

BUSINESS

An American Airlines flight that took off from Miami sits on the tarmac at the Jose Marti International Airport in Havana, Cuba, Monday, Nov. 15, 2021. (AP)



Thanksgiving air travel to rebound to 2019 levels, TSA says

The number of airline passengers traveling for Thanksgiving this year is expected to rebound to pre-coronavirus pandemic levels, but the Transportation Security Administration says it is ready to handle the surge.

Administrator David Pekoske said Wednesday he expects agency staffing to be sufficient for what's traditionally TSA's busiest travel period.

"We are prepared," Pekoske told ABC's "Good Morning America." He said travelers should expect long lines at airports and plan to spend a little more time getting through

security.

In 2019, a record 26 million passengers and crew passed through U.S. airport screening in the 11-day period around Thanksgiving. But that plummeted in 2020 as the pandemic kept people at home.

Pekoske said he didn't think a vaccine mandate going into effect for TSA agents Monday would have any effect on staffing for Thanksgiving next week.

"In fact, implementation of the mandate will make travel safer and healthier for everyone," he said. "So, we see quite a significant increase in the number of our officers that

are vaccinated, and I'm very confident that there will be no impact for Thanksgiving."

Pekoske told NBC's "Today" on Wednesday he remains "very concerned" about the issue of unruly passengers as incidents on airplanes have continued.

"The level of unruly behavior is much higher than I've ever seen it," he said.

The Federal Aviation Administration says it has referred 37 cases involving unruly airline passengers to the FBI for possible criminal prosecution since the number of disruptions on flights began to spike in January. (AP)

Utility bills are headed higher, weighing on economic recovery from pandemic

Europe lacks natural gas. Is it Russia's fault?

By David McHugh and Vladimir Isachenkov

Europe is short of natural gas - dangerously short. A cold winter could mean a severe crunch, and utility bills are headed higher, burdening ordinary people and weighing on the economic recovery from the coronavirus pandemic.

Russian President Vladimir Putin has promised to help fill European gas storages as energy prices soar - but supply shortages and political tensions have continued to rattle energy markets, keeping prices high. That's pinched businesses and forced them to pass along costs to customers already facing higher bills at home.

Moscow has been accused of using the volatile situation to push for a quick launch of a newly built Russian pipeline under the Baltic Sea: Nord Stream 2, which is awaiting German regulators' approval and has been criticized by Ukraine, the U.S. and others.

With Europe dependent on imported gas and Russia supplying 40% or more of those imports, Putin has leverage. He's said the new pipeline already is filled with gas and could help increase supplies "the day after" it's approved.

Here are important factors behind the gas crisis:

How did Europe get into this mess?

Multiple reasons. One was a cold winter that drained gas reserves, which are used to generate electrical power and typically replenished in summer. That didn't happen this year.

Hot weather drained more gas than usual through demand for air conditioning. Less wind meant less renewable electricity, leading generators to reach for gas fuel. Limited supplies of liquid natural gas, an expensive option that can be delivered by ship instead of pipeline, were snapped up by customers in Asia.

On top of that, Europe for years has pushed for day-to-day spot pricing, instead of long-term contracts. Russian-controlled gas giant Gazprom has fulfilled those long-term contracts but hasn't pumped additional gas beyond that. Putin says customers who have those contracts pay much less for gas than other buyers.

Prices were seven times higher in October than they were at the beginning of the year and have eased to about four times higher lately.

How does the nord stream 2 pipeline play into this?

Gazprom invested billions into building the 1,234-kilometer (765-



Workers at a pump station on the 'Druzhba' pipeline near the village Bobovich, some 330 km (206 miles) southeast of Minsk, Belarus, on Jan. 11, 2007. Europe is short of gas. Russia could in theory supply more beyond its long-term agreements, but hasn't, leading to accusations it is holding back to pressure Europe to approve a new controversial Russian pipeline. (AP)

mile) pipeline to Germany. It would allow Russia to sell gas directly to a major customer and circumvent a pipeline through Ukraine, which has faced relentless pressure from Russia following Moscow's 2014 annexation of Crimea peninsula and its support for separatist rebels in Ukraine.

Even before the 2014 hostilities, Moscow had launched efforts to diversify gas supply routes to the European Union, saying the Ukrainian system is dilapidated and accusing the country of siphoning gas.

Ukraine stands to lose \$2 billion in annual transit fees. It and Poland, which sits on another bypassed pipeline, are fiercely opposed to Nord Stream 2. The United States and some other countries also have been strongly critical, warning the project would increase Europe's energy dependence on Russia.

British Prime Minister Boris Johnson said Monday that he hoped "other European countries may recognize that a choice is shortly coming, between maintaining ever more Russian hydrocarbons in giant new pipelines and sticking up for Ukraine and championing the cause of peace and stability."

Several analysts said they don't expect Nord Stream to come on line this winter - though there has been speculation Europe might allow gas to start flowing while regulators review it, perhaps in exchange for sending more gas through Ukraine.

Has Russia withheld extra gas supplies?

Gazprom says no. The head of its export branch, Elena Burmistrova, said this month that "we aren't interested in either record low or record high gas prices," adding that "we want to see a well-balanced and predictable

market."

At least some analysts agree.

Thomas O'Donnell, an energy and geopolitical analyst at the Hertie School graduate university in Berlin, said Russia had to fill its own gas reserves - just like the EU - after a cold winter.

While Putin relishes his role as the "gas godfather" and has exploited the shortage to press for approval of Nord Stream 2, "the more mundane reality is ... there simply has been no spare Russian gas to export until Russia finishes filling its own domestic storage for winter," wrote O'Donnell, who blogs at globalbarrel.com. "The godfather was bluffing."

O'Donnell said the only way for Russia to help make up the gas shortage this winter would be to pump more gas through Ukraine - assuming Gazprom is willing to do that.

Putin ordered Gazprom to send gas

into European storage after Russia finished filling its reserves last week, but "it's limited," O'Donnell said. "He could be making a show of doing much more."

U.S. officials agree.

"Russia can and should provide additional supplies through Ukraine, which has sufficient pipeline capacity, and they don't need Nord Stream 2 for that," Karen Donfried, the top U.S. diplomat for Europe, said last week.

"And, if Russia fails to do that, obviously it's going to hurt European energy security and bring into question what Russia's motives are for withholding those supplies," she said.

By underlining Europe's dependence on Russian gas, Putin and Gazprom may hope for more lenient EU market regulation of Nord Stream 2, O'Donnell said.

The pipeline hit a delay Tuesday

when German regulators suspended the approval process because of an issue with the pipeline operator's status under German law.

What impact could Europe's gas shortage have?

Natural gas prices will sooner or later be reflected in home and business charges for electricity and gas.

The European Commission, the EU's executive arm, cited spiraling energy costs as a drag on the pandemic recovery because higher bills will take money away from consumer spending and business investment.

Europe's tight market is echoing in the U.S., helping raise prices there, though the U.S. market has not seen anywhere near Europe's price spike.

What could it mean for the winter?

Analysts say it's hard to predict. Everyone hopes there isn't a big late-winter storm that would threaten dwindled supplies.

Analysts have speculated that electricity could be rationed - perhaps for some industrial customers at first - if things get really bad.

An energy apocalypse - a total loss of electricity or heat if gas reserves are drawn to zero and can't be substituted - would likely cause deaths among poor and vulnerable populations, like what happened in Texas this year when a winter storm knocked out power, leading to more than 200 deaths.

What about Belarus' threat to cut off gas supplies?

Poland and other EU nations accused authoritarian Belarus President Alexander Lukashenko of using migrants trying to get to the EU through Belarus' border with Poland as pawns to avenge sanctions over his government's crackdown on protests.

With the EU threatening more crippling sanctions, Lukashenko threatened to cut off Russian gas supplies to Europe that pass through a pipeline in Belarus.

Although his statement further rattled the markets, it's unlikely Lukashenko would be able to fulfill his threat, given his political dependence on Russia and Moscow's desire to maintain the reputation of a reliable supplier.

Valery Karbalevich, an independent Belarusian political analyst, dismissed Lukashenko's threat as bluster.

"The decisions are made in Moscow, not Minsk," he said. "Lukashenko wants to scare the EU and drag Putin into the confrontation, trying to provoke the Kremlin to take a more radical action." (AP)

UK inflation highest in nearly a decade: data

BoE under pressure to hike rates to try to curb price surges

LONDON, Nov 17, (AP): Consumer prices in the United Kingdom surged at the fastest rate in nearly a decade in October amid soaring energy costs, official figures showed Wednesday, a development that has cemented market expectations that the Bank of England will raise interest rates next month.

The Office for National Statistics said inflation accelerated to 4.2% in the 12 months through October, from 3.1% the previous month. The bigger-than-expected increase pushed inflation to its highest level since November 2011 and means most people will be enduring a drop in living standards in the run-up to Christmas as household incomes get stretched.

Because inflation is running at more than double the Bank of England's target rate of 2%, the central bank is under pressure to raise interest rates to try to

curb the price surges by cooling the economy. It had been widely expected to become the first central bank among the leading industrial nations to raise interest rates earlier this month but held off because of some unease about the outlook for unemployment.

With figures on Tuesday showing the U.K.'s labor market remaining resilient, many analysts said the latest inflation numbers gives the rate-setters on the bank's Monetary Policy Committee, or MPC, further ammunition to modestly lift the benchmark rate from the record low of 0.1% to 0.2%.

"With CPI inflation moving further away from the Bank of England's 2% target, there is now even more pressure on the MPC to act to rein in price growth at its upcoming December meeting," said economist Ellie Henderson at Investec.

Not everyone thinks a rate hike is a good idea, especially at a time when the British economic recovery from the coronavirus pandemic appears to be losing some steam. Skeptics think a rate hike won't do much because a large chunk of the increase in inflation is a result of temporary factors related to the shock of the

pandemic, such as supply shortages, and as a result, inflation will drift lower toward the bank's target next year.

In its release Wednesday, the statistics agency noted that the inflation data was influenced by the effects of the coronavirus-related lockdowns that triggered "dramatic declines" in some prices last year. These unusually low prices are now the starting point for calculating 12-month price increases, causing short-term "distortions" in the figures.

These are factors that are affecting inflation levels around the world. Last week, the U.S. recorded an annual inflation rate of 6.2%, its highest level in nearly 31 years. European countries are recording similar spikes, too, but so far neither the U.S. Federal Reserve nor the European Central Bank appear to be as close as the Bank of England in considering a rise in borrowing costs.

For British homeowners and those looking to borrow, a pre-Christmas rate hike is the last thing they will want given that everything else appears to be heading higher.

'This rule is unlawful'

Regulators seek to suspend Trump 'rule' on railway LNG

OMAHA, Nebraska, Nov 17, (AP): Federal regulators have proposed suspending a Trump administration rule that would have allowed railroads to haul liquefied natural gas while they take a closer look at the potential safety risks.

The rule, which was backed by both the natural gas and freight rail industries, had already been on hold because several environmental groups and 14 states filed lawsuits challenging it.

The federal Pipelines and Hazardous Materials Safety Administration said the uncertainty about the rule also kept companies from investing in the specialized rail tank cars that were required, so railroads haven't actually handled any shipments of the flammable and odorless liquid known as LNG since the rule was issued last summer.

The rule would have required enhancements - including a thicker outer tank made of steel with a greater puncture resistance - to the approved tank car design that, for decades, has been approved for shipments of other flammable cryogenic materials, such as liquid ethylene and liquid ethane.

But in their lawsuit, environmental groups argued that those new railcars, which have yet to be built, were untested and might not withstand high-speed impacts, increasing the threat of an explosive train derailment along rail lines that cross directly through the heart of most cities.

"We don't believe that LNG by rail should have ever been authorized in the first place, so we look forward to the authorization being suspended," said Bradley Marshall, who is a senior attorney with Earthjustice which filed the lawsuit on behalf of the environmental groups.

A spokesman for California Attorney General Rob Bonta also praised the Biden administration's decision to suspend the rule. Bonta's office said he would continue the challenge to the rule started by his predecessor because he believes "this

rule is unlawful" and regulators didn't properly evaluate all the environmental risks.

Besides California, the other states that challenged the rule included Delaware, Illinois, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont and Washington. Washington D.C. was also part of the lawsuit.

The lawsuits have all been put on hold while federal regulators review the rule, which could take until the summer of 2024.

Before this rule was issued last summer, federal hazardous materials regulations allowed shipments of LNG by truck, but not by rail, except with a special permit.

The move to abandon the rule allowing LNG shipments by rail comes as natural gas prices and exports are surging in the United States. And ongoing court and regulatory battles have slowed development of pipelines that would help deliver the nation's world-leading gas production to markets.

The long-term growth in LNG exports has continued to set records, according to the latest federal figures. U.S. LNG exports averaged 9.6 billion cubic feet per day during the first six months of this year as the economy continued to recover from the coronavirus pandemic.

A spokeswoman for the Association of American Railroads trade group defended the rail industry's safety track record and said railroads would be able to handle LNG shipments if given the opportunity.

"Railroads continue to be the safest way to move hazardous materials over land with 99.99% of all hazmat shipment arriving at their destination without incident," said Jessica Kahanek with the railroad group. "The rail industry remains confident that DOT's ongoing research will affirm that with the right precautions rail is a responsible transportation solution for moving LNG if their customers request it."

Lebanese central bank head says corruption charges false

BEIRUT, Nov 17, (AP): Lebanon's central bank governor said Wednesday that he asked for an audit of transactions and investments during his tenure and the results showed no public money has been misused.

Riad Salameh, 70, once praised as the guardian of Lebanon's financial stability, has drawn scrutiny since the small country's economic meltdown began two years ago.

He's being investigated in Switzerland and France for potential money laundering and embezzle-

ment. Local media reported in recent months that Salameh, his brother and an aide have been involved in illegal businesses, including money transfers abroad despite the capital controls imposed at home.

Salameh had repeatedly denied making such transfers. Salameh said in a statement Wednesday that he was a wealthy investment banker before he became the head of the central bank in 1993. Since then, he has been investing and his money and his fortune has been growing.



Petrol station prices are seen on a board in London, Wednesday, Nov. 17, 2021. Consumer prices in the United Kingdom surged at the fastest rate in nearly a decade in October amid soaring energy costs, official figures showed Wednesday, a development that has cemented market expectations that the Bank of England will raise interest rates next month. (AP)