API

BLOGGER CONFERENCE CALL

MODERATOR:
Jane Van Ryan, API

SPEAKERS:
John Felmy, Chief Economist, API
Ron Planting, Manager of Statistics, API

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Bloggers on the call include Peter Carlock from OPNTalk, Nate Hagens from The Oil Drum, Joy McCann from Little Miss Attila, Bob McCarty from Bob McCarty Writes, Dave Schuler from The Glittering Eye, Geoff Styles from Energy Outlook, Michael Swartz from Monoblogue, Gail Tverberg from The Oil Drum and Brian Westenhaus from New Energy and Fuel.

00:13 JANE VAN RYAN: Good morning, everybody. This is Jane Van Ryan at API. How are you?

00:18 MR. : Good morning.

00:19 MR. : Good morning.

00:20 MS. MCCANN: Morning, Jane.

00:21 MS. VAN RYAN: Well, let me go through the roll-call here while other people are joining us and we'll see who we have on line today. I'm getting a lot of echo here. Can you hear me well?

00:32 MR. : No.

00:34 MR. : Yeah, I'm getting a lot of echo myself.

00:40 MS. VAN RYAN: Hmm. Well – well, that's one thing we could do, yeah. One thing we can do is ask people to hit *6 to mute your line if you have difficulty hearing and then of course, you'll have to unmute it before you ask your question. Pound 6 is –

01:01 MS. VAN RYAN: Okay, did you all hear that? It's *6 to mute, #6 to take it off mute, okay? Because I don't know why we're getting this strange feedback but we'll try to muddle through today, if that's all right. Okay, first of all, let's see who's on the call today. Who'd like to tell me who they are?

01:20 PETER CARLOCK: This is Peter, from "OPNTALK."

01:24 MS. VAN RYAN: Great, thanks, Peter. Who else do we have?

(Cross talk.)

01:31 MS. VAN RYAN: I'm sorry, we're stepping on each other. I know that's hard. Please try again.

01:38 JOY MCCANN: Joy McCann.

1:40 MS. VAN RYAN: Good, Joy, welcome. And who else do we have on the call today?

01:49 DAVE SCHULER: Dave Schuler, "The Glittering Eye" and "Outside the Beltway."

01:52 MS. VAN RYAN: Great, thanks Dave.

01:54 CARTER WOOD: Hi Jane, It's Carter Wood from the NAM.

01:57 MS. VAN RYAN: Terrific Carter, thank you for joining us.

02:00 MR. WOOD: Sure.

02:11 MS. VAN RYAN: We're going to try to muddle through with this. I'm not quite sure what we're picking up here – does somebody have… That's what I'm wondering. Do we have someone on a cell phone? That might make a difference, if you're on the cell phone. If you want to hang up and try to call back in it might be better. All right, who else do we have on the call today?

(Cross talk.)

02:35 BOB MCCARTY: Bob McCarty at bobmccarty.com.

02:37 MS. VAN RYAN: Great. Thanks, Bob. And someone else?

02:39 GEOFF STYLES: Yeah, Geoff Styles, "Energy Outlook."

02:42 MS. VAN RYAN: Wonderful, Geoff.

02:45 MICHAEL SWARTZ: And this is Michael Swartz from "Monoblogue."

02:48 MS. VAN RYAN: Okay, good. Thank you, Michael. Anyone else?

03:00 BRIAN WESTENHAUS: Brian Westenhaus, "New Energy and Fuel."

03:02 MS. VAN RYAN: Gotcha, Brian. Okay. I am expecting a few more people. I think they'll be joining us shortly. So in the meantime, let me just remind you what the rules of engagement are here today. Please introduce yourselves when you ask a question. That will help us put the transcript together. Also, as you know, we record these conversations so we're able to provide an audio file and the transcript, which we'll post as quickly as we can after the call. Usually, it takes about 24 hours to do so. And I think that's probably about it. The other thing I'll tell you is that I have quite a group of people here at the conference room here today. So we can answer any kinds of questions that you're likely to ask.

We're going to start out by talking about the year-end statistical data and so the two featured speakers for this event are Ron Planting and John Felmy. We're going to start with Ron Planting. Ron, please start whenever you're ready.

04:00 RON PLANTING: Sure, good morning. Today, we are releasing our 2008 year-end figures on U.S. supply and demand. They show the largest decline in U.S. petroleum consumption in 28 years, since 1980, as a result of rising prices earlier in the year and the weakening economy later in the year. Sort of a double-barreled effect. We've seen that effect on all major products across the board. It's had some effect on supply. We've seen a decline in imports for the year. We've also seen a refinery activity slowing down because demand was slowing down but they still produced an all time record amount of diesel fuel for the year. And finally, we saw another decline of oil production.

04:51 MS. VAN RYAN: All right, now, we'll go on to John Felmy, who's our chief economist. John?

04:54 JOHN FELMY: Yeah, if I could just add a little bit of context in terms of the different fuels. Of course, what we saw earlier in the year as Ron has mentioned is the higher prices, which affected gasoline demand very early in the year whereas into the middle of the year, we had decent demand, relatively strong until June, where then year-on-year diesel demand turned down. You know, I tend to think of diesel demand as being a leading indicator of the economy and so I have coined – you have, of course, the business cycle dating committee which tells you when they think a recession has started and they have opined that it is December of last year.

Well, using my diesel cycle committee, I would have said that it would be this June, based on the decline of diesel. But we've also seen declines in the other fuels driven by the economy and the economic slowdown: Jet fuel, in terms of travel, with business activity declining and you do have somewhat of an impact on gasoline demand --because the economy-- through such channels as retail sales. If people buy less, they drive less to buy things and so on. And so on net, we have seen this as being initially driven by price in some of these fuels and then by the decline in the economy overall.

With that, I'll stop and turn it to Jane.

06:16 MS. VAN RYAN: Great, thank you. We've had a couple of other people join us. Can you tell me who just came into the call?

06:23 NATE HAGENS: This is Nate Hagens.

06:25 MS. VAN RYAN: All right, Nate. Thank you, who else? Anyone else want to introduce themselves to the group?

06:36 GAIL TVERBERG: Oh, this is Gail Tverberg from "The Oil Drum."

06: 39 MS. VAN RYAN: Great, thanks, Gail. All right, with that, we'll go ahead and open this up to questions. I hope all of you did get the materials this morning.

06:48 MS. TVERBERG: Excuse me, I'm having trouble hearing. Is anybody else having trouble hearing? I just tried calling in for a second time because I couldn't hear well enough before.

06:57 MS. VAN RYAN: I think we're all having that difficulty, Gail. I'm not sure how to explain it but we think there may be someone on a cell phone perhaps or if someone's on a speaker phone, that might make a difference, too. I hate to ask you to hang up your speaker and pick up the handset, but that might be a better option. Maybe we're getting some feedback that way. So I apologize for that. I'm not quite sure how to fix it. So – and that's a good way to try to handle this. We have someone here in the room who says that unless you're talking, it's *6. That will put you on mute and then if you want to ask a question, you hit #6 to take your system off mute. And we'll just have to do the best we can, I think. I'm not sure the problem is on this end. If it were on this end, I'd be able to fix it but I'm not sure that we can.

So in any case, let's go ahead and open this up to questions. One other thing, we do have a lot of people on the call. If some of you feel that you are unable to get a question asked, send it to me by e-mail. I've got my BlackBerry right here in front me and I'm going to try to interject your question on your behalf. So who'd like to ask the first question?

08:11 MR. CARLOCK: Well, this is Peter from "OPNTALK." Can you hear me okay?

08:14 MS. VAN RYAN: Yes.

08:16 MR. CARLOCK: Okay, a while back, I did a story about John Rich, a guy who was attempting to bring burning garbage to fuel mainstream. And he turned around and blamed you guys for saying that you weren't taking enough action to resist OPEC's manipulation. The way I see things is – things are today, we have the Russia-Ukraine conflict, Israel and Hamas war going on, and all this instability in the Middle East. Does that not show that supply and demand are still in effect and that the free market is still working the way it should be?

08:57 MR. FELMY: Well, I think so. In fact, you know, there's this continuous debate about what is happening with the oil prices, both on the way up and their way down. This is John Felmy. And over time, of course, we've had some people allege a lot of different things where there'd be manipulations, speculation, or whatever and my analysis of this is the following. Ultimately at a world level, it's hard to say really what the facts are because the data is not available in a large part of the world to know what actually supply-demand fundamentals are. We have great data here, our API data of course, EIA's data. We've got pretty good data in OECD, under the IEA. But there's a large part of the world that we simply don't know.

That being said, if you look at the data, it tends to – in my belief – support supply and demand fundamentals and you know, you have to go through the analysis the following way: In the futures market on any given day, it's what the future traders think it is and so it can be whatever their view is. But ultimately, the contracts close and you've got to make or take delivery. You have a convergence of wet barrel prices and futures prices. And then you've got to say, well, are the wet barrel prices, the spot prices, if you will – are they right or wrong?

Well, if you want to argue, for example, as some people were, that they are artificially high because of whatever, speculators is the one target that's been talked about. Now, once you're arguing as you've got a situation where the price is artificially above the intersection on the supply and demand graph. If that's true, then what you have is supply greater than demand

and you should see inventories accumulating. We did not see that on a world level in terms what the data tends to show and then on the way down, you saw no changes in inventory levels, which were inconsistent with fundamentals.

Clearly, you mentioned OPEC. OPEC does have a cartel – it's a cartel that has its own view on what they think prices should be based on their one product – (inaudible) – they control 40 percent of the world's supply. They can, of course, increase or reduce their supply as based on what the perspective is. But that really is, in a sense, it's a cartel behavior but it's a fundamental supply and demand change.

11:21 MS. VAN RYAN: Do we have another question?

11:25 MR. SWARTZ: Yeah, I actually have one. This is Michael Swartz from "Monoblogue" here. Since the demand is so slack right now for oil consumption – and I know you represent an entire industry so you can't speak for particular oil companies and natural gas companies in each case, but with this slack demand, is there going to be a little bit more attention paid now to maintenance and addressing environmental concerns as each of these refineries comes offline and goes into their – I know they do an annual or semiannual maintenance cycle. Because of this lack of demand, do you see a little more attention to that kind of – not necessarily profit-making apparatus, but something in the line of helping themselves be more efficient in the future?

12:27 MR. FELMY: Well, I think that I would use a slightly different word than what you used. I wouldn't say pay more attention to it because they, of course, always do pay a lot of attention to their required maintenance, their upgrades that they have to do either because of changed environmental regulations or because of an interest in changing their product mix or in terms of expanding their capacity. So they do pay a lot of attention to it. There may be a case that some of them have changed their timing with when they do this because of course, if you have weaker demand, you want to perhaps accelerate some of your turnarounds, some of your changes, so that you're ready for the case of when demand could come back.

We've seen some anecdotal suggestion that might be but we don't track that because it's a proprietary part of the company's operations. But no, the companies are very, very focused on meeting their environmental requirements. They're focused on understanding what the market requirements are and in that vein, of course, there's an interest in moving more and more to diesel because the world is moving more toward diesel fuel. And with the new ultra-low sulfur diesel that we have in the United States, it may present an opportunity to start to increase diesel use in the fleet.

You know, we've gone for over 25 years without an attention to diesel because of the unfortunate, kind of, performance of diesels back in the late '70s and early '80s. But now, with the introduction of these new fuels, we could see a movement in that direction and that would be very important in terms of improving fuel economy because for the same displacement, you get about 30 percent better fuel economy with a diesel versus a gasoline engine.

14:23 MS. VAN RYAN: Other questions?

14:25 MR. CARLOCK: Well, just a quick follow-up. This is Peter again. Could the price also be affected by the fact that the contract expired for Brent Crude and Tuesday, I believe the contract expires for NYMEX. Is that possibly affecting the price also?

14:45 MR. FELMY: Well, at this point, it appears that the market is looking at demand as being the main driver of the market at this point. Of course, we saw, you know, the following happening. You know, and it's kind of a situation where think of prices over the last year as being pre-Olympics and post-Olympics because that really was a change that you can see how things are happening. Pre-Olympics you had strong demand growth worldwide. You had China preparing for the Olympics and wanting to make sure that they kept their lights on along with earthquake relief and so on. And then post-Olympics, we saw an economic slowdown.

We saw, of course, less demand from China, slower growth. So that seems to be what we're seeing. So you saw crude prices drop from $147 down to $33 a barrel. And then they went up and gasoline prices followed. Then they went up to $48-a-barrel or about 36 cents a gallon and you saw gasoline prices follow for a period on that. And now, they're trading, you know, down around 35 (dollars) right now. So there's a lot of day-to-day shifts. Of course, you can have a price impact at the end of the contract expiration as everybody settles up their accounts and people have to make or take delivery. So you can have some changes at the end of a contract as everybody kind of reassesses what their view of the fundamentals are.

16:08 MR. CARLOCK: Thank you very much.

16:12 MS. VAN RYAN: More questions? Don't be bashful. I know it's a little hard to hear. I apologize for that.

16:25 MR. CARLOCK: I guess if there's not another question right this second, I do have a quick question about – you know, I'd be remiss if I didn't ask, with the new presidency taking place and Obama making some questionable comments in the past, such as he's going to bankrupt the coal industry and so on and so forth, I'm sure that you guys are keeping a close eye on not just the moratoria but different things that this new administration may be looking to do – oppressive taxation, really unreasonable regulations – somebody brought up the environmental issues.

Now, I know that if you look at the history of the rigs that are out there right now, we really have a pretty good, you know, history of being environmentally safe. So some of these new regulations that they're talking about may be a little bit over the top, and I'm just wondering if you guys are looking at it and coming up with, you know, different things that you may be able to do in the future?

17:41 MR. FELMY: This is John. You know, we're looking forward to working with the new administration and Congress. We think that this is an excellent opportunity to have a thoughtful debate about energy. You know, this is the sixth administration that I've seen since I've been living in Washington – since 1978. You know, each new administration really comes with a clean slate. They basically don't have baggage and areas that they've committed themselves to, and I think they can take an opportunity to step back and really assess, what are the facts of the situation, what do consumers and voters need to be able to have a proper course for their first months and years in the office.

And so what we would suggest is that the debate focus on what is really needed. And our thoughts on that have been pretty consistent for quite a while. It's basically – with population growth of about 24 percent by 2030, with GDP growth of 75 percent, we're going to need more energy, even if we do dramatically improve energy efficiency in the economy – and it's projected to improve by roughly a third. And so we're going to need conventional oil and gas, we're going to need alternatives and we're going to need improved energy efficiency. So what we would say is, look at what we need to do in the oil and gas industry, because we've heard discussions about wanting to improve renewables, and we think that's clearly needed, but as long as we have 250 million cars out there that run on gasoline and diesel fuel and airplanes that run on jet fuel and diesels on diesel fuel for those railroads and so on, we're going to need more oil and gas.

And while it is a situation that oil and gas is about 63 percent of our energy supplies right now, even with those changes that I talked about, it's still going to be, by 2030, 59 percent. And petroleum, in particular, will grow, even with improved fuel economy of roughly 40 percent in the auto sector and so on. So we're going to need more oil and gas, and to meet the needs of more oil and gas, we're going to, first, have to replace the decline rates that wells have, and then we're going to have to do more exploration and production to be able to meet those needs. We clearly think that we have, as you mentioned, been good stewards. We've been environmentally sound and we would say that let's look at our record versus the rhetoric.

Now, going forward, the administration will have to do a lot of things to be able to advance the four lease sales that are on the schedule right now for this year, along with the ones that are going on after that. They're going to have to continue work with the five-year program to be able to line these things up. And that takes a considerable amount of time and resources, and so we would hope that those resources are properly in place to be able to move forward, because you know, after all, the oil and gas industry is 5.8 million Americans working 24 hours a day, seven days a week trying to supply our consumers. It's an industry that's owned by tens of millions of Americans who have their hard-earned pensions and savings invested in that. And so we feel that we're making a fundamental contribution in this area.

We've also learned that the public strongly supports developing our own oil and gas resources and that this should continue to be developed – that it can help in terms of more employment, reduced imports – a better balance of trade – and good-paying jobs for our economy. And so for all of these reasons, we're going to try to get that message out so that all the stakeholders and so on approach this and thoughtfully debate the energy situation right now.

21:26 MS. VAN RYAN: John, I have some questions that have been sent to me by some of the people on the call, okay? The first question is, "What impact are the oil prices having on the smaller players in the oil and gas market? Do you see bankruptcies of some of the smaller players as a possible outcome?"

21:45 MR. FELMY: Well, first, in terms of bankruptcies, we've already seen two bankruptcies in the refining sector – Flying J and Lyondell. In terms of the overall industry, it really is going to be a challenge for the smaller players. In terms of exploration and production, for the most part, we've heard that the majors are going to press on with their plans and continue those developments. And of course, they will re-evaluate them on an ongoing basis, but they seem to be staying the course at this point. The smaller players in oil and gas production, of course, face liquidity challenges, credit issues – as every company and industry in the United States faces at this point. So it will be a challenge in addition to the lower prices.

In a refining sector, if you think about the refining sector, there are three big lumps of refining capacity. There are – 50 percent is the larger firms, who probably will be okay in terms of these challenges. You've got a quarter of the three big independents. We have not heard much from that sector in terms of changes. But the smaller refiners will also face a challenge. And they have a double whammy because, of course, refining margins have been very low for the fourth quarter.

As an example, the crack spreads were roughly a little over 10 cents a gallon, which historically appears to be at the break-even if not losing profit loss on that. So it's something we're monitoring carefully. They will face challenges in terms of credit, to be able to, you know, have operating lines of credit for purchasing raw materials and so on. And so it just depends on who you are and what size and what type of business you're taking on.

23:34 MS. VAN RYAN: Another question John: "I have heard rumors that stripper wells are being taken offline. Do you know whether this is true?"

23:43 MR. FELMY: I have not heard that. In all of the coverage and the media and so on, I have not heard it. It would not be a surprise to me that the smaller stripper wells that have a higher cost of operation may no longer be economic. But I can't say what they are, where they are or how many.

24:03 MS. VAN RYAN: All right. One other question from the same blogger: "Is there anything that the Obama administration could do to stabilize oil and gas prices?"

24:14 MR. FELMY: Well, we think that, looking carefully at what we can develop for resources in this country could help a lot. If you think about the wild rollercoaster that we had last year, of prices, it was driven by the economy, as I mentioned. Limited excess capacity was another factor. And so if we're able to produce more oil and gas in this country, it could certainly help when you have tight markets – (inaudible, background noise). We also think that it's important they can continue the important step forward that was made last year, and that was lifting the moratoria on the East Coast and West Coast.

But we can also see a change in the eastern Gulf of Mexico, because right now, the eastern Gulf of Mexico is off limits until 2022. And that is, perhaps, one of the best potential areas for developing more oil and gas quickly, because of its closeness to infrastructure and so on, and so we would think that, first of all, let's think about how we can continue the process that was started last year. What can we also do as far as properly resourcing the Interior Department and the MMS in terms of all the steps that have to be taken to be able to go through five-year plan development, lease sales and then, ultimately, exploration and development approvals.

25:33 MS. VAN RYAN: All right, do we have another question from anyone on the line, or should I ask a question that someone has sent to me?

25:40 MR. STYLES: Jane, I've got a quick question. This is Geoff Styles – and, again, I'm wondering if the phone connection on your end might actually be the challenge.

25:53 MS. VAN RYAN: It is possible. If you like, I could disconnect, and dial back in. I don't think that –

26:01 MR. STYLES: That might be worth a try. Let me go ahead and throw out a question and then I'll take my answer on the air, as it were. Basically, looking at the figures that you sent over this morning, when you dig into the product imports that declined so significantly, a big chunk of that was motor gasoline; have you given any thought to how much of that decline is attributable to the roughly 2.5 billion gallon increase in ethanol output between 2007 and 2008, as opposed to the drop in U.S. demand, which has also, obviously, affected U.S. refining output of gasoline?

26:46 MR. PLANTING: This is Ron. It's really a combination of the two. We've seen a decline in the overall consumption of gasoline of, eyeballing it, maybe 250,000 barrels a day. And that's, you know, it's really coming from the consumption side and those figures do include ethanol, when it's blended with gasoline that becomes part of the, what we call gasoline, just for those of you are asking that. But sure, the amount that's being blended has increased dramatically in 2008 with the new renewable fuels standard. And that's also been a factor in cutting back the petroleum part of the gasoline supply.

27:38 MS. VAN RYAN: Did you have a follow-up, Geoff?

27:41 MR. STYLES: No, that's fine. I guess the other question that I would have: There's been an awful lot of concern, lately, about inventory from the opposite direction that we usually have about inventory. And in fact, there was an article in The New York Times this morning looking at the substantial growth of inventory recently and how that's contributed to the, I think, unprecedented contango in the crude oil market. Do you guys have any thoughts on, you know, what might actually change that trend – whether we're actually looking at a repeat of the kind of market conditions that we saw in the mid-1980s, when producers started to compete for market share and actually created a really precipitous, further collapse in the price of oil?

28:34 MR. FELMY: Well, just a couple quick thoughts. I mean, inventories, obviously, are a residual of the difference between demand and supply and so, given that demand has been relatively low and supply continues at a, perhaps, reduced level based on OPEC pronouncements, that's why we've seen this build-up. In terms of contango, I think that's a function of both the current views of those inventory levels along with expectations about what the future will be – changes in economic growth, changes in weather, things like that. So yeah, the contango is quite steep at this point, so it's something that we pay attention to. Now, in terms of competing for market share, that did happen, clearly, and we saw the second chart that's decline in prices historically to what we experienced this year, which was between '85 and '86, whereas we had about a 75-percent decline this year and you had about a 60 percent decline in prices that year and you had some competitive effects.

You also had some supply effects in that period, too, because that was when Alaskan production was ramping up to a peak, ultimately reaching a peak in 1988. So anything's possible, Geoff. I mean, we'll have to see. You know, there are clearly some producers who are facing tremendous budget pressures because the prices have declined and that's led to a lot less revenue, and they are probably going to look very carefully at whether they're going to reduce their output as part of the OPEC agreement. It could lead to some competition between them or just simply cheating.

30:26 MS. VAN RYAN: I have another question that was sent to us here on my Blackberry. "Given low oil prices, have you done an analysis showing what an extended period of time at $35 a barrel would do to U.S. production? Nationally owned company oil, such as oil coming in from nationally owned companies overseas, is much cheaper than domestics. If the economy stays weak, one can presume that the cheaper oil will be imported, increasing our energy dependence. What cost break points are there on waning U.S. reserves?"

31:06 MR. FELMY: That's quite a complex question. Of course, the reason we import a lot of things is because it's relatively cost-effective to do it. In terms of U.S. production – changes in U.S. production – we have not done an analysis of that. We do remember, of course, what happened back in the late '90s, when we had oil at $10 a barrel and that led to significant changes in exploration and production activity. And, you know, that ultimately affected production to one degree or another.

We'll just have to see. As I mentioned, it appears as though the major companies are sticking with their announcements and their plans for developing and they have a large share of market. The smaller companies face more of a challenge, both because of pricing, profitability and liquidity. So we'll have to see. The other key factor, of course, is we need continued ability to have access to resources here to be able to develop that. Because ultimately, no matter what the price or situation is, if we're not allowed to explore in this country, then it means we can't produce.

32:16 MS. VAN RYAN: I have another question that's been sent to us. And it's this one, on behalf of a blogger: "Is there a world number of added inventories, and how many days of new inventory has been added? Are storage unit sales tracked and going up? Is there any truth to the story that the Saudis are looking for storage in other countries, and under some – (inaudible, background noise)?"

32:43 MR. FELMY: At a world level, I would encourage you, because things are changing quite quickly – the latest statement on what world levels will be will be released tomorrow morning by the IEA. Things are changing so much that I think I would defer that question to whatever they say in that. In terms of storage issues, of course, right now, as Geoff indicated earlier, the contango is sufficiently steep that it is economically possible to be able to buy oil right now, sell it forward and store it, in terms of the costs and so on – depending on how much your storage costs are – but with a steep contango, that makes it, certainly, more economic.

We don't have a good measure of what's actually happening in a quantitative sense. You hear a lot of statements about, you know, tankers on the water and things like that. There's no good measure, at least to my knowledge, of how much is going on. And I certainly am not aware of what the Saudis are looking at, in that sense.

33:44 MS. VAN RYAN: A follow-up to that, John: "Do we know if there are any oceanic tankers that can be rented?"

33:53 MR. FELMY: I really don't know.

33:54 MS. VAN RYAN: And another question: "Is the new refinery in India up, and are their inbound tanks full?"

34:02 MR. FELMY: I believe it is just starting operations, but I have no, you know, no good data on what's happening there. You know, we survey the operations here in the United States and not in foreign countries.

34:17 MS. VAN RYAN: Of course. Okay. Any other questions that we have from bloggers on the phone today? Again, I'm sorry for the static that we seem to be experiencing today. Anybody? You've all gotten way too frustrated to ask a question, haven't you? (chuckles) – I'm sorry for that. (Pause.) All right. Well, I'll tell you what we'll do; we'll try to be sure that we're able to send you a relatively clean transcript. Maybe that will help you if you decide to post on any of the information from this call. And I personally am going to call our conference service and find out what's going on here, and hopefully, we won't run into this again. Again, I'm sorry, folks. Keep in touch. Let me know if you have any other questions. I'll try to follow up with you by e-mail. Take care.

35:14 MR. : Thank you very much for your time.

35:15 MS. VAN RYAN: Thank you.

35:16 MR. : Thanks for the effort.

(END)