the construction, alteration, or acquisition of which is to be under authority of the Act, and which was uncompleted as of the date requested
12. Building project surveys as requested by either the Senate or House
13. Use of underutilized public buildings and property for facilities to assist the homeless
14. Summary of excess property disposal reports
15. Evaluation of the operation of programs for donation of Federal surplus personal property; excess personal property transferred
16. Excessive stocking of property, above reasonable inventory levels, by executive agencies
17. Administration of the Federal Property and Administrative Services Act of 1949
18. Contracts to facilitate the national defense entered into, amended, or modified
19. Acquisition cost of surplus real or related personal

property conveyed for care
or rehabilitation
of criminal offenders during
previous fiscal year

20. Results of investigations of
the cost of travel and the
operation of privately owned
vehicles to
Federal employees while
engaged in official business
21. Annual determination of the
average actual cost per mile
for the use of a privately
owned
motorcycle, automobile, and
airplane
22. A plan to comply with
Section 432 relating to
energy and water
conservation at General
Services Administration
facilities

Reports 1, 6, 7, 8, 10, 11, 12, 17, and 18 are simply reports Congress needs to ask for to ensure there's some visibility into the Agency, to ensure they'll be informed if GSA finds something wrong itself. Reports 2, 3, 4, 5, 9, 13, 14, 19, and 22 measure the efficacy of efforts to use GSA's buying power to do some social good (and report 9, on ADA accessibility, involves significant legal compliance). Reports 15 and 16 address an area susceptible to graft. Reports 20 and 21 are not only key to cost-benefit analysis of how Federal employees travel, but they apparently are tied to one of GSA's most requested links. Some of these are also reports tied to an action, like buying a building. And all that amounts to less than 1 report for every \$ billion American taxpayers give to GSA. If anything, there are a

few more reports – that might identify obviously politicized or excessive spending, which is a persistent problem with GSA – that are missing.

Admittedly, that's just one random agency. But aside from some entities the Federal government runs itself (like American Samoa and DC) as well as some Commissions over which there have been political fights in the past I'm not seeing a whole lot of waste here – though there may be some inefficiency in how the information is requested. I might grant that in the era of big data we need to automate this – in effect, give Congress a better way to Big! Data! the bureaucracies it oversees (though that would be awfully susceptible to abuse), but I don't see a lot of information that shouldn't be required from the bureaucracy.

I'm reminded how, 2 years ago, James Clapper claimed ODNI had to produce too many reports and should be permitted to eliminate 30 of them. He tried to get rid of the annual report on how many people have security clearance (one of the few ways we can measure the ballooning secret government). He tried to get rid of reports on Department of Homeland Security's notoriously useless intelligence agency. He tried to eliminate reports on Chinese spying on the US and nuclear lab security, both persistent security issues. He tried to eliminate a report informing Congress what the privacy staffs of intelligence agencies are doing. In short, in the guise of onerous reporting, he tried to eliminate crucial oversight (as well as a paper trail that could be FOIAed) on several areas of great public concern.

Or consider this: DOD cannot pass an audit. The biggest military in the world still is not required to account for the money it spends, both to itself and Congress.

And yet a newspaper is saying we require too much reporting from the great big bureaucracy?

I don't buy it.