



The Round-Up: April 17th 2007

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[No easy fix on emissions: Conoco](#)

Reducing greenhouse gas emissions in the oil sands will not happen quickly, said Kevin Meyers, president of ConocoPhillips Canada, one of the country's largest energy companies.

"We need to allow the time for technology to be developed so we can implement this without major economic upheavals," Mr. Meyers said in an interview at the company's Calgary headquarters yesterday.

Earlier this week, ConocoPhillips Co., the third-largest energy company in the United States, became the first oil firm to call on Congress and the President to pass legislation to either tax carbon dioxide emissions or impose a cap on those emissions, which are the leading cause of global warming.

The company's production, after royalties, was 1.96 million barrels of oil and natural gas a day in 2006, with about 40 per cent of that in the U.S. and 12 per cent in Canada. The Alberta oil sands is a major growth area, with the eventual potential of more than 400,000 barrels a day from several projects, up from about 30,000 a barrels a day now from its 9-per-cent stake in miner Syncrude Canada Ltd.

[Oil sands nuclear question](#)

Canada's House of Commons Standing Committee on Natural Resources has recommended that no decision should be made on using nuclear power to help extract oil from the country's tar sands until the consequences of the process are known and understood.

Those in favour of using nuclear power say the technology is well placed to provide the steam and electrical power needed for extraction from Alberta's oil sands but others think gasification coupled with carbon dioxide capture and storage would be more competitive.

The issue of what to do with the resultant radioactive waste was also a factor the committee considered.

[Half of Canadians support nuclear power, survey suggests](#)

A little more than half of Canadians believe nuclear power is one way to have cleaner air and lower greenhouse gas emissions, according to a new poll commissioned by the government.

The CBC obtained a copy of the Ipsos Reid survey of 2,000 Canadians that was conducted between Feb. 16 and Feb. 22 for the federal Department of Natural Resources.

Seventy-one per cent of those surveyed believed nuclear energy will be an important part of Canada's energy supply in the future.

But only 51 per cent believed that to reduce greenhouse gases, the use of nuclear energy should be increased.

[Equalization formula a betrayal: Goodale](#)

Ottawa's handling of a new equalization formula that has been criticized by Nova Scotia and Newfoundland represented the "worst betrayal," Liberal House Leader Ralph Goodale said Sunday in a campaign-style speech in Halifax.

The federal Tories' budget forced Nova Scotia and Newfoundland and Labrador to choose to either adopt an enriched equalization that includes more money immediately, or keep a 2005 deal that lets them keep 100 per cent of their offshore oil and gas revenues. Goodale, who was finance minister when the offshore accords were penned, said the deals were intended to ensure they wouldn't be affected by new equalization standards.

"The worst betrayal of all was the barefaced failure to tell the truth on the issue of equalization and the Atlantic accord," he told Liberal MP Geoff Regan's nomination meeting.

[Facts do matter](#)

The federal Equalization formula currently used and the O'Brien formula contained in Flaherty's 2007 budget set the standard used to determine if a province qualifies for Equalization.

That standard in both cases is below the fiscal capacity of Ontario (the lowest non-recipient province) by several hundred dollars per person.

[That was then. This is now.](#)

To apply the cap, the Government of Canada is unilaterally amending both the 1985 Atlantic Accord signed by Prime Minister Brian Mulroney and Premier Brian Peckford and the 2005 deal between Prime Minister Paul Martin and Premier Danny Williams.

Forget a broken election promise.

Harper and his cabinet can't even stick to the same commitment over the course of four weeks.

To see the full impact of this latest revelation, compare Wade Locke's original analysis and the one based on capping what they said wasn't capped.

[Big hikes coming from NB Power, CEO says](#)

He said he plans to submit an application for an interim increase next week.

"That order will become effective in June and so it will be an across-the-board increase for all customer classes, pending the final resolution in the final hearing of the Energy and Utilities Board in the fall."

Hay wouldn't talk about how much more New Brunswickers will pay for power, saying only that the increase is significant.

"I know that this increase will have an impact on homeowners and businesses across New Brunswick," he said, adding that the government should be prepared to help low-income New Brunswickers who may have trouble swallowing the rate hike.

"I have heard from seniors who tell me that they are on a fixed income, and they tell me in the winter half of their income goes to electricity bills. Raising rates is never easy, it is always a last resort. Unfortunately, this year we have no choice."

[Enbridge eyes Gulf route](#)

Enbridge Inc. is accelerating plans to satisfy a growing thirst for Canadian crude among refineries on the U.S. Gulf Coast and would rather buy existing assets in the United States than build a \$4-billion direct pipeline link between Alberta and Texas.

"The U.S. Gulf seems to be the [market] that has caught the imagination of producers the most right now," Enbridge president and chief executive Pat Daniel said yesterday. "Our ideas, while conceptual, are moving ahead very rapidly."

The U.S. Gulf is home to about half the refining capacity in the U.S., but before last year no pipelines linked Canada with that market.

[Enbridge pipeline shut down after leak](#)

One of the biggest Canadian oil pipelines to the United States has been shut down after a leak was discovered Sunday night, according to operator Enbridge Inc.

Line 3 connects Hardisty, Alta., with Wisconsin, carrying 450,000 barrels of oil a day to refiners in the U.S. Midwest - more than 20 per cent of Enbridge's capacity on its mainline, which is comprised of several links.

Jennifer Varey, an Enbridge spokeswoman, said Line 3 is still partly open, adding that Enbridge is meeting its obligations to customers, though she couldn't say how long that would be the case.

[Huge study to show impact of contaminants on Albertans](#)

The results, which are to be released this fall, are expected to determine which contaminants are showing up and whether any region of the province is affected more than another.

"It's a provincewide scan to see what chemicals are floating around out there that may have impact on human health," Alberta Health spokeswoman Shannon Haggarty said.

Mr. Hancock wouldn't speculate on whether the study's results could ultimately affect how the government treats the province's rapidly developing oil and gas industry.

[Green insanity looms: CAW](#)

The upcoming elections are fuelling a lot of rhetoric as politicians try to "out green" one another, Hargrove said.

"Politicians are running with it now because Canadians are saying it's a key issue in the upcoming election and it just infuriates me," Hargrove said in a wide-ranging address to delegates.

"We stand to lose 150,000 jobs in our auto industry if the insanity of this environmental movement is allowed to continue."

[Flaherty straddles fence on private equity](#)

Finance Minister Jim Flaherty says Ottawa is monitoring the pools of private capital that are moving in on Canadian companies, adding that he believes their effect on Canada isn't all good.

"I'd say it's mixed. Nothing is perfect," Mr. Flaherty said when asked if private equity pools taking sizable stakes in Canadian companies was a good thing for the country.

Two U.S. private equity firms have been linked to Canada recently: Rhode Island-based Providence Equity Partners Inc. has been approached to explore a bid for BCE Inc., which previously spurned an advance from New York-based Kohlberg Kravis Roberts & Co.

Mr. Flaherty's office, elaborating on his thoughts about private equity, listed some pros and cons of these vehicles, saying, "Sometimes a negative is an increased debt burden; sometimes a positive is better corporate performance."

[Climate change may worsen instability](#)

Climate change threatens to prolong the war on terrorism and foster political instability that some governments will be unable to cope with, an influential panel of 11 retired US generals has warned.

“On the simplest level, it has the potential to create sustained natural and humanitarian disasters on a scale far beyond those we see today,” said the panel, which includes retired General Anthony Zinni, former commander of US forces in the Middle East, in a new study.

“The US must commit to a stronger national and international role to help stabilise climate change at levels that will avoid significant disruption to global security and stability.”

Their urgent warning comes on the eve of a special UN Security Council meeting on the security implications of climate change, convened by the UK in an attempt to bring home the wider ramifications of global warming.

[Climate report tweaked to lessen impact, scientists charge](#)

The alarming warnings about the dangers of climate change released in a United Nations report this month were watered down by government officials from less than a handful of countries without scientific proof, according to several lead authors of the document.

The report, the second part of an international assessment of the latest peer-reviewed research on the world's changing climate, made headlines because of its conclusions, which warned of massive species extinction, deadly heat waves, melting ice caps and flooding, among other risks facing humanity in the coming decades.

But several researchers say officials from countries such as China, Saudi Arabia and Russia attempted to obstruct discussions to review the original draft of the document by debating existing scientific studies without offering their own evidence.

[Warming Could Spark North American Water Scramble](#)

Droughts would also occur more often in the US Midwest and Southwest as warmer temperatures evaporate soil moisture. Those droughts could diminish underground supplies like the Edwards Aquifer in Texas, which supplies 2 million people with water, by up to 40 percent, and cut levels of the Ogallala aquifer which underlies eight US states, the report said.

During droughts like the Dust Bowl of the 1930s, US farmers pumped water from underground aquifers to save their fields through irrigation. "Much of that water is now gone," said MacCracken. "We've used up our savings bank."

Tight underground water supplies could kick off a scramble for large above-ground supplies in the Great Lakes, the report said. Spats have already occurred over diversion of the lakes' water for distant cities and farms, while calls have increased for channeling water to the Mississippi River to supply US cities during hot summers.

Problems are also expected to intensify as warmer temperatures lower water levels

through evaporation. "Climate change will exacerbate these issues and create new challenges for binational cooperation," the report said. The tension could be heightened by the fact that a majority of the Canadian population lives close to the Great Lakes, while only a small fraction of the US population reside nearby, MacCracken said.

[Warming study sees problems for Great Lakes](#)

Global warming is likely to dramatically alter the Great Lakes region in the coming decades, making the world's largest body of fresh water shallower and dirtier while hurting the region's ability to capitalize on its greatest natural resource.

That's the conclusion the Intergovernmental Panel on Climate Change delivered Monday as it released the North America chapter of its much publicized report on the worldwide impact of higher temperatures. "In the Great Lakes and major river systems, lower levels are likely to exacerbate challenges relating to water quality, navigation, recreation, hydropower generation, water transfers and bi-national relationships," the report said.

[Trade-off looms for arid US regions: water or power?](#)

The drive to build more power plants for a growing nation – as well as the push to use biofuels – is running smack into the limits of a fundamental resource: water.

Already, a power plant uses three times as much water to provide electricity to the average household than the household itself uses through showers, toilets, and the tap. The total water consumed by electric utilities accounts for 20 percent of all the nonfarm water consumed in the United States. By 2030, utilities could account for up to 60 percent of the nonfarm water, because they use water for cooling and to scrub pollutants.

This water-versus-energy challenge is likely to be most acute in fast-growing regions of the US, such as the Southeast and the arid Southwest. Assuming current climate conditions, continued growth in these regions could eventually require tighter restrictions on water use, on electricity use, or both during the hottest months, when demand for both skyrockets, researchers say. Factor in climate change and the projections look worse. This is prompting utilities to find ways to alleviate the squeeze.

[States across the Midwest brace for water-guzzling ethanol plants](#)

The Mahomet aquifer sprawls beneath some of America's richest soils and provides 250 million gallons of water every day for towns, industries and farms in central Illinois.

There'd better be lots of water deep down, given what ethanol promoters have in mind.

Already, four of Illinois' eight ethanol plants are situated above the aquifer, and another is under construction.

[Ethanol plants come with hidden cost: Water](#)

The former state conservation official was horrified by news that a thirsty ethanol plant might rise up near his home in southwestern Missouri. The plant would draw 1.3 million gallons of water from the ground every day to produce the corn-based fuel.

Then there's the 400,000 gallons per day of contaminated water from the plant - water that would be sprayed on land around the plant by irrigation equipment and then seep back into the ground.

Pitts, 63, is soft-spoken - except at the thought of somebody sticking a giant straw into the region's storehouse of precious water. His well already has dropped 60 feet in the last 10 years due to drought and development.

"The people who are investing in ethanol plants are the only ones who get anything out of it, and it stinks," he said.

[Ethanol boom boosts Cargill profit by almost 50%](#)

The ethanol boom has proven a boon for ag companies like Cargill, but there is also a downside. Cargill has expanded ethanol production, but the company has been forced to pay higher corn prices for its other corn-based products.

"The intersection we are seeing between global agriculture and energy is creating new demand as well as new challenges for all of us in agribusiness," chairman and chief executive Warren Staley said in a written statement.

[Water crisis looms worldwide](#)

China, Saudi Arabia and Algeria, where water shortages have become acute, are placing billions of dollars of contracts out to bid to improve water supplies for their growing populations. The trend is expected to grow, as 40% of the world's population will suffer water shortages by 2050, according to the United Nations Development Program. Global warming is expected to exacerbate the problem.

[A stinging loss for U.S. farms as honeybees vanish](#)

In New Jersey, as in at least 26 other states around the country, commercial beekeepers and hobbyists are reporting catastrophic losses of honeybees this year. As many as 700,000 of the nation's 2.4 million bee colonies have been affected, according to the American Beekeeping Federation.

"I've talked to several beekeepers up and down the state, and they're reporting from 30

to 99 percent bee losses," said Bob Hughes, president of the New Jersey Beekeepers Association.

Built around the state insect of New Jersey, the honeybee industry is a \$2.5 million business and provides pollination for 80 percent of the state's crops worth some \$200 million, according to the state department of agriculture. Even so, there is currently no state apiarist, or beekeeper, (the previous one retired and no replacement has been named) and no state university or government bee researcher.

[Preparing for a World Without Honeybees](#)

First of all, it is important to know which crops are dependent on bee pollination. About 1/3 of all food crops, including a vast majority of fruits and nuts, most oilseeds, coconuts, honey (duh) and other foods are dependent upon honeybees. In addition to that first 1/3, another 1/3 of what we eat is indirectly affected by bee pollination - either because bees give better yields, as in the case of some partially self-pollinating fruiting plants, soybeans, sesame, cowpeas, mustard and cashews. Or they are dependent on bee pollination because our food is indirectly dependent on them. For example, the milk you drink, or the beef you eat are a product of pasture and hay plants like clovers and alfalfa. In Australia, just less than 1/2 of the total economic product of agriculture is subsidized for free by honeybees. Here, because we eat so much meat and milk, it is very slightly more. The good news is that almost all grain crops are self or wind pollinating, and thus don't depend on bees. Buckwheat is an exception, but since most people depend on wheat, corn and rice, rather than buckwheat, that's a good thing.

The bad news that the majority of our vitamin C, fat and protein crops depend, at least partially, on honey bee pollination, as do many of our fiber crops - wool (indirectly), along with cotton and flax. Fully one half of all the fats in the world come from oil plants at least partially benefitted by honeybee pollination, and in some cases entirely dependent on it. These crops include sunflowers, coconuts, palms, olives, peanuts, rape and sunflowers. And a majority of our protein crops depend either directly on pollination to some degree, or come from animals that eat pollinator-dependent crops. These include beans, soybeans, peas, peanuts, nuts and many hay crops. Virtually all fruits are bee dependent, and the few exceptions tend not to be less common in our diets, such as paw paws, which depend on wasps.

[Inflation worries rise for food, energy](#)

Prices on everything from cereal and milk to soft drinks and red meat are on the upswing, due partly to the ethanol and biodiesel boom which is pushing up prices for corn and other commodities. High energy prices also remain troublesome, regardless whether gas tops \$3 a gallon, and clothing costs are up this year too.

[Families given choice of 'heat or eat': DHS](#)

The Department of Human Services today announced that it is out of funds for energy crisis assistance for fiscal year 2007.

Individuals receiving home heating credits will continue to receive assistance through September, but new applications for energy crisis assistance will be denied due to lack of funds.

DHS has provided low-income residents \$45.7 million for crisis assistance since October 2006.

About \$1.9 million goes to Michigan families each week.

Energy programs help families by providing home heating credits to low-income households to pay energy bills and crisis assistance to prevent shutoffs or make emergency repairs.

[Why the bursting of the housing bubble will bring about the modern 1930s](#)

Thus housing became the nation's latest Ponzi scheme, one that could work only if more and more people were sucked into it. But even if the housing market was on fire, as it was in the past decade, it needed firewood to burn. And if there was a growing shortage of "firewood," to feed this boom, there was always "kindling" (soft materials such as leaves and hay that burn for only a short period of time), in the form of such monstrosities as interest only and negative amortization loans to subprime borrowers. From a financial point of view, however, such borrowers were placed in the position analogous to "tearing down their (financial) house for firewood" (pun intended), i.e. being forced create a problem of less house for tomorrow because today's problem of freezing to death was so severe.

[Upside Down to Right Side Up](#)

James Scurlock's book and movie "Maxed Out" appears to be about over-indebted Americans. That is in fact what the Wharton Business School graduate set out to discover, he told us in an interview this week. What he found instead during six months traveling the nation was an out-of-control lending system, causing more than half of Americans to take on debts they cannot repay, leaving a wake of financial and personal destruction. The system is driven by the rational behavior of economic actors: lenders in desperate competition with each other for loans, customers, and profits; consumers taking as much cash as they are allowed to borrow; and regulators asleep at the switch. The system is running to its grim, logical conclusion.

[When Is a Corporation Like a Freed Slave?](#)

Four years ago, Robertson and the other supervisors were debating an ordinance to restrict the spreading of toxics-laden sewage sludge on local fields—a major issue in an area that has become a destination for waste from Pittsburgh. The supervisors knew that messing with big business could come at a price: Three years earlier, another Pennsylvania township had passed an anti-sludge ordinance, only to be sued by a sludge

hauler called Synagro, which argued that the township had infringed on its rights under the 14th Amendment, passed after the Civil War to guarantee "equal protection" to all. Synagro could make that argument because since the late 19th century, the Supreme Court has defined corporations as legal "persons," conferring on them many of the same rights that belong to flesh-and-blood citizens. And so, Licking's supervisors did something that has been variously described as creative, futile, or out-and-out revolutionary: They passed an ordinance declaring that henceforth, in their township, "Corporations shall not be considered to be 'persons' protected by the Constitution of the United States."

[The Establishment Rethinks Globalization](#)

The church of global free trade, which rules American politics with infallible pretensions, may have finally met its Martin Luther. An unlikely dissenter has come forward with a revised understanding of globalization that argues for thorough reformation. This man knows the global trading system from the inside because he is a respected veteran of multinational business. His ideas contain an explosive message: that what established authorities teach Americans about global trade is simply wrong--disastrously wrong for the United States.

[Long arm of the American law](#)

British businessmen could find themselves in American jails after a crackdown by the US Department of Justice on trade with "rogue states", leading lawyers say. Ali Manzarpour, a Brighton-based businessman, is in jail in Poland awaiting extradition to the United States, despite never having visited the country.

He is charged with trying to export an experimental single-engine aircraft to Iran. This is not believed to have contravened any British or European law, but because the aircraft originated in the US, the Americans are claiming jurisdiction.

The unfortunate Mr Manzarpour was apparently arrested in Poland two years ago and has been in prison there ever since, trying to avoid extradition to the USA — a country he's never visited, remember — because of a perfectly legal transaction he undertook from the UK, having obtained all necessary UK export licences. As Lord Waddington asked, in a brief debate in the Lords, initiated by the Conservatives, this time last year

"My Lords, is it not correct that, in exporting the goods to Iran from Britain, Mr Manzarpour broke no British law and, if he had remained in Britain, there would have been no question of his being extradited to the United States? If that be correct, why are we not protesting vigorously to the American authorities at their attempt to have Mr Manzarpour sent to America from Poland to stand trial for acts that took place in Britain and that were not contrary to our law?"

[DHS demand for DNS master key alarms nations](#)

The key will play an important role in the new DNSSEC security extension, because it will make spoofing IP-addresses impossible. By forcing the IANA [Internet Assigned

Numbers Authority] to hand out a copy of the master key, the US government will be the only institution that is able to spoof IP addresses and be able to break into computers connected to the Internet without much effort.

The issue arose at Friday's meeting of the Internet Corporation for Assigned Names and Numbers (ICANN) in Lisbon, Portugal.



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