



Drumbeat: April 2, 2009

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Topic: [Miscellaneous](#)

[The Peak Oil Crisis: Seize the Moment](#)

Earlier this week the Obama administration, now the effective owner of the U.S. automobile industry, put Detroit on notice that it has 30-60 days to come up with a believable plan to "restructure" itself or it goes into bankruptcy.

This action makes it a good time to step back and ponder just where America's industrial base is going. With \$2 gasoline and some incentives, recession-wracked American consumers seem willing and able to absorb another 8 or 9 million new gasoline and diesel powered cars and trucks this year --- but does this make any sense? The "restructuring" plan seems to be one of trimming overhead, shutting some factories, abrogating labor agreements, and stiffing shareholders, bondholders and debtors to the point where the manufacturers might be able to limp along with a minimal infusion of taxpayer dollars.

This plan might be fine except for one glaring fallacy. In the next few years, oil prices are going up so high that ownership and use of the automobiles and trucks in their present form will be a totally uneconomic proposition. How many of the current flavor of cars and trucks is Detroit going to sell with gasoline at \$10 a gallon or higher?

['Peak Oil Crisis' Is Alive & Well](#)

This month marks the fourth anniversary of now-globally famous commentator Tom Whipple's "Peak Oil Crisis" column that originated with and has been published weekly exclusively in the *Falls Church News-Press*, the Washington D.C. area's most progressive newspaper.

[U.S. Waters May Have Up to 115 Billion Barrels of Oil](#)

(Bloomberg) -- The U.S. may have as many as 115 billion barrels of "technically recoverable" oil in federal waters off its coast, a report today from the Interior Department found.

The report, prepared by Interior's Minerals Management Service and the U.S. Geological Survey, also said the Outer Continental Shelf contains as much as 565 trillion

cubic feet of natural gas and that the Pacific and Atlantic coasts hold more than 1,900 gigawatts of potential wind energy.

The assessment is part of a U.S. effort to reduce dependence on imported energy and respond to climate change brought on carbon emissions. The Obama administration is working to get an increasing share of electricity from coastal renewable resources, Interior Secretary Ken Salazar said today.

"We will in this administration and this time finally get around to tackling the energy issue that faces America, that faces this world," Salazar said in a speech in Crystal City, Virginia.

["Green" America may slash oil demand](#)

Forget the myth of Chinese demand driving world oil consumption and pay closer attention to "green" policies in the U. S., the biggest oil consumer in the world, energy policy expert Amy Myers Jaffe said.

Major oil producer Saudi Arabia certainly is, said the director of the James A. Baker III Institute for Public Policy at Rice University.

China's 26 million cars represents only 10 per cent of all the vehicles hitting the roads in the United States, Jaffe said in Calgary Wednesday.

And new energy-saving policies being considered by President Barack Obama could shave 20 per cent off U. S. oil demand, she pointed out.

"The chances of there being some turnaround that will somehow reverse itself into an increase in U. S. oil demand is pretty unlikely," Jaffe said at the CFA Investing in Energy Conference.

[Oil jumps above \\$52 as stock market surges](#)

NEW YORK – Oil prices surged nearly 9 percent Thursday as investors focused on a weaker dollar, rising stock markets and the hope that the U.S. economy has finally bottomed out.

Natural gas prices also rose even though a government report said U.S. inventories remain well above historical levels.

Price changes in both commodities directly affect the American economy. A jump in crude prices can influence everything from how much it costs to fill up at the gas pump to the cost of making golf balls, shampoo and thousands of other petroleum-based products.

[Energy Department Will Step Up Pace on Renewable-Power Loans](#)

(Bloomberg) -- The U.S. Energy Department will issue loan guarantees for renewable energy projects at a quicker pace in the coming months, a senior adviser at the agency said.

"If we did one during March, we'll probably do one during April, two during May and then start moving at a faster rate," Matt Rogers, the senior adviser charged with distributing loans and guarantees, said in a telephone interview yesterday. "The machine is picking up momentum as we work through this."

[TVA agrees to pursue renewable energy purchases](#)

JOHNSON CITY, Tenn. – In the face of looming legislative pressures for cleaner energy, the nation's largest public utility agreed Thursday to buy more than a nuclear reactor's worth of electricity from renewable energy sources.

[Nigeria offers delta rebels amnesty](#)

Nigeria's president has said he is prepared to grant amnesty to armed groups in the oil-rich Niger delta who agree to give up their weapons.

Attacks on oil facilities and abductions of their staff have reduced Nigeria's crude output by 25 per cent over the last three years.

"We will grant amnesty to all those who are ready to lay down their arms. It will also include rehabilitating and integrating them into the system," Umaru YarAdua said at a meeting of leaders of his People's Democratic Party (PDP) in Abuja on Thursday.

[James Howard Kunstler: Investing In Infrastructure For An Age Of Scarcity](#)

A few years ago, author James Howard Kunstler famously convinced petro-billionaire and Bush crony Richard Rainwater to build an off-the-grid rural compound because the fabric of American society would soon be threatened by oil shortages and skyrocketing energy prices. *The Long Emergency*, Kunstler's pungent and highly influential book on the subject of peak oil, won a lot of other smart money converts as well. When a barrel of crude hit \$147 last summer, he was looking more and more like a prophet. At the present \$47, let's just say the jury is still out.

But it's hard not to have the sense that Kunstler's ideas are worth careful consideration, even if one believes that future oil supplies might be a bit more abundant than he suggests. For instance, his 1994 book *The Geography of Nowhere* was a decade or more ahead of the cultural curve in describing the structural miscalculations of America's sprawling suburbs. Now, even with OPEC cutting production, Kunstler still

predicts oil supply shortages dead ahead. Will we feel the bite this year? Next? The year after? "Soon enough," he says.

[OPEC can live with \\$50 oil for 2009](#)

PARIS - OPEC may be able to live with oil prices around \$50 a barrel in 2009, its Secretary General said on Thursday, another sign the group has limited its price aspirations for now because of the weak global economy.

The comments are the first indication from the Organization of the Petroleum Exporting Countries of how long it can withstand oil at \$50, below the \$70-\$75 many in OPEC and the oil industry say is needed to encourage investment in new supply.

"We cannot really invest at current oil prices. Maybe we can live with it this year," Abdullah al-Badri told a conference in Paris. "The cost of adding new capacity is still high."

Badri added: "2009 is the most difficult year for the world to live."

[South Africa says still facing major energy crisis](#)

JOHANNESBURG (Reuters) - South Africa's energy minister said on Thursday the country was still in the grip of a major power crisis despite being able to keep the lights on since a series of blackouts early last year.

Voluntary energy savings had failed to meet the required levels, and the country was risking new power cuts, the Minister of Minerals and Energy, Buyelwa Sonjica said in a statement.

[Mexico trims oil output forecast](#)

Mexico's finance ministry cut its estimate for average crude oil production this year by 30,000 barrels per day and said output could fall further in 2010, according to a report sent to Congress.

The finance ministry now sees this year's oil production averaging 2.72 million bpd.

[Russian economy shrinks 7 percent in 1st quarter](#)

MOSCOW - A senior government minister said Russia's economy shrank by 7 percent in the first quarter, a news agency reported Thursday, marking a staggering downturn after eight years of oil-fueled growth.

"These figures are worse than we expected," Deputy Economic Minister Andrei Klepach was quoted as saying by ITAR-Tass during a conference in Kiev, Ukraine. He was citing preliminary figures.

[Iran dangles oil carrot to win support](#)

CAIRO - Saddled with slumping oil prices, U.S. sanctions and economic troubles, Iran appears to be pushing to entice foreign investment in its energy sector in a bid to woo allies abroad and secure political support at home as its hardline president faces an upcoming re-election battle.

[China buys more of oil sands](#)

The purchase of an additional 10% interest in the proposed Northern Lights oil sands project Wednesday by China Petroleum & Chemical Corp. (Sinopec) points to a renewal of interest by the Chinese in Canada's oil, said a University of Alberta expert.

[Report: Kuwait shouldn't have cut expenditure](#)

KUWAIT CITY - Kuwait's cut in public spending will do little to help it weather the global financial crisis, a leading investment firm in the tiny oil-rich Gulf Arab nation warned Thursday.

[Hurricane Threat to Gulf of Mexico May Ease, Forecaster Says](#)

(Bloomberg) -- The 2009 Atlantic hurricane season will produce as many as 13 named storms, fewer than last year, while colder water in the Gulf of Mexico may ease the threat to that oil-rich region, WeatherBug predicted today.

WeatherBug, a private forecaster providing mobile and desktop applications, said the June 1-Nov. 30 season may produce six to eight hurricanes. Last year, there were 16 named storms, eight of them hurricanes.

[Relocation, relocation, relocation](#)

As sea levels rise in the wake of climate change and semi-arid regions turn to desert, people living in those parts of the world are likely to be displaced. A mathematical approach to planned relocation reported in the *International Journal of Mathematics and Operational Research*.

Decision scientist Sajjad Zahir at the University of Lethbridge, Alberta, Canada, and colleagues Ruhul Sarker of the University of New South Wales, Canberra, Australia and Ziaul Al-Mahmud of Lethbridge Community Network, have devised a mathematical algorithm to address the problem of population relocation.

The team's multi-objective optimization approach will help governments decide what fraction of a population would need to be relocated and how many people could stay behind for effective adaptation to climate change.

[Despite Furor, Most N.Y. Power Operators Seem at Peace With Greenhouse-Gas Limits](#)

After meeting with officials from some of the companies, the governor angered environmentalists in early March when he said he would consider increasing the number of allowances that the state would give away.

But market analysts and state officials say a vast majority of the 95 electricity producers affected by RGGI — which aims to reduce carbon dioxide emissions by 10 percent by 2018 — appear to have no problem with the initiative.

[Humans may be losers if technological nature replaces the real thing](#)

..."The larger concern is that technological nature will shift the baseline of what people perceive as the full human experience of nature, and that it will contribute to what we call environmental generational amnesia."

This concept of amnesia proposes that people believe the natural environment they encounter during childhood is the norm, against which they measure environmental degradation later in their life. The problem with this is that each generation takes that degraded condition as a non-degraded baseline and is generally oblivious of changes and damages inflicted by previous generations.

[BP, Eni Struggle to Replace Reserves, Bernstein Says](#)

(Bloomberg) -- BP Plc and Eni SpA are among global oil companies having difficulty replacing reserves through exploration, preferring instead to buy competitors, Sanford C. Bernstein & Co. said.

In the past six years, none of the major explorers has managed to replace output by extending fields or discovering new deposits, Bernstein analysts Neil McMahon and Ben Dell said today in a report. Producers have relied on improving recovery rates and making acquisitions to maintain reserves, they said.

"Majors have still managed to miss the key entry points into big new plays such as the Brazilian Santos sub-salt play, or offshore Ghana, instead leaving this for the smaller

exploration” companies, they said. “This situation will likely resolve itself with the wave of merger and acquisition activity,” possibly this year, they added.

[IEA may trim demand forecast](#)

The International Energy Agency (IEA) is likely to lower its global oil demand forecasts significantly as more bleak economic data emerges, executive director Nobuo Tanaka said.

[OPEC says oil not to blame for climate change](#)

PARIS (Reuters) - OPEC said oil was not to blame for climate change and consuming countries should pay to fight the threat, while the CEO of Royal Dutch Shell said drivers could help by not buying Hummer sports utility vehicles.

"Oil is not responsible," the producer group's Secretary General, Abdullah al-Badri, told reporters on Thursday on the sidelines of the International Oil Summit in Paris.

"It is the industrialised countries which are making all this pollution in the world".

[Russia's Gazprom looks to Asia, US after EU rebuff: report](#)

(MOSCOW) - Russian state-run gas giant Gazprom, angered at being left out of a transit deal between Ukraine and the EU, has threatened to turn to US and Asian markets, a newspaper reported Thursday.

Gazprom chief executive Alexei Miller said "dangerous" agreements bypassing Russia would lead Moscow to boost production of liquefied natural gas (LNG), which can be shipped overseas, the Kommersant daily said.

[Petrobras Profit Estimate Raised at Morgan Stanley on Oil](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, had its profit estimates boosted at Morgan Stanley on the prospect of higher oil prices.

[Conoco sees Q1 hurt by natgas, marketing margins](#)

NEW YORK (Reuters) - ConocoPhillips said on Thursday its first-quarter earnings would be hurt by weakness in North American natural gas prices, and its worldwide marketing margins would be significantly lower.

But overall oil and gas output, excluding its partnership in Russia, is expected to rise about 30,000 barrels per day of oil equivalent (BOE) from the fourth quarter, and its earnings from its chemicals operations will also rise.

[Exxon's Investment Plans May Be Trimmed by Its Partners](#)

Despite the economic crisis, Exxon Mobil Corp. is flush with cash and plans to invest at record levels this year -- but its partners may have other ideas.

Unlike other major producers like ConocoPhillips, the Irving, Texas, company has not cut capital investment or sought to delay projects as it seeks to increase oil and gas production, which declined 6% in 2008. But Exxon's hallmark disciplined approach, which it has said will help the company achieve a 2%-3% annual production growth over the next five years, is being challenged by some of its partners' short-term priorities: saving money and sustaining local economies.

[India IOC buys 2 mln barrels Nigerian crude -trade](#)

LONDON, April 2 (Reuters) - India's largest state run refiner, Indian Oil Corp (IOC), has bought at least one very large crude carrier of Nigerian crude oil via its first tender for June loading sweet crude, traders said on Thursday.

IOC has bought two million barrels of light, sweet Nigerian Qua Iboe BFO-QUA crude from oil trader Vitol for around dated Brent plus 50-60 cents, traders said.

Differentials for light, sweet Nigerian grades have weakened significantly in the last month due to an oversupply of crude in floating storage, poor refining margins and waning demand in the wake of the global economic crisis.

[Repsol says cost cut drive making projects cheaper](#)

PARIS (Reuters) - Repsol YPF's plan to cut costs and put pressure on suppliers to do the same was leading to savings of around 5 percent on existing projects and savings of 10 percent on new projects, Chief Operating Officer Miguel Martinez told the International Oil Summit on Thursday.

[ANALYSIS - Non-OPEC oil supply to fall further, faster](#)

NEW YORK/LONDON, April 1 - A plunge in oilfield spending means non-OPEC oil output could soon fall, raising prices and potentially derailing any global economic recovery.

A growing number of forecasts predicting a fall reflect a major drop in oil drilling because of lower crude prices and tighter credit, and defy an earlier market consensus that non-OPEC output would rise through the economic downturn.

[China, the U.S. Dollar and Crude Oil Prices](#)

Crude oil futures through last Friday had climbed 17% since the end of 2008. From the 2008 low on December 23 of \$30.28 a barrel, crude oil futures are up an amazing 73%. In spite of that dramatic rise, it was less than 120 days ago that crude oil was trading in the mid \$50 range. That speaks to the speed of the collapse of global oil prices and how explosive the recent recovery in prices has been. The improved oil price has come in the face of weak oil demand worldwide and growing oil and refined product inventories. If global economic activity has, to quote legendary investor Warren Buffett, "fallen off the cliff," one has to wonder why oil prices have climbed from the basement.

[Saudi Arabia projects continuity of oil production](#)

Saudi Arabia said that proven reserves alone are conservatively estimated to continue for approximately 80 years, especially in light of evolving exploration and production technologies.

Saudi Arabia stressed that non-renewables would remain the world's energy work-horse for many decades to come, and that while the days of easy oil may be over, its days as a primary fuel source are far from over.

["Thicker Than Oil: America's Uneasy Partnership With Saudi Arabia"](#)

In her breakthrough 2006 book, *Thicker Than Oil*, Rachel Bronson, peers through a historical timeline of concessions, negotiations and correspondence with an expert lens. Every bend and crook is laid out in such a vigorously researched way that allows the reader to appreciate the multi-layered complexities of this political partnership.

The passim outlined in this book indicates that the strong bond between these two formidable powers extends beyond securing access to oil deposits. The other two pillars, geopolitical strategies and shared ideology to counterbalance the domino effect of "godless communism," supported the cyclical epochs of mutual respect and exploitation that defined US-Saudi diplomatic relations.

[In Europe, 'Cash for Clunkers' Drives Sales](#)

BRATISLAVA, Slovakia — The economy here may be in free fall, but anxiety about the future did not stop Vilo Hrivnak from driving his 12-year-old green hatchback to the

junkyard a few days ago and promptly buying his first new car, a cappuccino-colored Skoda.

Like hundreds of thousands of car owners across Europe, Mr. Hrivnak was spurred to act by new government subsidies for drivers who junk their old jalopies — in his case 2,000 euros, or \$2,655 — and trade up to a new model.

[A Stimulus for Working Fewer Hours](#)

More than 12 million workers in the United States are currently unemployed, with the number rising rapidly. The problem with the economy is that we can produce more goods and services than is being demanded. The way we generally deal with lack of demand is to lay people off, leaving a relatively small segment of the work force (the unemployed) to bear the pain of our economic problems.

An alternative would be to have everyone share in the adjustment to excess supply by reducing work hours. Fewer work hours would mean roughly proportionate reductions in pay, but there would be the offsetting benefit of more leisure time. Workers would have more time to spend with their families or in nonwork activities. This would bring us more in line with the rest of the world, where the standard workweek and year is considerably shorter.

[In the Exurbs, the American Dream Is Up for Rent](#)

What is happening on the urban fringe is similar to the urban decay that plagued cities after World War II, says Christopher B. Leinberger, a real-estate developer and visiting fellow at the Brookings Institution. "Single-family homes and townhouses in cities were broken into rental units. Now, we're seeing that phenomenon move out to the fringe."

[The Greening of Pittsburgh](#)

Though the southwestern Pennsylvania metropolitan area is only the 22nd largest in the United States in terms of population, the city employed energy-efficient construction well ahead of larger cities. In 2005, Pittsburgh claimed more LEED-certified square footage — meaning it had met Leadership in Energy and Design standards for energy-saving designs and building techniques — than anywhere else in the United States. As other cities have caught up, Pittsburgh now ranks seventh nationally in the number of buildings with such certification, according to the local Green Building Alliance.

[Greer: Facing Decline, Facing Ourselves](#)

Thus it's vital to realize, when somebody insists that technological progress will inevitably lead our species to immortality among the stars, or when somebody else

insists that contemporary civilization has become the ultimate incarnation of everything evil and will shortly be destroyed so that the righteous remnant can inhabit a perfect world, that what they're saying has very little to do with the facts on the ground. Rather, these are statements of religious belief that coat mythic themes millennia old in a single coat of secular spraypaint. If, dear reader, one or the other of these is your religion, that's fine – you have as much right to your faith as I have to mine – but please, for the love of Darwin, could you at least admit that it's a religious belief, an act of faith in a particular constellation of numinous experience, rather than a self-evident truth that any sane and moral person must automatically accept?

[Plan like Pickens' much preferable to no plan at all](#)

A lot of people have claimed the Pickens Plan will never work or is the wrong solution. But they would be wiser to do as the town hall attendees did -- play devil's advocate rather than shoot the plan down, and emphasize areas that could be changed for the better.

Say what you will about the plan, it's a more comprehensive solution than most, and it strikes a middle ground between no action and some of the more radical plans that might be better in the long run but won't be able to garner the support necessary for them to move forward. It's something, and it's easier to start from something than nothing.

[Blue Gold: Have the Next Resource Wars Begun?](#)

It has often been said that water is "blue gold" and the next resource wars will be fought, not over oil, but over water. Maude Barlow, senior advisor to the United Nations on water issues, wrote that the way in which we view water "will in large part determine whether our future is peaceful or perilous."

The British nonprofit International Alert released a report identifying forty-six countries where water and climate stresses could ignite violent conflict by 2025, prompting the UN Secretary-General Ban Ki-moon to affirm, "The consequences for humanity are grave. Water scarcity threatens economic and social gains and is a potent fuel for wars and conflict."

[India is stealing water of life, says Pakistan](#)

Crucial, coveted and increasingly scarce, water has become the latest issue to stoke tensions between India and Pakistan, with farmers in Pakistan's breadbasket accusing Delhi of reducing one of the subcontinent's most important rivers to little more than a trickle.

[State view: Wet America faces growing demand from Dry America](#)

Many climate scientists believe that one of the early effects of global warming will be a drier American Southwest, placing the future of cities like Phoenix, Las Vegas and Los Angeles in jeopardy. Lake Mead's level has dropped from 1,229 feet to 1,112 today. Below 1,000 feet, both water channels to Las Vegas are dry. As James Lawrence Powell of the University of Southern California put it in his recent study of the Colorado's flow rates: "We can save either Lake Powell or Lake Mead, but not both."

The thirsty cities of the West are even starting to look north at the Columbia River, and to the east at the Great Lakes and the Mississippi for water.

An enduring Minnesota nightmare is the vision of a great pipeline that begins in Lake Superior. Like a giant flexible straw, it snakes its way west to irrigate Kansas and Oklahoma, finally ending with branches at parched Arizona golf courses and thousands of Los Angeles swimming pools. Although the pipeline is not practical, the bad dream persists, concluding with Lake Superior as a huge replica of those empty mine pits on the Iron Range.

[Survival Seed Kit to Combat World Food Supply Shortage Offered by Survival Seed Bank](#)

It's no secret that the world's food supply is rapidly diminishing and as a result consumers are staring at ever higher prices at the market. With the ever expanding global population and the expansion of the bio-fuel industry the world's food supply is quickly disappearing and for those who are not prepared to feed themselves the end result could be costly.

For those responsible individuals who have recognized the dangers associated with a world food shortage the solution is obvious, ensure you're capable of becoming self-sufficient when it comes to feeding your family. This may sound simple enough but the truth is it takes more than just a handful of seeds to grow your own food. What it really takes is the right kind of seeds, more specifically heirloom seeds and open-pollinated seeds that are capable of producing crops that leave behind seeds that can be planted again.

[U.S. climate change bill could side-swipe oilsands](#)

The legislation would also impose low-carbon standards for gasoline and other transportation fuels, rules that could make it more difficult for U.S. refineries to sell fuel produced from Alberta's carbon-intensive oilsands.

"This is not a ban on tarsands oil. But it is definitely a disincentive, because it has higher emissions," said Susan Casey-Lefkowitz, Canadian program director at the Natural Resources Defense Council.

[Russia's March Oil Output Rises as OPEC Asks Non-Members to Cut](#)

(Bloomberg) -- Russia's oil output rose last month, snapping declines, even as OPEC urged countries outside the cartel to curb production.

March output advanced 0.4 percent a day in comparison with both the previous year and month to 9.8 million barrels a day, the Energy Ministry's CDU-TEK unit said in an e-mailed statement today. It was the first increase on year-on-year production since 2007.

[Russia's Gazprom gas output down 18.5% on year in Jan-Mar](#)

MOSCOW (Itar-Tass) - Russia's natural gas monopoly Gazprom produced 123.404 billion cubic meters of gas in January-March, down 18.5% on the year, TsDU-TEK, which provides data and analysis to the Energy Ministry, said in a report Thursday the economic news agency Prime-Tass said.

[Venezuela ups US oil sales despite OPEC, US says](#)

CARACAS, Venezuela — Venezuela increased oil shipments to the United States in January, despite President Hugo Chavez's anti-U.S. rhetoric and a promise to OPEC to cut output, the U.S. Department of Energy said Wednesday.

Crude shipments from Venezuela to the U.S. rose to an average 1.2 million barrels a day in January, up 14 percent from December, according to data from the department. Venezuela had promised to cut exports to the U.S. by 16 percent starting Jan. 1 to comply with OPEC cuts.

But January's figures suggest the country, the world's 11th biggest oil producer, is still sending about half its crude to the U.S.

[China's January, February crude oil import down 13 percent](#)

Operation monitoring data issued by the National Development and Reform Commission (NDRC) on March 30 shows that in January and February, China's domestic output of crude oil was 30.27 million tons, down 1.7 percent year-on-year. Imports of crude oil were 24.55 million tons, down 13 percent year-on-year. In the same period last year, imports had increased by 9.5 percent year-on-year.

[Report: Qatar delays Shaheen refinery](#)

CAIRO - Qatar has delayed several projects, including the planned Al-Shaheen refinery,

for about one year to take advantage of lower prices, the OPEC member state's oil minister said, as the global financial meltdown brings down construction costs.

[China secures Myanmar energy route](#)

BANGALORE - China and Myanmar have signed an agreement for the construction of fuel pipelines that will transport Middle East and African crude oil from Myanmar's Arakan coast to China's southwestern Yunnan province - short-circuiting the long sea voyage past Singapore - while also drawing from Myanmar's own gas reserves.

[Iran gas investment "not attractive"-Total](#)

PARIS, April 2 (Reuters) - French oil major Total (TOTF.PA) sees the investment terms offered by Iran for developing gas fields as "not attractive enough", the group's Chief Executive told a conference on Thursday.

"It is very important to reduce the costs of energy projects, we will see if we can get acceptable terms, but frankly today the terms offered today (in Iran) are not attractive enough," Christophe de Margerie told delegates.

"Because of the unsatisfactory conditions, Total was never able to strike a real deal for the South Pars project," de Margerie said.

[Sir Tom McKillop heads off the storm by resigning from BP](#)

Sir Tom McKillop, the former chairman of Royal Bank of Scotland (RBS), yesterday quit the board of BP, the oil giant.

Sir Tom, who chaired RBS in the three years leading up to its collapse, told BP that he wanted to retire and would not stand for re-election. He served on BP's remuneration committee, earning £95,000 last year.

[Reliance starts gas production off east coast](#)

MUMBAI (AFP) – Indian energy giant Reliance Industries said Thursday it had begun producing gas from the deep-sea Krishna Godavari Basin off India's east coast in what it called a boost for national energy security.

At peak production of oil and gas, the KG-D6 facility is expected to produce over 550,000 barrels of oil equivalent per day, the company said in a statement.

[Like a Russian doll, one incoherent and unfounded myth contains another...](#)

Very large investments are needed if OPEC and non-OPEC suppliers are to maintain export capacity. Based on estimates from various sources, going to extreme colorful highs of Matt Simmons, that the world needs \$100,000 billion of investment spending in the oil and gas industry in only the next 10-15 years, to hold back depletion effects, we are moving to a time when *other strategies* are needed. This features Energy Transition, combing a planned and programmed decline of oil intensity in the OECD countries, needing economic restructuring, and a worldwide effort to develop the alternate and renewable energy sources. This effort will be impossible without close and honest cooperation between the oil exporter, and oil importer countries.

[March auto sales plunge](#)

Sales fall more than 35% from a year ago at all major automakers, but executives say a pick up from February suggests the industry may have hit bottom.

[GM asks U.S. gov't for \\$2.6 bln to build hybrids](#)

DETROIT (Reuters) - General Motors Corp has asked for \$2.6 billion of low interest government loans to support the development of three new hybrid vehicles, according to a business plan update released on Wednesday.

GM's loan request, which would help develop two spinoffs from its all-electric Chevrolet Volt, raises to \$10.3 billion the aid it is seeking under a U.S. Energy Department program designed to support development of fuel-efficient vehicles.

[Missouri has last, clear chance to avert mass transit collapse](#)

Starting Monday, St. Louis' mass transit system will reduce service radically. The service area for this multibillion-dollar regional asset will shrink by two thirds, literally overnight.

The Metro transit agency faces an operating deficit of \$45 million this year, which is expected to reach \$50 million next year. Nearly one in every four of its 2,300 employees will be laid off in the coming weeks. Many highly skilled and productive employees already are being poached by transit systems in other regions.

[Ithaca receives grant to assess podcar possibility](#)

ITHACA - Ithaca could be moving one step closer to bringing a cutting edge transportation system to the city.

Connect Ithaca, in conjunction with engineering firm C&S Companies, received a \$75,000 grant from the New York state Department of Transportation that will be the first step in assessing the feasibility of a personal rapid transit system, or podcar.

[High-speed trains slow to develop in America](#)

President Barack Obama, intent on harnessing new technology to rebuild the devastated economy, made a last-minute allocation of \$8 billion for high-speed rail in his mammoth stimulus plan.

It sounds good, but that amount isn't enough to build a single system, or to dramatically increase existing train speeds, transportation experts say.

[Feds OK new license for NJ nuclear power plant](#)

MOUNT LAUREL, N.J. – Federal regulators agreed Wednesday to extend the license of the nation's oldest nuclear power plant to 2029.

The U.S. Nuclear Regulatory Commission voted 3-1 to deny an appeal from environmental groups opposing a new license for the Oyster Creek Nuclear Generating Station in Lacey Township, N.J.

[What Happens After the Crash? America Faces a Future of Discontinuity.](#)

Richard Florida, the urban theorist and author of the seminal book, *The Rise of the Creative Class*, is talking about a fundamental “reset” in the North American economy as a consequence of the crash. The new winners and losers aren't necessarily who you might expect. For example, the urban Southwest may be at the end of its easy growth of the past half-century. Florida also argues that the “spatial fix” for the economy to come won't be found in sprawling American suburbia.

Florida is bringing into the mainstream one of the ideas that has been long consigned to “the doomers”: that the next 30 years won't be a replay of the past three decades. But how much do American policymakers get it – and how much can the American people conceive of a future that contains so much discontinuity?

[Local Community Economics for Security in an Unstable World](#)

Globalisation has brought many benefits in terms of price & availability of goods & services, foreign exchange etc.. It has also brought costs in terms of lengthened supply chains, job offshoring, compromised food security, exposure to global economic turmoil

etc.. A certain amount of re-localisation can act as a buffer to protect a community from the adverse effects of globalisation while still enabling them to reap the benefits from it. Depending on how the re-localisation is done, the community can become more resilient, self-sufficient, sustainable and paradoxically better able to attract external trade and investment due to the increase in local social and knowledge capital.

[Resilience Economics](#)

If the Industrial-Era economic system is, in fact, on its last legs, it would be useful to think through some of the possible post-capitalism models that might emerge.

I don't think we have enough early indicators to create a solid vision, so anything we talk about will have to be something of a thought experiment. What kinds of constraints would we face? What kinds of demands? Consider the following, then, at best a scenario sketch.

[The Green Scene](#)

Perhaps you can't quite picture a farmers' market hosted by the local hospital, but to Molly Nicholie, it's a perfectly green combination.

Such a partnership is just one possibility raised by the Appalachian Sustainable Agriculture Project's Farm to Hospital program. The pilot project seeks to play matchmaker, linking local farmers looking to build their customer base with hospitals emphasizing health initiatives. "We're working with [hospital staff] to integrate local foods into their programs," explains Nicholie, the program coordinator.

[Simple Ways to Make Any Car Run More Efficiently](#)

(ARA) - Oil prices may have declined from this summer's record-breaking highs for now, but automotive fuel efficiency is still on the minds of families across America.

[Iraq blames neighbors for water shortage](#)

BAGHDAD – An Iraqi minister blamed Iran and Turkey as well as a dry winter for the country's growing water shortage and urged its neighbors on Wednesday to share more water with Baghdad.

Water Resources Minister Abdul-Latif Jamal Rasheed said both countries had built a large number of dams and reservoirs on the tributaries of Iraq's two main rivers, the Tigris and Euphrates.

[Airlines fear failure of global climate talks](#)

GENEVA (AFP) – Major airlines warned on Wednesday that failure to agree on a global approach to emissions trading in climate change talks could hurt their industry by leading to increased taxes and regulation.

[Solution to the carbon problem could be under the ground](#)

Carbon dioxide captured from the chimneys of power stations could be safely buried underground for thousands of years without the risk of the greenhouse gas seeping into the atmosphere, a study has found.

The findings will lend weight to the idea of carbon capture and sequestration (CSS) – when carbon dioxide is trapped and then buried – which is being seriously touted as a viable way of reducing man-made emissions of carbon dioxide while still continuing to burn fossil fuels such as oil and coal in power stations.

[Indonesia should drop forest carbon credit plan: Greenpeace](#)

JAKARTA (AFP) – Environmental group Greenpeace called on Indonesia Wednesday to drop plans to tackle global climate change with credits for preserving forests, saying the measure could destroy carbon markets.

The Southeast Asian nation, a key backer of "avoided deforestation" measures that would award tradeable carbon credits for conservation, should abandon the plan in favour of funds to preserve forests, campaigner Bustar Maitar said.

[Poor nations must set own emissions targets: Mexico](#)

LONDON (Reuters) - Developing nations must adopt targets for cutting greenhouse gas emissions and they need to do their share to reduce global warming, Mexican President Felipe Calderon said on Wednesday.

Developing countries -- so far exempt from meeting emissions targets -- need to help solve the world's most pressing problem, global warming, and stop blaming rich nations for causing it, he said in a speech at the British Council.

[Europe will suffer despite climate measures: EU](#)

BRUSSELS (AFP) – Europe must prepare both for more floods and drought caused by climate change, regardless of the measures taken to combat it, EU Environment

Commissioner Stavros Dimas warned Wednesday.

"Even if we have zero emissions it is simply impossible to reverse climate change overnight," Dimas warned, as he unveiled a new report on what Europe should do to deal with its effects.

"Urgent action is therefore necessary to make our people... resilient to the inevitable impact of climate change," he added.

[Scientists worldwide admit global warming is a hoax](#)

In an unprecedented move Wednesday, the Norwegian Nobel Committee rescinded the Peace Prize it awarded in 2007 to former US vice president Al Gore and the United Nations Intergovernmental Panel on Climate Change, amid overwhelming evidence that global warming is an elaborate hoax cooked up by Mr. Gore.



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