

## IN THE NEWS

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### World News

Some are suggesting that Israel will not give the U.S. advanced notice of an attack on Iran's nuclear facilities [1]. What's more, evidence indicates that Iran is moving toward nuclear bomb building as fast as they can [2]. Then, UK Prime Minister David Cameron, stated Iran is developing an inter-continental nuclear weapon [3]. What's more, one report suggests Iran may have tested its atomic bomb in North Korea back in 2010 [4]. Concurrently, Iran has tripled its monthly production of higher grade uranium which at 20% pure is well above what is needed for powering a nuclear reactor [5]. Recognizing there is a chance of military action coupled with the UN's philosophy of peace at any cost, Iran is now welcoming new talks and allowing access to previously closed sites [6]. Case in point, now the International Atomic Energy Commission (IAEC) is calling for negotiations and has stopped using inflammatory language in describing Iran's nuclear program [7]. Another report based on satellite images suggests Iran is cleaning up after testing a neutron initiator, part of a nuclear bomb [8]. Perhaps the Iranian clean-up is in preparation for allowing inspectors more access.

The driving force in trying to get Iran to stop its nuclear weapons program is Israel. This small country is subjected to terrorism on a daily basis. Case in point, on March 9, there were 110 rockets and mortar shells fired from Northern Gaza into the Israeli city of Ashdod [9]. With its neighbors routinely firing rockets and threatening to wipe Israel off the map, can Israel take the chance that Iran will not follow through on its threats? In a sign of possible things to come, Israel has asked the U.S. for advanced bunker busting bombs [10].

With the rising prices for raw materials combined with world competition, Japan is having a difficult time. Case in point, the Japanese company Elpida Memory Inc filed for bankruptcy [11]. Japan must also keep an eye on the military activities of China. For instance, China and the Philippines are arguing again over plans to explore for oil [12]. Meanwhile, China announced it plans to increase military spending by 11.2% over last year [13]. What's more, China's cyberwar skills are considered a military capability and pose a risk to the U.S. [14]. For example, the cyberwar report suggests Chinese hackers could disrupt the military's refueling logistics [15].

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### Security

In Texas, a doctor was indicted for \$350 million in fraudulent Medicare claims [1]. Meanwhile, in New York, dozens were arrested in an alleged \$275 million auto fraud scheme [2]. Elsewhere, the FTC received 1.8 million complaints of fraud, up from 1.4 million during 2010,

with reported losses of \$1.52 billion [3].

It has been some time since the heyday of the year 2000 date bug. Yet problems with time and date persist. Case in point, Microsoft's Azure cloud service was offline for eight hours due to date problems with the leap year (February 29) [4].

As a side note, there are 366 days in this year (8784 hours). Many organizations require an operational availability of 0.9999 or 0.9995. In either case, even if there are no additional outages, the best Azure  $A_o$  for 2012 is 0.9991.

One report indicates Chinese hackers had full operational control of the networks at NASA's Jet Propulsion Lab [5]. For 2011,

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#### Special points of interest:

- Chinese hackers controlled JPL's networks
- China increases military spending by 11.2% in 2012
- 13<sup>th</sup> Bank closed.

$$A_o = \frac{\text{Up Time}}{\text{Total Time}} = \frac{(8784 - 8) \text{ hours}}{8784 \text{ hours}} = 0.9991$$

## Security

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NASA knows of 13 successful hacker attacks against the agency's systems [6]. Meanwhile, FBI Director Robert Mueller indicates cyber-attacks could be a bigger risk than terrorism [7]. Elsewhere, hackers broke into Sony systems and stole Michael Jackson tracks [8].

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*Okay, Houston, we've had  
a problem here—John  
"Jack" Swigert, Jr.*

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North Korea's leader claims he will stop the nuclear weapons program in return for food aid from the United States [1]. The US has provided and coordinated aid to the North in the past, such as \$4 billion in energy aid and two light water nuclear reactors; all for the promise they would not resume their nuclear program [2]. Even though North Korea was receiving 500,000 tons of fuel oil per year, in 2002 the US showed North Korea was breaking the agreement [3]. Unfortunately, North Korea did resume their nuclear program and it appears they are extorting new concessions from the US for the same failed promise. The latest deal would require the US to provide a 240,000 metric-ton food package initially followed with additional requests later [4]. Moreover, after the deal was announced, North Korea threatened a merciless sacred war against its neighbor to the south [5].

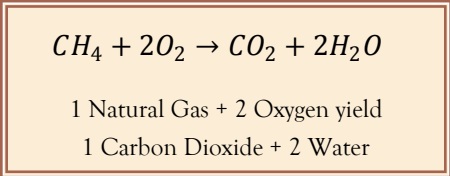
Most of the trucking in the US relies on diesel fuel that often burns poorly resulting in visible smoke and general pollution. What's more, one study suggests diesel exhaust noticeably increases the risk of lung cancer [6]. In contrast, natural gas is a clean burning fuel.

Domestically, the Natural Gas Act, if enacted into law, would provide incentives to move trucking away from diesel [7]. One thing to consider when comparing oil with natural gas is refining. Before gasoline or diesel can be used, it must first be refined. Refineries are costly to operate and expose the environment to additional pollution. In contrast, natural gas does not require the sophisticated refinement process. How-

ever, for natural gas to be viable, it will need to be liquefied thereby requiring more costly gas tanks and the refueling stations necessary. What the Natural Gas Act does is to offer tax credits; 50% building of the stations and 80% of the vehicle's incremental cost [8].

Furthermore, natural gas is a byproduct of rotting garbage and is being used as a renewable energy source [9]. Consequently, recycling garbage and sewage are complementary sources of natural gas (methane). For instance, one 500 cow dairy farmer in Pennsylvania purchased a \$1 million methane digester that turns cow manure into methane and is supplying 100 homes [10].

In the Middle East, the US is trying to use sanctions to force Iran to stop its nuclear bomb building. However, China has again stated the sanctions imposed on Iran will not influence Chinese oil imports [11]. With Iran able to sell all the oil it produces, it is difficult to see how sanctions will bring about the desired change?



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Natural gas is hemispheric. I like to call it hemispheric in nature because it is a product that we can find in our neighborhoods.—George W. Bush

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## Economy

The number of banks on the FDIC problem list fell to 813 [1]. Meanwhile, regulators continued shuttering financial institutions. For instance, on March 2, the following was closed: 12) Global Commerce Bank in Georgia [2]. Then on March 9, another financial institution was shuttered: 13) New City Bank in Illinois {The FDIC was unable to find another bank to take over operations} [3].

For the week ending February 25, the number of first time unemployment claims was 351,000 [4]. Then, for the following week, the number increased to 362,000 [5]. Meanwhile, the Labor Department claims 227,000 jobs were added last month and the jobless rate remains at 8.3% [6]. However, the gallop poll of 30,000 respondents indicates an unemployment rate of 9.1% for February [7].

After 39-days of increases, gasoline prices fell by one cent [8]. While gasoline prices are on the rise, the oversupply of natural gas has driven the prices to a 10-year low [9]. On the positive side, we can see the results of domestic oil drilling and production. For instance, North Dakota is now the third largest oil producing state and this cut state unemployment [10]. The North Dakota wealth is increasing with job seekers coming from all over the country. Case in point, in one oil community,

McDonalds is paying \$18 per hours plus a signing bonus [11]. Unlike North Dakota where the oil riches are from private land; most of the domestic oil is on Government controlled land that is off limits to drilling. In the interim, we will continue to rely on imported oil.

By one estimate, the current inflation rate is 8% [12]. In contrast, China's inflation rate fell to 3.2% [13]. Large trade imbalances mean more U.S. jobs go overseas. For instance, the US January Trade deficit increased to \$52.6 billion including a 12.5% increase with China (now at \$26 billion) [14].

In Japan, it appears the Fukushima nuclear reactor meltdowns were avoidable and was the result of the cozy relationship between government and industry [15]. So for decades, Japanese industry was helped by the government and contributed to many lost U.S. industries.

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*Each and every day,  
Israel's very existence is at  
stake—John Boehner*

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