



DrumBeat: January 27, 2009

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Topic: [Miscellaneous](#)

[Oil prices tumble on jobs, housing consumer data](#)

COLUMBUS, Ohio – Oil prices tumbled sharply on Tuesday with more evidence of decline in the U.S. housing industry, more job cuts and plunging consumer confidence, all of which can lead to cuts in energy spending.

Light, sweet crude for March delivery lost \$4.15 a barrel, or 9 percent, to settle at \$41.58 in trading on the New York Mercantile Exchange. It was the second straight day of declines after oil prices rallied last week.

[Canadian bishop slams oil sands development](#)

CALGARY, Alberta (Reuters) - The rapid-fire development of Canada's oil sands region has garnered a new critic -- the Catholic bishop whose diocese extends over the world's second-largest oil reserves .

Luc Bouchard, bishop of the diocese of St. Paul, which covers nearly 156,000 square km (60,000 square miles) of northeastern Alberta and includes the massive oil sands developments near Fort McMurray, said this week that "the integrity of creation in the Athabasca oil sands is clearly being sacrificed for economic gain".

In a pastoral letter to the region's 55,000 Catholics, the bishop wrote that the exploitation of the huge resource is environmentally unsound, challenging the "moral legitimacy of oil sands production".

[Russian Oil Production Appears to Have Peaked](#)

Russia's oil industry now resembles the unbuilt buildings of Russia's futurists, from the 1920's. Production, which was boosted to new heights in 2007, has now fallen 1.00% in calendar year 2008. But the chatter out of Russia is much darker, than a 1.00% fall would suggest. First, Russia does not have as much easy oil as is found in the Arab states. This makes Russia's achievement in this decade, when it was able to match Saudi Arabia in daily production above 9 Mb/day, all the more impressive. But we know that a goodly portion of Russia's ability to increase production from 2000-2008 comes directly

from its previous collapse. In other words, Russia did not discover a lot of new oil this decade. It simply went back to mothballed wells, many of which were aging. But while mothballed wells giveth, they also taketh away. They tend to have a surge flow after reopening, only to reach peak quickly thereafter.

[Nippon Oil now seen posting loss for year-Nikkei](#)

NEW YORK (Reuters) - Nippon Oil Corp is now expected to incur a pretax loss of more than 250 billion yen (\$2.82 billion) for the year ending March 31, rather than the 5 billion yen profit it has forecast, because of the sharp drop in oil prices, the Nikkei business journal said.

The company, Japan's biggest oil refiner, has not reported a loss since its 1999 merger with Mitsubishi Oil Co.

[Venezuela not ready to invite back U.S. ambassador](#)

CARACAS (Reuters) - Oil exporter Venezuela will not yet call back a U.S. ambassador expelled by leftist President Hugo Chavez last year despite hopes of warmer relations with the new administration of President Barack Obama.

A staunch critic of U.S. foreign policy, Chavez has got off to a rocky start with Obama, who called the Venezuelan leader an obstacle to progress. Chavez responded by saying Obama carried the same "stench" as his predecessor, George W. Bush.

[How California Could Affect Car Choices: A directive from the Obama Administration on fuel efficiency is creating alarm among automakers](#)

"Our nation's automakers are struggling—drastically restructuring and shedding jobs just to stay afloat," Antonia Ferrier, a spokeswoman for House Republican Leader John Boehner of Ohio, said on Jan. 26, shortly after the White House disclosed Obama's directive. "And now they are being forced to spend billions of dollars to comply with California's emissions standards instead of using that money to save American jobs."

Auto industry executives said on Monday that they didn't see the President's statement as the final word on letting California have its way. Several spoke on background only, citing the sensitivity of negotiations that are taking place between the car companies, Congress, and the White House over the new regulations, as well as the federal loans to General Motors (GM) and Chrysler. "I still think we will wind up with one national regulation that may be tougher than what we have now, but perhaps won't go as far as California wants," says one auto company lobbyist.

[Valero could shutter refineries if no sale - CEO](#)

HOUSTON (Reuters) - Valero Energy Corp could permanently shut those of its 15 North American refineries it no longer wants to own but may not be able to sell in the current economic downturn, Chairman and Chief Executive Bill Klesse said on Tuesday.

"If you don't want them and you can't sell them, I guess the answer would be yes," Klesse said to an analyst who asked if undesirable refineries might be permanently shut.

[U.S. refiners face negative margins - Valero CEO](#)

HOUSTON (Reuters) - U.S. refiners face negative margins if they can't balance gasoline supply with drastically reduced demand due to the current economic downturn, Valero Energy Corp Chief Executive Bill Klesse said on Tuesday.

[The view from the auto mall darkens](#)

As automobile manufacturers in Detroit and Asia struggle to salvage their businesses, and lawmakers in Washington, D.C., work to bail out the industry, car dealers in the Tempe Autoplex are living on the front lines of the auto industry's devastating change of fortunes.

Here, the natural optimism and entrepreneurship that is essential to the car business is running up hard against the cold reality of today's economy, which has strangled their businesses and led to layoffs and even some dealership closures.

[Hybrids for hire: more cars, more options](#)

"When gas was up to \$4-\$5 a gallon, hybrids did quite well with consumers who were concerned about their wallets," says Paula Rivera, Hertz spokesperson. In 2008, she adds, reservations for cars in the company's Green Collection (which includes both hybrids and fuel-efficient non-hybrids) jumped 40 percent over the year before.

And now that gas prices have come back down? With 4,000 hybrids in the Hertz fleet, Rivera says availability has loosened up a bit: "They had been in high demand and hard to get. Now they're just in high demand."

[Kuwait: Stability in oil market primary concern](#)

Kuwait's acting oil minister says his country's primary concern as an OPEC member is market stability.

Sheik Mohammed Al Sabah says Kuwait will agree to further cut production if needed. He also told reporters Tuesday that Kuwait would agree to increase production if that would help stabilize prices.

[Britain's energy industry is nosediving into a dark, uncertain future](#)

Last week, the Guardian revealed that United Kingdom government officials are now negotiating to soften the impact of EU directives affecting the operation of fossil fuel-fired power stations and their emissions of sulphur dioxide (SO₂) and nitrogen oxides (NO_x). This is enormously embarrassing for the UK, but no surprise.

Indeed, it suggests that government, or at least the civil service is beginning to appreciate the full impact of the regulations for the future of the UK's electricity supply. Currently, the UK faces significant shortage in generation capacity by 2015 that is likely to lead to price rises for the consumer (a document leaked to the Guardian suggests price hikes of 20%) or power cuts at times of peak demand.

[Baker Hughes Will Cut 1,500 Jobs, Including 200 in Houston](#)

Baker Hughes said Monday it has begun laying off nearly 4 percent of its global work force, including some employees in Houston, making it the latest major oil field services company to announce cuts in response to building industry headwinds.

Under a program that started Monday, the Houston-based company will cut 1,500 of its 40,000 employees over the next couple of weeks, Gary Flaharty, Baker Hughes' director of investor relations said Monday evening.

[Nigeria needs oil above \\$40 for offshore fields-NNPC](#)

ABUJA (Reuters) - Global oil prices need to stay above \$40 a barrel to keep deep offshore oil production and exploration economically viable in Nigeria, the head of the country's state-run oil firm said on Tuesday.

Oil's sharp drop in the last six months and the global credit crunch have raised concerns that many offshore projects may be delayed or cancelled in the world's eighth largest oil exporter.

[Valero keeps low gasoline output on weak margins](#)

NEW YORK (Reuters) - Top U.S. refiner Valero Energy Corp (VLO.N) said on Tuesday it was maintaining low gasoline production levels in its refining system because of poor

demand and profit margins, especially for motor fuel.

"Looking at market conditions for the coming year, the sluggish economy is clearly a headwind against demand growth for refined products," Bill Klesse, Valero's chairman and chief executive, said in the company's earnings release.

"At Valero, we are managing our run rates according to market demand," Klesse said.

[Fitch Affirms PEMEX's Ratings; Outlook to Stable](#)

In the first nine months of 2008, PEMEX's crude oil production declined at an alarming rate of 9.7% to 2.822 million barrels of crude oil per day after declining by 5.5% in 2007. Declines in Cantarell were only partially offset by production increases primarily from the Ku-Maloob-Zaap fields. However, total hydrocarbon production has remained relatively constant since 2004 at about 4.4 million barrels of oil equivalent (BOE) per day, as natural gas production increases in the Burgos and Veracruz fields have offset oil production declines. Proven hydrocarbon reserves also continue to decline. In 2007 they fell by 5.1% to 14.7 billion BOE which represents an average life of 9 years. The company expects this negative trend to reverse in the future as reserve replacement reaches 100% by 2012. The proven reserve replacement rate has increased from 26% in 2005 to 50% in 2007 and is expected to be even higher in 2008. PEMEX was not able to translate high international oil prices into higher production in spite of increased investment which averaged \$16.3 billion in the last three years and is expected to be about \$20 billion in 2009. This highlights concerns regarding efficiency in capital expenditures allocation and the achievement of prospective long-term operating targets.

[Abu Dhabi sees 20 pct cut in oil plan costs-agency](#)

ABU DHABI (Reuters) - Abu Dhabi National Oil Company (ADNOC) has saved about 20 percent on costs of projects worth \$3.5 billion awarded this week due to the global economic downturn, the state news agency WAM reported on Monday.

It quoted Abdul-Munim al-Kindi, general manager of ADNOC's onshore unit ADCO, as saying the cost of projects awarded to foreign companies for work on three fields "was 20 percent lower than the total cost possible six months ago."

[Go-ahead for \\$3.5bn oil projects](#)

The Abu Dhabi National Oil Company (ADNOC) has awarded contracts worth US\$3.5 billion (Dh12.85bn) for the expansion of three onshore fields.

The contracts to increase production at the Sahil, Asab and Shah (SAS) fields show that ADNOC is moving ahead with its long-term plans to lift capacity by 30 per cent, to 3.5 million barrels per day (bpd), despite a recent dip in global oil demand.

[India's crude imports slashed by slowdown, maintenance](#)

NEW DELHI (Reuters) - India's crude oil imports slumped in December to their lowest in more than four years despite Reliance Industries' new refinery coming on stream, as demand sank amid an economic slowdown and maintenance shutdowns.

India's crude imports plummeted an annual 40 percent during the month to 6.85 million tonnes or 1.62 million barrels per day (bpd), a level not seen since November 2004, as state refiners slashed purchases by three-fifths.

[Demand drop eases pressure on SAfrica oil refining](#)

JOHANNESBURG (Reuters) - A projected slowdown in the growth of South Africa's petroleum demand will give the refinery sector time to build up its capacity to avert a repetition of past shortages, a top industry official said.

[Forties Oil Falls Most in 7 Months as Shell Sells Storage Cargo](#)

(Bloomberg) -- North Sea Forties crude oil fell the most in more seven months relative to Dated Brent after Royal Dutch Shell Plc. sold a cargo it had been storing on a tanker since December.

A cargo of Forties loading in 10 to 21 days cost 25 cents a barrel less than Brent today, according to data compiled by Bloomberg, compared with a premium of 35 cents yesterday. That is the steepest decline in the differential since June. 17.

[Rowan Cancels Jackup, Suspends Construction of Others](#)

US drilling services company Rowan Companies Inc. announced today that the company is canceling the construction of one jackup and suspending the construction of two others. In an unscheduled report to investors, Rowan announced a plan to reduce the company's expenditures through newbuild plan revisions.

[The Philippines: Consumer group seeks full disclosure of oil firms' inventory, shipment value](#)

THE Department of Energy should make public the inventory and value of shipments of oil firms to help protect consumer interest in the wake of the fluctuations in pump prices, a lobby group said.

[Cyclone Dominic Brews Off West Australian Oil Region](#)

A tropical cyclone with destructive wind gusts has formed on the remote west Australian coast on Monday, forcing BHP Billiton to shut its Griffin oil field.

BHP, Australia's largest oil and gas producer, said it has shut in its 8,000 barrels per day (bpd) Griffin field and moved the production and storage vessel out of the cyclone's expected path.

[Alberta: Foreign workers wary of prospects](#)

Andreas Junkier and Uwe Schulz-- both middle-aged carpenters--came to Calgary this year after being recruited at a job fair in their native Germany.

They put all of their belongings into storage and prepared to spend two years --the length of their visa--working in the then-sizzling construction sector.

But only two months into the job, they were told there was no more work for them and they could either go home or find someone else to hire them.

After weeks of job searching as far as Kelowna and watching what little savings they had socked away dwindle, the men had little choice but to rely on the charity of a church for food and shelter.

[Pakistan: Severe cold grips Astore; snowfall continues](#)

The change in weather has increased the need for fuel and firewood and the prices have shot up. Harsh weather has also created shortage of wheat, wheat flour and edibles in district Astore. So far, nearly five to nine feet snow has been recorded in upper parts of Astore, dropping mercury to -8 degrees centigrade.

The Met department said snowfall and rain is expected to continue for the next 24 hours. The water flow in the rivers and streams has decreased because of the freezing temperature. This led to decline in generation of electricity and there are complaints of power outages at many places.

[Support grows for non-Russian gas pipeline](#)

BUDAPEST, Hungary - Key banks and the EU presidency signaled financial and political backing Tuesday for a pipeline meant to reduce Europe's energy dependence on Russia and limit new gas shortages if Russian gas company Gazprom again decides to turn off the spigots.

[Taps back on but Poland still faces gas shortage](#)

Poland says it is receiving only three quarters of the amount of gas it should get under the terms of a deal struck with Russia. Polish gas operator PGNiG says Russia's Gazprom is sticking to its obligations but the contract with the intermediary company RosUkrEnergo is not being fulfilled.

[Honda cuts production by 50,000 cars](#)

(CNN) -- Honda, Japan's second biggest automaker by volume, has cut production by 50,000 vehicles in North America and Japan, as the car industry battles falling demand amid the economic crisis.

Demand has collapsed due to the recession around the world and shortage of credit, and carmakers are putting off major investments in a bid to cope.

[Diesel cash guzzlers: It can take 28 years for them to be cost-effective](#)

Diesel enthusiasts have long maintained that their form of motoring is good for their wallet and for the planet.

But new research reveals that it could take them decades to reap the financial benefits.

[UK directs 27 mln pounds to biofuels research push](#)

LONDON (Reuters) - The British government and 15 businesses including Royal Dutch Shell, BP and SABMiller directed 27 million pounds (\$38.10 million) on Tuesday for research on new biofuels that do not use up food.

It is Britain's biggest ever public investment in bioenergy.

[FAQ: Smart Grid](#)

President Obama has called for the installation of 40 million smart meters and 3,000 miles of transmission lines. That means 2009 could be the year that we finally start seeing real attention being paid to "Power Grid 2.0" — basically turning the electrical grid of the 60s and 70s into a modern network that uses microprocessors and software to work efficiently and to connect to renewable energy generation.

[An energetic push: Research giant targets wind, biofuels, nuclear](#)

GOLDEN, Colo. -- In the foothills of the Rocky Mountains, the wind funnels out of Eldorado Canyon at more than 100 mph across an open mesa.

In this desert scrub, the National Renewable Energy Laboratory tests the mettle of wind turbine blades, gearboxes and power generators built by companies around the world to provide cheap, clean electricity.

Making them is a multibillion-dollar industry in the United States, where as much as 20 percent of electricity could be produced by wind, the lab estimates.

[Oil sands engine slowing](#)

Economic activity is slowing dramatically around the world. Analysts are rerunning financial models more frequently and every iteration produces a weaker result. These conditions are especially true for energy analysts, given the dramatic weakness in crude oil and natural gas prices. As oil sands investments are said to be the economic engine of Alberta, if not of Canada, then related recent news is shocking to investors and governments.

Highlighting the rapidly changing outlook for energy investment generally and oil sands in particular is the contrast in January reports from two oil sands entities.

[Ruble 'Undoubtedly' to Breach Target, Drops to Record Vs Euro](#)

(Bloomberg) -- Russia's ruble weakened to a record low against the euro and slid against the dollar as investors speculated the currency will break the central bank's widened trading band as the economy falters and oil prices decline.

The ruble, which Bank Rossii manages against a basket of dollars and euros to protect exporters, depreciated for a third day to as low as 43.9772 per euro, the weakest since the common currency was introduced in 1999. The ruble will "undoubtedly" breach the central bank's new target of 41 to the basket and 36 per dollar in the next few months, according to Evgeny Nadorshin, senior economist at Moscow's Trust Investment Bank.

[Iran's Ahmadinejad submits \\$89bln budget](#)

TEHRAN, Iran (AFP) – Iranian President Mahmoud Ahmadinejad on Tuesday submitted to parliament an 89-billion-dollar government budget for the year to March 2010 in the face of low oil prices and high domestic inflation.

The budget detailing government spending plans is based on a global oil price of 37.5 dollars a barrel, sharply lower than the peak of nearly 147 dollars seen in the middle of

last year.

[EU chief says Ukraine won't reopen gas deal](#)

BRUSSELS, Belgium – The European Union said Tuesday that Ukraine's president has promised he will not reopen a 2009 energy deal with Moscow that restarted natural gas service to EU countries last week.

[Europe charts new gas future](#)

The Russian gas crisis has given new impetus to current discussions in Budapest about the Nabucco pipeline - an ambitious project to deliver Central Asian gas to the European Union without transiting Russia or Ukraine.

[Chavez: OPEC could cut output – again](#)

CARACAS, Venezuela – Venezuelan President Hugo Chavez says OPEC could further reduce oil production to boost low prices.

The Organization of Petroleum Exporting Countries has reduced output by 4.2 million barrels per day since September through a series of production cuts as the 13-member cartel seeks to bolster prices.

Chavez said OPEC could cut production by as much as 4 million barrels per day if necessary.

[Energy giants seek coal gas pay-off](#)

SINGAPORE - ConocoPhillips, British Gas (BG), Shell and other major international energy companies are scrambling to gain a foothold in Asia's and Australia's nascent coal bed methane (CBM) business.

CBM is chemically similar to petroleum natural gas and is exploited by tapping methane trapped in the aqueous surface of coal seams. Industry players say the fuel could provide a huge new gas source for power generation, industrial boilers and residential use from the bountiful and relatively tapped coal reserves in Australia, China, India, Indonesia and Vietnam.

[Shell Sells Oil Cargo, Phibro Tanker Leaves for U.S.](#)

(Bloomberg) -- Royal Dutch Shell Plc sold a cargo of crude stored off the U.K. and a vessel hired by Citigroup Inc.'s Phibro LLC left its anchorage in Scotland for the U.S. as the incentive to keep oil in tankers disappears.

...Oil companies and traders have stored as much as 80 million barrels of crude on tankers as the so-called contango, a market where buyers pay more for supplies later in the year than now, allowed them to profit from storing crude. The incentive to store oil on vessels is shrinking as the spread between 1st- and 12th- month crude narrows to about \$10 a barrel from \$17 in early December.

[Proposed Keystone pipeline developer seeks waiver](#)

HELENA, Mont. (AP) -- Developers of the proposed Keystone XL pipeline that would transport Canadian crude oil destined for Gulf Coast refineries are seeking an increase in the federal limit on pressure within the pipeline.

The developers say the higher limit would optimize the flow of oil.

[Nigeria's Akpo oilfield to start in April - NNPC](#)

ABUJA (Reuters) - Nigeria's Akpo oilfield operated by Total is due to begin producing in April, with output expected to rise to 175,000 barrels per day by the end of the year, the head of state oil firm NNPC said on Tuesday.

[Nigerian Oil Reserves, Output Goals Stymied by Funding Shortage](#)

(Bloomberg) -- Nigeria risks missing targets to increase oil reserves and exports because of a \$6 billion funding shortfall, the presidential adviser on petroleum said.

[Gulf Shares Rally on Oman, Kuwait Rescue Plans; Oil Surges](#)

(Bloomberg) -- Gulf shares gained, with Oman's index posting its biggest four-day rally since at least 1992, as governments in the region prepare to step in to help financial markets and oil rallies.

[Rosneft Borrows \\$1.35 Billion From Six Foreign Banks](#)

(Bloomberg) -- OAO Rosneft, Russia's biggest oil producer, agreed to borrow \$1.35 billion from Western banks to finance its operations, a banker involved in the deal said.

The Moscow-based company will pay annual interest of 1.8 percentage points over the

London interbank offered rate, or Libor, for the 15-month loan, said the banker who declined to be identified because the transaction is private. The debt is backed by the company's export contracts and there is a "high possibility it will be paid back ahead of time," the banker said.

[Schumer, Higgins call for probe of gas prices](#)

The new head of the Federal Trade Commission should make investigating Western New York's sky-high gasoline prices a top priority, two federal lawmakers said Monday in Buffalo.

Sen. Charles E. Schumer and Rep. Brian Higgins of Buffalo, both Democrats, appeared across the street from a Mobil gas station in Cheektowaga to call on the Obama administration to speed up its probe of high gas prices.

[Obama orders more fuel-efficient cars by 2011](#)

President Obama's initiative Monday to reduce greenhouse gas emissions and boost fuel efficiency in new vehicles would cut costs for consumers and prod carmakers to more quickly roll out greener cars, some analysts say.

[Financial crisis hits electric car company Think Global](#)

Demand for its cars started to fall and the company couldn't raise enough capital to fund its growth, reports the New York Times. Late last month Think was forced to file for bankruptcy protection.

Think is now seeking a strategic partner and more funding. The company has already managed to secure \$5.7 million in loans and is being partially supported by one of the firms supplying it with lithium-ion batteries.

[After Katrina, New Orleans is going green](#)

NEW ORLEANS – The city known more for French Quarter trash than recycling or renewable energy is going green. In rebuilding since Hurricane Katrina, homes are being fitted with solar panels, organic farming is catching on and the city's got a new fleet of hybrid buses.

On the flanks of those buses, a catch phrase — Cleaner, Smarter — could be the anthem for the movement by institutions and individuals to slowly turn the city's environmentally-unfriendly image around.

[Obama faces tough choice on Cape Cod wind farm](#)

WASHINGTON – President Barack Obama's enthusiasm for alternative energy is being buffeted by two political forces on opposite sides of plans to build the nation's first offshore wind farm off Cape Cod.

A leading foe of the \$1 billion project is Sen. Edward Kennedy, D-Mass., an early and influential backer of Obama's presidential bid. A strong proponent is Massachusetts Gov. Deval Patrick, a close friend of Obama and a source for some of his best campaign speech lines.

[Chicken parts as jet fuel? Pond scum? It's possible](#)

Chickens can't fly very far. But chickens — or the fatty parts left after processing — could be powering jet flights across the country and around the world in the next few years.

Or maybe it'll be algae, essentially pond scum, fueling them. Or jatropha, a smelly and poisonous subtropical plant with nicknames such as "black vomit nut" or "bellyache bush." Or liquid fuel converted from coal or natural gas, using a technology pioneered by Adolph Hitler's Nazi war machine.

[California scores vindication, environmental win](#)

SACRAMENTO, Calif. – California was handed a big environmental victory when President Barack Obama endorsed a key part of the state's greenhouse gas reduction plan.

He also gave a public boost to the Golden State, offering a clear sign that liberal-leaning California can expect a friendly relationship with his administration after eight years of clashes with former President George W. Bush.

[Obama begins teardown of Bush climate policy](#)

WASHINGTON (AFP) – President Barack Obama began to shred Bush administration climate policies, signing measures to encourage production of fuel-efficient cars and vowing to lead the fight against global warming.

In another sign of change, Secretary of State Hillary Clinton picked a veteran of the Kyoto Protocol talks as her envoy for climate change, as world leaders target a historic global warming pact this year.

[Democratic feud hurts Obama's climate agenda](#)

By coincidence or design, most of the policy makers in Congress and in the administration charged with shaping legislation to address global warming come from California or the East Coast, regions that lead the United States in environmental regulation and the push for renewable energy sources.

That is a problem, says a group of Democratic lawmakers from the Midwest and the Plains states, which are heavily dependent on coal and manufacturing. The lawmakers have banded together to fight legislation they think might further damage their economies.

[German coalition at loggerheads over global warming test](#)

BERLIN (AFP) – Germany's coalition government on Monday was at loggerheads over plans to dump iron sulphate in the South Atlantic to see if it can absorb greenhouse gases and help stop global warming.

[Today's Recession Is Different From Those of the 1980s](#)

As Leonhardt concedes, we have yet to see how badly the unemployment and housing sales rates go this time. We have yet to hit bottom. I'll add some other ways our situation is different from 1982, and even from 1932. This takes us beyond "worse" or "better" arguments, to focus on the distinct nature of this recession.

... **Peak oil.** The United States was only a few years past its peak in oil production in 1982, and world production remained ahead of demand — India, China and the communist block had yet to enter the world economy as big energy guzzlers. That's all changed now. World peak is happening or near and the nations of this petroleum-addicted world are far from making the necessary adjustments to make the transition to a future of much more expensive energy. This is another recipe not only for economic disruption but also for geopolitical conflict.

[State of Cringe - James Howard Kunstler](#)

I've been skeptical of the "stimulus" as sketched out so far, aimed at refurbishing the infrastructure of Happy Motoring. To me, this is the epitome of a campaign to sustain the unsustainable -- since car-dependency is absolutely the last thing we need to shore up and promote. I haven't heard any talk so far about promoting walkable communities, or any meaningful plan to get serious about fixing passenger rail and integral public transit. Has Mr. Obama's circle lost sight of the fact that we import more than two-thirds of the oil we use, even during the current price hiatus? Or have they forgotten

how vulnerable this leaves us to the slightest geopolitical spasm in such stable oil-exporting nations as Nigeria, Mexico, Venezuela, Libya, Algeria, Columbia, Iran, and the Middle East states? And we're going to rescue ourselves by driving cars?

[Spend a trillion a year to save planet: report](#)

TACKLING climate change will be much cheaper than most governments expect, according to a major report by global consultancy McKinsey.

Nearly \$1 trillion a year would need to be invested in clean power, energy efficiency and forestry around the world by 2030 - a huge sum but less than most governments have predicted and much less than the expected damage bill should climate change go unaddressed.

[Report: Some climate damage already irreversible](#)

WASHINGTON — Many damaging effects of climate change are already basically irreversible, a team of international researchers declared Monday, warning that even if carbon emissions can somehow be halted temperatures around the globe will remain high until at least the year 3000.

"People have imagined that if we stopped emitting carbon dioxide the climate would go back to normal in 100 years, 200 years; that's not true," climate researcher Susan Solomon said in a teleconference.



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