



## DrumBeat: September 30, 2008

Posted by [Leanan](#) on September 30, 2008 - 10:10am

Topic: [Miscellaneous](#)

### [Oil Drops Most in 17 Years in Quarter on Economy Woes](#)

(Bloomberg) -- Crude oil futures plunged 28 percent in the third quarter, their biggest decline since 1991, amid concern that slowing economic growth will curtail global demand and as the dollar advanced.

Oil traded within a \$56 range in the quarter, reaching a record \$147.27 a barrel on July 11 and retreating to as low as \$90.51 a barrel on Sept. 16, as long-term supply concerns gave way to forecasts a recession would cause fuel use to drop. The dollar is having its best quarterly gain against the euro.

``It's been one of the wildest quarters I've ever seen," said Peter Beutel, president of Cameron Hanover Inc. in Stamford, Connecticut, who has been watching the oil market for 25 years.

Crude oil for November delivery fell \$39.36 in the three months ended today to settle at \$100.64 a barrel at 2:51 p.m. in New York Mercantile Exchange trading. It was the first decline in seven quarters. Futures moved 5 percent or more on a quarter of the trading days. Oil rose \$4.27, or 4.4 percent, today.

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### [Mexico refining talks break down in Senate](#)

MEXICO CITY (Reuters) - Talks have broken down between Mexico's ruling party and key centrist lawmakers over how to boost oil refining and cut costly fuel imports, senators said.

### [Exxon Mobil, Total, Eni Said to Face EU Fines in Cartel Probe](#)

(Bloomberg) -- Exxon Mobil Corp., Total SA and Eni SpA will be fined by European Union regulators over claims they fixed the price of paraffin wax used in candles and waxed paper, four people with knowledge of the EU investigation said.

The European Commission in Brussels will levy the penalties as soon as tomorrow, said the people, who can't be identified because the decision isn't yet public.

### [Gas Pipeline To Atlanta Running At 100 Percent Capacity](#)

ATLANTA -- The pipeline that brings gas to Atlanta from the Gulf Coast is back to 100 percent capacity, Energy Department officials said Tuesday.

In addition, 13 of the 15 refineries knocked off line by Hurricanes Ike and Gustav are up and running again.

The bad news for metro Atlanta drivers is that even with the Colonial Pipeline running at full steam it will be one to two weeks before supplies across metro Atlanta return to normal.

Motorists are rising before dawn so they can be at filling stations when the delivery truck arrives. Some are skipping work or telecommuting. Others are taking the extreme step -- for Atlanta -- of switching to public transportation.

### [We are heading for a global environmental credit crunch](#)

Credit crunches occur when investment capital is difficult to obtain due to a shrinking credit supply or a willingness to lend. This usually falls in concordance to a recession, and some are worried Canada may soon see a similar fate.

Although this credit crunch may pose a legitimate threat to many livelihoods and pensions, there is another crunch we have much greater reason to fear. We are in the midst of a credit crunch that threatens not only the economy of every country, but also the fate of thousands, if not millions of species, including our own. Our actions, largely driven by the capitalist market, are depleting Earth's resource bank at unprecedented rates, causing a shrinking supply of Earth's resource capital: a global environmental credit crunch.

### [Hybrids trick out, plug in](#)

While drivers of conventional gasoline-powered vehicles complain about higher fuel prices, clients of the San Francisco garage are investing big bucks to make their green cars even greener.

That's being done through plug-in conversions and adding more powerful batteries to currently available gasoline/electric hybrid cars, such as the Toyota Prius.

### [College students adapt to high gas prices](#)

Just like the rest of Americans, students are mulling whether to use public

transportation. Nationwide, ridership has been on an upswing. This year, public transportation ridership soared to over 2.8 billion trips in the second quarter of 2008 – an increase of about 140 million rides compared with trips taken in 2007, according to the American Public Transportation Association (APTA). Of these riders, some 10.7 percent of public transit riders are students, according to a May 2007 study by the APTA.

But it's not always easy to make the switch.

"Many people tell me to take the subway to school or work in order to save money on gas," says Cara Lipper, a senior at the University of Massachusetts, Boston.

But the closest train station is a 15-minute drive from her house and a 20-minute commute on the train, she says, compared with a 20-minute drive into Boston.

Instead, she's looked into buying a hybrid car.

"Also, I carpool more than I used to," she wrote in an e-mail. "I will use public transportation to go to some places, even though I hate it. And I go for joyrides far less often."

### [Richard Heinberg's Museletter: Various Musings](#)

As oil crosses \$100 on its way south, not even a hurricane in the Gulf of Mexico and a statement from OPEC that the cartel will cut production by over 500,000 barrels per day seems capable of halting the bloodletting. In response, the *Financial Post* features an article (Sept. 11) titled ("Peak Oil peak,") quoting this writer out of context; compare this with my commentary, which was the source of the quote: Hurricane destroys oil infrastructure; oil price falls). Wasn't the price of oil supposed to rise endlessly? Wasn't the world supposed to end by now? What happened? What does it all mean?

First, why did the price of oil rise this summer to nearly \$150? On this there is little agreement among the mavens. A new report by hedge fund managers Michael Masters and Adam White (released Sept. 10 by Sens. Byron Dorgan, D-N.D., and Maria Cantwell, D-Wash.) chalks it all up to speculation (Oil speculation blamed for rise in energy prices). Pension funds, college endowments, and other institutional investors bought heavily into commodity index funds earlier this year, and that sent the price of crude to the moon. Recently the same investors have taken their money out of oil futures, and this accounts for petroleum plunging back to earth. Move along, folks, nothing to see here.

### [Schlumberger -- too soon to predict energy demand](#)

HOUSTON (Reuters) - The chief executive officer of Schlumberger Ltd, the world's largest oilfield services company, said on Tuesday it is too early to determine how the financial market meltdown will affect energy demand.

"It is also impossible at this stage to predict to what extent turmoil in financial markets

is going to affect demand through a slowdown in the overall economy," Schlumberger CEO Andrew Gould told investors.

### [Gulf of Mexico operators reboarding platforms and rigs](#)

Offshore oil and gas operators in the Gulf of Mexico are reboarding platforms and rigs and restoring production following both Hurricane Gustav and Hurricane Ike. The Minerals Management Service is monitoring activities for both hurricanes through its Continuity of Operations Plan team. This team will be activated until operations return to normal.

### [Ike, Gustav to cost Entergy at least \\$1 billion](#)

NEW ORLEANS - Utility giant Entergy Corp. estimated Tuesday that damage from hurricanes Ike and Gustav cost the power provider \$1 billion to \$1.2 billion.

### [Nigeria arrests more than 400 suspected militants](#)

PORT HARCOURT, Nigeria — Nigeria's military has arrested more than 400 suspected militants following a spate of attacks in the restive southern oil region, an official said today.

The 443 suspects were detained during a week of military raids in the area surrounding the oil hub, Port Harcourt, said regional military spokesman Lt. Col. Sagir Musa. He said the raids were prompted by intelligence reports that the militants were launching a recruitment drive to replace heavy losses suffered in their recent six-day campaign.

### [Chevron: Green is good for oil business](#)

Chevron Corp. is pumping resources into its energy efficiency campaign web site, adding tools that allow users to calculate ways to decrease their energy and gasoline use and to build their ideal city with alternative energy sources.

The effort of the world's fifth-largest non-government oil and gas company to cut use of its main products might seem odd.

"The reality is, as the world's economies grow, the demand for energy grows along with it," said Jim Davis, president and CEO of Chevron Energy Solutions, the oil giant's alternative energy subsidiary. "(Energy efficiency) has to be part of the equation to stretch those limited resources."

## [An Exhausting War on Emissions](#)

In 1991, Norway became one of the first countries in the world to impose a stiff tax on harmful greenhouse gas emissions. Since then, the country's emissions should have dropped. Instead, they have risen by 15%.

Although the tax forced Norway's oil and gas sector to become among the greenest in the world, soaring energy prices led to a boom in offshore production, which in turn boosted overall emissions. So did drivers. Norwegians, who already pay nearly \$10 a gallon, took the tax in stride, buying more cars and driving them more. And numerous industries won exemptions from the tax, carrying on unchanged.

## [Severe fuel shortage grips parts of US southeast](#)

The effects on motorists have been dramatic. Most service stations in Atlanta are out of gas, with plastic bags placed over the pumps or signs saying "out".

As a result, drivers are cruising the city hunting for gas -- often with a fuel meter needle hovering close to empty. When they find gas, it's often above \$4 a gallon.

Traffic is lighter on the city's streets and highways as some residents share rides and limit their journeys.

Lines and elaborate queuing systems have developed at gas stations on days when oil companies deliver fuel. Motorists report showing up at gas stations before dawn to beat the line only to find dozens of cars ahead of them.

"It's been very tough," said Rhonda Forrest, 45, who said she slipped out of work on Monday to fill up her tank when she learned that a gas station in the city's upmarket Buckhead district was open.

The shortage has also had a psychological impact. Like many U.S. cities, Atlanta is car dependent and residents say they had until now taken refueling for granted.

## [Governor Sonny Perdue's economic illiteracy](#)

Rising costs will curtail not only the consumption of gasoline at the pump, but also the ability of the entire chain of suppliers to supply gasoline. If you have paid attention to local news reports from around the country, you might be aware that gas stations have been going under for many months now. What is happening in Georgia is a manifestation of diminishing inventories.

Americans may want to take note of what is happening in the Southeast. It is my prediction that this is going to become a creeping problem throughout the country, and then in other sectors of the economy - e.g., food supplies. Unless dramatic changes are made to revalue the Dollar and abate government spending, we will see the same thing that is happening to gas stations happen with grocery stores.

### [The chaotic gas shortage](#)

As someone who lives in New York City and doesn't even own a car or worry much about gas prices, it's both humbling and terrifying to witness 50 cars piled up for a tank of gas, a now-expensive necessity that tops most residents' concerns. Gas goes for over \$4 in Atlanta, and doesn't show any signs of getting cheaper, but the main concern here now is not the cost, but being able to get it at all.

### [Olens: Georgia needs to move to odd-even gas rationing](#)

Sam Olens, the chairman of the Cobb County Commission and a prospective candidate for governor in 2010, offers some implied criticism of Gov. Sonny Perdue this morning with a suggestion that the state ration gasoline on an odd-even basis.

### [DOT works to stabilize gas supply](#)

ALBANY — The U.S. Department of Transportation is taking action to help with the fuel crisis in Georgia by extending the hours-of-service requirements for fuel carriers in the Southern portion of the United States, a news release from Sen. Saxby Chambliss, R-Moultrie, said.

### [Ohio: Local Speedways might feel pinch of gas production problems](#)

NEWARK -- Speedway SuperAmerica, owned by Marathon, might temporarily run out of gasoline at some local stations, according to a company spokeswoman who said production has not fully recovered from hurricanes Gustav and Ike.

The station at 737 Church St., at the corner of Church and North 21st streets, had yellow bags over all its gas pump nozzles at 1 p.m. Monday, and an employee there would not say if the station had any gas later in the day.

### [Shell's President Tempers Optimism on Lifting of Drilling Ban](#)

The head of Royal Dutch Shell's U.S. operations is taking a realistic perspective on the lifting of the federal ban on drilling in the Outer Continental Shelf.

Shell Oil Co. President Marvin Odum said Friday that while he's optimistic drilling activity could take place off the Atlantic and Pacific coasts in the years ahead, there are still major challenges ahead that could prevent new production, including another Congressional moratorium.



### [Russia ready to work on oil prices](#)

MOSCOW. (RIA Novosti economic commentator Oleg Mityaev) - Russia's Energy Minister Sergei Shmatko said on September 25 that it is time for Russia to start working on world oil prices.

Russia is the world's second largest oil producing country. But oil prices now depend on two factors: one is whether Saudi Arabia, the largest oil producer in the world, will open or turn off the oil tap, and the other is how world oil market players will behave. The question is, how in this situation the Russian energy minister is going to influence world oil prices and why Russia needs this at the moment?

### [UK: Meals on Wheels under threat](#)

WRVS office manager Christine Baehr said the recent fuel hikes might also impact on the vital service.

..."Our drivers are paid 40 pence per mile but this is something that I will be taking up with the finance manager as I believe our allowance should keep up with raising costs of fuel and drivers should be recompensed."

### [Pakistan announces agriculture measure to boost ailing economy](#)

"We (the government) will buy the wheat if in any part of Pakistan the wheat is sold less than the minimum purchase price," Prime Minister Yousuf Reza Gilani briefed newsmen after the cabinet's meeting in capital Islamabad.

Gilani also announced providing special credit cards to small farmers so that they could easily afford essential items such as seeds, fertilizers, pesticides and agriculture machinery at low interest rates.

### [The only way is up for vertical farms](#)

Urban indoor farms might sound like something from the pages of a sci-fi novel, but, as Danny Bradbury discovers, some scientists believe it could provide the best means of feeding a growing population while curbing carbon emissions.

### [Biofuels surge slows in Southeast](#)

Grain prices are good, and look to stay up for a while, but the main cause most widely attributed to these prices — biofuels — is just not happening in the Southeast.

Plans for a number of destination plants, which are designed to be built to bring in grain for the energy source, and for the final fuel product to be shipped to large, nearby markets, have fallen by the wayside.

### [France, India sign major nuclear deal](#)

PARIS (AFP) — France and India on Tuesday signed a landmark nuclear cooperation pact which opens the way for the sale of French nuclear reactors to New Delhi.

"India and France welcome the signature of a bilateral accord for civil nuclear cooperation which will form the basis of enlarged bilateral cooperation in the fields of energy and research," a French presidency statement said.

### [The green bubble bursts: Amid the energy crisis, Democrats are losing the high ground on the environment to a GOP that is pushing oil drilling](#)

As the election enters its endgame, Democrats and their environmental allies face a political challenge they could hardly have imagined just a few months ago. America's growing dependence on fossil fuels, once viewed as a Democratic trump card held alongside the Iraq war and the deflating economy, has become a lodestone instead. Republicans stole the energy issue from Democrats by proposing expanded drilling -- particularly lifting bans on offshore oil drilling -- to bring down gasoline prices. Whereas Barack Obama told Americans to properly inflate their tires, Republicans at their convention gleefully chanted "Drill, baby, drill!" Obama's point on conservation and efficiency was lost on an electorate eager for a solution to what they perceive as a supply crisis.

### [Keep the Grid Going and Reap Rewards](#)

U.S. banks are among the largest commercial consumers of electrical power. They're in for a shock, too, as they open their utility bills in the months ahead: electricity rates, already high, are rising fast and poised to soar even higher.

While spiraling electricity costs are driven in part by increasing prices of resources such as coal and natural gas, lack of new generation capacity is also a major culprit. The June 30th issue of Forbes reported, "By as early as next year our demand for electricity will exceed reliable supply in New England, Texas and the West and, by 2011, in New York and the mid-Atlantic region." As a result, the article cautioned, "...get ready for spiking electricity rates, brownouts and even blackouts..."



### [Seniors most vulnerable in times of economic crisis](#)

In the wake of the energy crisis - which will likely be exacerbated by fallout from the failing financial markets on Wall Street - cutting expenses is fast becoming a way of life for just about everyone.

But senior citizens are particularly vulnerable, say some area experts. "Seniors are cutting back on their food and medications. And when the heating season comes the situation is going to get worse. Their health is going to suffer," said Cindy Rieker of Home Instead Senior Care in Saratoga Springs.

### [Energy, manufacturing: Bring 'em back home](#)

Solving America's energy crisis requires a strong commitment, sans lobbyists and special interests, using virtually all the means at our disposal. The U.S. sends almost \$2 billion for imported oil and goods each day to nations that may not share our values. This is ludicrous, and must be changed.

First, we must accept that oil will be the primary energy source in the near term and aggressively drill for it, in an environmentally safe manner, wherever it may be found. Concurrently, we should encourage use of alternate forms of energy such as hydrogen, wind, solar, and nuclear, coupled with new conservation measures. Over time, their cost will decrease and our use of imported oil will decrease. These alternate forms should not emphasize corn-based ethanol production, which has increased consumer food costs and is a major source of ground-water pollution due to the increased need for fertilizers.

The second indicator, restoring America's manufacturing sector, is much more contentious as it requires that the whole notion of free trade be re-evaluated. In this century, Americans were promised that manufacturing jobs, long the path to middle-class status, were to be replaced by good-paying service industry positions, only to see those jobs outsourced.

### [Nigeria: Experts to Meet on Energy Crisis](#)

Experts as well as professionals in the energy sector will meet next month in Abuja, the Federal Capital Territory (FCT), to deliberate on the ways out of the current energy crisis in the country.

The discussions which would be organised by the Energy Commission of Nigeria, Rural Electrification Agency and BAS Associates Consulting, will focus on how to create awareness about other sources of alternative energy that could be tapped by millions of Nigerians as well as other Africans.

### [Tanzania: Impending Power Crisis](#)

TANZANIA Electric Supply Company (TANESCO) says it won't rule out the possibility of entering into a new contract with the controversial Dowans Holdings Company or buy its Dar es Salaam-based power plant in the wake of the latest national energy crisis.

### [Kenya: Industry feels heat of energy costs](#)

The grim picture of what Kenyans face in the wake of the energy crisis is now emerging. On the list are massive job losses, lower revenues to the Government and economic slump and stagnation.

### [Zimbabwe: Power cuts, prices affect construction firms](#)

THE construction industry has been hit by a shortage of cement after the country's main producers scaled down production due to power outages and a wrangle with the National Incomes and Pricing Commission over prices, Business Chronicle has learnt.

### [Coal and the Campaign Trail](#)

Neither Democrat Barack Obama nor Republican John McCain will risk alienating voters in Appalachia and other coal regions by talking about putting limits on coal. In fact, both candidates favor continued if not expanded reliance on coal.

Or rather on "clean coal," a phrase concocted by coal industry public relations specialists to make the dirtiest of all fossil fuels sound publicly pleasing.

### [U.S. Senate to consider Brazil energy cooperation pact](#)

A bill designed to strengthen energy cooperation in the Western Hemisphere was approved by the U.S. Senate Foreign Relations Committee Sept. 23. It was placed on the legislative calendar. According to the Brazilian Sugarcane Industry Association, the bill is a positive step towards expanding ongoing efforts by Brazil and the United States to promote the production and use of sustainable biofuels, such as sugarcane-based ethanol, throughout Latin America.

### [Russia may boost OPEC clout, raise oil risk premium](#)

DUBAI (Reuters) - Closer cooperation between OPEC and Russia, which between them supply half the world's oil, could see a bigger political risk premium priced into oil and

add more muscle to the producer group's output policy.

Russia's desire for deeper cooperation with OPEC comes as its relations with the West have deteriorated over issues such as the conflict in Georgia. Moscow has already forged closer ties with OPEC price hawks and U.S. foes Venezuela and Iran.

The biggest potential effect on prices would come if Russia joined any move by the Organization of the Petroleum Exporting Countries to cut supplies, an unlikely step with oil trading near \$100 a barrel.

But in comments raising the prospect of Russia actively managing supplies, Energy Minister Sergei Shmatko said on Thursday Moscow wanted to influence prices by publishing output forecasts and delaying the development of fields.

"It's certainly not the sort of thing consumers want to hear coming out of a major producer," said Julian Lee, analyst at the London-based Center for Global Energy Studies. "It will raise concern about the future of Russian production."

### [Oil prices rebound after 10% plunge](#)

LONDON (AFP) - Oil prices rose Tuesday on bargain-hunting after slumping 10 percent a day earlier when US lawmakers rejected a multi-billion-dollar rescue package for ailing American banks, traders said.

New York's main contract, light sweet crude for November delivery, climbed 1.18 dollars to 97.51 dollars a barrel in electronic trading.

### ['In over 35 years, I cannot recall a day more miserable, its climax more chilling'](#)

THE US banking crisis has been likened to a heart attack. Last night saw a convulsion that will be felt by everyone round the world. Recession is no longer a threat. It is a fact. And the drama in markets yesterday point to it being as deep, as painful and as prolonged as anyone can remember.

Look at what happened to the oil price on news of the Congress vote: it dropped \$10 in an instant. We will not be needing "peak oil" for quite a time. Industrial metals plummeted, with three-month copper plunging \$335 at \$6,440 per tonne, falling even lower after hours. This vote by Congress is a stunning, reckless gamble with the world's biggest economy and the livelihoods of millions. But it reflects, too, the disgust even the most free-market-sympathetic democracy in the world has come to feel at the greed and incompetence of Wall Street's investment banks and the salaries and bonuses creamed off by those at the top.

### [Navigating The Meltdown](#)

Wall Street's persistent greed, the outrageously expensive war in Iraq and unbridled oil speculation have pummeled the U.S. economy into a corner. The impact of all three will be felt across corporate America, where cost-cutting likely will be the next--and only--big strategic initiative.

If this were a game of chess, you'd be tempted to call checkmate. In tough times, governments borrow, raise taxes or print more money, but none of those options are available now. The U.S. has gone from a \$230 billion surplus in 2000 to a \$407 billion deficit this year.

### [Russian Stocks Extend Drop, Led by Gazprom, as Trading Resumes](#)

(Bloomberg) -- Russia's Micex Index fell the most in two weeks, extending the worst quarterly loss for equities in the country since its 1998 debt default, after a two-hour trading suspension was lifted.

OAO Gazprom, Russia's biggest company, and OAO Sberbank, its largest bank, led the decline.

### [Oil patch sucked into vortex](#)

CALGARY - Rejection of the proposed US\$700-billion bailout package in Washington yesterday whiplashed Canada's oil-and-gas sector, the destination of the country's largest capital investments, into a deep fall.

The sector, which until recently has been able to fend off troubles afflicting Wall Street, is now finding itself pulled into the liquidity vortex.

### [Japan Energy to Raise Oil Processing 4% Next Quarter](#)

(Bloomberg) -- Japan Energy Corp., the refining unit of Nippon Mining Holdings Inc., plans to process 4 percent more crude oil in the October-to-December period from a year ago after starting a new plant at its Kashima refinery this year.

### [Indian Oil's Crude, Funding Costs Rise; Add to Losses](#)

(Bloomberg) -- Indian Oil Corp., the nation's biggest refiner, said its oil import costs may climb as much as 70 percent to \$45 billion this year, adding to increased borrowings and revenue losses from selling fuel below cost.

### [Energy agency says oil output capacity growing thin](#)

Global oil production capacity will be insufficient within six years, according to Nobuo Tanaka, executive director of the International Energy Agency.

### [Pertamina Cuts Fuel Prices for Factories, Miners By Up to 13%](#)

(Bloomberg) -- PT Pertamina, Indonesia's state oil company, cut the prices of oil-based fuels sold to factories and mining companies by as much as 13 percent from its last revision on Sept. 15.

### [South Korea: We Must Succeed in Securing Energy](#)

Korea almost missed the boat in terms of the race among Northeast Asian countries in securing energy resources. Since 2000, Japan poured 1 trillion yen into crude pipeline businesses in eastern Siberia. In 2005, China acquired a 25 percent stake in an oil field in Sakhalin to form a long-term supply deal with Russia.

The very existence of a country in the 21st century is said to hinge on stable access to energy sources. Previous South Korean administrations, going way back, have noisily mentioned "Sakhalin oil projects" and "far east Russian oil," but nothing had been cemented in terms of deals. The government must come up with detailed follow-up to ensure the smooth flow of natural gas following this summit agreement.

### [Amid oil worries, natural gas boom is a 'bright spot'](#)

Crisis. What crisis?

Lost amid persistent worries about the price of crude oil and gasoline is a little-understood reality: There is more natural gas under our feet than we know what to do with.

Indeed, natural-gas production is growing at such a rapid rate in this country that it's threatening to outrun demand — driving down prices and prompting producers to ponder capping wells or exporting the excess to Asia.

### ['Bad Money' details harmful precedents for current financial practices](#)

Railing about the federal debt is a favorite pastime of politicians and the citizenry alike. "Bad Money: Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism" by Kevin Phillips focuses, however, on a different kind of debt that, despite its links to the current financial upheaval, most still prefer to ignore. This is the debt the United States is privately generating. Phillips believes that this debt, given its

magnitude, is a far more serious threat to our economic leadership in the world than federal budget deficits, notwithstanding the extent to which much of the global economy is coupled to our own. The current financial sector upheaval and growing specter of peak oil prompted Phillips, a White House strategist in the Nixon first-term presidency and now a prolific and acclaimed author, to write "Bad Money." In this book, he extends arguments he presented in parts one and three of his most recent New York Times best-seller, "American Theocracy."

Phillips argues that past leading economic powers (Hapsburg Spain, maritime Holland and the British Empire) fell into economic decline partly because they turned to a strategy of increasing indebtedness by "financializing" their economies so they could continue pursuing their various aspirations. Phillips believes the United States is now following that same path.

### [Credit crisis may delay biofuels development](#)

LONDON (Reuters) - A global pull-back from bank lending may dent the commercialisation of biofuel technologies to replace conventional gasoline, said the chief executive of U.S. cellulosic ethanol firm BlueFire Ethanol.

A credit crisis which claimed more bank victims on Monday has raised project finance costs and made ambitious targets to replace replace fossil fuels with renewable energy sources look less achievable.

### [People near nuke plants don't mind new ones: study](#)

LONDON (Reuters) - People living near nuclear power stations in Britain tend to support construction of new plants in their communities, according to findings presented on Tuesday which could ease the government's plan for new facilities.

But much of the support comes with reservations, making it crucial for the government and energy companies to engage local communities, according to a survey presented to Britain's Royal Society.

### [Ocean "dead zones" spread, fish more at risk: study](#)

OSLO (Reuters) - The number of polluted "dead zones" in the world's oceans is rising fast and coastal fish stocks are more vulnerable to collapse than previously feared, scientists said on Monday.

The spread of "dead zones" -- areas of oxygen-starved water -- "is emerging as a major threat to coastal ecosystems globally," the scientists wrote in the journal Proceedings of the National Academy of Sciences.



Such zones are found from the Gulf of Mexico to the Baltic Sea in areas where algae bloom and suck oxygen from the water, feeding on fertilizers washed from fields, sewage, animal wastes and pollutants from the burning of fossil fuels.

### [FarmAde a success](#)

Rushmere hopes that events like FarmAde will show citizens how media misrepresentations like the Lees Report (describing the farm as a pristine division between cultivated land and a condominium and shopping complex) threaten the Farm's future. Pitting the Farm against student housing in order to bolster a case for development while simultaneously undercutting the Farm's project as an educational tool by claiming the Farm does not produce enough food to feed UBC students.

"UBC Farm isn't about feeding campus," Rushmere concluded. "In the midst of the food crisis and peak oil, it's about teaching a sustainable food system."

### [First U.S. CO2 auction brings in \\$38.5 million](#)

ALBANY, N.Y. - The owners of Northeastern fossil fuel-burning power plants, which are now required to buy credits to cover the carbon they emit, spent nearly \$40 million in the first cap-and-trade greenhouse gas auction in the United States.

The auction, the results of which were released Monday, raised money that will be spent by the 10 Northeast states on renewable and energy-efficient technologies.

### [France proposes phasing in CO2 curbs for cars](#)

BRUSSELS (Reuters) - The European Union's French presidency proposed on Tuesday watering down plans to curb greenhouse gas emissions from cars by phasing in limits up to 2015, with lower fines for narrowly missing the target.

### [Diesel cars 'better than hybrids'](#)

After researching a range of hybrid cars, the magazine's road-test editor Ian Thorp said diesel cars could offer motorists better value when it came to fuel efficiency.

Hybrid car manufacturers' fuel-efficiency claims were often not correct when it came to real-life driving outside of laboratory conditions, Thorp said.

"Hybrid cars have low emissions in government tests, so they look very good on paper, but what we have found in reality is that they are not as efficient as a good diesel engine car," he told ABC radio.

## [Global Warming Fix? Carbon Dioxide Captured Directly From Air With Simple Machine](#)

University of Calgary climate change scientist David Keith and his team are working to efficiently capture the greenhouse gas carbon dioxide directly from the air, using near-commercial technology.

## [The carbon tax has come back to haunt B.C.'s Liberals](#)

VANCOUVER — The idea of a carbon tax to reduce greenhouse gas emissions is dying politically in the place where it was born: British Columbia.

The provincial tax's growing unpopularity is threatening Liberal Premier Gordon Campbell's grip on power, while the very notion of a federal carbon tax, even if offset by lower personal income taxes, is crippling the federal Liberal Party in the province.

## [Meat rationing 'vital' to combating climate change](#)

PEOPLE must be rationed to just four portions of meat and one litre of milk a week if a climate change catastrophe is to be avoided, warns an influential new report.

The report from the Food Climate Research Network reiterates the warning that consumption of livestock products is a major contributor to greenhouse gasses and calls on Government to take swift action to stem the industry's emissions.

Researchers found that, with demand for meat increasing in developing countries, wealthier nations such as the UK would need to dramatically reduce consumption to avoid climate change spiralling out of control.



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