



## DrumBeat: March 3, 2009

Posted by [Leanan](#) on March 3, 2009 - 9:49am

Topic: [Miscellaneous](#)

### [ANALYSIS - Fears grow for US natural gas in Obama tax squeeze](#)

SAN FRANCISCO/NEW YORK (Reuters) - Oil and gas executives and experts fear that President Barack Obama's push for renewables could shrink U.S. output and drive drillers away from vast reserves of relatively clean-burning natural gas.

Obama's budget proposal would remove tax breaks for oil and gas production and institute new fees in the Gulf of Mexico, moves that could unintentionally hurt the mid-sized companies focused heavily on the United States and push the largest companies to shift their investments to other countries.

Of particular concern is the loss of intangible drilling cost (IDC) tax deductions, which independent energy company Devon Energy Corp, a leading U.S. natural gas producer, said represents a quarter of its exploration budget.

"The elimination of the ability to expense drilling costs is just huge," said Bill Whitsitt, vice president for public affairs at Devon, one of the top U.S. independents along with Apache Corp, XTO Energy and Anadarko.

### [GM asking more European nations for aid](#)

GENEVA - GM Europe is negotiating with Spain, Britain and other European governments beyond Germany to get the \$4.2 billion they say they need to keep operating, General Motors officials said Tuesday at the Geneva Auto Show.

### [Auto sales plunge again](#)

Dismal sales reports from GM, Ford and Toyota have the auto industry set for its worst month in 27 years.

### [Sinopec to Boost Diesel Exports as Local Demand Falls](#)

(Bloomberg) -- China Petroleum & Chemical Corp., Asia's biggest refiner, plans to boost

exports of diesel after domestic demand of the fuel dropped 30 percent in January.

China's so-called apparent consumption of oil products, including diesel, fell 16.6 percent in January, China Petrochemical Corp., the parent of China Petroleum, said in a statement in its in-house newsletter today, without saying if the comparison is with the year-earlier period.

### Eni delays Alaska oil project due to slump-reports

NEW YORK (Reuters) - Italian oil company Eni is suspending work on its \$1.5 billion Nikaitchuq oil development on Alaska's North Slope due to the slump in crude prices, according to local media reports.

### Shell Pushes for Discounted Cap-and-Trade Program

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, favors a cap-and-trade emissions program in which credits are initially sold at a discount.

"You auction the credits but you don't have to start at 100 percent," Marvin Odum, president of The Hague-based Shell's U.S. operations, said today in an interview in New York. "As you move our economy into this type of system, there is probably some ramp-up that makes sense so that you don't overshock the system."

### Obama shelves Bush-era species rule

WASHINGTON - President Barack Obama on Tuesday shelved a Bush-era rule that critics say weakened protections for animals and plants protected by the Endangered Species Act.

"We should be looking for ways to improve it, not weaken it," Obama said of the Endangered Species Act. He spoke at an Interior Department ceremony to mark the department's 160th anniversary.

### Taking the charge out of Chevy's Volt

But one of the main justifications GM offers for its long-term survival, "leadership in advanced propulsion technology," has been shaken by a report from Carnegie Mellon University.

The study concludes that plug-in hybrids like the Chevy Volt - GM's most publicized technology project - "are not cost effective in any scenario." GM says the Volt can go 40 miles on a single charge. But a better choice, according to the report, is a car that goes

## [Shell Sees Recession Improving Acquisition Prospects](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, said the recession is creating opportunities to acquire oil and natural-gas assets.

"As other companies potentially -- either already have or potentially -- go into distress and have an inability to perform on what they have, that likely creates an opportunity," Marvin Odum, president of The Hague-based Shell's U.S. operations, said today in an interview in New York.

## [Libya Urges Conoco, Hess, Marathon to Cut Waha Stake](#)

(Bloomberg) -- Libya urged ConocoPhillips, Hess Corp. and Marathon Oil Corp. to agree to lower their share of production from the Waha oil venture as state revenue is squeezed by lower crude prices and OPEC-mandated output cuts.

## [Coming Soon: Mass Migrations Spurred by Climate Change](#)

A growing body of evidence, including analyses from military experts in the United States and Europe, supports the estimate that by midcentury, climate change will make vast parts of Africa and Asia uninhabitable. Analysts say it could trigger a migration the size of which the world has never before seen.

Some of the big questions remain unanswered: How many people will really move? Where will they go? How will they go? Will they return?

## [Report On Maine's Climate Change Future Issued](#)

AUGUSTA—Unless humans stop producing carbon tomorrow — which would require something as momentous as an asteroid obliterating the planet, quipped a University of Maine scientist — Maine will experience enough climate change in the next 100 years to affect nearly every living thing.

That's the finding at the core of a study on Maine's climate future, which was presented to Gov. John Baldacci last week following more than a year of analysis by 75 experts and scholars in everything from biology to hydrology to meteorology. Fortunately for the state, said University of Maine Professor Emeritus George Jacobson, who led the study, all of the participants also shared another area of expertise: Maine.

## [Shell Urges U.S. to Include Oil, Gas in Energy Policy](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, said it will take decades for the U.S. to develop domestic, low-carbon sources of energy, and the nation will need to continue tapping fossil fuels in the meantime.

Energy policy must ensure that adequate supplies of oil and natural gas are available while the nation invests in wind power, biofuels and other alternatives, Marvin Odum, president of The Hague-based Shell's U.S. operations, said today in an interview in New York.

## [Stimulus money hits the street](#)

NEW YORK (CNNMoney.com) -- The White House released its promised cash infusion on Tuesday to strengthen the transportation infrastructure across America, and began to announce the first recipients of the funds.

The U.S. government released \$26.6 billion from the American Recovery and Reinvestment Act to state and local transportation authorities, for the building and rebuilding of roads, highways and bridges.

## [OPEC's Crude Oil Production Fell 2.7% in February, Survey Shows](#)

(Bloomberg) -- OPEC, which pumps more than 40 percent of the world's oil, cut output by 2.7 percent in February as producers tried to stem price declines, a Bloomberg News survey showed.

Production from the 12-member group averaged 27.775 million barrels a day last month, down 770,000 from January, according to the survey of oil companies, producers and analysts. Output in January was revised 20,000 barrels a day lower.

## [Venezuela to cut oil company costs by 40 percent](#)

CARACAS, Venezuela (Map, News) - Venezuela's state-run oil company plans to slash costs by 40 percent as it struggles with low crude prices amid the global financial crisis.

The president of Petroleos de Venezuela says PDVSA aims to reduce spending on services provided by nearly 250 companies by renegotiating contacts.

## [BP scales back oil and gas production targets](#)

BP PLC scaled back its short-term oil and gas production growth target on Tuesday as the economic downturn and the falling price of crude led Europe's second-largest oil company to reconsider the pace of expenditure on proven resources.

BP said it now expects annual growth from existing projects of between 1 percent and 2 percent a year through to 2013, rather than the 3 percent it had previously forecast.

### [Russia Gazprom to reduce offtake from gas producers](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom will reduce its gas offtake from independent producers as demand falls, a senior executive said on Tuesday.

"We will start reducing their (independent firms') offtake of gas, which is sent to an internal system, on the back of a reduction in usage," Alexander Mikheyev, First Deputy Head of gas marketing, told a conference call.

### [Russian minister says Moscow keen to market Iran's gas in Europe](#)

TEHRAN (Xinhua) -- Visiting Energy Minister of Russia Sergei Shmatko said here on Tuesday that Moscow could play an effective role in marketing Iranian gas in Europe, the official IRNA news agency reported.

### [Rio LNG terminal to get first cargo March 11](#)

NEW YORK (Reuters) - Brazilian state oil company Petrobras' newly-built liquefied natural gas terminal in Rio de Janeiro will receive its first LNG cargo on March 11, according to sources and ship tracking data on Reuters on Tuesday.

The 138,000-cubic-metre Excellence tanker, coming from Trinidad and Tobago, will serve as a testing cargo for the terminal in Guanabara Bay before commercial deliveries begin later in the year.

### [Oil Thieves Destroy Shell Pipeline in Southern Nigeria](#)

A pipeline operated by oil giant Royal Dutch Shell, which sends crude oil to the Escravos oil export terminal in southern Nigeria, has been destroyed. Explosions on the pipeline are believed to be due to sabotage.

Royal Dutch Shell says explosions occurred on the Escravos pipeline in Delta state over the weekend. The incident was detected by a surveillance team and investigations are ongoing.

### [Research: Russian middle class failed to expand](#)

Russia's oil-driven prosperity over the past eight years failed to expand Russia's struggling middle class, according to new research by a Moscow-based think-tank.

The Institute of Contemporary Development surveyed Russians in 2000 and again in mid-2007 to determine if the era of affluence ushered in by the rising prices Russia was getting for its oil and gas had expanded the middle class, which it defined by its skills, education level and expertise as well as property and income.

### [Tanzania: Use of charcoal remains high, leading to more environmental destruction](#)

According to a recent study carried out by the Tanzania Traditional Energy Development and Environmental Organisation (TaTeDO) and Sokoine University of Agriculture (SUA), the use of charcoal in Dar es Salaam city has doubled in recent years.

This justifies the long standing presumption that a large portion of charcoal, which has promoted the cutting of trees, end up being consumed in Dar es Salaam and the practice continue unabated, despite efforts by the government to discourage its use through different means.

The increasing tendency of using charcoal instead of electricity comes as response to hiked power tariffs and its unreliability due to power rationing.

### [Tanzania Faces Pwr Shortage Due To Increased Gold Mining Ops](#)

Tanzania is facing a looming power shortage because of increased gold mining in the northwestern region, the state power utility, Tanzania Electric Supply Company, or Tanesco, said Tuesday.

The power utility needs to keep adding up to 105 megawatts of power to the national grid every year to meet growing demand, mainly from the gold mines, Idrisa Rashidi, Tanesco managing director, said in a statement.

### [Ford's sales plunge 48%](#)

NEW YORK (CNNMoney.com) -- Ford Motor reported Tuesday that sales fell 48% in February, kicking off a series of reports expected to show that last month was the worst yet for the auto industry during this recession.

## [Mexico cuts 2009 Cantarell oil forecast by 7 pct](#)

MEXICO CITY (Reuters) - Mexico's state oil company Pemex on Tuesday cut its forecast for oil production at its aging Cantarell oil field this year by 7 percent and further lowered its long-term outlook for the giant field.

Pemex now expects Cantarell to produce an average of 700,000 barrels per day this year, down from an estimate in January that projected output averaging 756,000 bpd.

Mexico has been struggling to control the relentless decline of Cantarell since it peaked in 2004, when it produced more than 2 million bpd and accounted for nearly two-thirds of Mexican oil output.

## [Mexico Hopes to Revive Oil Production in New Fields](#)

Mexico's situation has changed in recent years as production at its main field, called Cantarell, has declined. Since Pemex lacks the technology to explore and develop deep-water fields, some international experts have said the country's oil exporting days were coming to an end.

But, in a VOA interview, Governor Beltran hailed the development of newly discovered oil deposits in Chicontepec in his state that may offset the decline in other fields.

## [Schlumberger, Weatherford Defend Mexico Turf with Low Bids](#)

Oil field service companies Weatherford International Ltd. and Schlumberger Ltd. are defending their market share in Mexico by submitting the most competitive bids for two recent drilling contracts, according to people familiar with the situation.

Mexico is one of the few oil countries that plans to boost spending on oil exploration and production this year despite the oil price crash, in an effort to shore up declining production.

## [Steve LeVine: The Financial Crisis Fuels U.S. Diplomatic Talks](#)

President Barack Obama has long vowed to offer diplomatic talks to U.S. rivals and adversaries. But a month into his Presidency, Obama may be benefitting from the financial crisis and low oil prices, which—while they have shaken banks, investment funds, and entire nations—seem to have created potential breakthroughs in some of the U.S.'s thorniest relationships.

On China, Secretary of State Hillary Clinton has shifted climate change—previously thought to have little or no chance of progress—to the core of U.S. policy toward Beijing. On Iran, the plunge in crude oil prices may make Tehran more flexible toward

Washington and open the possibility of a fresh source of natural gas to Europe. Likewise, oil prices have made Russia much less able to finance geopolitically motivated energy projects, such as pipelines the U.S. opposes, and more open to a thaw with Washington.

### [BP Bumps Up Reserves Base by 1.7B Barrels of New Oil, Gas](#)

BP last year added 1.7 billion barrels of new oil and gas to its reserves base, a replacement ratio of 121%, excluding acquisitions and divestments -- the 15th successive year in which it has reported the replenishment of reserves by more than annual output.

The company said today that it expected to be able to grow production through to 2013 from existing projects. With year-end 2008 reserves of 18.2 billion barrels and a resource base of 43.4 billion barrels, this growth could be maintained until 2020 without any further discoveries.

### [Wall Street Journal Announces Exclusive Sponsors for Second Annual ECO:nomics Conference](#)

The Wall Street Journal today announced the exclusive sponsors of its second annual ECO:nomics-Creating Environmental Capital conference: Chevron, FedEx, Intel and Vestas.

Hosted by editors of The Wall Street Journal, ECO:nomics will once again convene top chief executives, policy-makers and thought leaders to assess the urgent risks and new opportunities in markets impacted by the environment. The event will be held March 4-6 at Bacara Resort & Spa in Santa Barbara, Calif.

### [Tax the Streets: New Funding Ideas Are Needed for U.S. Roads and Highways](#)

Demand for highways has surged over the past three decades. The highways are more crowded than ever. In the bigger urban sprawls, drivers are wasting 40 hours a year crawling in traffic, according to a Texas Transportation Institute study cited by President Obama in his budget message.

Everyone wants new roads, especially now that building them could provide jobs for people hit by the economic slump. But the federal trust fund that is supposed to finance road projects using gas tax receipts, can't keep up with demand. When the stimulus money runs out, Congress will have to confront that problem again if changes aren't made to the funding.

### [US vehicle miles driven continues to plummet; trends predict more bicycling, walking & transit](#)

This continued drop in miles driven dramatically upsets transportation planning as it has been done over the past 50 years in the U.S. All road and highway planning is done on the assumption that travel miles will continue to increase at a 2-4% annual rate as they have done (on average) through the entire 20th century.

### Early Signs of Petroleum Demand Revival in U.S.

For the week, the oil price rise was driven by a number of factors -- surprising strength in domestic oil inventory data, a positive report about OPEC's cutback compliance and signs that oil demand is rising. When the U.S. Department of Energy reported its weekly oil inventory data last Wednesday, crude oil inventories only rose by 717,000 barrels, about half the 1.2 million barrel rise anticipated by analysts. Gasoline inventory fell by a surprising 3.3 million barrels, although refinery capacity utilization was down reflecting industry efforts to take advantage of weak petroleum demand to undertake refinery turnaround operations early.

### ANALYSIS - US energy policy focuses less on OPEC oil supply

WASHINGTON (Reuters) - Recent comments by U.S. Energy Secretary Steven Chu appear to mark a radical shift in U.S. energy policy away from its focus on OPEC and oil supply and toward an agenda of trimming petroleum demand and promoting renewable energy at home.

### March Oil Prices Marked by OPEC, SPR Wild Cards

Oil traders puzzling over the near-term direction of crude prices may be wise to heed the advice given Julius Caesar: Beware the Ides of March.

OPEC's March 15 oil output policy meeting is chief among wild cards that will steer the market.

### Gazprom Third-Quarter Net Rises 16% on Record Prices

(Bloomberg) -- OAO Gazprom said third-quarter profit rose 16 percent as Russia's largest energy producer reaped higher natural-gas prices from its European customers.

Net income increased to 132 billion rubles (\$3.65 billion) from 113 billion rubles in the same period of 2007, the Moscow-based company said today on its Web site. That missed a 149 billion-ruble estimate of 10 analysts surveyed by Bloomberg News.

### Turkey hops aboard Russia's ride

Despite the impact of the rouble's instability and weak oil prices on the Russian economy in recent months , Moscow is pursuing a very active foreign policy strategy. Its elements focus on countering the continuing North Atlantic Treaty Organization (NATO) encirclement policy of Washington, with often clever diplomatic initiatives on its Eurasian periphery. Taking advantage of the cool relations between Washington and longtime NATO ally Turkey, Moscow recently invited Turkish President Abdullah Gul to come to Russia on a four-day state visit to discuss a wide array of economic and political issues.

In addition to siding up to Turkey, which offers a vital transit route for natural gas to Western Europe, Russia is also working to firm an economic space with Belarus and other former Soviet republics to firm its alliances. Moscow delivered a major blow to the US military encirclement strategy in Central Asia when it succeeded

### Nigeria Loses \$1.5B Yearly to Oil Theft

Shell Petroleum Development Company (SPDC) Limited, subsidiary of Shell Companies in Nigeria has disclosed that Nigeria loses about \$1.5 billion yearly to crude oil theft and urged the government to urgently address the situation.

### Kurdish government warns U.S. military pullout will spark war in N. Iraq

BAGHDAD — Kurdistan is pressing the U.S. military to remain in northern Iraq to prevent a takeover by the Baghdad government.

Kurdish officials said the Kurdistan Regional Government has sent messages to Washington that called for U.S. troops to remain in the north until a resolution of territorial and oil disputes with Baghdad. Officials warned that a U.S. pullout could spark a war between Arab and Kurdish forces.

### Oil company cutbacks may raise gas prices down the road

Americans battered by the recession have found modest consolation in low gasoline prices, a salve that's likely to last as long as the economic downturn.

But the oil industry is quietly sowing the seeds for a sharp run-up in gas prices once demand recovers.

Oil companies are slashing new investment and production far more sharply than analysts projected just a couple of months ago, a strategy analysts say could lead to shortages and higher gas prices when consumption rebounds. And, analysts say, a standoff between the oil giants and their suppliers over the cost of rigs, labor and other expenses could prolong the investment slowdown.

"The turnaround will probably come faster than people expect, and the supply won't be there," says Joseph Stanislaw, an adviser to Deloitte's energy practice.

## [Oil hovers near \\$41 after US news spurs big drop](#)

Oil prices crawled up to near \$41 a barrel Tuesday after grim U.S. economic news and tumbling stock markets sparked a huge drop Monday.

## [Oil Close Above 1990 High May Stall Plunge: Technical Analysis](#)

(Bloomberg) -- Crude oil may plunge as low as \$32.70 a barrel if prices today close below the highest level reached in 1990 before the conflict between the U.S. and Iraq, according to technical analysis by PVM Oil Associates Ltd.

## [Iran Says OPEC Will Offer 'Solution' to Boost Crude Prices](#)

(Bloomberg) -- Iran said OPEC will come up with a "solution" to boost oil prices when it meets later this month.

## [Oil Prices: What Will OPEC Do?](#)

With oil prices in full retreat again Monday—crude futures were down more than 7% in New York early Monday to below \$42 a barrel—there's a surprising question roiling oil markets: What will OPEC do?

A week ago, that would have been a silly question. Demand is anemic, the market is still oversupplied, and prices are more than \$100 off last summer's peak, and well below OPEC's comfort zone between \$60 and \$80 a barrel. Last week, former OPEC president Chakib Khelil of Algeria called further production cuts at the cartel's March meeting "very likely."

So why is Iran now changing course and talking down the possibility of further production cuts? Iran's oil minister Gholamhossein Nozari said Sunday "I do not think that we would move towards cutting production again," Reuters and AP quoted local news services as reporting.

## [OPEC in Feb makes 81 pct of oil supply cuts-survey](#)

LONDON (Reuters) - OPEC oil supply fell in February for a sixth straight month as members enforced a deal to cut output and prop up oil prices, but output remained above target levels, a Reuters survey showed on Monday.

## Could Obama Push Crude Oil to \$300 Per Barrel

Then the government will take the initial taxes and “guarantee” they will go to something politically acceptable. In this case, the oil companies’ money will be taken and given to alternative energy researchers. Of course, all the government’s revenues go into one big fund and parceled out from there so that’s all just a bit of good political marketing.

Finally, when oil prices do start to rise again and climb back to \$100, \$300, or higher (it’s impossible to tell where oil prices will be in 10 years, but it’s a good bet they’ll be much higher than they are now) the public will demand to know why energy costs are so much higher.

Yet again, there’s an easy solution here too. When the average American’s disposable income takes a big hit, the government will simply point to the impact of peak oil, evil OPEC, and some energy security statistic like how “we import less oil now than we did 20 years ago” even though, on a percentage basis, the U.S. reliance on foreign oil will have actually increased.

Then we should thank our lucky stars we have miles of (by then) outdated, marginally efficient solar panels, thousands of wind turbines, and geothermal plants sitting all along western United States. It’s perfect.

## BP Shuts Units, Cuts Runs at Texas City Oil Refinery

(Bloomberg) -- BP Plc was forced to shut units and curtail operations because of a malfunction at its Texas City refinery, the fourth-largest in the U.S.

BP is still determining how long the units will be off line, spokeswoman Sheila Williams said today by telephone from London, where BP, Europe’s second-largest oil company, is based. She couldn’t say which units were forced to shut. The malfunction occurred in a sulfur recovery plant early yesterday morning, Williams said.

## Iraq struggles with spending plan as oil dips

BAGHDAD – Iraqi lawmakers struggled Tuesday to hammer out spending plans that could include additional cuts in reconstruction and military purchases because of falling oil prices.

Parliament members gathered in separate caucuses before an expected full session to discuss the budget, which has been trimmed by more than 10 percent. The cuts will likely require officials to mothball some reconstruction projects and military arms purchases even as Iraq prepares to take full control of security next year.

## [Why protectionism is a good idea](#)

I believe that the world will fairly soon run out of cheap oil, with devastating effects on anybody, anywhere, who has not prepared for the worst by establishing or re-establishing every essential form of provision locally.

In practice, this means that I've been buying local (and therefore necessarily seasonal) food for several years, and moved as much as possible towards buying and making clothing that has been substantially produced relatively nearby. Perhaps more controversially, I've also moved away from prior tendency to employ cheap Polish plumbers in favour of employing somebody very, very local (in my street, in fact,) who is unlikely to head overseas as soon as the pound loses value against the zloty. That way, with a bit of luck, there'll still be a few skilled and experienced trades people in England when the oil runs out.

## [BP quits failed Russian test area](#)

BP has abandoned the Sakhalin 4 oil exploration area in Russia after wells drilled there came up dry, marking a further disappointment in what had previously been seen as one of its most promising regions.

## [BP may scale back some Alaska operations](#)

BP said it may "adjust the scale and pace of some projects" in Alaska because of lower oil prices.

"BP in Alaska as elsewhere is reviewing project plans in light of today's dramatically different economics," Steve Rinehart, a spokesman for BP in Alaska, said today in an e-mail. "We want to maintain activity, but in a lower cost structure."

## [Ag census finds dramatic loss of Virginia farmland](#)

While farm commodity prices rose to near-record levels in 2007 and 2008, so did farm expenses. The census reflects that change, showing that Virginia farmers paid \$507.7 million for feed costs in 2002, while forking out a whopping \$727.2 million for feed in 2007.

Meanwhile, gasoline, diesel fuel and oils cost Virginia farmers \$156.8 million in 2007, compared to \$84 million in 2002. And that was before the major fuel price increases of 2008.

## No future for wind in Ontario

The Ontario government says its new Green Energy Act, if passed, will help Ontario become "North America's leader in renewable energy."

But since most of this new renewable energy will be from wind, it may not be the smartest move for Ontario because its large hydro and nuclear capacity is not compatible with wind generation. Wind requires natural gas-fired generation for support and natural gas will be a most precarious fuel for Ontario.

## Asia's biofuel dreams shelved as crude oil tumbles

KUALA LUMPUR (AFP) – Hopes of a biofuel bonanza for Southeast Asia, raised when sky-high oil prices made the search for alternative fuels a priority, have been shelved as global fortunes and crude prices nose-dive.

## Economy, 'fat cat' label hit corporate jet makers hard

Propelled by a roaring U.S. economy and booming demand from oil-rich Middle Easterners and newly rich Russians and Eastern Europeans, the makers of corporate jets and other business aircraft set sales records every year from 2003 to 2007.

But global recession, constricted credit markets and the public flogging of corporations that spend lavishly to fly top executives on corporate jets have sent the sales of general aviation aircraft into a hair-raising nose dive.

## Toyota talking to Japan about \$2B loan, reports say

TOKYO — Toyota's financing unit is in talks with a Japanese government-backed bank on possible lending, the automaker said Tuesday, underlining the serious woes facing the car industry amid plunging global sales.

Toyota said no details had been decided. Kyodo News and NHK TV reported earlier in the day, without identifying sources, that Toyota's auto loan unit, Toyota Financial Services, had asked for a \$2 billion (200 billion yen) government loan.

## Security gains jump-start sales of American SUVs in Iraq

BAGHDAD — Here's a bailout idea for the American auto industry: Send all those unwanted SUVs to Iraq.

Just as General Motors is halting production of the Hummer, and other sport-utility

vehicles fall out of favor with cost-conscious and eco-friendly Americans, the gas-guzzling behemoths are experiencing a rebirth among young and wealthy Iraqis.

### Porsche goes hybrid

STUTTGART, Germany -- Porsches are known for the sound of their rippling horsepower under the hood, but the company's new gas-saving hybrid actually runs on batteries more than half the time -- leaving the driver with little more than the sound of the wheels on the road.

### Electric vehicles - why we need them

Although vehicle sales are falling in many countries, they continue to add to the total number of registered vehicles. The rate of increase may be less but it is increasing. Encouraged by relatively low and slow moving fuel prices, vehicle sales will also grow in emerging economies such as those of China and India. In both countries there has been growth in the number of middle-income earners, hence the demand for cars.

There are cogent reasons for believing that a commensurate increase in oil production will not, indeed can not occur. This is due to the imminence of "peak oil", reluctance of producers to increase production and development of technology making cheaper alternative fuels usable.

### City Kids Find the Breathin' Is Easier Elsewhere

MONDAY, March 2 (HealthDay News) -- After a week away from urban air pollution, children with mild persistent asthma begin to show dramatic changes in their respiratory health.

### Hundreds rally for legislation on climate change

WASHINGTON – Hundreds of demonstrators are urging Congress to pass legislation to reduce greenhouse gases, and they're using the Capitol power plant as a symbol of the problem.

### EU fails to pledge climate aid to poor nations

BRUSSELS (AFP) – EU environment ministers on Monday failed to agree on how to support poorer nations to fund the fight against climate change, and kicked the problem upstairs to the heads of state and government.

"We were not quite able to reach consensus on the financing mechanism. This is an issue where the (EU) council (of nations) will need more discussion time," EU Environment Commissioner Stavros Dimas, said after an elongated meeting of EU environment ministers in Brussels.

### Some states picking economy over environment regs

HELENA, Mont. – The call for economic stimulus is having an unintended side effect in places like Montana, where environmental protections are on the verge of being repealed in the name of jobs.

One bill gets straight to the issue — promising to exempt hundreds of millions in economic stimulus projects from the state's landmark environmental policies. Environmentalists are ramping up lobbying efforts as a wave of measures eroding regulatory rules gain serious traction in the face of a recession and shrinking state coffers.

"It is about jobs," said Sen. Jim Keane, a Democrat from the mining town of Butte. "But I think the issue is much bigger than that. All these projects also generate new taxes and revenue for the state government."



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/us/).