



DrumBeat: February 26, 2009

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Topic: [Miscellaneous](#)

[The Peak Oil Crisis: A Turning Point?](#)

Chinese oil consumption is no longer growing at 5 or 6 percent annually as it has been doing in recent years, but it does not seem to be dropping significantly either as Beijing is reported to be filling its first strategic petroleum reserve. The Japanese, who just reported a 45 percent drop in exports, imported eight percent less oil in January. The heavily motorized parts of Europe still seem to be consuming close to normal levels as are the oil exporting countries where the oil products are heavily subsidized. The rapid drop in prices has ended the stream of reports from small islands and the poorer Asian, African and Latin American countries about not being able to afford oil for power plants.

In short, it is not obvious exactly where the fabled drop in demand is taking place. The U.S. was down about a million barrels a day (b/d) a couple of months ago, but over the last few weeks consumption of most oil products, except jet fuel, have edged back up again. In a society such as the U.S., which is almost completely motorized, it apparently takes more economic downturn, especially in winter, to keep people out of their cars when cheap gas is available. In another four months, the U.S. vacation driving season will be on us - a time when gasoline consumption usually jumps about 500,000 b/d. Presumably those suffering financial hardships will be more circumspect in their vacation driving this summer even if gasoline remains in the vicinity of \$2 a gallon.

[Oil jumps for second day in a row](#)

DENVER – Oil prices jumped for a second consecutive day Thursday as the supply of crude, for months a secondary consideration to rapidly declining demand, appeared to gain force as a market mover.

Traders have followed economic data that suggested producers could not cut production fast enough to match falling demand.

The government reported that imports over the last two weeks are more than 10 percent below the prior month's average, hinting that massive OPEC cuts may finally have reached the U.S. market.

Light, sweet crude for April delivery jumped 6.4 percent, or \$2.72 to settle at \$45.22 a barrel on the New York Mercantile Exchange.

[Next oil shock will be far worse than \\$147 a barrel'](#)

The world is breathing easy, now that oil prices are below \$40 a barrel, down sharply from \$147 a barrel in June. But, in fact, the current financial crisis and recession could accentuate the severe supply-side constraints that drove up prices last year to record highs, cautions Mikkal Herberg, research director of the energy security programme at the National Bureau of Asian Research in Washington and a veteran strategist in the oil industry.

"It's hard to say how long and deep this recession will be and how soon the global economy -- and demand for oil -- will recover, but when it does, in a year or two, it will immediately run into supply constraints," says Herberg.

[Mexico awards \\$250 mln oil drilling contracts](#)

MEXICO CITY, Feb 26 (Reuters) - Mexico's state oil company Pemex said on Thursday it had awarded three offshore drilling contracts worth a combined \$249.7 million to privately held MexDrill and a unit of Nabors Industries.

[Sewage spills foul San Francisco Bay over and over](#)

On average, human waste spills into the San Francisco Bay more than five times a day, fouling the waters and shorelines of this environmental jewel and recreational treasure.

Decrepit pipes, outdated municipal sewage treatment systems and poor upkeep have been blamed for many of the spills into one the world's most famous and beautiful natural harbors. And some of the Bay Area's wealthiest communities have been identified as some of the most persistent polluters.

[Obama Budget Hits Oil, Gas Companies With New Fees, Taxes](#)

WASHINGTON -- The Obama administration Thursday proposed raising at least \$31.5 billion over 10 years from oil and gas companies, reflecting a repeal of tax breaks for domestic production and new charges on oil and gas production in the Gulf of Mexico.

The plans, outlined as part of a fiscal 2010 budget proposal, revive long-standing Democratic efforts to turn to the oil and gas industry as a source of funding for other priorities. Among other things, the Obama budget plan calls for about \$13 billion over 10 years in new charges on oil and gas companies from the repeal of a tax deduction for domestic production.

Oil companies have been fighting to maintain the tax treatment, which they say keeps

jobs in the U.S. by encouraging domestic production. Congress scaled back the tax deduction last year to help pay for an extension of tax breaks for the solar and wind industries, but stopped short of eliminating it entirely.

[Chesapeake Energy to move, eliminate 215 jobs](#)

Chesapeake Energy Corp. said Thursday that it will move or eliminate about 215 positions from its Charleston, W. Va., office in an attempt to cut costs amid tightening credit markets and falling energy prices.

The nation's largest natural gas producer plans to transform the office from a regional corporate headquarters employing 255 workers to a regional field office employing about 40 people.

[Chevron Says 3 Projects Delayed, Raises Cost Targets](#)

(Bloomberg) -- Chevron Corp., the world's fourth- largest energy company, delayed the start of production at three Nigerian projects and raised cost estimates as much as 103 percent on some of its biggest new sources of output.

A trio of Nigerian developments will begin producing at least a year later than planned, San Ramon, California-based Chevron said today in a public filing. A plant refining Nigerian natural gas into motor fuels will cost \$5.9 billion, more than double the previous estimate, and the offshore Agbami oilfield will cost an estimated \$7 billion, 30 percent more than planned.

[Power games](#) - *The final shape of the European energy market is emerging: an oligopoly*

AFTER years of legal fights, hurt pride and face-saving compromises, the saga of Endesa, a Spanish utility, and Enel, an Italian energy giant, came to an end on February 20th. It had started when the Spanish government tried to engineer a merger of Endesa with another Spanish utility, Gas Natural, in an effort to create a national champion. The eventual outcome, however, is that Endesa is now owned by Enel, Italy's leading energy firm. One lesson is clear: attempts by politicians to create energy champions can have unexpected consequences, and can make the governments in question look foolish.

[China State Oil Firm to Buy Verenex](#)

OTTAWA -- China National Petroleum Corp.'s international arm plans to buy Verenex Energy Inc., snapping up the latter's Libyan oil assets for 499 million Canadian dollars (US\$401 million).

The all-cash friendly deal from CNPC International Ltd. is for C\$10 a share, Verenex said in a statement Thursday, a 28% premium to the company's Wednesday closing price on the Toronto Stock Exchange.

[Russia admits Irish oil spillage](#)

The Russian navy says its vessels were to blame for an oil spill in the Celtic Sea off Ireland about 10 days ago.

An investigation found "technical malfunction and human error" resulted in hundreds of tonnes of oil leaking from a tanker anchored near a warship.

[Wind power output hits 1,000 MW in New York-grid](#)

NEW YORK (Reuters) - Wind power in New York for the first time reached 1,000 megawatts last week, the New York Independent System Operator said on Thursday.

On Feb. 19, the wind output reached 1,000 MW, providing close to 5 percent of the 21,000 MW of total system demand at about 6 p.m. EST (2300 GMT), the grid operator said in a release.

One megawatt powers about 1,000 New York homes.

[Downturn to cost billions in aid to world's poor](#)

LONDON - The cost to aid budgets of the world economic downturn is headed for billions of dollars, slashing assistance to the world's poorest people just as it becomes harder for them to make money for themselves.

[John Michael Greer: The investment delusion](#)

The long economic expansion of the industrial age has fostered the massive growth of what old-fashioned Marxists used to call a rentier class – a class whose money makes money for them. Even among people who work for a living, the idea of joining the rentier class on retirement, and living comfortably off investments, has become very popular in recent years. The problem, of course, is that the age of industrial expansion is over; it was made possible in the first place only by exponentially increasing the use of fossil fuels and other natural resources; like all exponential growth curves, it faced an inevitable collision with the limits of its environment – and that collision is happening around us right now.

We are thus entering a period of prolonged economic contraction – not a recession, or

even a depression, but a change in the fundamental dynamic of the economy. Over the centuries just past, a rising tide of economic growth was interrupted by occasional periods of contraction; over the centuries ahead, the long decline of the industrial economy will doubtless be interrupted by occasional periods of relative prosperity. Just as a rising tide lifts all boats, a falling tide lowers them all, and if the tide goes out far enough, a great many boats will end up high and dry.

[Obama Rejects Nuclear Waste Site in Nevada After 20-Year Fight](#)

(Bloomberg) -- President Barack Obama will block the 20-year-old project to store U.S. nuclear waste at Yucca Mountain in Nevada and devise a new solution, the Energy Department said.

Obama and Energy Secretary Steven Chu “have been emphatic that nuclear waste storage at Yucca Mountain is not an option, period,” said department spokeswoman Stephanie Mueller. The federal budget plan Obama is releasing today “clearly reflects that commitment,” she said.

“The new administration is starting the process of finding a better solution for management of our nuclear waste,” Mueller said in an e-mail today.

The U.S. has spent more than 20 years and \$9 billion on a disputed plan to develop Yucca Mountain, about 100 miles (160 kilometers) northwest of Las Vegas, as the nation’s nuclear waste repository. Obama’s decision leaves unresolved the long-term plan for nuclear waste, primarily from power plants.

[Tony Hayward: Compromise Energy Policy Within Reach](#)

Every U.S. president since Richard Nixon has expressed concern about America's growing dependence on imported oil. But effective action has proved elusive: Oil imports have more than doubled in the past 35 years -- from 30% at the time of the first oil shock in 1973 to around 65% today.

Yet the collapse in world energy demand and the fall of energy prices present a rare, once-in-a-generation opportunity. Congress and the Obama administration can work with energy producers to craft an energy policy that creates jobs, expands and diversifies the nation's energy supply, generates government revenue, and protects the environment.

[Law must decide Arctic ownership: Russia](#)

MOSCOW -- The battle for the Arctic's vast reserves of oil and gas can only be decided by international law, Russia and Denmark said after talks on Thursday.

[Cuba Expects More Oil Prospecting in Gulf of Mexico](#)

Cuba's government still expects that more oil prospecting will be conducted this year in its territorial waters of the Gulf of Mexico, the country's Basic Industry minister said.

"Our plan is that this year we should begin conducting the first new prospecting in the Gulf," Yadir Garcia said in statements broadcast Tuesday by state television.

[Big Oil Again Pushes Congress to Open Offshore Acreage](#)

Big Oil once again pushed U.S. lawmakers to open up the Outer Continental Shelf to oil and gas development, arguing Wednesday that resource estimates could be multiplied if the federal government would expand offshore drilling access.

Although a moratorium on offshore drilling expired last year in the face of political pressure fueled by high energy prices, Democratic leaders in Congress and President Barack Obama's administration are prioritizing alternative, low-carbon energy and have indicated they'll restore bans in many areas.

[Ukrainian company seeks changes to Russia gas deal](#)

Ukraine's debt-burdened company Naftogaz wants changes in a hard-won natural gas deal with Russia that ended Europe's gas cutoff, officials said Thursday, amid concerns of a renewed dispute between the two neighbors.

Naftogaz has asked Russia's gas giant Gazprom to allow Ukraine to buy less natural gas this year than previously agreed, according to Gazprom and President Viktor Yushchenko's office. The contract signed in January locks Naftogaz into buying 40 billion cubic meters of gas this year, but the company is asking to buy only 33 billion.

[The Environmental Cost of Euro-Arab Scramble for Africa](#)

The focus of this piece is to highlight how the selfish, unethical, and eco-hostile Euro-Arab 'investment' in collaboration with tyrannical and genocidal Horn of African regimes is leading to apocalyptic and irreversible disasters on the environment, human lives and wild lives.

[Nigerian Militants Warn of More Helicopter Attacks](#)

Nigerian militants warned on Thursday of attacks on any helicopters being used by the oil industry to transport soldiers in the Niger Delta, a day after a helicopter travelling to

an oil facility was hit by gunfire.

The Sikorsky 76 was flying between the Ogbainbiri and Tebidaba oil flow stations operated by Italian energy firm Agip when it was shot at on Wednesday, wounding one passenger. The aircraft later landed safely back at its base.

[Oil Price Decline Pinches Iraqi Economy](#)

(AP) Iraq signed a joint venture oil deal with a British-based company on Thursday in one of the largest deals since the 2003 U.S.-led invasion, an official said.

The deal comes as Iraq's budget is increasingly pinched by a decline in global oil prices and officials seek to boost oil production and develop new industries to pay for reconstruction. But many major oil companies have remained in the wings until Iraqi lawmakers deal with a long-delayed proposal governing oil investments.

[Mexico/U.S. talks on border oil fields could begin soon](#)

MEXICO CITY: Initial exploratory talks between Mexican and U.S. delegations regarding development of cross-border fields could begin during the northern hemisphere's spring, an official source close to the process told BNAmericas.

[Arizona: The Grand Gas Prices State](#)

Donati blamed two culprits for keeping Arizona's prices inflated. The first, she said, were California oil refineries making a conscious decision to sell less gas to Arizona in hopes of making more money from California's sky-high gas prices - the highest in the nation at \$2.265 per gallon. Donati also claimed that refineries had previously tightened Arizona's access to gas in order to close the gap between supply and demand in the state, thereby preventing gas prices from sinking even lower than they did in late 2008.

Donati said this move caused an unforeseen price jump in January after one of the state's biggest gas distributors, Flying J, filed for Chapter 11 bankruptcy.

"Flying J was a major supplier of fuel to the state, and that caused gasoline inventories across the state to tighten," Donati said.

[British Gas signals further price cuts as anger grows over parent company's £2billion profits](#)

British Gas chiefs have signalled further price cuts later this year amid anger over profits at its parent company.

Centrica made operating profits for 2008 of almost £2billion, despite the fact that profits at British Gas fell by a third to £379million.

The British Gas figures were hurt by sharp rises in wholesale energy costs last year, however these have since seen an unprecedented collapse.

[Myopic vs. Strategic Thinking](#)

The cost of oil production from tar sands is one of the most costly means of producing oil, that and deep water drilling. The collapse in oil prices is making production from the Canadian tar sands less economical, and slapping emissions controls and other regulation will only raise the cost for Canadian oil exporters to the U.S. The article mentions above that roughly 600,000 b/d of new production that was supposed to come on line over the next two years has been scrapped, and slapping regulation on Canadian oil producers will likely lead to even further cut backs in new production plans.

While the goal of reducing the carbon footprint is a noble venture, Obama's policies are likely to have unintended consequences. For example, who's to say that instead of spending billions to meet possible future regulations on oil sands production that Canadian oil exporters don't simply export their oil to China or other oil-starved countries?

[After the crash, Iceland's women lead the rescue](#)

Tómasdóttir says: "Our Björk fund is to focus on sustainable growth. Iceland was the first in the world into the crisis, but we could be the first out, and women have a big role to play in that. It goes back to our Viking women. While the men were out there raping and pillaging, the women were running the show at home.

"We have five core feminine values. First, risk awareness: we will not invest in things we don't understand. Second, profit with principles - we like a wider definition so it is not just economic profit, but a positive social and environmental impact. Third, emotional capital. When we invest, we do an emotional due diligence - or check on the company - we look at the people, at whether the corporate culture is an asset or a liability. Fourth, straight talking. We believe the language of finance should be accessible, and not part of the alienating nature of banking culture. Fifth, independence. We would like to see women increasingly financially independent, because with that comes the greatest freedom to be who you want to be, but also unbiased advice."

[Nassim Nicholas Taleb: How Bank Bonuses Let Us All Down](#)

One of the arguments one hears in the compensation debate is that the bonus system used by Wall Street - as John Thain, former Merrill Lynch chief executive, put it - is there to "reward talent". While I find this notion of "talent" debatable, I fully agree that

incentives are the heart of capitalism and free markets - but certainly not *that* incentive scheme.

In fact, the incentive scheme commonly in place does the exact opposite of what an "incentive" system should be about: it encourages a certain class of risk-hiding and deferred blow-up. It is the reason banks have never made money in the history of banking, losing the equivalent of all their past profits periodically - while bankers strike it rich. Furthermore, it is that incentive scheme that got us in the current mess.

[Monbiot: Cutting consumption is more important than limiting population](#)

Population growth is but one factor contributing to pressures on resources and environmental damage. So why is it a hobby horse for so many?

[Homes can generate, sell electricity](#)

Energy Minister Eamon Ryan today announced measures to encourage the on-site generation of electricity in homes and farms across Ireland.

Among the measures is a guaranteed price of 19 cent per kilowatt hour of electricity produced.

This competitive feed-in tariff will apply to the first 4,000 micro-generation installations countrywide over the next three years.

[GM loses \\$9.6 billion](#)

NEW YORK (CNNMoney.com) -- General Motors posted a \$9.6 billion net loss in the fourth quarter, a period in which its sales plunged and it needed a federal bailout to avoid filing for bankruptcy.

The company also disclosed that it burned through \$6.2 billion in cash during the last three months of the year. The company ended the quarter with cash of \$14 billion.

[Ukraine, Russia face March gas crisis: report](#)

MOSCOW (AFP) — Russian energy giant Gazprom has warned it will again cut off gas to Ukraine on March 8 if the country does not pay back 400 million dollars of new debts, a newspaper report said Thursday.

The Kommersant daily said the head of Gazprom's finance department, Andrei Kruglov, had warned a board of directors meeting the day earlier of his concerns about Ukraine's

ability to pay February's bills.

"If 400 million dollars is not paid on March 7, then on March 8 once again we will have to cut off gas to Ukraine," an unnamed participant in the meeting quoted him as saying, the paper said.

[Power shortages get worse in Central Asia](#)

ALMATY, Kazakhstan (AP) — Kazakhstan announced Thursday it was pulling out of the Central Asian power grid to protect its energy supplies, a move that forced rolling blackouts and electricity rationing on Kyrgyzstan, its tiny, power-starved neighbor.

Kazakhstan said it had to withdraw from the power grid because Tajikistan — another small and cash-strapped Central Asian nation — was taking more energy from the grid than it was producing, threatening to disrupt supplies in Kazakhstan.

"As of Feb. 26, Tajik state energy company has made unscheduled use of 84 million kilowatt hours of electricity," the state-owned Kazakhstan Electricity Grid Operating Company said.

[Zambia trims power supply to mines as demand falls](#)

LUSAKA (Reuters) - Zambia's sole power distributor to the copper mines has cut supply by 15 percent to match lower demand from the mines as metals prices fall, a company official said on Thursday.

[High oil price takes its toll of business](#)

ISLAMABAD: High oil prices have affected business and economic activities in the country by substantially increasing the cost of doing business and making exports uncompetitive in the world markets apart from sending inflation to record highs while making common man's life miserable.

[The crude facts on oil and gas prices](#)

With all the cutbacks in oil exploration, could there be a shortage of petroleum when the economy finally recovers?

That is certainly possible, and some economists think a shortage will eventually generate a spike in crude oil prices that could rival last year's jump.

In a recent report, CIBC World Markets economists Jeffrey Rubin and Peter Buchanan say that global demand for crude oil will fall about 1 per cent this year, and this (along

with the precipitous fall in prices) will cause an enormous drop in the exploration and development of new oil projects.

[Ice in east Antarctica a bigger threat long term](#)

The report doesn't forecast immediate Antarctic disasters because of global warming. Scientists point out, however, that if the western ice sheet ever collapsed completely, it would add some 7 meters to sea levels worldwide.

East Antarctica's ice appears more stable than the west's — "I wouldn't say it's stable, but more stable," said Neumann — but it has the theoretical potential to add some 200 feet (60 meters) to sea levels in centuries to come, scientists say. Even a small, more immediate shift here could raise oceans significantly.

[Study Finds Unprecedented Growth in Climate Change Lobbying](#)

A new report from the Center for Public Integrity reveals that the number of global warming lobbyists has increased by more than 300 percent in the past five years. In the past year some 770 companies hired over 2,000 climate change lobbyists and spent an estimated \$90 million to influence federal policy on climate change. We speak to the report's lead author, Marianne Lavelle.

[Water crisis alert in Middle East](#)

The Middle East has five per cent of the world's population, but possesses only 1 per cent of renewable fresh water, an expert said.

According to the World Bank, renewable water will also decline by 50 per cent by 2050, said Saudi Aramco community services executive director Mazen Snobar.

[Intel Says Cheap Computing Is the Answer to Cutting Energy](#)

The way that Intel (INTC) Chief Sales and Marketing Officer Sean Maloney talked up energy efficiency at the Cleantech Forum in San Francisco this afternoon, one could easily have mistaken the world's largest chip maker for a firm tinkering with the power grid. But there are connections between microprocessors and energy consumption — Maloney said that computing power is now cheap enough to be able to help old-skool industries like manufacturing, construction and transportation do the bulk of their design processes virtually, cutting the energy expended to create physical models.

[Oil: How Low Can It Go?](#)

As OPEC cuts output and oil companies shelve expansion programs, an oil shortage is coming, says Matthew Simmons. He is founder of Simmons & Co, an investment bank catering to the energy industry.

"Within the next few months, we'll have a sharp rebound in price," he said. "[Oil companies] don't have projects in the mill that can get them ahead of their blind curve. In measurable stocks, we're basically as tight as a drum. Unless we have a sharp rebound fast, we'll have an ever-steadier liquidation of useable petroleum stocks until it finally leads to shortages. "

Simmons estimates that serious shortages could quickly triple or quadruple the price within the next two years--and after that all bets are off. "Somewhere in the next two to five years, \$500 a barrel," he said.

[Oil rises on hopes drop in US demand is slowing](#)

SINGAPORE – Oil prices rose above \$42 a barrel Thursday in Asia as a lower-than-expected U.S. crude inventory increase sparked investor optimism that the collapse in demand may be slowing.

Benchmark crude for April delivery climbed 48 cents to \$42.98 a barrel by afternoon in Singapore on the New York Mercantile Exchange. The contract gained \$2.54 on Wednesday to settle at \$42.50.

[Are Gasoline & Crude Oil Price Patterns Actually Diverging?](#)

Recently, we at EIA have received many inquiries about why gasoline retail prices have been rising compared to the New York Mercantile Exchange's (NYMEX's) reported price of crude oil. The national media have also run several prominent stories on this divergence in prices. In particular, EIA's reported average retail price of regular gasoline in the United States rose from \$1.61 to \$1.96 between December 29th and February 16th. During the same period, NYMEX's most reported price for crude oil was volatile, but had no clear upward trend. So what's going on?

[Energy companies see challenging 2009](#)

The energy sector has been hit hard by a sell-off in oil and gas prices and the global credit crunch, forcing many companies to cut their 2009 spending and trim output to protect profit margins.

[UAE cuts oil supplies](#)

The United Arab Emirates' official news agency says the Abu Dhabi National Oil Company has announced it will cut oil shipments to customers starting in April, a move aimed at shoring up crude prices as the global downturn eats away at demand.

WAM reported Thursday that ADNOC will enact 15 to 17 percent cuts in supplies of its various crude grades, including Murban.

[Iraq signs oil deal to boost production](#)

An Iraqi Oil Ministry official says the country has signed a joint oil project with a British-based company in one of the largest deals since the U.S.-led invasion.

Amman Zouain says the state-run Iraqi Drilling Co. will hold 51 percent of the venture with Mesopotamia Petroleum Co. The deal was signed Thursday and will have an initial capital investment of \$90 million.

[Repsol Earnings Drop 11% on Lower Oil Price, Output](#)

(Bloomberg) -- Repsol YPF SA, Spain's largest oil company, said adjusted fourth-quarter profit fell 11 percent as crude prices slumped and production dropped.

[Dvorkovich Says Russia to 'Live Through' 2009 Without Borrowing](#)

(Bloomberg) -- The Russian government has sufficient oil fund reserves to "live through this year without borrowing," said Arkady Dvorkovich, an economic adviser to President Dmitry Medvedev.

The government is in "no hurry" to sell bonds, though it plans to "monitor the market closely," Dvorkovich said in an interview on Bloomberg Television in Moscow. "If market conditions will improve, then the government will start borrowing."

[Costa Rica's Bid to Join Chavez Alliance Delayed by Oil Slump](#)

(Bloomberg) -- Costa Rica's bid to join Venezuela's Petrocaribe alliance, which provides subsidized oil to Central American and Caribbean countries, has been delayed by the plunge in crude prices, Costa Rican President Oscar Arias said.

"I haven't heard of Petrocaribe for the last few months, and don't really know where it stands these days," Arias said yesterday in an interview at the presidential palace in San Jose. "We need to ask Chavez if he's willing to continue with it."

[Nigerian militants: repelled army attack on camp](#)

LAGOS, Nigeria: Nigeria's main militant group said it repelled military forces attacking one of its camps Thursday in the restive southern region of Africa's biggest petroleum producer.

The Movement for the Emancipation of the Niger Delta said in an e-mail statement that three gunboats filled with army troops attacked the camp around dawn, but that militant reinforcements were called in to fend off the government soldiers.

[Canadian firm may have cure for oil sands headache](#)

CALGARY, Alberta (Reuters) - Alan Fair had been trying to solve the problem of oil sands tailings on and off for three decades, when 500 ducks died after landing on a pond of the waste at Syncrude Canada Ltd's Alberta site last spring.

Then the quest became more crucial for Fair, Syncrude's research and development manager. The incident attracted global criticism of the environmental impact of Canada's oil sands.

[Co-op backs Canadian oil fight](#)

MANCHESTER-based Co-operative Financial Services said today it was backing legal action by Canada's Beaver Lake Cree Nation in its fight to stop tar sand developments by oil giants including Shell, BP and ExxonMobil.

[Virgin America hangs as its hedge fund owners get antsy](#)

Its planes are packed with travelers who love its affordable, hip service. Still, 19-month-old Virgin America might be the most endangered airline in the USA.

Virgin America lost \$227 million in its first 12 months of operation, far more than expected, thanks largely to last year's historic run-up in fuel prices. And now, the U.S. hedge funds that own 75% of the airline could be reaching for the rip cord on British billionaire Richard Branson's foray into the U.S. domestic market.

[GM is running on fumes](#)

GM's fourth quarter results and February's auto sales are likely to increase the need for the struggling automaker to get new loans in order to avoid bankruptcy.

[How long until Ford also needs bailout?](#)

So how is it that Ford, a company that was near bankruptcy during better times a few years ago, now has Detroit's deepest pockets? The answer is that CEO Alan Mulally had very good timing.

A little more than two years ago, Ford secured a \$23 billion line of credit to fund its now-scrambled turnaround, then called "The Way Forward." Arranged by Goldman Sachs, J.P. Morgan Securities, and Citigroup, the massive deal securitized and then hocked almost all of the company's North American assets, including the Ford logo. Even at the peak of the credit bubble, Ford's double-down strategy was viewed as reckless. All three major rating agencies downgraded Ford's debt after the deal was announced.

[Expect more hard-times car incentives](#)

NEW YORK (CNMoney.com) -- Hyundai created something truly novel with the "Hyundai Assurance" sales incentive it announced at the beginning of 2009: An auto sales incentive that seems to actually be working.

Last month, just after the Assurance program was announced, Hyundai had the largest sales increase of any automaker, and it was one of only three with any increase at all. While sales plummeted 37% industry-wide, Hyundai's were up by more than 14% compared to January of last year.

[As Latvian economy falters, unrest grows](#)

Kalnins was one of a 1,000-strong army of angry farmers who blocked the capital of Riga with their tractors this month, leading Latvia's agriculture minister to resign.

Latvia, a former Soviet republic sandwiched between Lithuania and Estonia, has been wracked by demonstrations in recent weeks over its imperiled economy. In January, an initially peaceful gathering of some 10,000 descended into rioting when, a handful of protesters, after the crowd had mostly dispersed, attacked police and looted stores. About 40 people were injured in Latvia's worst violence since the breakup of the Soviet Union.

[Protests deepen Pakistani political turmoil](#)

ISLAMABAD – Anti-government demonstrators attacked banks and shops and lawmakers scuffled with police amid gathering political turmoil Thursday triggered by a court ruling barring two opposition leaders from elected office.

The conflict comes as Pakistan's pro-Western government faces strong U.S. pressure to crack down on Taliban and al-Qaida militants and a punishing economic crisis.

[Okehampton follows Todmorden on road to self-sufficiency](#)

Residents of the Devon town of Okehampton could be forgiven for thinking the Dartmoor pixies have come down off the moor for a bit of mischief.

All over the town plots of derelict land are being transformed into thriving gardens, and there are apple trees growing on a roundabout.

But the real cause is far from supernatural. A local group, Growing Our Future, has acquired 16 sites in the town and is using them to inspire locals to become more self-sufficient by growing their own food – and enjoying themselves in the process.

[Bartering booms during economic tough times](#)

Even though Ron Giesler, 42, lost his job wiring oil rigs three weeks ago, the Seabrook, Texas, resident is still working as an electrician. He's just getting paid in trade: laptops, computer parts and other used goods.

When Christine Rietsch, 41, of Fridley, Minn., had her hours cut, she got creative so her two children could have a merry Christmas. She drew a portrait of a man's wife and son and received the *Guitar Hero* video game in return.

Giesler and Rietsch are among a growing number of people turning to bartering to help them survive the recession. In barter, people trade goods and services without exchanging money.

[Number of households with kids hits new low](#)

The percentage of American households with children under 18 living at home last year hit the lowest point — 46% — in half a century, government data reported Wednesday.

The trend reflects the aging of the Baby Boom generation and younger women having fewer children, demographers say.

[Obama's energy future](#)

During his run for the White House, Barack Obama pledged to transform the way Americans produce and consume energy. Such promises come cheap on the campaign trail. In the real world they cost money and political capital. This week, in his speech to

Congress, Obama made clear that he is ready to spend both to combat climate change and reduce this country's dependence on fossil fuels.

[Ignoring trains puts U.S. on the wrong track](#)

The truth is that when it comes to rail transport, from subways to transcontinental lines, Americans haven't made much palpable improvement, at least not compared with our friends and competitors in Europe and Asia. It is as though we got fixed in amber someplace between the 1920s and the 1960s with our big cars, our slow trains and our crowded, legroom-challenged skies.

And while the rest of the world forges ahead with new and better ways of moving people from place to place - namely on super-fast trains - we are waiting in the tunnel for the train ahead to cross.

[Old power lines block road to renewable energy](#)

WASHINGTON - Across the Great Plains the wind blows incessantly, while in the remote Nevada desert the sun bears down without relief. Each holds the potential of a vast new energy resource.

While wind turbine and solar projects are ready to capture this new, eco-friendly energy source, where are the transmission lines to get the power to where it is needed?

[Weak oil and imports turn EU biofuel boom to gloom](#)

PARIS (Reuters) - European euphoria over biofuel has ended after slumping oil prices and cheap imports battered the sector last year, while the credit crisis has made the outlook even gloomier.

Producers say the fall in oil prices at a far quicker pace than agricultural costs has endangered the sector by slashing margins, although conditions differ between countries depending on the amount and means of government aid.

[Duke Energy, BlackRock Back Obama Push to Cap, Trade Carbon](#)

Bloomberg) -- Duke Energy Corp. and investors such as BlackRock Inc., the biggest publicly traded asset manager in the U.S., today backed President Barack Obama's push for a "market-based cap" on greenhouse gas emissions.

[After Obama appeal, Congress renews efforts on climate change](#)

WASHINGTON (AFP) – US lawmakers this week took up the issue of climate change and how to address it after President Barack Obama made an impassioned plea for action on fighting global warming.

But even as the Senate and House of Representatives convened experts Wednesday who presented scientific bases for global warming, some scientists and political experts voiced skepticism over the need to combat climate change and the likelihood of passing any such legislation this year.

[Australia seeks to cut animal gas emissions](#)

SYDNEY (AFP) – The Australian government has announced a multi-million dollar investment in research on reducing gas emissions from farm animals as part of the fight against global warming.

Methane gas from livestock flatulence accounts for about 12 percent of the country's annual greenhouse gas emissions, Agriculture Minister Tony Burke said as he launched the 26.8 million dollar (17.4 million US dollar) project.

[Rich nation 2020 greenhouse cuts seen about 15 percent](#)

OSLO (Reuters) – Rich nations have converged on targets of around 15 percent for cutting greenhouse gases by 2020, but recession across much of the world could impede efforts to agree a new U.N. climate pact by the end of the year.

Cuts of 15 percent from current levels would fall short of reductions advised by scientists, but the recession is limiting government ambitions, analysts say.

[Greenwash: Why 'clean coal' is the ultimate climate change oxymoron](#)

The people who told us for years that climate change was a myth now say it's all true – but something called 'clean coal' can fix it. This is pure and utter greenwash.

[CO2 rise in atmosphere accelerates in 2008](#)

LONDON (Reuters) - Increases in the amount of the greenhouse gas carbon dioxide in the atmosphere accelerated last year, the U.S. National Oceanic and Atmospheric Administration (NOAA) told Reuters on Wednesday.

The new data may dampen hopes that a slowdown in industrial output and carbon emissions, which started at the end of last year, will temporarily deflect climate change.

Some analysts had hoped that recession would give the world breathing space to reverse its impact on the climate. The new NOAA data showed that levels of carbon dioxide accelerated slightly last year.

[N. Atlantic climate shift see-saws on South: study](#)

OSLO (Reuters) - Any abrupt climate changes in the North Atlantic region have a quick see-saw effect on the South Atlantic and affect weather around the globe rather than just locally, scientists said on Wednesday.

A study of ocean sediments from the last Ice Age in the South Atlantic backed theories that a sudden cooling or warming of the Northern Hemisphere causes an opposite effect in the south, they said.

[World lags in breeding climate-proof crops: experts](#)

OSLO (Reuters) - The world is running out of time to develop new seed varieties to confront climate change and head off food shortages that could affect billions of people, experts said.

Marking the first anniversary on Thursday of the opening of a "doomsday" seed vault on the island of Spitsbergen in the Norwegian Arctic, they said that people in Africa and Asia were most at risk from a lack of climate-proof crops.

[How to survive the coming century](#)

ALLIGATORS basking off the English coast; a vast Brazilian desert; the mythical lost cities of Saigon, New Orleans, Venice and Mumbai; and 90 per cent of humanity vanished. Welcome to the world warmed by 4 °C.

Clearly this is a vision of the future that no one wants, but it might happen. Fearing that the best efforts to curb greenhouse gas emissions may fail, or that planetary climate feedback mechanisms will accelerate warming, some scientists and economists are considering not only what this world of the future might be like, but how it could sustain a growing human population. They argue that surviving in the kinds of numbers that exist today, or even more, will be possible, but only if we use our uniquely human ingenuity to cooperate as a species to radically reorganise our world.

The good news is that the survival of humankind itself is not at stake: the species could continue if only a couple of hundred individuals remained. But maintaining the current global population of nearly 7 billion, or more, is going to require serious planning.



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