



DrumBeat: February 27, 2009

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Topic: [Miscellaneous](#)

[IEA says oil capacity crunch looms](#)

The International Energy Agency fears that an expected recovery in oil demand from 2010 and oil project cancellations due to low crude prices and the credit crisis will mean no spare oil capacity at the end of 2013.

"That is our concern. Investment, investment, investment, that is what we are asking," IEA Executive Director Nabuo Tanaka said at a conference in Lisbon on Friday.

The Paris-based IEA, which advises 28 industrialised countries, earlier this month said global oil demand would drop by 980,000 barrels per day this year but would rise again by about 1 million bpd in 2010 with an expected economic recovery.

Tanaka said in a Reuters report that there was no room for complacency on spare oil capacity.

[Oil Falls for the First Time in Four Days as Recession Deepens](#)

"The GDP numbers are terrible and that's putting pressure on the oil market," said Michael Fitzpatrick, a vice president for energy at MF Global Ltd. in New York. "Demand has cratered, and after these numbers we can expect it to sink further. The dollar is up, taking additional froth out of the market."

[World faces last chance to avoid fatal warming: EU](#)

BUDAPEST (Reuters) – The world faces a final opportunity to agree an adequate global response to climate change at a U.N.-led meeting in Copenhagen in December, the European Union's environment chief said on Friday.

[PDVSA seeks a 40% cut from contractors](#)

Venezuelan Minister of Energy and Petroleum and chief of state-owned oil company PDVSA Rafael Ramirez said that the holding is engaged in negotiations so that oil

contractors lower the rates they charge for services by 40%.

"In most cases, we have five-year term agreements. We are reviewing the contracts because the current rates are unbearable," Ramirez said.

The official added that, according to PDVSA estimations, the costs related to contractors must be lowered 40% by implementing new rates that are consistent with the collapse of oil prices that has seriously hit the energy market, said a report by El Universal newspaper.

[Baker Hughes Oil, Gas Rig Count Hits Lowest Since January 2005](#)

Rigs exploring for or producing oil or gas declined by 57, or 4.4 percent, to 1,243, the lowest level since the week ended Jan. 7, 2005, Baker Hughes said today on its Web site. The rig count has fallen for 15 out of the past 16 weeks.

[New urgency to get to Iraq's oil](#)

BAGHDAD (AP) -- International companies have waited years to tap into Iraq's vast oil wealth and now Iraqi officials are working feverishly to make that happen.

There is growing apprehension about the cost of rebuilding the country with the price of crude, the nation's major source of revenue, nearing five year lows.

"It is a hard fact that oil and gas have become the sole source and the basis of our economy," Iraqi Prime Minister Nouri al-Maliki said Friday.

[GE buys half of Gulf production unit](#)

GE Energy Financial Services, a unit of behemoth conglomerate General Electric, will spend \$150 million to buy about half of the ATP Innovator floating oil and gas production unit in deepwater US Gulf of Mexico.

[Workers will strike if no deal with Sunoco - union](#)

HOUSTON (Reuters) - The United Steelworkers union said on Friday it will strike at noon EST Sunday (1700 Sunday GMT) at Sunoco Inc's two refineries on Pennsylvania, if an agreement cannot be reached in line with a new national contract for refinery workers.

[For survivalists, the end is always nigh](#)

THE end, when it comes, will be swift. A spiralling economy and diminishing oil supplies will lead to power outages, food shortages, a breakdown in law and order, and ultimately, complete societal collapse. "I anticipate that it'll happen quite fast, like the bushfires," says Tony, a 44-year-old ex-stockbroker.

Tony, who lives with his wife and three young children in Baulkham Hills, has been stockpiling supplies including rice, multivitamins, peanut butter and honey - "Stuff you don't need to cook or refrigerate and that is high in calories" - plus plenty of soap and toilet paper. "Sanitation will break down as sewerage [systems] clog because people will be unable to maintain the infrastructure. So we'll see diseases like cholera and typhoid."

Tony (who didn't want his second name used), is part of a new wave of Australian survivalists, a disparate group that includes peak oilers, permaculturalists and "transition teams" that are making plans for what they see as the coming apocalypse. Such people used to fret about nuclear Armageddon or Y2K: today, it's more likely to be global warming, shrinking oil reserves and financial collapse.

[United States Oil Fund says not aware of CFTC probe](#)

NEW YORK (Reuters) - The United States Oil Fund LP USO.P, a giant exchange-traded fund that the U.S. Commodity Futures Trading Commission has said it is investigating, said on Friday it was not aware of any such probe.

The CFTC said on Thursday it was investigating the fund, which has swelled in size in recent months, concerning a recent large trade on the New York Mercantile Exchange made on Feb. 6.

[Repsol Unlikely to Sell Stake in Unit, JPMorgan Cazenove Says](#)

(Bloomberg) -- Repsol YPF, Spain's largest oil company, may not be able to divest a 25 percent stake in its Argentine business as appetite for investment in the South American country declines, said JPMorgan Cazenove Ltd.

"Unfortunately, we do not think that Repsol YPF will be able to reduce its exposure to Argentina in the near term," analyst Nitin Sharma wrote today in a note to clients. "Given diminished investor appetite for Argentine risk, in our view there is little likelihood of this materializing in 2009."

[U.S. Court Overturns Retroactive Power-Rate Increases](#)

(Bloomberg) -- The U.S. Federal Energy Regulatory Commission overstepped its authority in allowing power utilities in California to raise rates retroactively to recover some costs from the state's 2001 electricity crisis, an appeals court said.

[Argentina Considers Plan to Nationalize Grains Trade](#)

(Bloomberg) -- Argentina's government is considering a plan to take over the country's grain trade, threatening to worsen a year-long conflict between farmers and the state over agriculture policy.

A proposal for the government to buy and sell grains and oilseeds to ensure that domestic demand is met before exporting surpluses is being studied at "the highest levels of the government," said a government official who asked not to be named, citing internal policies.

[Analysis: oil, gas deals give Russia long-term win](#)

In a stroke, Russia locked in two huge markets as energy customers, shipping natural gas for Japan and even more oil for China. East Asia's two largest economies became even more dependent on Russian resources. Russia's oil-driven economy got some long-term certainty. A Russian-led effort to create an OPEC-style gas cartel got a little boost.

And Europe was put on notice that if they don't like how Russian energy is supplied to the continent, Moscow now has even more customers to turn to.

It's a sign that, economic crunch notwithstanding, the Kremlin is playing for the long haul.

[US oil demand takes a tumble](#)

US oil demand in December came in 794,000 barrels per day less than previously estimated and down 1.52 million bpd from a year earlier, the Energy Information Administration (EIA) said today.

[China to build 9 refining bases in 3 years](#)

China, the world's No. 2 energy consumer, plans to build nine crude oil refining bases in coastal areas during the next three years, local media reported Thursday, citing the National Development and Reform Commission, China's top economic planning agency.

According to China Knowledge news service, under the country's petrochemical stimulus plan, three of the new bases, each designed with refining capacity of 30 million tons of crude oil annually, will be built in coastal cities of Ningbo, Nanjing and Shanghai.

[C\\$ hits one-month low as risk aversion heats up](#)

TORONTO (Reuters) - Canada's dollar skidded to its lowest level in over a month on Friday given the combination of a drop in oil prices, safe-haven flows into the U.S. currency and data that showed Canada's current account swung into deficit.

Weak stock markets overseas and in North America coupled with the nagging concerns about the global banking system weighed on commodity-currencies like the Canadian dollar as investors flocked to the greenback given its safe-haven status.

[Brazil pushes for Campos' pre-salt](#)

Petrobras is spearheading its development of Brazil's exciting new pre-salt play with an efficiency drive in the northern Campos basin, off Espirito Santo state.

[Nigeria flushes criminals out of creeks](#)

Port Harcourt, Nigeria - Nigeria's army raided a militant camp in the oil-producing Niger Delta on Friday, recovering arms and ammunition in what it said was part of an offensive to flush criminals out of the creeks.

Colonel Rabe Abubakar, spokesman for the joint military taskforce (JTF) in the eastern Niger Delta, said the camp in the state of Bayelsa had belonged to criminals who were behind attacks on oil facilities, soldiers and civilians.

[Nigeria to Sell Country's Four Crude Oil Refineries](#)

(Bloomberg) -- Nigeria will sell the nation's four oil refineries to raise funds as falling crude prices widen the country's budget deficit, the government said.

The West African nation will also remove subsidies on gasoline and other petroleum products to cut expenditure, Finance Minister Mansur Muhtar and Petroleum Minister Rilwanu Lukman said on national television last night.

The moves are part of a package of recommendations presented to the Presidential Steering Committee responsible for mitigating the impact of the global financial crisis on Nigeria, they said.

[Preparing for a Flood of Energy Efficiency Spending](#)

KNOXVILLE, Tenn. — To the casual eye, the basement of this city's Firehouse 9 looks like a jumble of old hydrants, Dr Pepper cartons, rakes and random gear. To specialists in energy efficiency, the 1960s-era building is a mess of a different sort: wasteful hot water heaters for the firefighters' showers, ancient refrigerators and outdated lights.

Wrapping up an elaborate energy audit, Knoxville is about to find out which of 99 city buildings are wasting the most energy. It hopes to begin repairs this summer, just in time to catch a tsunami of federal stimulus money earmarked for such unglamorous tasks as replacing light bulbs and fixing leaky insulation.

[Canada current account swings into deficit](#)

OTTAWA (Reuters) - Canada's current account plunged into deficit in the fourth quarter for the first time in nearly a decade as the global financial crisis crippled demand for oil and other natural resources exported by the country.

[Cyclone Brews Off Australian Oil, Mining Region](#)

A tropical low has formed off the remote west Australian coast and may develop into a cyclone this weekend, the country's weather bureau said on Thursday, threatening iron ore mines and offshore oil and gas production.

[CERA WEEK 09 : "Doom and gloom"](#)

As heads of the largest Oil & Gas, Power and Alternative energy companies gathered at the Galleria in Houston Texas last week the air was filled with cautious optimism and in many cases gloom and doom.

Generally speaking, the heads of energy companies were more optimistic while economist and consultants were not.

[Coffman blasts Salazar's decision on oil-shale leases](#)

Coffman criticized the decision by Interior Secretary Ken Salazar to withdraw the offering for research and development leases in Colorado, Wyoming and Utah.

"We must be willing to look at every possible solution to our energy crisis," Coffman said. "Closing off leases for oil shale only hinders our ability to end our addiction to foreign oil."

[Shifting Gears: Obama Budget Favors Renewables, Hurts Oil](#)

President Obama's first budget turns campaign rhetoric into a big change in tax policy that favors renewable energy at the expense of Big Oil. Combined with clean-energy tax breaks in the recently-passed stimulus package and the impending climate-change bill,

it adds up to a seismic shift in government energy policy.

That has oil companies hopping mad. The American Petroleum Institute said higher taxes would stifle oil-patch investment and job creation. "I don't see how this bolsters energy security," API spokeswoman Cathy Landry said. BP executive Lamar McKay told Congress Wednesday that taxing "core energy" while subsidizing new energy would do nothing to help the nation's energy supply.

[Broadway to kick cars to the curb](#)

NEW YORK — Start singing a lullaby for Broadway. The famous street is being shut down at the crossroads of the world: Times Square.

To speed traffic and give pedestrians more elbow room, New York City will close five blocks of Broadway around Times Square to traffic. The famed Great White Way between 42nd and 47th streets will become a pedestrian zone with benches, tables and landscaping.

[Plunging auto sales could hit low point in February or March](#)

Auto sales continue to collapse this month, but less sharply than forecasters said only a week ago, suggesting to some that the end of the market decline is in sight.

"We believe we are nearing the bottom," says Jeff Schuster, chief of global forecasting at J.D. Power and Associates. "Our expectation is for February or March to be the low point."

Nevertheless, Power cut its forecast for the full year's sales to 10.4 million from 11.4 million and pointed out that it previously thought December had been the market's bottom.

[Frugal Families say cutting costs long term is hard](#)

The Pivnicks saved \$140 a month by changing cellphone plans. The Porters reduced driving mileage by 35% when they started doing errands in one trip. The Joneses bought organic food more cheaply.

[Lack of Fuel cause for Turkish Airlines crash](#)

A fuel shortage is believed to have caused the crash landing of Turkish Airlines passenger at Amsterdam, Dutch daily De Telgraaf said on Thursday citing sources involved in the investigation.

[Farming policy: an end to French hypocrisy?](#)

After 46 years of shovelling farm subsidies to its richer, more polluting farmers, France yesterday took a historic step towards a greener and fairer European agriculture policy.

Paris announced that from next year it would confiscate over 20 per cent of the billions of euros of European taxpayers' money paid to its ranch-like cereals farms and divert the cash to hill farmers, grazing land, shepherds and organic agriculture.

The announcement brings to an end almost half-a-century of official hypocrisy in which French governments have talked about protecting "family farms" and "quality food" but allowed the bulk of European largesse to flow to chemical-assisted, hedge-free, cereals-ranching in northern, central and eastern France.

[Concerns over ash pond pollution grows](#)

A 2007 study by the U.S. Environmental Protection Agency showed more than 60 sites nationwide where coal ash is suspected or has been proven to have polluted water. Selenium, a byproduct of the coal processing that can cause fish and bird deformities, was implicated at more than 20 of the sites, including Belews Lake in North Carolina — a cooling lake for another Duke Energy power plant.

After years of study and debate, Congress and the EPA may be ready to move forward.

[Climate change lays waste to Spain's glaciers](#)

The Pyrenees mountains have lost almost 90% of their glacier ice over the past century, according to scientists who warn that global warming means they will disappear completely within a few decades.

While glaciers covered 3,300 hectares of land on the mountain range that divides Spain and France at the turn of the last century, only 390 hectares remain, according to Spain's environment ministry.

The most southerly glaciers in Europe are losing the battle against warming and look set to be among the first to disappear from the continent over the coming decades. Their loss will have a severe impact on summer water supplies in the foothills and southern plains south of the Pyrenees.

[A Global Green Deal](#)

If human civilization is to have a realistic chance of surviving global climate change,

President Barack Obama and mobilized citizens will have to lead a virtual revolution in America's approach to the issue. Because the hour is so late and America's role so central, Obama must lead, and be pressed to lead, on three fronts at once. First, the United States must commit itself to serious reductions in its greenhouse gas emissions and begin achieving them without delay. This will restore US credibility on the issue, paving the way for step two: encouraging the rest of the world, especially China, to cut its emissions dramatically. The United States and China together account for 40 percent of global emissions, making them climate superpowers: if they do not cut emissions, it won't matter how much other nations reduce. Finally, Obama must urge the United States and all nations to begin preparing for the sea-level rise, water shortages and other impacts of climate change that are inevitable, with special emphasis on assisting the poor, who stand to suffer first and worst despite having done nothing to cause the problem.

[The oil story and a glimpse at future chapters](#)

In the next chapter, as the global economy recovers and the demand for oil increases, supplies will once again come under pressure and the price will rise. This rising price will increase the cost of goods and services. "Given that crude oil fuels 36.4% of the world's energy consumption, the seriousness of shortages cannot be underplayed," writes William Marsden in *The Vancouver Sun* (Jan. 17/09). "Our reliance on oil is almost total. It fuels 100% of air and sea transport and most of our land transport." It also supplies us with plastics, fertilizers, medicines, building materials, clothes, tires and innumerable other products of the petro-chemical industry. The rising price of oil will eventually slow the global economy, demand for oil will fall and, in the latter part of this chapter, the price will come down again.

These extreme price fluxuations that are interspersed with economic recessions are the early consequences of a diminishing supply of oil trying to service an oil-based economy that is running out of oil. And these erratic prices mark the beginning of the end of the so-called Age of Oil.

[Peak oil means sooner or later we'll wake up to a new normal](#)

Less energy equals less economic growth. If that sounds too simplistic, check the energy and production history of any nation on Earth. Over the coming decades, our society will discover something we do not yet quite understand although the evidence surrounds us. We will learn that the root of our financial crises is not just greed and deceit, but the actual biophysical constraints of what Earth can supply to fulfill human desires.

We dream of innovations that might indemnify us from nature's laws—"clean" coal, a nuclear renaissance, or solar panels—but sooner or later we'll wake up to a new mode of normal behaviour: living within the limits of nature's bounty.

[Oil nationalism diluted but far from dead](#)

LONDON (Reuters) - Resource-rich countries hoping oil will rebound from a \$100 crash will not relinquish overnight the power that came with record prices, but relations between international firms and state-run companies have begun to thaw.

The price weakness of the 1990s, which culminated in a drop to around \$10 a barrel in 1998, provided the context for deals on ultimately untenable terms. They were torn up when rising prices shifted the balance of power back to state firms.

Oil at around \$40 now, down from a record near \$150 last July, is more likely to help build bridges between state companies and foreign firms than to spur bargain-basement deals.

[Are We Entering a New Era for Natural Gas?](#)

Crude oil, with its whipsaw pricing during 2008, clearly has received most of the attention given to energy over the past year. Indeed, who would have expected its per-barrel price to fluctuate from more than \$145 in July to a winter levy below \$35?

But lest you think that natural gas is taking a decided and irrevocable second place to its crude sibling, you need to know about the gas goings-on in a couple of areas of the world. In the U.S., for instance, a group of gas producers -- including Chesapeake, the nation's top natural gas producer, and Devon, its Oklahoma City neighbor -- are in the process of joining other independent producers in forming a lobby group aimed at promoting natural gas for power generation and transportation.

[Shell Oil Sees Global Demand Doubling By 2050](#) (audio)

As oil companies plan for the future, they are expecting prices and demand to be higher. Oil company executives were on Capitol Hill this week to discuss offshore drilling, which they say needs to be part of America's long-term energy policy. Shell Oil Company President Marvin Odum tells Steve Inskeep that he expects demand throughout the world to double by 2050.

[Shell Says Hurricane-Damaged Platform to Resume Output in April](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's largest energy company, said a Gulf of Mexico oil platform damaged last year by Hurricane Ike will resume output in April.

The offshore South Timbalier 301 platform was knocked out of service in September when Ike roared through the Gulf. Shell disclosed the planned start-up for South Timbalier 301 today in an e-mailed statement.

[Petrobras eyes Australia, Indonesia gas opportunities](#)

SINGAPORE (Reuters) - Brazil's state-run energy giant Petrobras is seeking opportunities for natural gas in Northwest Australia and Indonesia, to expand its energy investments in Asia, a company official said on Friday.

Petrobras, which gets most of its output from the Americas, has put aside almost \$16 billion for its international business in the next five years, and has been spreading its wings by boosting oil exports to China and acquiring a refinery in Japan.

[U.S. pipeline group cranks up operations in TransCanada's turf](#)

CALGARY -- The U.S. pipeline group competing against TransCanada Corp. to build the Alaska natural-gas pipeline is cranking up operations in its rival's backyard, with plans to start field work here this winter, expanding its staff and recently opening its own office in Calgary.

[Kazakhstan oil exports unaffected by pipeline leak](#)

ALMATY (Reuters) - Kazakh crude shipments to Russia have not been affected by the partial suspension of a key pipeline following an oil leak, its operator said on Friday.

Caspian Pipeline Consortium ships crude from some of Kazakhstan's biggest oilfields such as Tengiz to the Russian port of Novorossiisk.

"The suspension... has not affected CPC export shipments thanks to the use of reservoir facilities," the Chevron-led pipeline group said in a statement.

[Centrica Plans to Sell 650 Million Pounds of Bonds in Two Parts](#)

(Bloomberg) -- Centrica Plc, the energy supplier looking to buy U.K. and Norwegian gas-producing assets, plans to sell 650 million pounds (\$921 million) of bonds in two parts, according to a banker involved in the transaction.

[Inflation: the hidden factor behind the downturn](#)

I'm not arguing that banks and debt weren't critical, far from it, but I wonder if we've forgotten something: inflation.

What makes me think so is a striking parallel with an earlier crisis in the 1970s.

The seventies were defined by economic chaos in the wake of two oil-price shocks.

The price first doubled then doubled again.

Developed economies reeled.

The very words "oil-price shock" became shorthand for an economic upheaval in the same way that "credit crunch" has today.

[The Boomers Stop Buying](#)

For boomers who had experienced financial crises in their lifetimes before, seemingly decades remained in which to recover and make retirement comfortable. Now, as \$40 trillion in net worth was wiped out worldwide, suddenly 65 looks like it's coming the day after tomorrow.

This time around, America can't count on the younger generations to help out. CNW Marketing Research pointed out this month that fully 53% of buyers under age 30 have disappeared from the new car market in just the last two years. The negative impact is such that, based on last year's 13.2 million car sales, it would take 19.2 years to replace the entire American fleet. For comparison, the year the first boomers became adults America enjoyed a 9.8-year fleet replacement rate, based on new car sales.

And for perspective, at the depth of the Great Depression in 1933, car sales ran at a 14.8-year replacement rate.

[Commission recommends federal gas tax increase](#)

On Thursday, the National Surface Transportation Infrastructure Financing Commission called for the 10-cent-per-gallon increase, as well as indexing the federal gas tax to inflation. The panel also backed adoption of a system to begin charging motorists by 2020 based on how many miles they drive.

Relying on a gasoline tax is "not sustainable in the long term and is likely to erode more quickly than previously thought due in large measure to heightened concerns regarding global climate change and dependence on foreign energy sources, which are creating a drive for greater fuel efficiency, alternative fuels and new vehicle technology," the commission report said.

The 15-member bipartisan commission said that charging motorists based on how many miles they drive "embodies the 'user pays' principle and more accurately aligns the costs and benefits of the surface transportation system to those who are using it."

[\\$25 Billion to Promote Electric Cars Is Untouched](#)

WASHINGTON — The future of the American auto industry is getting off to a slow

start.

The Energy Department has \$25 billion to make loans to hasten the arrival of the next generation of automotive technology — electric-powered cars. But no money has been allocated so far, even though the Advanced Technology Vehicles Manufacturing Loan program, established in 2007, has received applications from 75 companies, including start-ups as well as the three Detroit automakers.

[Toyota Prius tops Consumer Reports best value list](#)

The ranking takes into account the total cost of ownership over five years, weighing fuel costs, maintenance and repairs, insurance costs, depreciation, financing rates and taxes against the purchase price of the vehicle.

[Ryanair mulls charge for toilets](#)

Irish budget airline Ryanair has said it is considering charging passengers for using the toilet while flying.

Chief executive Michael O'Leary told the BBC that the Dublin-based carrier was looking at maybe installing a "coin slot on the toilet door".

[US ethanol sector faces grim prospects - USDA](#)

WASHINGTON (Reuters) - Hard times have hit the once-robust U.S. ethanol sector amid the economic recession, with as much as 15 percent of production capacity likely standing idle, USDA chief economist Joseph Glauber said on Thursday.

It was a sobering assessment of the fledging industry that was once bursting with optimism and financial gains as the country issued mandates on using the renewable fuel to reduce dependence on crude oil.

[UK: The Future of Energy is renewable](#)

The recent U-turn by of some of the UK's leading environmentalists - and one-time nuclear energy opponents - on the issue of nuclear energy, has caused vigorous debate in the media. Their reasoning is that we simply don't have the capacity to produce enough renewable energy to meet our needs. But as this comprehensive Ecologist report from 2007 shows the UK is really a renewable energy powerhouse.

[Fourth Sumatran tiger killed in Indonesia: official](#)

JAKARTA (AFP) – Indonesian villagers have trapped and killed a fourth endangered Sumatran tiger amid a spate of tiger attacks blamed on illegal logging, according to environmental group WWF.

...The incidents in Riau occurred in an area dotted with pulp and oil palm plantations and recently subjected to burning to clear forests.

[EPA says farm dust requires regulation](#)

DES MOINES, Iowa – Nothing says summer in Iowa like a cloud of dust behind a combine.

But what may be a fact of life for farmers is a cause for concern to federal regulators, who are refusing to exempt growers from new environmental regulations.

[Calif. regulators target tech industry emissions](#)

SACRAMENTO, Calif. - California air regulators on Thursday broadened their reach into Silicon Valley, implementing rules intended to cut greenhouse gas emissions from semiconductor plants.

The state Air Resources Board voted unanimously to regulate some of the most potent gases produced by the semiconductor industry, which makes chips for cell phones, computers and cars.

[California's Dirty Energy Secret: BP and Rio Tinto Team Up with Local Utility](#)

A project to use petroleum coke for power generation and to capture and store carbon dioxide emissions is underway in California, a novel project that recently won approval from the state Public Utilities Commission.

[Australia fires release huge amount of CO₂](#)

SINGAPORE (Reuters) - Bushfires that have scorched Australia's Victoria state released millions of tons of carbon dioxide and forest fires could become a growing source of carbon pollution as the planet warms, a top scientist said on Thursday.

Mark Adams of the University of Sydney said global warming could trigger a vicious cycle in which forests could stop becoming sinks of CO₂, further accelerating the rise of the planet-warming gas in the atmosphere.

[Sport failing to take role in environmental protection: experts](#)

MADRID (AFP) – The world of sport is failing to do its part to protect the environment, using huge quantities of oil for travel as well as water resources to make sporting goods, participants at a global forum said Thursday.

"When we talk about sport and the environment, we should look at travel by sportsmen and women, at the infrastructure, and at the manufacturer of sports equipment," Nathalie Durand, a representative of France's Sports and Sustainable Development Observatory, told the first Global Sports Forum.

[Obama budget proposes shift to green energy](#)

WASHINGTON – President Barack Obama's first budget plan moves aggressively to tackle climate change and shift the nation from reliance on foreign oil to green energy.

The proposed budget released Thursday by the White House would rely on \$15 billion a year, beginning in 2012, from auctioning off carbon pollution permits to help develop clean-energy technologies, such as solar and wind power. But Congress has yet to write a bill that would regulate heat-trapping gases and collect that money.

Across the government, Obama's commitment to dealing with climate change is apparent.

[US lawmakers urge 'greener' Capitol](#)

WASHINGTON (AFP) – Top Democratic lawmakers Thursday urged Congress architect Stephen Ayers to switch the Capitol's century-old power plant from burning coal to using natural gas, in keeping with an initiative launched in 2007.

House of Representative speaker Nancy Pelosi and Senate Majority Leader Harry Reid wrote Ayers asking him to prepare the Capitol Power Plant (CPP) for a conversion to cleaner burning natural gas.

[CO2 Famine: Exxon-Paid Scientist Says Earth Is Short On Greenhouse Gases \(VIDEO\)](#)

The Senate's Environment and Public Works Committee had an unusual guest recently: a man who says we are in a carbon dioxide *famine*. Treehugger's John Laumer spotted the video, which is actually really much more interesting to watch than a lot of scientist-on-politician action. Part of it is just his manner -- lazily slumped over a chair, smirkingly saying that our planet used to have four times as much CO₂, and that things were "prosperous" then.

[Global Cooling Formed Glaciers in Antarctica](#): *A massive CO₂ drop also played a part*

“Previous reconstructions gave no evidence of high-latitude cooling. Our data demonstrate a clear temperature drop in both hemispheres during this time,” he argues. “Temperatures in some regions, just before the Antarctic glaciers formed, were surprisingly higher than current climate models predicted, suggesting that these models underestimate high-latitude warming under high CO₂ conditions,” Pagani's postdoctoral student Zhonghui Liu, an assistant professor at the University of Hong Kong and the lead author of the Science paper, adds.



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