The Oil Drum: Europe
DISCUSSIONS ABOUT ENERGY AND OUR FUTURE

ODAC Newsletter, Monday 10 December

Posted by Doug Low on December 10, 2007 - 8:15pm in The Oil Drum: Europe
Topic: Miscellaneous

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New Peak Oil Report; LNG Supplies - Trinidad and Tobago; Natural Gas / Electricity Prices - UK; Economy - UK; Economy - Other; Copper Theft - UK; Rising Oil Consumption – Oil producing Countries; Economy – South America and Iran; Transport post-Peak Oil

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Missing items are from TOD, no point in replicating here.

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1/ A Failure of Leadership (ODAC [Global Witness], Fri 07 Dec)

http://www.odac-info.org/ Bulletin Board

Comment: This was added to the ODAC Bulletin Board last Friday.

> Global Witness is a group that: "exposes the corrupt exploitation of natural resources and international trade systems, to drive campaigns that end impunity, resource-linked conflict, and human rights and environmental abuses." (see About Us, http://www.globalwitness.org/pages/en/about_us.html). Over the last year or two they have been paying increasing attention to Peak Oil. This week they launched their first report on Peak Oil. Simon Taylor from Global Witness explains:
>
> We have just released our new short paper - "A Failure of Leadership: How Action on Climate Change Will be Overwhelmed by the Energy Crisis". It is authored by Global Witness, but published by Global Witness and the Heinrich Böll Foundation (HBF), with HBF distributing it at the UN's climate change meeting in Bali.
>
> It is very short, very selective and very simplified - but this is because of space constraints, the opportunity it represented [i.e. Bali]. As such it deliberately does not go into solutions etc, beyond a massive first step of simply recognition of the problem. We are returning to producing a major follow-up document, which will go into more detail and examine other issues around this nexus of energy security and climate change, which we will push out globally.
>
> For the moment, the paper should be considered as an extension of Global Witness' work on the role of natural resources in funding conflict. As energy availability declines, the world faces an increased risk of conflict - the ultimate war over natural resources - as powerful industrialised countries engage in an escalating competition for energy supplies. Such competition will put at risk hard won natural resource governance reforms such as the Extractive Industries Transparency Initiative (EITI), one of the keys to creating government accountability around extractive industry revenues. The scale of the impending crisis of energy supplies is little understood amongst policy experts, let alone properly acknowledged by politicians, and there are no effective measures being put in place to address the situation. Furthermore, the resultant geopolitical and economic impacts of a declining energy supply, will likely invade the political space required to address the climate crisis.
>
> Global Witness exposes and breaks the links between the exploitation of natural resources, conflict, corruption and human rights abuses. In the twelve years since we launched our first campaign we have created a growing international awareness that poor governance and unaccountability in relation to the exploitation of natural resources leads not only to environmental degradation, but also to conflict, entrenched poverty and massive human suffering.
>
> Report: A Failure of Leadership: How Action on Climate Change Will be Overwhelmed by the Energy Crisis, http://www.odac-info.org/bulletin/documents/GW_FailureofLeadership.pdf (PDF, 446 Kb)

3 / Energy company preaches restraint on natural gas projects - Audit puts 12-year life on reserves (Jamaica Gleaner, Fri 07 Dec)

http://www.jamaica-gleaner.com/gleaner/efg/20071207/Regionalnews/reg2.html

Comment: Trinidad and Tobago has been the traditional supplier for US LNG imports for years, but as this article points out, not for much longer.

> Chairman and chief executive officer of BP Trinidad and Tobago, Robert Riley, is pressing for restraint on new natural gas projects, saying the depleting reserves require the country to hold back on drilling plans.
>
> "We have to exercise restraint, because we cannot allow growth to so drive us that we get so far ahead of exploration potential that we have projects but no gas," Riley said in Port-of-Spain.
>
> ... A January 2007 audit from Houston-based Ryder Scott shows that the country's gas reserves are depleting rapidly and suggests more discoveries are needed quickly to sustain the expanded gas needs of the country.
>
> "Trinidad has neither stranded gas nor low-priced gas anymore," said Riley. The Ryder Scott report indicated that natural gas reserves declined by more than 3 trillion cubic feet (tcf) over a two-year period, from 2005 to 2007.
>
> Based on a production rate of 4.5 billion cubic feet per day, the gas will last only 12 more years unless new discoveries are made.
>
> The country's '3P' or proved, possible and probable reserves were estimated at 31.04 tcf, down from the 34.87 tcf identified in 2005.
>
> Proved reserves in 2007 totalled 17.05 tcf, possible was placed at another 6.23 tcf, and probable at 7.76 tcf.
>
> ... Trinidad currently has a daily gas production rate of 3.9 billion cubic feet, with 59 per cent being allocated to LNG production and 41 per cent to the domestic market, which is dominated by ammonia and methanol production.
>
> Additional sources needed
>
> By 2016, daily natural gas production is estimated to increase to 5.9 bcf, split 53 per cent LNG and 47 per cent to the domestic market
>
> To meet its own contractual obligations, BPTT's main challenge in the medium to long term is finding additional resources every year to sustain its 500,000 barrels of oil equivalent a day output.
>
> "The challenge being to put one trillion cubic feet of gas behind the pipe every year going forward because that's what we have to replace as a business," said Riley.
>
> BPTT can comfortably maintain the 500,000 barrels up to 2011 with its Mango and Cashima platforms delivering additional resources, said the CEO.
>
> ... "We believe we understand the extent of the basin; we have a fairly good idea of the size," said Riley, adding that BPTT was expecting no big hits.
>
> "We will find gas, but we will not find anything in the sort of large numbers that we used to find in the last decade or so," he said.
>
> "The conversation around exploration, therefore, changes, merely from exploring to

> exploring somewhat with a lot more appraisal to prove up and pull through the 'yet to find' - the possible and probable resources. We are, therefore, tending to what people call in the industry, the plateau phase of the growth life cycle, and the transition from growth to the sustained mode."

4a/ 'Ominous warning sign' as British Gas raises tariffs (The Times, Wed 05 Dec)

http://business.timesonline.co.uk/tol/business/industry_sectors/natural_...

Comment: That the UK was returning to an era of cheap gas, initially because of Norwegian gas thro the Langeled pipeline, then from gas from continental Europe and LNG imports, was always nonsense.

> British households suffered a fresh blow to their strained finances yesterday as British Gas said that it was lifting the price of a key energy tariff by up to 15 per cent, prompting fears of a wider increase in gas and electricity bills in the new year.
>
> Britain's largest energy supplier said that it was putting prices up on its Market Tracker price plan, which follows prices in the wholesale energy market, by 13 per cent for gas and 15 per cent for electricity, with immediate effect.
>
> The majority of the ten million gas and six million electricity customers of Centrica, the British Gas owner, who are on standard or online tariffs will not be affected, but industry experts say that the news is a harbinger of price rises to come in 2008.
>
> Mark Todd, a director at energy-helpline.com, described it was "an ominous warning sign".
>
> Tim Wolfenden, the head of home services at uSwitch,com, said: "The fact that prices are higher now for this product . . . suggests other suppliers won't be able to hold back from further rises next year."...

4b/ Higher energy prices feared in new year (The Times, Fri 07 Dec)

http://business.timesonline.co.uk/tol/business/industry_sectors/utilitie...

> EDF and E.ON are among several energy groups that are understood to be considering price rises of up to 10 per cent, possibly as early as January. One industry source said: "It is not a question of if, so much as when. Once one goes, they will all go."
>
> In recent months, energy suppliers have been hit by a combination of rising distribution costs related to infrastructure improvements and soaring prices in wholesale gas markets, which also influence electricity prices.
>
> Since February, annual forward gas prices for 2008 have risen 42 per cent from 33p a therm to 47p a therm - about 10p more than industry forecasts, according to analysts. Spot prices have risen 55 per cent over the past year to about 42p a therm from 27p.
>
> Energy broker Catalyst Consumer Services has forecast that retail energy prices could rise by up to 10 per cent in the new year, a margin that would drive average UK household energy bills through the £1,000 a year mark...

5a/ Warning of slump as Bank cuts rates to 5.5pc (The Telegraph, Fri 07 Dec)

http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/12/07/nrates...

> The Bank of England admitted for the first time yesterday that the economy is facing a serious slow-down because of the global credit crisis.
>
> After announcing the first interest rate cut for two years, the bank issued a statement saying that growth had begun to slow, with serious potential knock-on effects for the economy's overall output.
>
> The warning, the starkest yet from the bank, came as the western world's leading economic authority issued a warning on Britain's faltering property market.
>
> The Organisation for Economic Co-operation and Development said one of the biggest risks now facing Britain was of the market falling into a "significant slump".
>
> With the City facing a major cut in jobs and bonus payments, London's property market was at particular risk, it warned...

5b/ Apocalypse now? (BBC News [Evamonics], Thu 06 Dec)

http://www.bbc.co.uk/blogs/thereporters/evandavis/2007/12/apocalypse_now...

Comment: Thu 06 Dec I was surprised to hear Evan Davis (BBC Economics Editor) use the 'A' word on the 10 pm BBC News, i.e. 'apocalyptic'. He was talking about the UK economy and said 'some of the more apocalyptic forecasts'. What's next on his agenda, Peak Oil? This is from Evan's blog, he gives both best case and worst case scenarios.

> Bank rate down... No surprise there, given the evidence that market interest rates are higher than intended and a slowdown is gathering pace.
>
> Is the world saved? Can we now all relax?
>
> Probably not. The main challenges remain, and the risks are sufficiently worrying that even if one tries to disregard apocalyptic language about recession, this is a pretty good time to allow oneself a bit of scary hyperbole.
>
> For the most cogent example of that, see Anatole Kaletsky (http://www.timesonline.co.uk/tol/comment/columnists/anatole_kaletsky/art...) in The Times today.
>
> My own personal view is that things may well go quite well next year. However, there is a sufficient risk they will go badly or very badly...

6a/ Wall Street's sub-prime loss could soar as bond insurers face shortfall (The Times, Thu 06 Dec)

http://business.timesonline.co.uk/tol/business/markets/united_states/art...

> The combined loss suffered by Wall Street banks on bonds backed by high-risk sub-prime mortgages could more than double to about $110 billion (£54 billion) after Moody's, the ratings agency, gave warning that America's biggest bond insurers were "somewhat likely" to run short of funds.
>
> Moody's is conducting a review of MBIA, Ambac and five of America's other biggest securities insurers, which guarantee a mortgage bond's interest payments in the event of a default on the home loans that back them.
>
> In a development that will ricochet across the bond markets, the agency gave warning yesterday that the recent surge in defaults on sub-prime mortgages would probably leave some of America's biggest bond insurers with insufficient funds to make good the payments that will be required on some of the bonds they insure.
>
> Moody's added that this probable funding shortfall threatened the AAA credit rating of bond insurers such as MBIA, Ambac, Security Capital Insurance and Financial Guaranty Insurance.
>
> A decline in the bond insurers' ratings would, in turn, wipe tens of billions of dollars off the value of the combined mortgage bond holdings of the Wall Street firms because it would send a clear signal to the market that their ability to guarantee interest payments had deteriorated.
>
> These losses would be on top of both the $50 billion hit that they have already suffered as a result of declines in the value of the mortgage-backed securities that they own and the forecasts of further substantial losses on these portfolios next year...

6b/ UBS grabs new investors after $10bn credit hit (The Telegraph, Mon 10 Dec)

http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/12/10/bcnubs...

> Swiss banking giant UBS has been forced to write off a further $10bn (£4.9bn) in sub-prime losses and sell stakes to two new investors as the credit crisis worsens.
>
> In a surprise statement this morning, UBS told investors it had agreed to raise 19.4 billion Swiss francs (£8.2bn) in new capital by selling stakes to a the Government of Singapore and an unnamed investor in the Middle East.
>
> The shock announcement by UBS comes less than three months after the lender revealed it had plunged to a third-quarter loss and announced a raft of management changes following its exposure to the troubled sub-prime US mortgage market.
>
> The bank also scrapped an earlier forecast that it would make a fourth quarter profit and now expects to record a loss for 2007 as a whole...

6c/ Decoupling dies as half the globe hits crunch (The Telegraph, Mon 10 Dec)

http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2007/12/10/bcnamb...

Comment: Ambrose Evans-Pritchard, International Business Editor. His articles on the economy get more apocalyptic by the week, but he does back up his views with solid statistics. Colin Campbell, and others, often talk of Peak Oil leading to the Second Great Depression. I have seen several articles on the sub-prime crisis/scam and its fallout leading down the same road. While there are no direct comparisons with first Great Depression here, Ambrose does allude: “Mr Paulson's New Deal may at least reduce systemic risk”.

> The rising economies of Asia are too small and deformed to rescue world growth as America, Britain, Australia, and Club Med face their day of debt reckoning. China may make matters worse, not better.
>
> The seven pillars of global demand over the last year - measured by current account deficits - have been the United States ($793bn) (£388bn), Spain ($126bn), Britain ($87bn), Australian ($50bn) Italy ($48bn), Greece ($42bn), and Turkey ($34bn). Most are facing a housing bust. All are in trouble. [ODAC: and with the exception of Australia, all are major net oil/gas importers]
>
> China cannot possibly step into the breach. Jahangir Aziz and Xiangming Li argue in a new IMF paper that China's economy is now so geared to the US and EU markets that a 1pc fall in external demand will lead to a 4.5pc slide in exports and 0.75pc fall in GDP.
>
> Assumptions that it will weather a global shock are "likely to be wrong, perhaps dramatically."
>
> China is indeed gobbling up iron ore, soybeans, and crude oil, but it still makes up less than 4pc of global consumption and is no longer adding to total demand. Imports have been more or less flat since April.
>
> ... In Europe, not a single junk bond has been issued since August. Spreads on Euribor - the rate used to price mortgages in Spain, France, Italy, and Ireland - reached 93 basis points last week, a new record. This is tantamount to four rate rises for homeowners.
>
> Thomas Mayer, Europe economist for Deutsche Bank, said the European Central Bank must cut rates immediately, regardless of the lingering inflation threat.
>
> "This could go beyond just a normal recession. It could turn into a real economy-wide crunch that we cannot stop," he said
>
> ... For now, consensus has settled on the view that subprime losses will total $500bn, and crimp lending by $2 trillion as bank multiples kick into reverse.
>
> This assumes there are no more shoes to drop. Yet shoes are dangling precariously across the global credit system. We may soon have to add the terms HELOCs and 'monoline insurers' to our crunch lexicon.
>
> HELOCs are home equity loans, the money extracted from houses to pay bills and keep shopping. Many borrowers pushed their debt to 110pc of house values at the top of the bubble.
>
> ... US Treasury Secretary Hank Paulson confronts the very real danger of a credit implosion spiralling into a full-blown depression. Given the risks, he can be forgiven for pushing through a rescue plan last week that amounts to a flagrant abuse of contract law and capitalist principles.
>
> ... Mr Paulson's New Deal may at least reduce systemic risk. Frozen rates concentrate losses in the lower tiers of mortgage debt, but rescue the upper tiers, which is where the threat lies for the financial system. Would free marketeers rather see the whole edifice of capitalism burned to the ground to make their point?

The root cause of this staggering debacle lies in errors made long ago by the Federal Reserve and fellow sinners. It was they who inflated the credit bubble by holding interest rates too low for too long. It was they who lulled their nations into suicidal levels of debt.

The strategic failure of a whole generation of economists, bankers, and policy-makers has been so enormous that it may now take a strong draught of socialism to save the Western democracies. We start - but may not end - with the nationalization of Northern Rock.

6d/ Mortgage Meltdown (Sanders Research Associates Ltd / SF Gate, Mon 10 Dec)

http://www.sandersresearch.com/index.php?option=com_content&task=view&id...

Comment: Originally in San Francisco’s Chronicle, which I think is one of the main newspapers in San Francisco.

Interest rate 'freeze' - the real story is fraud. Bankers pay lip service to families while scurrying to avert suits, prison

New proposals to ease our great mortgage meltdown keep rolling in. First the Treasury Department urged the creation of a new fund that would buy risky mortgage bonds as a tactic to hide what those bonds were really worth. (Not much.) Then the idea was to use Fannie Mae and Freddie Mac to buy the risky loans, even if it was clear that U.S. taxpayers would eventually be stuck with the bill. But that plan went south after Fannie suffered a new accounting scandal, and Freddie's existing loan losses shot up more than expected.

Now, just unveiled Thursday, comes the "freeze," the brainchild of Treasury Secretary Henry Paulson. It sounds good: For five years, mortgage lenders will freeze interest rates on a limited number of "teaser" subprime loans. Other homeowners facing foreclosure will be offered assistance from the Federal Housing Administration.

But unfortunately, the "freeze" is just another fraud — and like the other bailout proposals, it has nothing to do with U.S. house prices, with "working families," keeping people in their homes or any of that nonsense.

The sole goal of the freeze is to prevent owners of mortgage-backed securities, many of them foreigners, from suing U.S. banks and forcing them to buy back worthless mortgage securities at face value — right now almost 10 times their market worth.

The ticking time bomb in the U.S. banking system is not resetting subprime mortgage rates. The real problem is the contractual ability of investors in mortgage bonds to require banks to buy back the loans at face value if there was fraud in the origination process.

And, to be sure, fraud is everywhere. It's in the loan application documents, and it's in the appraisals. There are e-mails and memos floating around showing that many people in banks, investment banks and appraisal companies — all the way up to senior management — knew about it.

... The catastrophic consequences of bond investors forcing originators to buy back loans at face value are beyond the current media discussion. The loans at issue dwarf the

> capital available at the largest U.S. banks combined, and investor lawsuits would raise stunning liability sufficient to cause even the largest U.S. banks to fail, resulting in massive taxpayer-funded bailouts of Fannie and Freddie, and even FDIC.
>
> ... I suspect that such a group first sat down and tried to figure out how to protect their financial interests and avoid criminal liability. And then when they agreed on the plan, they decided to sell it as "helping working families stay in their homes." That's why these meetings were secret, and reporters and the public weren't invited.
>
> ... This logic is like saying shoppers seeking bargain-priced soup encourage the grocery store owner to steal it. I mean, we're talking about criminal fraud here. We are on the cusp of a mammoth financial crisis, and the Federal Reserve and the U.S. Treasury are trying to limit the liability of their banking friends under the guise of trying to help borrowers. At stake is nothing short of the continued existence of the U.S. banking system...

7/ Rail police: cable crime is biggest threat after terror (The Times, Tue 04 Dec)

http://business.timesonline.co.uk/tol/business/industry_sectors/engineer...

Comment: It is probably no coincidence that an increasing number of items in the newsletter are about the knock-on effects of high energy and commodity/metals prices, rather than Peak Oil/Gas directly: “Escalating theft of rail signalling and electrical cabling by criminals cashing in on the high cost of scrap metal has led Ian Johnston, the Chief Constable of the British Transport Police, to declare the problem “the second-biggest challenge” after terrorism.”

> Escalating theft of rail signalling and electrical cabling by criminals cashing in on the high cost of scrap metal has led Ian Johnston, the Chief Constable of the British Transport Police, to declare the problem “the second-biggest challenge” after terrorism.
>
> Copper thieves are also targeting electricity facilities, with Scottish-Power suffering about five break-ins a week at its substations. The company will brand wire with its name or a code so that scrap metal merchants can tell if it is stolen. It believes that organised crime is behind many of the thefts because often several substations are hit at the same time.
>
> A spokesman for the Energy Networks Association, the industry body, said: “There has been a massive increase in cable theft over the past 18 months. It is a huge problem. It is hard to establish a national picture, but some police forces are reporting a 150 per cent increase in cable theft.”
>
> The energy, rail and telecoms industries have joined a task force led by the Association of Chief Police Officers and British Transport Police to try to stop the crimes.
>
> It is the first time that a national police task force has been assembled to tackle commodity theft, a crime more colloquially associated with lead disappearing from church roofs. It is expected to come under pressure to call for tougher legislation of the scrap metal industry, including requiring dealers to fully record purchases and to stop paying suppliers in cash...

8 / Oil-rich nations tapping more of their own resources (International Herald Tribune [NY Times], Sun 09 Dec)

http://www.iht.com/articles/2007/12/09/business/oil.php?WT.mc_id=newsalert

Comment: When a newspaper like the IHT / NY Times interviews experts like Daniel Yergin, you end up with statements like this: “The trend, though increasingly important, does not necessarily mean there will be oil shortages”. The IEA, in its July 2007 Medium Term Oil Market Report, warned of an ‘oil crunch’ by 2012 (it changed its mind in the November-released World Energy Outlook, to ‘by 2015’. Maybe someone got told off?). It beggars belief that with the IEA increasingly warning of an oil crunch, soon-ish, and an increasing number of oil executives queuing up to say global oil production will never reach 100 Mb/d, that the NY Times / IHT can print such nonsense. The rest of the article makes some very good points, but stops short of drawing any conclusions. Reading between the lines, this is probably as close to warning that Peak Oil might be close as the IHT / NY Times is going to get.

“Perhaps surprisingly, though, some producing countries have surpassed the United States in oil consumption per person. They include Bahrain, Kuwait, Qatar and the United Arab Emirates.” – I have been reliably informed by a contact in one of these countries that one of the main reason their per capita oil consumption is so high is because most people drive USA-style gas guzzlers, and it quite simply will not do to buy a cheaper, more fuel-efficient car if you can afford a bigger/more expensive one. Some Middle East countries also burn crude oil and of course its derivatives to keep their power stations going.

At the end of the day, it does not really matter who is consuming the oil. If global demand outstrips supply (and it has been for much of the last 6 months), the price of oil will eventually rocket, and the economic damage will be done.

The CIBC report mentioned is this one, OPEC’s Growing Call on Itself (http://research.cibcwm.com/economic_public/download/occrept62.pdf), also available from the ODAC website – see the Assessments page.

> The economies of many big oil-exporting countries are growing so fast that their need for energy within their borders is crimping how much they can sell abroad, adding new strains to the global oil market.
>
> Experts say the sharp growth, if it continues, means that several of the world's most important suppliers may need to start importing oil within a decade to power all the new cars, houses and businesses they are buying and creating with their oil wealth.
>
> Indonesia has already made this flip. By some projections, the same could happen within five years to Mexico, the No. 2 source of foreign oil for the United States, and soon after that to Iran, the world's fourth-largest exporter.
>
> In some cases, the governments of these countries subsidize gasoline heavily for their citizens, selling it for as little as 7 cents a gallon, or 2 cents a liter, a practice that industry experts say fosters wasteful habits.
>
> "It is a very serious threat that a lot of major exporters that we count on today for international oil supply are no longer going to be net exporters any more in five to 10 years," said Amy Myers Jaffe, an oil analyst at Rice University in Texas.
>
> The trend, though increasingly important, does not necessarily mean there will be oil shortages. More likely, experts say, it will mean big market shifts, with the number of exporting countries shrinking and unconventional sources like Canadian tar sands becoming more important, especially for the United States. And there is likely to be more pressure to open areas now closed to oil production.

> ... Rising internal demand may offset 40 percent of the increase in Saudi oil production between now and 2010, while more than half the projected decline in Iranian exports will be caused by internal consumption, said a recent report by CIBC World Markets.
>
> ... Factors contributing to the trend include increased industrialization, higher government spending and increasing personal consumption. According to a World Bank report, economic growth in the Middle East and North Africa has doubled since the 1990s, and Russia has done even better.
>
> ... Some oil-exporting countries use price controls and subsidies to ensure cheap fuel for their people. Saudis, Iranians and Iraqis pay 30 cents to 50 cents a gallon for gasoline. Venezuelans pay 7 cents, and demand is projected to rise as much as 10 percent this year. Auto sales have tripled in four years. These programs are popular even though experts say they lead to wasteful energy use.
>
> In Mexico City the other day, a bricklayer named Jaime Guerrero arrived at a local Chevrolet dealership to sign papers for his first car.
>
> "To have a new car in my name is a dream transformed into reality," Guerrero said. "I don't worry about the climate or shortages of oil in the world. I just worry if gasoline prices go up."

9 / Seven South American countries forming their own development bank / Iranian currency issues (Le Monde, Mon 10 Dec)

http://www.lemonde.fr/web/article/0,1-0@2-3222,36-987726,0.html

Comment: The article is in French, so no quotes here. Notes from an ODAC contact:

“I thought you might find this interesting - 7 South American countries forming their own development bank. Given that South America is also self sufficient in oil and could be for maybe another 20 years if they keep consumption under control (and reduce exports) - very interesting.

Also, did you see that Iran finally dropped the dollar for oil/gas payments on Saturday? And then signed a big oil deal with China.

Interesting shifts going on in the world.”

10/ Transport and post-Peak Oil (ODAC, Mon 03 Dec)

http://www.odac-info.org/ Bulletin Board

Comment: This was added to the ODAC Bulletin Board last week.

> As Peak Oil approaches, we see modern industrial countries pursuing transport developments that just do not make sense, major new roads and airports spring to mind. Even for those (in the UK) local governments that have sustainable development in mind (think climate change), optimum use of energy is rarely considered. James Skinner discusses/promotes ultra light rail:
>
> "Some initiatives have been taking place in the private sector, aimed at phasing out dependence on fossil fuels in urban public transport. Official bodies such as the 'Department for Transport' and 'Transport for London' appear to be undisturbed by their almost total reliance on fossil fuels. They seem to believe that providing ever more

diesel buses, regardless of expense, will eventually persuade the public to abandon their cars and rely on public transport. Bus patronage figures, however, tell a different tale. DfT subsidies of diesel fuel for buses now cost the taxpayer £1 million per day. TfL subsidise their 8,000 diesel buses at the rate of over £750 million a year. Countrywide, diesel bus subsidies now top £2.5 billion per annum. Despite this, bus passenger figures outside London continue to stagnate and have scarcely reached the level of 20 years ago in London. Carbon emissions from public transport continue to increase. A private sector group of companies has been developing, promoting and demonstrating a new mode of public transport, Ultra Light Rail, over the last 15 years. One such company, Sustraco Ltd, has put forward proposals for a new, affordable strategy for urban public transport, which will be free from dependence on fossil fuels, thus eliminating net carbon emissions, reducing noise and improving air quality. This can be achieved by using energy efficient light trams, fuelled by an on-board biomethane power source, to replace urban diesel buses." An Urban Public Transport Strategy for the UK, http://www.odac-info.org/bulletin/documents/Ultra_Light_Rail.htm.

Perhaps way ahead of everyone else in thinking about Peak Oil and transport is Canadian Richard Gilbert. Along with his colleague Anthony Perl, they have written a book on the subject called Revolutions: Moving People and Freight Without Oil (http://www.transportrevolutions.info/), due for release this month. The book is reviewed by the authors in a commentary for ASPO-USA, Preparing Transportation for Oil Depletion (http://www.aspo-usa.com/index.php?option=com_content&task=view&id=256&It...).

Update (07 December): An individualized transport system (Personal Rapid Transit or "podcars") is being developed which potentially can be 100% solar powered. A talk on this was recently given by Ron Swenson in Stockholm, sponsored by the Swedish Institute for Transport and Communications Analysis (SIKA) and the Centre for Sustainable Development (CHU) at the Royal Institute of Technology. Articles linked from the home page at www.solarevolution.com give more details (see 'Dawn of the Solar Era', box on the right). "How can we turn sun radiation into automotion?" has a table on page 5 which shows the distinct advantages of this technology over automobiles in terms of energy, safety, emissions, etc. The advantages are similar relative to heavy rail, light rail or even ultra-light rail. Additional details can be found at The future of Automotive Energy (http://www.sika-institute.se/Templates/Page____1268.aspx). Others have built non-solar prototypes (Sweden's Vectus) and pilot projects (Heathrow's UlTra). Solarevolution and / or others will be building prototypes powered by solar within a year or two.