



DrumBeat: October 28, 2008

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Topic: [Miscellaneous](#)

[Navy frigates defend world oil prices in the Gulf](#): *In a small corner of the Gulf, British-led forces have been protecting the oil installations key to controlling world oil prices.*

At a time of international economic fragility any attack on the sea terminals would lead to a potentially crippling rise in oil prices.

With two per cent of the world's oil going through the terminals and security for area was branded "extremely important to the global economy" byd Commander Rory Bryan, captain of the frigate HMS Lancaster.

"They are clearly a tempting target for violent extremists and need to be protected," he said. "We are here to make sure their integrity remains safe."

More than 2.4 million barrels a day flow out of the platforms in the Arabian Gulf and into the super tankers queuing up nose-to-tail surrounded by a flotilla of six warships on 24 hour readiness to intercept attackers.

The 10 square miles of water around the Al Basra and Khawr Al Amaya oil platforms, essentially huge petrol stations at sea, are the most protected waters in the world.

[BP Starts Second Thunder Horse Well in Gulf of Mexico](#)

(Bloomberg) -- BP Plc, Europe's second-largest oil company, started the second well at its Thunder Horse field in the Gulf of Mexico.

BP is now extracting more than 100,000 barrels day of oil and gas from the deposit after it began pumping and exporting the fuel in June from the first well at the Thunder Horse platform, the world's largest semi-submersible drilling and production facility. The company plans to have four wells open at the site by the end of 2008. The project had been delayed for about three years.

[Peak Oil And The Systemic Collapse Of Modern Civilization](#)

"Modern civilization" is unique, then, in the sense that it is global rather than local. It is

also unique in the sense that its means of production is not the labor of humans or draft animals, but a malodorous substance known as petroleum --- oil. This substance was rarely used until the late nineteenth century, when it was realized that a steam engine could be modified to run on petroleum. These new engines were soon everywhere. Petroleum is a great mixture of hydrocarbons, and some of the variants could be used or modified to produce other substances such as plastic. In almost no time, we had created a world that was literally "driven" by oil. The planet Earth seemed infinitely large now, and we not only stopped worrying about overpopulation, but we felt that there would be no limits to industrialization, capitalism, "free enterprise," and all the rest of the ideology that was remarkably lacking in "ideo-." We just never got around to thinking that all of this was dependent on that dirty substance known as oil.

[Mexico Congress Begins Session as Opposition Protests](#)

(Bloomberg) -- Mexican opposition lawmakers took over the podium at the lower house of congress, prompting leaders to begin the session at a makeshift stand away from the protest.

[Russia's oil boom: Miracle or mirage?](#)

MOSCOW: After years of growth, Russia's once mighty oil machine is feeling the strains of declining production and energy prices as the industry copes with the worst economic crisis in Russia in a decade.

Oil companies that coasted on high commodity prices, Soviet-era infrastructure and easy Western bank credit have quickly fallen on hard times. Foreign investors have pulled out and company share prices have wilted. Is this the end of the Putin boom?

"We're watching Russia very carefully," David Fyfe, a senior oil market analyst at the International Energy Agency in Paris, said by telephone.

Just this month, the state-controlled oil company Rosneft was compelled to meet a margin call on bank debt. Already, one Siberian oil company is unlikely to be able to roll over debt, and creditors could seize its assets, industry analysts say. Output is declining this year, for the first time in a decade.

The pivotal question in the Russian oil industry is whether the government intends to support the companies, milk them for short-term funds to shore up other areas of the economy, or intentionally allow them to wither as an unstated curb on output to help support world prices. This being Russia, evidence of all three approaches seems to be surfacing at once.

[China oil co breaks ground on Chad, Niger refineries](#)

NIAMEY (Reuters) - State-owned China National Petroleum Corp (CNPC) broke ground for new oil refineries in Chad and neighbouring Niger this week, as the company

boosts its ties with resource-rich countries in Africa.

The refineries will be the first in each of the landlocked African countries, which remain desperately poor but have seen their state incomes surge during the resource boom of recent years.

[Oil-Rich Kirkuk Could Hold Key To Iraq's Problems](#)

The northern Iraqi city of Kirkuk has become a symbol for one of the country's most intractable problems — the debate over who should control Iraq's oil riches and the conflict among its major ethnic groups.

The dispute over control of Kirkuk prevented Iraq's parliament from passing a law authorizing provincial elections. Although the law finally passed late last month, the issue of Kirkuk was not resolved, only postponed.

[Iraq loses \\$20-30 billion over global financial crisis](#)

BAGHDAD (RIA Novosti) - Iraq has already lost \$20 - \$30 billion over the current global financial crisis, a government daily quoted the deputy chairman of the Iraq's oil and gas committee as saying on Tuesday.

According to the Al-Sabah newspaper, Abdul-Hadi al-Hassani said the losses had been caused by plummeting oil demand and prices.

[Kazakhstan set to sign new Kashagan deal](#)

Kazakhstan will sign a new partnership deal with an international consortium developing the giant Kashagan oil field by the end of the month, the nation's energy minister said Tuesday.

[Russian oil firm Rosneft posts 130% net profit rise in Jan.-Sept.](#)

MOSCOW (RIA Novosti) - Russian state-controlled crude producer Rosneft said on Tuesday its net profit under Russian Accounting Standards increased 130%, year-on-year, in January-September to 206.36 billion rubles (\$7.6 billion).

At the same time, Rosneft's net profit declined 33%, quarter-on-quarter, in July-September to 45.11 billion rubles (\$1.7 billion), the company said in a statement.

[Mexico's Lopez Obrador Demands Changes to Pemex Energy Proposal](#)

(Bloomberg) -- Former Mexican presidential candidate Andres Manuel Lopez Obrador raised new objections to President Felipe Calderon's initiative to loosen the state oil monopoly, urging lawmakers to modify the measures before voting on them.

[Valero says plans significant '09 turnarounds](#)

HOUSTON (Reuters) - Top U.S. refiner Valero Energy Corp (VLO.N: Quote, Profile, Research, Stock Buzz) on Tuesday said it planned significant turnarounds in 2009, with projects planned at two of its Texas refineries.

The company also said it had scaled back capital spending in 2008 and 2009 by deferring projects until 2010 and 2011.

[Economic woes mean smaller paychecks](#)

Paul Buzash also is facing the possibility that the business he has spent much of his life building will come crumbling down because of the tough credit market.

Buzash works as an environmental consultant in Glenville, N.Y., often helping companies interested in alternative energy go through the compliance process. While there has been plenty of buzz lately about alternative energy, he says most of those projects take years to complete, meaning companies can invest for as long as six years before they start generating cash.

With the credit markets tight, Buzash says many of his clients are having trouble getting the cash they need to pay him during the build-out process, in turn forcing him to leave bills unpaid. Some projects have been put on hold.

[Wind study forum too big a hit](#)

Close to 200 people crowded into a meeting room at Christ Church on Markham Rd. to learn about the wind study, which would be needed before a decision is made to proceed with the wind farm.

But another 200 were left on the sidewalk, unable to get into the small meeting hall.

That was enough for local resident Jeanne Gagné, who rose to demand the meeting be rescheduled for a larger hall. Toronto Hydro officials quickly agreed. A time and place will be announced later.

[Russian oil firms await large Chinese loans](#)

MOSCOW (Reuters) - Russian oil firms will receive "considerable" loans from China in return for increased oil supplies, with the exact amount to be determined by individual projects, Russia's senior energy official said on Tuesday.

Deputy Prime Minister Igor Sechin, who oversees the oil sector, said Russia planned to increase deliveries to China and that the falling oil price would not be critical for Russia this year.

...The Kremlin is seeking to diversify its oil export routes away from the West and is targeting China as the main market for its East Siberian oil.

[OPEC May Call Early Meeting If Oil Declines Further](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries may call a meeting earlier than the scheduled December date if oil prices continue to fall, according to Secretary-General Abdalla el-Badri.

"If circumstances dictate we have another meeting, of course we will meet," el-Badri said today at the Oil & Money conference in London. He said he expects a market response to last week's production cut after about a week.

[Canada: Diesel outages continue](#)

United Farmers of Alberta (UFA) manager of corporate communications Natalie Dawes said the company has brought in tank cars of fuel from the U.S. by rail car in order to try to fill the gap.

She said a myriad of factors have contributed to the shortage, like maintenance shutdowns of Edmonton area refineries, hurricanes which damaged refineries on the U.S. Gulf Coast and a higher demand for the product.

...Based on company records, demand is higher now than it ever was, Seetal said. She blames the shortage, in part, on unprecedented growth in the oil and gas sector.

However, she said "If anyone could have seen this unexpected increase in demand they should be in Vegas."

[Brown Seeks Fuel Price Cuts in U.K. After BP Plc Profit Surges](#)

(Bloomberg) -- Prime Minister Gordon Brown stepped up calls for U.K. energy companies to pass on a drop in oil prices to consumers after BP Plc's surge in third-quarter profit triggered a backlash from unions and Labour lawmakers.

``In the past as the market price has gone up it's been passed on and we want to see that fully reflected in the price of petrol and fuel on the way down," Brown told reporters at his office in London today.

[Taxes, supplies causing higher gas price, AAA says](#)

Mix higher gas taxes in North Carolina with lingering disruptions in the gas-distribution system and the result is higher prices than in neighboring states, analysts say.

[Iraq Parliament Committee Rejects New Draft of Oil Law](#)

The Iraqi parliament's oil and gas committee has rejected a new draft of the country's controversial hydrocarbons law, a leading lawmaker said Monday.

The long-awaited law could pave the way for international oil companies to develop the nation's vast oil reserves, estimated at 115 billion barrels, the world's third largest.

[600 to face winter without heat](#)

A Wisconsin law meant to protect residents from having their utilities cut off during the coldest months of the year won't help the increasing number of Madison residents already without light and heat after failing to pay their utility bills.

Madison Gas and Electric has about 600 customers whose service is currently disconnected, about a 15-20 percent increase from last year, according to Steve Kraus, spokesperson for the company.

[Metro Fares May Increase 50 Cents](#)

MADISON, Wis. -- It may soon cost 50 cents more to ride Madison Metro.

On Monday night, the Board of Estimates voted to recommend the increase to the full Common Council, but not before listening to dozens of riders who voiced their concern over the potential rate hike.

"I believe this is the wrong time to increase fares. We're looking at the economic crisis, the energy crisis, but here at home we're looking at non-attainment status for air quality, which is an EPA level that says your air quality is unhealthy to be living in," said Metro rider Amanda White.

[Smart electricity metering system to be introduced soon: Salman Faruqui](#)

ISLAMABAD (APP): The government would soon introduce smart electricity metering in the country to eliminate complaints of inflated and manipulated billing, Deputy Chairman Planning Commission of Pakistan, Salman Faruqui said here. He was speaking at a one-day workshop on Development of Integrated Energy Modeling System for Pakistan organized by the Planning Commission in co-operation with the Asian Development Bank.

[Big Oil May Be Close to Taking Control of the Biofuels Industry](#)

The evidence is still anecdotal, but it's starting to look like major oil and gas companies will soon seize control of the biofuel industry from the independent firms that launched the ethanol and biodiesel businesses only a few years ago.

[Ethanol stance taints Barack Obama's green credentials](#)

Barack Obama has enjoyed near-universal backing from American environmentalists, with the Sierra Club, the country's largest grass-roots environmental group, and Friends of the Earth US both endorsing the Democratic nominee for president.

But there is one policy area in which Obama and the environmental lobby have increasingly grown apart: ethanol. As senator for the corn-growing state of Illinois, Obama has been a firm advocate of corn-based ethanol, 34 billion litres of which is now added to US petrol every year to reduce imports of foreign oil.

[People power can beat climate change](#)

If it becomes law, the UK's climate change legislation will be the toughest of its kind in the world, says Lord Puttnam. However, in this week's Green Room, he says the government is still failing to make the most of an untapped resource - local communities.

[President Mori Addresses 63rd UNGA](#)

New York (United Nations Department of Public Information): Emanuel Mori, President of the Federated States of Micronesia, said that the world financial situation, along with the fuel and food crises, had a negative impact on efforts to achieve the Millennium Development Goals and the broader pursuit of sustainable development.

Island nations remained under threat from climate change, he added. Those most affected were those who could least afford a response, most often the small island developing States. Families in Micronesia had been adversely impacted by the inability to secure fuel, he said, calling for the acceleration of development and sharing of

technologies for renewable and affordable alternative energy sources. The assistance of the international community and financial institutions should follow.

The energy crisis led to an increase in the cost of foodstuffs, he said, noting that imported rice, a staple of the Micronesian diet, had become unaffordable. The nexus between food security and climate change was being felt in his country, which had farmlands barely a few meters above sea level. Taro, and other crops, had already been inundated by salt water from the surrounding rising waters. The seas must be managed sustainably to preserve the bounty they provide. Collateral catches and discards in commercial fisheries were also troubling as they impacted both critical resources and areas of cultural importance to Micronesia.

[The Clean Air Act: Jump-starting climate action](#)

The urgency of the current situation cannot be overemphasized: The latest scientific research tells us that global warming is accelerating at a rate beyond previous expectations, and that the window for a timely response is closing quickly. Despite some political efforts to muddy the waters, there is scientific agreement that greenhouse gas emissions must now be stabilized within seven years or the world will face unpredictable climate-related catastrophes — far beyond the serious impacts already in evidence globally.

Climate action in the United States — at a federal standstill for the last eight years — is expected to finally move forward with the inauguration of a new president in January. What preparations can be made now to assure action within the first 100 days? Congress is expected to try to move cap-and-trade legislation again while also addressing related issues: energy, transportation, economic policy, and conservation. But the key question remains: Is there a leadership strategy that the next president can initiate to strengthen the likelihood of success, particularly during this time of economic crisis?

[Power struggles](#)

The general amazement at the power failures that plunged New York and much of the US's north-eastern seaboard into darkness five years ago was perhaps best summed up by Bill Richardson, former energy secretary. He quipped that the US was "a superpower with a third world grid".

Yet the US is far from the only developed country with a shaky power structure. In fact, Europeans have also suffered blackouts as a result of their ageing electricity infrastructure. In 2006, a power failure in Cologne spread through France, Italy, Spain and Austria, with Belgium, the Netherlands and Croatia also feeling the repercussions.

...The International Energy Agency (IEA) estimates that the world must invest \$22,000bn (€16,700bn, £13,000bn) in energy, half of that in the power sector. More than \$8,000bn will have to be spent by developed nations, with the power sector again

eating up half of that budget. Much of the money is needed to renovate and replace existing systems, which were built in the 1960s and 1970s.

[Britain's Brown calls for bigger IMF bailout fund](#)

LONDON (AP) -- British Prime Minister Gordon Brown called on China and oil-rich Gulf states to bolster an enhanced IMF bailout fund for countries rocked by the global economic downturn, saying Tuesday those with the greatest surpluses should do more.

[OPEC cannot bail world out](#)

LONDON - OPEC cannot be expected to bail out the world over the current global financial crisis, the secretary general of the oil producers' cartel said on Tuesday.

The United States must take the lead in resolving the crisis, which stemmed from a US-based credit crunch last year, said Organisation of the Petroleum Exporting Countries (Opec) Secretary General Abdalla Salem El-Badri.

'What is surprising me is everybody looking at Opec to bail out this crisis. In Opec, we are most of us very poor countries, we cannot bail out this crisis,' he told an industry conference in London.

[OPEC ready to act again to boost oil](#)

LONDON – OPEC ministers will take further steps to prop up the oil market and could call another meeting before the group's next scheduled talks in December, officials said on Tuesday.

[UK: Speculators and government blamed for high fuel prices](#)

The government and speculators should take part of the blame for the excessively high fuel prices that pushed red diesel to 70p/litre earlier this year, according to one of the most important men in the oil industry.

Abdalla Salem el-Badri, secretary general of OPEC, which controls 40% of world oil output, told a briefing in London yesterday that very high prices did not ultimately benefit oil-producing countries because they affected demand. "\$147 a barrel was too high," he said.

[Russia, China sign oil cooperation memorandum](#)

MOSCOW (Itar-Tass) - Russia and China have signed a memorandum of understanding on cooperation in the oil sphere, under which the parties will set up a working group to be led by the Russian energy minister and the head of China's state energy department.

[Is Venezuela's oil boom set to bust?](#)

The dizzying collapse in oil prices has started a heated debate in Venezuela about the possible effect on its oil-dependent economy - and the political future of left-wing President Hugo Chavez.

Venezuela is particularly vulnerable to oil prices. It is the Western hemisphere's largest oil exporter. More than 90% of its export revenue and more than half of the government's annual expenditure comes from oil.

President Chavez's right-wing opponents are hoping a sustained drop in the oil price could curb his heavy spending on social programmes and undercut his support.

[The Bloom Is Off of T. Boone](#)

In the latest sign of how the financial crisis and steep drop in commodity prices since July have blindsided some of the most prominent investors, energy crusader T. Boone Pickens said he and his BP Capital investment firm have lost some \$2 billion since oil and natural-gas prices started tumbling in July.

The information, released on "60 Minutes," is sharply higher than the most recent estimates of Mr. Pickens' losses. His funds were previously thought to be down over \$1 billion in 2008, with his personal losses pegged at more than \$300 million.

[Saudi luxury car sales seen rising despite global crisis](#)

Recession fears may be gripping much of the global economy, but in the world's largest oil exporter Saudi Arabia car manufacturers are betting on more big spending.

Traders at a luxury car exhibition in the Red Sea city of Jeddah said sales are holding up and are expected to increase in a country of 25 million, whose economy has boomed in recent years as the oil price soared to record levels.

[China's CNOOC announces oil, gas output rise 15.2% for Q3](#)

BEIJING (Xinhua) -- China National Offshore Oil Company Limited (CNOOC Ltd.) announced Tuesday that its net oil and gas output in the third quarter of 2008 rose by 15.2 percent over the same period last year.

The state-owned offshore oil producer said that its unaudited total revenue was 30.9 billion yuan (4.5 billion U.S. dollars) for the third quarter, representing a year-on-year increase of 69.1 percent.

[UN atomic energy chief warns of nuclear theft](#)

UNITED NATIONS, New York: Mohamed ElBaradei, chief of the International Atomic Energy Agency, asserts that the number of reports of nuclear or radioactive material stolen around the world last year was "disturbingly high."

ElBaradei, in his annual report to the General Assembly, said Monday that nearly 250 thefts were reported in the year ending in June.

[World Is 'Drowning in Oil' \(Again\) After Drought](#)

The spike in crude oil earlier this year had the support of the popular theory of "peak oil." In a 2005 book, "Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy," investment banker Matthew Simmons argued that oil production by Saudi Arabia, the world's largest producer, is "at or near peak sustainable volume" and likely to decline in the foreseeable future.

Just a few years before the peak-oil theory was hot, the world was "Drowning in Oil," according to the Economist magazine's March 6, 1999, cover story.

Oil was trading at \$13.50 a barrel at the time. "We may be heading for \$5," the Economist predicted. "Consumers everywhere will rejoice at the prospect of cheap, plentiful oil for the foreseeable future."

Oil prices took off and never looked back.

Like the world of fashion, trends in markets come and go. Oil is a limited, albeit vast, resource. At some point in the future, we probably will run out of petroleum, at least as we know it.

Man's ingenuity is equally vast. When the time comes, given all the tax incentives that will be thrown in the direction of alternative energy, I have full confidence the world will not return to travel by horse and buggy.

[Gas prices drop 26 cents in a week; some areas below \\$2 a gallon](#)

The collapse in prices has been faster and deeper than forecast.

"It is stunning," says Tom Kloza, petroleum-price analyst at the Oil Price Information Service, a consultant. "I remember saying \$2.75 by Halloween. Now, I think \$2.50 by

Election Day."

[Auto parts supplier base teetering in downturn](#)

DETROIT — While the big U.S. automakers lobby the government for some form of bailout, industry watchers are bracing for a major failure of the auto supply base if one or more of the Detroit 3 seek bankruptcy court protection.

Already fragile suppliers would be forced also to seek protection or simply liquidate, as some have done this year. The Center for Automotive Research says a bankruptcy filing by one or more domestic automakers could result in the loss of 2 million jobs.

"It would take the industry down," says David Cole, chairman of the Center for Automotive Research, who advocates that the government step in to assist the automakers. "An ounce of prevention is worth a pound of cure. ... (A bailout) is a teeny amount compared with the overall consequences if this thing gets away from us."

[OPEC members say low oil prices imperil investment](#)

OPEC oil producers warned Tuesday that low oil prices have created a crisis situation that threatens key investment in production, pushing them to seek moderate price increases by cutting output.

[IEA concerned about oil project delays - Tanaka](#)

LONDON (Reuters) - The International Energy Agency (IEA) is concerned about potential delays to upstream oil projects as a result of the recent sharp fall in crude prices, its head said on Tuesday.

...Oil industry officials and analysts have said the low price may clog investments in upstream projects needed to maintain world supplies.

"Discussion that price of oil should be high enough and there will not be incentives to sustain upstream investment ... if the price of oil is too low? Yes, we are concerned about it," IEA's head Nobuo Tanaka told Reuters at a sidelines of a conference in London.

"We have seen this financial crisis. The supply side, as well as the demand side, has been hit badly by the financial crisis."

[BP third-quarter profits surge on record high oil prices](#)

LONDON (AFP) – British energy giant BP said on Tuesday that third-quarter net profit

soared 83 percent to 8.049 billion dollars (6.434 billion euros) on record high oil prices which have since slumped.

Net profit, excluding gains from the value of its crude oil inventories, rose by 148 percent to 10.03 billion dollars in the three months to September, compared with the same period of 2007, BP said in an earnings release.

[Jet fuel's down, but surcharges have stuck](#)

Despite lower jet-fuel prices, fuel surcharges on international tickets are much higher than a year ago, according to an analysis of airline fare data for USA TODAY. Surcharges on many tickets have doubled, and many tickets on shorter flights — which often burn less fuel — have higher surcharges than longer-distance flights.

Most round-trip international tickets still have surcharges ranging from \$200 to more than \$500, even after airlines lowered the surcharges by \$20 to \$70 on many U.S.-Europe tickets last week. U.S. domestic fares still carry fuel surcharges, too, but international fares have the highest ones.

[Congress Skimps on Roads, Providing Little Help for Caterpillar](#)

(Bloomberg) -- The morning rush in Philadelphia ran 30 minutes longer than usual earlier this month when a joint in the Interstate 95 roadway came loose, shutting part of the artery and causing traffic to back up at least two miles.

The U.S. House's transportation panel will hear from 19 witnesses tomorrow on boosting infrastructure spending after Speaker Nancy Pelosi asked committee chairs to suggest contents for a potential post-election economic stimulus package. While the California Democrat hasn't announced a spending target, a plan last month included \$12.8 billion for roads. That wouldn't be enough to plug a \$19 billion hole projected in the federal Highway Trust Fund next year.

[UK: North-east could suffer as oil price slumps to \\$60 a barrel](#)

THERE were warnings last night that the gloss could be about to come off the north-east economy as the price of oil teetered below the \$60-a-barrel mark.

Economists warned of job cuts to come and a fall in house prices as the region loses the cushion of booming oil prices that has enabled it to avoid the savage downturn hitting the rest of the UK.

[Iran 'opens naval base' near Gulf](#)

Iran has opened new naval facilities east of the Strait of Hormuz, the narrow entrance to the Gulf which is key to oil supplies, state media say.

Naval chief Admiral Habibollah Sayyari was quoted as saying the base in the town of Jask would enable Iran to block the entry of an "enemy" into the Gulf.

[China condemns Sudan oil killings](#)

China has condemned the killing of five of its citizens in Sudan, calling it as a terrorist act, but said it would continue to invest in the country.

[Beyond the triple crisis: a green new deal](#)

This sequence makes clear that what is at stake is more than a financial breakdown that can be repaired by policy adjustments at the margin. Rather, the excessively indebted global economy is but one aspect of an unprecedented triple crunch, each element of which has contributed to the current crisis:

- * an enormous Ponzi scheme of debt
- * peak oil
- * climate change.

[Intel Capital to invest \\$20 mln in solar venture \(AP\)](#)

BEIJING - Shrugging off gloom over the economic outlook, Intel Capital on Tuesday announced its first "clean-tech" initiative in China, a \$20 million equity investment in Trony Solar Holdings Co., one of China's biggest makers of solar energy and wind power equipment.

"The world economy is in a very difficult position, but innovation is the way to help the companies out of financial crisis. Intel Capital is still committed to investing in innovative companies," Cadol Cheung, managing director of Intel Capital for the Asia Pacific, told reporters. Intel Capital's parent is computer chip maker Intel Corp.

"We have no plans to slow down our investment pace," Cheung said.

[EPA may relax power-plant pollution rules](#)

WASHINGTON — The Environmental Protection Agency is working at the Bush

administration's direction on a new rule that would weaken regulations for power plants, allowing them to increase emissions without adding pollution controls.

[Study: Smog chops 2 months off Mexicans' lives](#)

MEXICO CITY – Mexicans would live an average of two months longer if they breathed cleaner air, Harvard researchers conclude in a study published Monday. The study found that some 7,600 people's lives were cut short each year by diseases related to air pollution between 2001-2005, representing about 1.6 percent of annual deaths in Mexico.

[China's hidden coal cost equal to 7.0 pct of GDP: green groups](#)

A report entitled: "The True Cost of Coal", jointly commissioned by Greenpeace, the Energy Foundation and conservation group WWF, said taking into account the real expense was vital to the nation's future energy security.

The unaccounted costs equate to an estimated 1.7 trillion yuan (249 billion dollars), and would be even higher if the impacts of climate change were included, according to the report.

[Climate is the real crisis: Britain's Prince Charles](#)

TOKYO (AFP) – Britain's Prince Charles urged the world Tuesday to fight climate change, saying that while the global credit crunch may be temporary, the effects of the "climate crunch" were irreversible.

[Oregon governor outlines climate change agenda](#)

PORTLAND, Ore. – Oregon's governor unwrapped an ambitious 2009 legislative climate change package with proposals for net-zero greenhouse gas emissions for homes and buildings by 2030, with benchmarks to be sure the goal is reached.

Gov. Ted Kulongoski also wants to replace the \$1,500 tax credit on hybrid vehicles with a \$5,000 credit on all-electric cars and to fund energy efficiency for 800 low-income homes a year.

[Top economist talks up risks of climate inaction](#)

HONG KONG (AFP) – Nicholas Stern, one of the world's leading environmental economists, said Monday that the global economy will face a more severe downturn than

the current crisis if it fails to halt climate change.

Stern, the author of a key climate change report and a former World Bank chief economist, said moves towards a low carbon economy should not be stifled by the fallout from the current economic downturn.

[Report: Climate change affects Yellowstone](#)

From Walden Pond in Massachusetts to Yellowstone National Park in Wyoming, climate change has begun to dramatically affect the flora and fauna of these American treasures, according to two studies in Monday's *Proceedings of the National Academy of Sciences*.

The studies show that the warming of the Earth's atmosphere over the past few decades has caused a loss of many of the flowers that Henry David Thoreau recorded in his book *Walden* and also has contributed to a decline in several species of native animals once common in Yellowstone.



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