



## DrumBeat: June 30, 2009

Posted by [Leanan](#) on June 30, 2009 - 10:08am

Topic: [Miscellaneous](#)

### [Kurt Cobb: Is the United States drifting toward "war socialism"?](#)

Jay Hansen is a well-known voice on issues of peak oil and sustainability. A systems analyst by trade, he established one of the first web sites ([dieoff.org](#)) to discuss these issues in depth in the mid-1990s. His latest web venture is a site called War Socialism on which he describes a form of governance which might become the only viable one in the coming age of scarcity unless we can muster unprecedented global cooperation to manage the decline.

By discussing "war socialism" I am not endorsing it. In fact, Hansen proposes an alternative, a global government that severely restricts human use of the global commons, that is, the natural resources upon which all of us depend. But Hansen is no lightweight. He has thought very deeply about our ecological predicament. He has tried to square what he knows about human behavior with what he believes needs to be done in the world we now face. It is clear from the organization and emphasis of his new site that he does not believe it is probable that the kind of global cooperation he would prefer will actually emerge.

### [China thirsty for foreign oil: Country's percentage dependency on imported oil surpassed that of the U.S. in May](#)

China's dependence on foreign oil has surpassed that of the United States, as consumers race to the pumps to fill their new cars with gas and the country feverishly stockpiles supplies to take advantage of weak markets.

The country's increasing appetite has driven it to spend billions to acquire foreign oil producers and construct vast storage facilities to safeguard future needs. It also helps explain a rapid rise in oil prices this year, which many attribute to speculators gambling on an economic recovery.

"People trying to explain rising prices look at the West and see high inventory and low demand, so they blame speculators," said Paul Ting, president of Paul Ting Energy Vision LLC in New Jersey. "They are looking in the wrong place - demand is coming from China. And demand has been robust."

### [Final Words From Shell's Departing C.E.O.](#)

Question: Shell recently announced it was focusing its alternative investments on biofuels and you've been criticized for dropping out of wind and solar energy. Why this change?

Answer: From hindsight, I think we could have done better. We could have done a better communication job, including myself.

But if you look at the world, in every scenario we make, oil and gas and coal, or fossil fuels, will still account for 70 to 80 percent of demand in 30 years. Because of questions of affordability, environmental acceptability, and security, they still score fairly well compared with other forms of energy.

### [Gazprom expects Ukraine winter gas row](#)

Europe may face further disruptions to its gas supply next winter if Ukraine cannot pay its gas debts to Russia, the head of Gazprom International said today.

Boris Ivanov, head of the international arm of Russian gas export monopoly Gazprom said although it was unlikely there would be problems this summer, Ukraine's severe financial crisis could lead to supply disruptions next winter when demand is greatest.

### [Petrobras Focuses on Costs Ahead of Rig, Platform Tenders](#)

Brazilian state-run energy giant Petrobras continues to take a hard line on cost cuts as it prepares to launch tenders for drilling rigs and production platforms.

The tenders will likely come to market soon, Chief Financial Officer Almir Barbassa said at a meeting with reporters.

"We're in the final phase of the concession process," Barbassa said. The company is hammering out details for financing drill rigs, a complex task, the executive added.

### [Saudi extends hydrocracker shutdown](#)

SINGAPORE: Saudi Aramco has further extended the shutdown of its Ras Tanura hydrocracker, after a planned early-June restart failed, prompting sales of excess cracked A961 fuel oil, trading sources said yesterday.

The state oil company is offering 90,000 tonnes of cracked A961 fuel oil for July 17-18 lifting from Ras Tanura — its fourth such cargo in the past month, and an unusual move during the peak summer demand season, traders said.

### [Saudi economy to shrink 1.2 pct in 2009: bank](#)

RIYADH (AFP) — The Saudi economy is forecast to shrink by 1.2 percent in 2009, despite a stronger market for oil and expanded government investment, Riyadh-based Samba Bank said on Monday.

The recovery of oil prices to above 60 dollars a barrel and a forecast 24 percent hike in government spending is not enough to offset a sharp slowdown in private sector activity, the bank said in its mid-year report on the economy of the world's leading oil exporter.

### [ConocoPhillips, Aramco relaunch construction bidding process for Yanbu refinery](#)

HOUSTON (AP) — ConocoPhillips and the state-run Saudi Arabian Oil Co. said Tuesday they've revived plans to build a multibillion-dollar refinery in Saudi Arabia, citing improved economic conditions.

The companies signed a \$6 billion agreement in 2006 to build the 400,000 barrel-a-day oil refinery in the kingdom's Red Sea city of Yanbu, but postponed those plans late last year as energy prices plunged.

### [Iraq asks oil firms to resubmits bids for fields](#)

BAGHDAD (Reuters) - Iraq's oil minister on Tuesday asked international oil firms bidding for oil contracts to reconsider their proposals for fields the Oil Ministry had yet to strike deals on.

### [Iraq closes oil and gas field auction - official](#)

BAGHDAD (Reuters) - Iraq's Oil Ministry on Tuesday ended its first auction of major oil and gas field contracts since the U.S. invasion after sealing just one deal, with a BP-led group for its biggest field, Rumaila, an official said.

### [Attacks cut Shell Nigeria oil output to 140,000 bpd](#)

LAGOS (Reuters) - Attacks by Nigerian militants in recent days have cut oil output from facilities operated by Royal Dutch Shell's (RDSa.L) SPDC joint venture to around 140,000 barrels per day, a company spokesman said on Tuesday.

## [Disaster Transitionism](#)

If you haven't read Naomi Klein's *The Shock Doctrine: The Rise of Disaster Capitalism*, you really should. It's an examination of how the Chicago School of Economics and its adherents have taken advantage of or created crises to further their privatization agendas.

In country after country, free market and pro-corporate devotees have used the chaos, violence, and panic that result from periods of war or economic collapse to rapidly remove price controls, open borders to global trade, and sell off state-owned industry to multinational corporations for a fraction of their true value. In the civic vacuum that ensues when people are dropped down to the lowest levels of Maslow's Hierarchy of Needs, these proverbial foxes are able to raid the hen house.

## [Investing in durability](#)

If you are planning to withdraw, please tell me where you're going, and send directions. If not, it's time to start thinking about how you and your family or tribe will muddle through the years ahead. One word comes to mind: durability.

If that wasn't the first word that came to your mind, I'm not surprised. Industrial culture has steered us, for the sake of economic growth, in the diametrically opposed direction for so long we usually fail to consider the obvious benefits of durability when making decisions about our own lives. It's time to change that pattern of thinking, time to start thinking about our own individual futures instead of the future of the empire.

## [James Lovelock: Climate war could kill nearly all of us, leaving survivors in the Stone Age](#)

We have enjoyed 12,000 years of climate peace since the last shift from a glacial age to an interglacial one. Before long, we may face planet-wide devastation worse even than unrestricted nuclear war between superpowers. The climate war could kill nearly all of us and leave the few survivors living a Stone Age existence. But in several places in the world, including the U.K., we have a chance of surviving and even of living well.

For that to be possible, we have to make our lifeboats seaworthy now. Back in May 1940, we in the UK awoke to find facing us across the Channel a wholly hostile continental force about to invade. We were alone without an effective ally but fortunate to have a new leader, Winston Churchill, whose moving words stirred the whole nation from its lethargy: "I have nothing to offer but blood, toil, tears, and sweat."

## [The Dirty War Against Clean Coal](#)

WHILE President Obama's cap-and-trade proposal to reduce greenhouse gases has

been the big topic of recent environmental debate, the White House has also been pushing a futuristic federal project to build a power plant that burns coal without any greenhouse gases. Sounds great, right? Except the idea is a rehash of a proposal that went bust the first time around.

### ['Last man standing' at wake for a toxic town](#)

PICHER, Oklahoma (CNN) -- Wearing powder blue pants and a plaid fedora, 84-year-old Orval "Hoppy" Ray arrived fashionably late to a celebration in Picher, Oklahoma, a vacated mining town at the center of one of the nation's largest and most polluted toxic-waste sites.

Former residents, bought out by the government because their town was deemed so dangerous, gathered in Picher's elementary school to say farewell to a place where kids suffered lead poisoning, where homes built atop underground mines plunged into the Earth and where the local creek coughs up orange water, laced with heavy metals.

### [Why nuclear works in France](#)

Large as the project is, it surprisingly fits into an unexpectedly human scale. The new reactor will be the third to stand on the Flamanville site, with room for a fourth later. The entire complex is wedged between cliff and water in an indentation of the coast of only 120 hectares, less than 300 acres, about the size of a small commuter airport. For a project so big it is strangely invisible, dominated by the trees and hedgerows of the farms on the higher ground above. This relatively small space produces four percent of France's electricity, enough to power a good sized city. The fifty-eight reactors in service -- Flamanville 3 will be the fifty-ninth -- altogether produce 80% of France's electricity. Nuclear energy in France operates almost entirely without controversy. This absence of controversy is the most exotic and puzzling thing about French nuclear power.

### [Energy Department will award \\$3.3B for smart power grids](#)

The U.S. Department of Energy plans to unlock \$3.3 billion in federal stimulus grants, as much as \$200 million apiece, to companies and utilities to help develop a smarter, faster power grid.

The first round of applications is due July 29, with future rounds in December and March 2010 if money remains.

### [Federal Reserve Bank of Atlanta Economic Review: The Peak Oil Debate](#) [PDF]

For the past half-century, a debate has raged over when "peak oil" will occur—the point at which output can no longer increase and production begins to level off or gradually

decline. Determining how long the oil supply will last has become even more pressing because the world's energy supply still relies heavily on oil, and global energy demand is expected to rise steeply over the next twenty years.

This article seeks to bring the peak oil debate into focus. The author notes that a number of factors cloud the energy outlook: Estimates of remaining resources are typically given as a range of probabilities and are thus open to interpretation. Variations also occur in estimates of future oil production and in the ways countries report their reserve data.

The lack of a common definitional framework also confuses the debate. The author provides definitions of frequently used terms, delineating types of reserves and conventional versus nonconventional resources. She also discusses how technological innovations, government policies, and prices influence oil production.

Regardless of the exact timing of peak oil production, the world must address the challenge of adapting to a new model of energy supply. Perhaps the world would be better served, the author notes, if the peak oil debate could be more solution-oriented, focusing on discovering the best way to transition to a world with less conventional oil rather than locking horns about discrepancies in terminology.

### [Oil climbs near \\$72 as dollar sinks](#)

SIOUX FALLS, S.D. - Oil prices rose to near \$72 a barrel Tuesday after briefly jumping above \$73 as a weakening U.S. dollar and attacks on oil installations in Nigeria helped push prices to eight-month highs.

Analysts also said prices were boosted by speculative trades and portfolio positioning by investment funds, which typically intensify at the end of a fiscal quarter.

### [Action needed to tap energy reserves](#)

LONDON (Reuters) - Britain needs to do more to help industry tap the country's remaining oil and gas reserves to ensure its future energy supplies, a government committee said in a report issued on Tuesday.

High costs, low prices and lack of affordable credit in a global recession are bedeviling oil and gas companies operating in Britain, making it critical for government action to help fuel investment to maintain production, the report found.

"We are very concerned at the bleak prospects for investment in the oil and gas industry," the Energy & Climate Change Committee said in the report for Parliament.

### ['Role of US shale worrying gas players'](#)

Trinidad and Tobago Energy Minister Conrad Enill said today the growing role of shale gas in the US market was one of the main concerns discussed in a meeting of gas exporting countries.

### [No co-ordinated gas supply cuts yet'](#)

The Gas Exporting Countries Forum (GECF) is not yet planning to co-ordinate supply cuts to support gas prices but sees Europe as the best market for co-ordinated action, Venezuelan Energy Minister Rafael Ramirez said today.

The club of countries holding more than three-quarters of the world's gas reserves met on Tuesday in Qatar with global gas consumption and prices sagging in the economic downturn.

### [Iraqi oil licensing round runs into trouble](#)

BAGHDAD – Iraq's long-awaited licensing round to develop some of its massive oil reserves stumbled Tuesday as oil and gas companies dug in their heels, demanding more money for their efforts than the government was willing to pay.

International oil companies were submitting bids for six oil and two gas fields more than 30 years after Saddam Hussein nationalized the oil sector and expelled foreign firms. The televised process coincided with Iraq assuming formal control over its cities – a step toward ending the U.S. combat role in the country.

### [Britain's BP, Chinese oil firm win Iraq deals](#)

BAGHDAD (AFP) – British energy giant BP and China's CNPC International Ltd were unveiled Tuesday as the first foreign firms in decades to win contracts to invest and develop in Iraq's war-battered energy sector.

The companies succeeded in their bid for the giant Rumaila oil field in southern Iraq, which has known reserves of 17.7 billion barrels, the oil ministry announced.

### [Enbridge Says Ozark Pipe to Meet 52% of July Shipping Demand](#)

(Bloomberg) -- Enbridge Inc., Canada's largest pipeline company, said its Ozark pipeline in the U.S. will haul about 52 percent of the crude oil requested by oil producers, traders and refiners next month.

Shippers asked to move almost 416,000 barrels of oil a day on the Ozark pipeline, which will have the capacity to transport 215,000 barrels a day in July, Larry Springer, an

Enbridge spokesman, said in an e-mail today.

### [Byron King: The Next Saudi Arabia](#)

The oil resources off Brazil are in the same scope as those of Saudi Arabia. The oil potential is huge. Beyond huge. It's a game changer for the world of energy. No, the Brazilian resource doesn't mean that Peak Oil is history. But it does mean that history is about to change. Indeed, the angel of history is favoring the nation of Brazil.

### [Shell defends CO2 emissions record](#)

Oil giant Shell has defended its record on CO2 emissions after an environmental group branded it the "dirtiest" producer.

Joint research by Friends of the Earth, Oil Change International and Platform claimed that Shell was neglecting its green pledges.

But the company rejected the accusation and said emissions were being cut.

### [Nigeria's oil pollution is resource curse: Amnesty](#)

ABUJA (AFP) – The pollution caused by half a century of oil extraction in Nigeria is one of the world's most disturbing examples of the curse of natural resources, a global rights lobby group said Tuesday.

Amnesty International said environmental pollution in Nigeria's southern oil region, the Niger Delta, has deprived tens of millions of people of their basic rights to safe food, clean water and good health.

### [Exxon to pay interest on Valdez oil spill damages](#)

ANCHORAGE, Alaska – Oil giant Exxon Mobil Corp. has decided not to appeal hundreds of millions of dollars in interest on punitive damages resulting from the 1989 Exxon Valdez oil spill.

The Irving, Texas-based company will pay about \$470 million in interest on more than \$507.5 million in punitive damages following the 11 million gallon spill of crude in Prince William Sound, company spokesman Tony Cudmore said Monday.

### [EPA relents, discloses list of high-risk coal ash sites](#)



WASHINGTON — The Environmental Protection Agency on Monday released a list of 44 coal-fired power plant waste sites in 10 states with a high hazard potential, including 12 sites in North Carolina , seven in Kentucky and a large storage pond in Pennsylvania .

The list is the result of an investigation that the EPA ordered after the failure of a Tennessee Valley Authority coal ash pond in Kingston, Tenn. , flooded more than 300 acres of land in December. After the spill, the EPA required electric utilities that store coal ash in surface impoundments to respond to mandatory questionnaires about their sites.

### [EPA to let California tighten pollution law](#)

WASHINGTON - -- The Environmental Protection Agency will announce Tuesday that it is granting California's request to begin imposing new, tougher restrictions on greenhouse gas emissions from cars and trucks -- a decision that reverses the Bush administration and opens the way for the state to regain its role of leading the way on global warming policy.

### [Gallery: Electric cars get a jump-start in US bailout](#)

The US Department of Energy has announced \$8bn in support to help firms make the next generation of cars more efficient than ever before.

Although some of the money will go to improving the efficiency of conventional engines, most will be spent on electric vehicles which most auto firms now think are the best bet for making transport cleaner and greener.

### [Powering the future](#)

Wolverine recently completed a 500-page analysis showing its needs, the needs for a new baseload power plant in Michigan and the possible use of renewable energy sources.

Craig Borr, executive vice president of Wolverine - which is headquartered in Cadillac - said three fuel sources are being considering: coal, petroleum coke and biomass. Wolverine's analysis discusses the use of up to 20 percent biomass, up to 70 percent petroleum coke and up to 100 percent coal.

The state of Michigan has among the oldest power generation fleets in the nation. In 2007, the state's fleet generated nearly 16 million MegaWatt hours from coal plants that average 53 years old. A number of the plants will have to be retired in the next two decades, according to Wolverine's analysis.

### [Fed works to speed solar development in Southwest](#)

LAS VEGAS – The federal government's top land steward said Monday that the United States will fast-track efforts to build solar power generating facilities on public space in six Western states.

Interior Secretary Ken Salazar said he has signed an order setting aside more than 1,000 square miles of public land for two years of study and environmental reviews to determine where solar power stations should be built.

### [Abu Dhabi to host renewables agency](#)

CAIRO (AFP) – Abu Dhabi, capital of the oil-rich United Arab Emirates, will host the headquarters of the International Renewable Energy Agency (IRENA), participants said, despite criticism of its high carbon footprint.

### [U.S. joins International Renewable Energy Agency](#)

WASHINGTON (Reuters) – The United States joined the International Renewable Energy Agency (IRENA) on Monday as part of the Obama administration's commitment to developing a new energy policy, Secretary of State Hillary Clinton said.

IRENA was established in January to promote development of the renewable energy industry worldwide. To date, 135 nations have joined the global organization that will be headquartered in the United Arab Emirates.

### [White House, pushing conservation, announces new lighting standards](#)

WASHINGTON (AP) - Aiming to keep the focus on climate change legislation, President Barack Obama put a plug in for administration efforts to make lamps and lighting equipment use less energy.

"I know light bulbs may not seem sexy, but this simple action holds enormous promise because 7 percent of all the energy consumed in America is used to light our homes and businesses," the president said, standing alongside Energy Secretary Steven Chu at the White House.

### [Top 10 green U.S. cities](#)

Although the EPA has not established official criteria for ranking the greenness of a city, there are several key areas to measure for effectiveness in carbon footprint reduction. These include air and water quality, efficient recycling and management of waste,

percentage of LEED-certified buildings, acres of land devoted to greenspace, use of renewable energy sources, and easy access to products and services that make green lifestyle choices (organic products, buying local, clean transportation methods) easy.

Mother Nature Network's editorial team rounded up their top 10:

### [UK. Shipping & global climate change goals report](#)

The Environmental Audit Committee has published its report on Reducing CO<sub>2</sub> and other emissions from shipping... while recognising that shipping ought to do relatively well out of a carbon-constrained world, and that shipping is the most carbon-efficient mode of transport, the report expressed frustration at the slow progress that has been made towards including shipping in carbon reduction strategies.

### [CO<sub>2</sub> Traders Hedging Against Climate Laws, RNK Says](#)

(Bloomberg) -- Carbon traders will buy more option contracts this year as a hedge against new climate laws and devaluation of credits for richer nations that help cut greenhouse gas in the developing world, RNK Capital LLC said.

### [House Throws Away Big Money in Cap-and-Trade Bill](#)

The number one thing you should know about this bill is that the allowances are worth big money: almost \$1 trillion over the next decade, according to the Congressional Budget Office, and more in subsequent decades.

There are many good things the government could do with that kind of money. Perhaps reduce out-of-control deficits? Or pay for expanding health coverage? Or maybe, as many economists have suggested, reduce payroll taxes and corporate income taxes to offset the macroeconomic costs of limiting greenhouse gases?

Choosing among those options would be a worthy policy debate. Except for one thing: the House bill would give away most of the allowances for free. And it spends virtually all the revenue that comes from allowance auctions.

### [Monbiot: Have the climate change deniers abandoned us during the heatwave?](#)

We're still waiting. During the cold weather last winter, Gerald Warner, Peter Mullen and a host of other climate change deniers lined up to suggest that there must be something wrong with global warming theory, because some snow had fallen in Britain. Clearly they possessed the mystical ability to divine a long-running global climate trend from a single regional weather event. This clairvoyance could be very useful to climate researchers, so I hoped they would continue to favour us with their insights.

But, to general wailing and gnashing of teeth, they appear suddenly to have abandoned us. Where are these oracles, now that we need to consult them about the current weather event? If a single cold snap in the UK persuades them that global warming isn't happening, then a single heatwave in the same place must surely convince them that it is. Logic would dictate that the world must now be destined for a century of heating – until the next cold snap, whereupon it is obviously destined once more for a century of cooling.

### [Seagrass losses can cause global coastal crisis](#)

SYDNEY: A study which will be published in the US journal Proceedings of the National Academy of Sciences suggests that seagrass, vital for the survival of endangered marine life, commercial fisheries and the fight against climate change, is reaching a dangerous low.

A global study of seagrass, which can absorb large amounts of planet-warming carbon dioxide, found that 29 percent of the world's known seagrass had disappeared since 1879 and the losses were accelerating.

### [Biochar: can charcoal really stop global warming?](#)

Biochar - the charcoaled remains of agricultural waste - is being hailed as a huge opportunity to reduce the levels of carbon dioxide in the atmosphere. But is the science sound, and do we have enough waste to go around?

### [CLIMATE CHANGE: 2020 Deadline Is the Crucial "Litmus Test"](#)

Manfred Konukiewicz, deputy director-general of Germany's Ministry of Economic Cooperation and Development and who is involved in the Copenhagen climate negotiations, was more optimistic: "There will be an agreement on emission reductions targets by 2050."

Specifically, industrialised countries need to agree to emissions reductions of 80 percent from 1990 levels, and China and India must also agree to substantial reductions by 2050, Konukiewicz said. However, agreement on commitments to reductions by 2020 is what is most important in Copenhagen, he said.

"That is the litmus test if we are serious about addressing climate change," Konukiewicz stressed.

### [Global food supply seen far from secure](#)

GENEVA (Reuters) - Africa's farmers need help to access loans, fertiliser and export markets to avoid future food supply crises caused by climate change and commodities speculation, a top agricultural expert said on Tuesday.

Wheat, rice and maize prices have fallen sharply from their 2008 highs, when protests broke out across the developing world over unaffordable staple foods and countries imposed export bans to ensure their people had enough to eat.

Akinwumi Adesina of the Alliance for a Green Revolution in Africa, an aid group headed by former U.N. Secretary-General Kofi Annan, said commodity markets dampened by recession were serving to mask "the next storm."



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