



DrumBeat: October 11, 2008

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[GPS could save airlines billions in fuel costs](#)

CHICAGO - A World War II-era air traffic network that often forces planes to take longer, zigzagging routes is costing U.S. airlines billions of dollars in wasted fuel while an upgrade to a satellite-based system has languished in the planning stages for more than a decade.

The \$35 billion plan would replace the current radar system with the kind of GPS technology that has become commonplace in cars and cell phones. Supporters say it would triple air traffic capacity, reduce delays by at least half, improve safety and curb greenhouse gas emissions.

An Associated Press analysis of federal and industry data found that if the new system were already in place, airlines could have saved more than \$5 billion in fuel this year alone.

[Falling gas prices may lure travelers off planes](#)

CHICAGO - So far, U.S. airlines have coped well with a painful economic downturn, but a sharp decline in gasoline prices soon may lure travelers off planes and into cars for short-haul trips.

That would be a departure from a long-held public perception that flying — while increasingly expensive — still makes sense because the cost of driving is almost as bad and driving takes longer.

But with gas prices down more than 15 percent since July and air fares steady, travelers look likely to rethink that logic, said Rick Seaney, chief executive of air fare research site FareCompare.com.

[Now THAT's more like it: Dropping gas prices fuel hope for motorists](#)

Gas prices during the past two weeks have dropped around 50 cents on average for the price of a gallon of gas, and customers such as Shorter College sophomore Jennifer

McKee, who filled her tank at the Kroger gas station on Turner McCall Boulevard Friday afternoon, had reason to be happy.

McKee, who lives in Stockbridge, said prices were back to where she could just about afford them again.

[Finding Energy to Beat a Recession](#)

The stock market's record fall in September suggests that the impending global financial crisis is not just some kind of bad dream, but the new reality. With globalization, it is clear that the next few years will be painful for both the world economy as a whole, and for the energy industry -- one of its most important sectors -- in particular.

[OPEC tells IMF bearish oil market to persist](#)

WASHINGTON (Reuters) - The global financial crisis and worsening economic outlook is likely to sustain a bearish oil market and this poses a risk of oversupply in the first half of 2009, OPEC said on Saturday.

[North Korea Removed From Terrorism List, U.S. Says](#)

(Bloomberg) -- North Korea was removed from a list of state sponsors of terrorism after the communist state agreed to measures to verify its progress in disabling its nuclear facilities, the U.S. State Department said today.

While the final language must still be written, ``the North Koreans have committed that the disablement activities at Yongbyon will resume immediately," said Sung Kim, the U.S. envoy to the six-party nuclear talks, referring to the reactor that is the source of North Korea's weapons-grade plutonium.

[Surviving in Zimbabwe](#)

How do people really survive in a country with 231 million % inflation, worthless money, shortage of fuel, meaningless salaries, where prices go up every day, where medical attention has become a luxury because it has gone beyond the reach of many, where parents can not afford to pay school fees. A country suffering from the yoke of economic sanctions romanticised as targeted travel bans by the all powerful west. The country is with erratic electricity supply and flowing raw sewage. Zimbabwe is suffering from internal political tension, international condemnation and isolation.

[Wrong Baby Wrong!](#)

You would have thought we had come as they used to say, "A long way, baby", but apparently not. When listening to the rhetoric in this presidential election year about how to achieve energy independence, I shake my head in disbelief. What are worse are the chants of the crowds in enthusiastic agreement. As one of Hitler's top lieutenants Joseph Goebbels famously said, "The bigger the lie, the more people will believe it." Yep, and if you throw in high prices at the pump, and a recession, then suddenly presto - "it" becomes gospel. The "it" this year is made up of renewed support for allowing off shore oil drilling, and the screams of crowds chanting "Drill Baby Drill" no doubt in the false belief doing so would help us reduce our dependence on foreign oil, lower gas prices and ease our energy woes. Right. You can also put out a three alarm structure fire with a garden hose and by stomping your feet and blowing hard. Drilling is a convenient, expensive, ineffective and unwarranted distraction.

[How to Win My Vote for Obama](#)

Obama claims that he is going to create jobs in this country through revamping and revitalizing the energy industry. But his focus is on "green energy" — mainly wind and solar energy. The energy input required to create a ton of steel (450 kW-hours) with wind power costs \$29.52, according to the American Wind Energy Association (without the government subsidy - taxpayer money). With solar power the cost is, per *Scientific American*, \$36.00. With nuclear power — which apparently isn't considered sufficiently "green" enough to merit more than lip service — the cost is \$8.10 according to the Department of Energy, including fuel, depreciation, waste fuel storage, and eventual decommissioning. (It is true that this cost of nuclear power does not take into account initial capital costs for building a nuclear power plant and the quoted wind and solar costs do take into account initial capital costs for wind towers and solar panels. But because solar and wind power are intermittent power sources and hence *must* be backed up by conventional power plants that are always running — generally nuclear and coal power plants, called "spinning reserves" — or not be used, wind and solar power *are reliant on capital being expended for coal and nuclear power.*) Given the extra costs our country's businesses will incur because of wind and solar power, why does Obama believe that U.S. employment won't go down as manufacturing costs go up?

[Sarah Palin's Alaskan Wasteland](#)

The mess of pollutants in Alaska has clearly taken its toll. In general, the state has double the national average of birth defects. While the causes are unknown, environmentalists point to the region that includes the North Slope, an area slightly larger than Minnesota, where most of Alaska's oil is produced. The byproducts of oil production can cause serious nervous system disorders, and the North Slope and its environs, home to Alaska Natives and itinerant oil workers, has the highest prevalence of birth defects in the state--11 percent--compared with 6 percent statewide and 3 percent nationwide.

[Drought in southern Australia declared 'worst on record'](#)

If you want to know what the U.S. southwest faces in the coming decades if we don't reverse greenhouse gas emissions trends quickly, just look to Australia:

David Jones, the head of climate analysis at the Bureau of Meteorology, said the drought affecting south-west Western Australia, south-east South Australia, Victoria and northern Tasmania "is now very severe and without historical precedent".

Dr Jones said Victoria had had "the driest multi-year period on record, but also by far the hottest..."

He said temperatures were running at about one degree "above any previous comparable drought. That is substantially hotter, and that one degree is a global warming signal."

[Fuel rationing could continue a few more weeks for truckers in Alberta](#)

Truckers already experiencing lean times in the wake of rocky economic conditions are facing a new challenge this week – fuel rationing – in the province of Alberta, Canada.

As of Friday, Oct. 10, several of the major refineries in Western Canada were shut down because of scheduled routine maintenance, but unexpected production problems have amplified the fuel shortage there.

Mayne Root, executive director for the Alberta Motor Transport Association, told *Land Line* in an e-mail on Thursday, Oct. 9, that he has been told that the fuel rationing situation may last another few weeks.

Some trucking companies are only receiving 50 percent of the fuel they need. Root said that producers in Western Canada anticipate being back up to full production by the end of the month.

[EPA Approves Fuel Waiver for Phoenix area](#)

As a result of the disruption in the supply of fuel from Gulf-area refineries and pipelines, EPA has exercised its authority under the Clean Air Act to temporarily waive certain requirements for gasoline sold and distributed in Phoenix, Arizona and the surrounding area. The disruption and delays in production and delivery of gasoline to Arizona resulted from effects of Hurricane Ike, as well as a fire at a fuel distribution terminal that temporarily shut down deliveries of gasoline to Arizona.

[Counterproductive price-gouging laws](#)

But while supply disruptions cause high prices, they typically don't cause shortages. We need more than Ike and Gustav to explain the lines and frustration.

For that unhappy coincidence, one should look to the political response to high gas prices. Governors and attorneys general across the South responded to the gas price increases by wielding anti-price gouging laws and issuing threats and subpoenas to gas stations.

[Looking back to a grim US future](#) - THE AMERICAN FUTURE: A HISTORY (BBC2)

"IF we succumb to a dream world, we will wake up to a nightmare." It's a brilliant oratorical line, worthy of a president, but who uttered it? Barack Obama? John McCain? Sarah Palin? Er, no. Definitely not.

It was Jimmy Carter, the most decent president Americans never knew they had and a central figure in the first part of *The American Future: A History*, four compelling, documentaries authored by historian Simon Schama that delve into the country's past for pointers to its future.

Carter was a man of the land, and he was aware of his great country's tendency to rape itself in the pursuit of happiness. He was preaching conservation long before it was popular.

But he was doing it near the unpopular end of his term, in the middle of a fuel shortage. Americans didn't heed Carter. They succumbed to the dream world by falling for the Hollywood-cowboy hucksterism of Ronald Reagan, and now they've woken up to the nightmare.

Water, not oil, is the great social lubricant and it's running out.

[Credit crisis adds to pressures on dealers](#)

NEW YORK (AP) - Hundreds of thousands of new cars and trucks that would have quickly made their way to people's driveways a year ago are now stacking up on dealer lots across the country, with potential buyers worried about whether they'll keep their jobs, be able to pay for gas or qualify for a car loan.

For auto dealers already suffering under the worst U.S. sales downturn in 15 years, the increasing cost of the credit they use to keep inventory in their showrooms means every Ford Focus and Jeep Grand Cherokee with a sale sticker in the window is chipping away at dealers' razor-thin profit margins every day and threatening to send more of them out of business.

[Amtrak feeling love after years of criticism](#)

WASHINGTON - Amtrak felt like an unwelcome relative throughout President Bush's two terms. The nation's passenger railroad even feared for its existence after he

threatened to shut it down.

But in the final days of the Bush presidency, the passenger rail service is enjoying greater congressional support and public popularity in an era of high gasoline prices and louder calls for alternatives to driving.

[Tanzania-Energy-Rationing](#)

APA-Dar es Salaam (Tanzania) Barely days after Tanzanian President Jakaya Kikwete assured investors that his country was well-equipped to contain any energy crisis and that all viable alternative sources of power like natural gas are being exploited to make power crises history, the Tanzania Electric Supply Company (Tanesco) on Friday announced fresh power rationing that would see some parts of the country remain without power for nine hours daily for an unspecified period of time, APA learnt here Friday.

Tanesco said that the national grid had lost 60 megawatts of supply of electricity following technical defects at the two power plants in Dar es Salaam, the commercial capital.

[India: Industry expresses shock over power cut order](#)

Coimbatore: Textile industry in the region today urged Tamil Nadu Chief Minister M Karunanidhi to announce a scheme immediately to use the "idle" capacity of around 3500 MW High Speed Diesel oil generators available with the industrial units by reimbursing the cost of generation and prevent the industry from total closure.

The industry expressed shock on the reported instructions by TNEB not to draw power between 6 PM and 10 PM, with a warning of disconnection in case of violation on the part of industrial units, apart from five to eight hours scheduled/unscheduled load shedding.

[Pakistan seeks oil bill deferral from Iran](#)

ISLAMABAD: Pakistan has asked the Iranian government to help meet its growing energy crisis by giving oil on deferred payments, and also shown interest in buying additional 1000 megawatts of electricity from the Islamic republic.

[Malaysia delays buying rice for stockpile](#)

Malaysia will delay importing another 300,000 tonnes of rice for its stockpile as its current stock of 310,000 tonnes is sufficient and also the world price for the staple is

expected to drop further next year after a reaching a record high in 2008.

[It's a poor time to exploit oil shale](#)

We are at a critical moment. As we burn fossil fuels, we are causing a buildup of carbon dioxide in our atmosphere, and our climate is very close to spinning out of control. Demand has outstripped supply of petroleum, causing inflation and putting America in the precarious position of relying on foreign governments for our energy needs

[Will cheap gas mean return to gas-guzzling ways?](#)

DENVER (AP) — Prices at the pump are dropping fast, and gas could fall below \$3 a gallon in a matter of weeks, if not sooner. Does that mean Americans will return to their heedless, gas-guzzling ways?

Experts say no because most drivers assume the dip in prices will be short-lived, and motorists have adjusted their habits accordingly.

"We've been through almost eight years of continuously rising gasoline prices," AAA spokesman Geoff Sundstrom said. "Any notion that this is a temporary thing has pretty well been erased."

New technologies are emerging fast, with electric cars expected to hit the market in a couple years. But the question is no longer when gas prices will fall, but when will the next spike come?

[Oil's Drop Squeezes Producers](#)

Big oil-producing countries are showing signs of distress as the global credit crunch and falling crude prices begin to squeeze government budgets and delay projects.

Fears that the boom days are fading appear strongest in Iran and Venezuela, whose governments have come to rely on oil prices to prop up otherwise shaky economies. Both countries this week led a chorus within the Organization of Petroleum Exporting Countries calling for an emergency meeting of the cartel, now set for Nov. 18, to weigh a production cut.

The global economic crisis is eating into oil demand, particularly in the U.S. and Europe, and helping to drive down crude prices. Some forecasters said that despite a strong thirst for oil in Asia and the Middle East, global oil consumption could flatten out next year, potentially ending nearly a decade of steady demand growth.

[Oil Demand Falls on Global Economic Woes, Iran's Nozari Says](#)

(Bloomberg) -- Oil demand is faltering as the financial crisis slows global economic growth, Iranian Oil Minister Gholamhossein Nozari said, after crude oil fell below \$78 yesterday for the first time in a year.

``Oil demand has decreased due to the current economic situation in the world," Nozari told reporters today on the sidelines of an oil-refining forum in Tehran. ``A way out needs to be found; the balance of the market is essential for oil consumers and oil producers."

[Iran agrees to export natural gas to UAE](#)

TEHRAN (Xinhua) -- Iran signed a 2 billion U.S. dollars gas deal with Crescent Petroleum of the United Arab Emirates (UAE), the English-language Press TV reported on Saturday.

According to the 25-year gas deal signed on Friday, Iran will export natural gas from the country's Salman field to UAE, said the TV report.

[Reporter denies newly signing of Iran-UAE gas deal](#)

TEHRAN, Oct. 11 (Xinhua) -- An Iranian reporter who writes for Wall Street Journal of the United States denied on Saturday an earlier report on newly signing of Iran-UAE gas deal.

No new gas deal signed between Iran and the United Arab Emirates (UAE) on Friday but there was one in 2001, Roshanak Taghavi told Xinhua through telephone.

[Peru president accepts resignation of Cabinet](#)

LIMA, Peru - President Alan Garcia accepted the resignation of his entire Cabinet on Friday without naming replacements in response to an oil kickbacks scandal.

Garcia's government has been rocked by the public airing of audiotaped conversations discussing kickbacks for steering government contracts to Norwegian oil company Discover Petroleum. Discover denies any wrongdoing.

[Mexico Lawmakers' Draft Oil Bills Leave Major Overhaul in Doubt](#)

(Bloomberg) -- Mexican lawmakers negotiating an oil- industry overhaul have drafted bills for the least contentious of President Felipe Calderon's proposals amid continued wrangling over his plan to let the state oil monopoly use private companies to reverse

declining production.

Drafts of the bills by members of the Senate's energy committee, obtained by Bloomberg News, would increase the use of renewable fuel sources, give the government more control over energy policy and create a board to review exploration projects. The documents cover four of seven proposals derived from Calderon's plan to loosen the monopoly in what would be the most ambitious revamping of the industry in 70 years.

[Exxon Mobil is controversial but should you buy its stock?](#)

Exxon is the kind of stock I want anchoring my portfolio, particularly when times are tough. The company produces a product people need and use every day and it generates lots of cash. I also believe we are fast approaching the era of "peak oil" and Exxon's large reserve base will continue to become ever more valuable.

[The Perils of the Coming Sugar Economy](#)

Peak oil, skyrocketing fuel costs, and the climate crisis are driving corporate enthusiasm for a "biological engineering revolution" that some predict will dramatically transform industrial production of food, energy, materials, medicine, and the ecosystem. Advocates of converging technologies promise a greener, cleaner post-petroleum future, where the production of economically important compounds depends not on fossil fuels but on biological manufacturing platforms fueled by plant sugars. It may sound sweet and clean. But the "sugar economy" will be the catalyst for a corporate grab on all plant matter as well as the destruction of biodiversity on a massive scale.

[Shell's hilarious attempt to beef up email security](#)

The series of leaked Shell internal emails to our website revealing construction flaws in the Sakhalin-2 project cost Shell many billions of dollars after the Russian government used the evidence as a pretext to take back ownership. The move cost Shell £11 billion UK pounds according to an article by The Sunday Times, which Shell managed to kill just before publication.

...We have even received and published leaked emails from Shell CEO Jeroen van der veer within hours of them being sent. In January of this year we passed to The Times newspaper a confidential Shell internal email authored by Jeroen. It resulted in one of the most important energy related scoops ever. The email contained an astonishing forecast in relation to "peak oil", saying that demand for oil and gas would outstrip supply within 7 years. The leak and subsequent widespread publication pre-empted Shell's own plans for making an announcement.

[James Taylor Prepares For Peak Oil, Fears Collapse Of Society](#)

Rolling Stone has a great new interview with legendary singer **James Taylor** about his new album *Covers*, his desire to go local in the face of rising energy prices, and why society may only become sustainable after a serious collapse. Here are some highlights:

On how rising energy has made him prepare for a more local existence:

“I have the sense that energy will become more and more expensive, and people will need to exist in a more local way,” he says. “And I feel sort of like a citizen of New England. I like living here and working here, so it may just be that my efforts are more and more sort of locally focused as time goes by.”

[Arctic stormier as Earth warms, study finds](#)

The Arctic has become more stormy in the past 50 years due to the warming climate, which in turn has quickened the pace of drifting sea ice, a new NASA study finds.



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