



## DrumBeat: July 8, 2009

Posted by [Leanan](#) on July 8, 2009 - 10:15am

Topic: [Miscellaneous](#)

### [Oil Shocks: Biden, Iran and Fears of Another Price Jump](#)

Oil analysts are jittery this week following comments on Sunday by Vice President Joe Biden that were widely interpreted as a green light to Israel to bomb Iran's nuclear facilities. Many in the industry have long viewed such an attack as a prelude to a nightmare in global energy markets: Iran retaliating by sinking oil tankers in the Strait of Hormuz, blocking the route by which most Persian Gulf oil travels to world markets. "We will be in deep, deep trouble," says Leo Drollas, deputy director and chief economist of the Center for Global Energy Studies in London. "The market will go berserk."

The Obama Administration has hastened to correct the impression that Biden's comments represented a U.S. nod and wink to an Israeli air strike. The Vice President had said that while the U.S. believes that military action against Iran would serve neither American nor Israeli interests, Israel is a sovereign nation, and if it felt threatened by Iran, it would be "entitled to" launch an attack on the Islamic Republic "whether we agree or not." President Obama reiterated in Moscow on Monday that he opposes military action against Iran and instead wants a diplomatic solution to the nuclear standoff. But Prime Minister Benjamin Netanyahu has long maintained that Israel reserves the right to take matters into its own hands if U.S. diplomacy fails to deliver results.

### [Oil Falls for Sixth Day, Gasoline Tumbles on Fuel-Supply Gain](#)

(Bloomberg) -- Crude oil fell for a sixth day, the longest losing streak since December, and gasoline tumbled after a government report showed a bigger-than-expected gain in U.S. fuel supplies as the recession curbed demand.

Gasoline stockpiles climbed 1.9 million barrels to 213.1 million in the week ended July 3, more than twice the increase forecast in a Bloomberg News survey, the Energy Department said. Inventories of distillate fuel, a category that includes heating oil and diesel, rose to the highest since 1985 as consumption dropped to a 10-year low.

### [Kuwait open to investing war reparations into Iraq](#)

Kuwait is open to investing into Iraq some \$25 billion still owed it in reparations from the 1990-1991 Gulf crisis, Iraq's parliament speaker said while visiting the oil rich emirate Wednesday.

### [Ecuador Jan-May Crude Oil Exports Down 63% At \\$1.82 Billion Vs Year Ago](#)

QUITO -(Dow Jones)- Ecuador's crude oil export revenue totaled \$1.82 billion between January and May, a 63% decrease from \$4.97 billion in the same period of 2008, the central bank said.

Ecuador exported 50.65 million barrels in the first five months of 2009, down 9% from the 55.83 million barrels shipped one year earlier.

### [The Conspiracy Of Short-Sellers Is Driving Down Oil](#)

At this point, the fall in oil prices is so severe that there can be only one explanation: market manipulation by short sellers. Just like what we saw in the financial stocks.

### [Tax Credit for Natural Gas-Fueled Cars May Be Doubled, Extended](#)

(Bloomberg) -- Tax incentives for buying vehicles fueled by natural gas would be doubled in size and extended for a decade under legislation being introduced by U.S. Senate Majority Leader Harry Reid of Nevada.

The credits, which can be used to cover 80 percent of the added cost to buy natural gas-fueled vehicles over conventional automobiles, would jump to as high as \$12,500 for passenger cars and light trucks and as much as \$64,000 for higher weight-class vehicles, according to a summary of the legislation.

### [Korea's Hyundai Begins Its Hybrid Push](#)

As Hyundai launches its first hybrid model in Korea, it begins its mission to take on Toyota and Honda in the global green car market.

### [Are you Ready for \\$20 Per Gallon Gas?](#)

Forget the classic road trip. Americans are abandoning afternoon drives and summer getaways, thanks to the recession and an unemployment rate that's hovering dangerously close to double digits. The American Automobile Association estimates that the number of drivers traveling over the Fourth of July weekend — that penultimate holiday weekend of the summer — dropped by 10.5 percent over the last two years.

And, while gas prices have fallen since the record high of more than \$4 a gallon in the summer of 2008, filling up the tank can still set people back considerably.

In his new book, *\$20 Per Gallon: How the Inevitable Rise in the Price of Gasoline Will Change Our Lives for the Better*, Forbes writer Christopher Steiner argues that the increasing cost of fuel will radically change the way we live, from the cities we choose to call home to the way we grow food. NEWSWEEK'S Nancy Cook spoke to Steiner about why he thinks Americans will be forced to restrict plane travel to once a year at most, why solar panels will line the rooftops of apartments, and how gas prices will force suburbanites back into cities. Excerpts:

### [Global rig count up slightly in June - Baker Hughes](#)

(Reuters) - The number of drilling rigs operating globally in June rose marginally for the first time this year, according to a closely watched data from Baker Hughes Inc.

The global rig count rose to 1,987 in June, from 1,983 in May signaling a slight recovery in energy demand, particularly in Canada.

Canada's rig count for June rose to 125, up 53 from 72 in May.

However, after it rose for the first time this year in May, the international rig count for June dropped by 26 to 967, from 993 counted in May.

### [Venezuela Oil, Gas Rig Count Falls to Five-Year Low on Billing](#)

(Bloomberg) -- Venezuela oil drilling slowed to a five-year low in June after the country's state oil company deferred payments to service companies, spurring rig shutdowns.

Oil rig use fell to 58 from 53 in the previous month, while natural-gas drillers kept using three rigs, according to figures released today by Baker Hughes Inc., the world's third-largest oilfield-services company, which tracks drilling worldwide. The combined total is the lowest since October 2004.

### [It's time to end a trade embargo that allow China to gobble up oil 45 miles off the U.S. Coast](#)

FLINT, Mi. — The 47-year-old trade embargo against Cuba has been shaken by the revelation that drilling for oil and natural gas is about to take place less than 50 miles off the U.S. coast — in Cuban waters.

No one knows for sure just how much oil lies off the northwest coast of Cuba, but the consensus is that it's sizable.

The U.S. Geological Survey initially came up with an estimate in 2004 of between 5-billion barrels and 10-billion barrels. But Cuba's state oil company, Cubapetroleo, recently said the undersea geology was "very similar" to Mexico's giant Cantarell oil field in the Bay of Campeche and that the Cuban field may contain 20-billion barrels, more than twice the previous estimate.

### [Cuban offshore oil drilling plans postponed again](#)

HAVANA (Reuters) - Cuba and a consortium of foreign oil companies have once again postponed plans to drill for oil in the island's still-untapped fields in the Gulf of Mexico, diplomatic and industry sources said this week.

Cuba had announced the consortium, led by Spain's Repsol-YPF, would drill in June or July, but now it is uncertain when work will begin in the waters that Cuban oil experts say may contain 20 billion barrels of oil.

### [Curbing magic roundabout of oil trading](#)

Rocketing oil prices are deeply inconvenient to motorists. While environmentalists may welcome more expensive fuel for the long term, the soaring cost has contributed to the collapse of Detroit's motor manufacturing industry, costing hundreds of thousands of blue-collar jobs. High energy prices also cause pain for some of the poorest in US society, often in rural communities, who use fuels such as propane to heat their homes.

But any action is going to face stiff resistance from the financial community. Michael Cosgrove, head of North American energy trading at GFI in New York, gave me a spirited defence of the commodities market in an interview today. He believes there's a very slim margin between production and demand - so any tiny change in either can cause a surplus or shortage, causing a seemingly broad lurch in the price.

### [OPEC Backs More Regulation of Oil Market as CFTC Plans Review](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries called for more regulation of energy markets, saying record oil prices in the middle of 2008 weren't justified by physical supply and demand.

"OPEC has repeatedly called for better regulation and increased transparency in these markets, for the benefit of both producers and consumers alike," it said today in its World Oil Outlook as the U.S. prepares to review exemptions to energy-trading limits.

### [Goldman, Morgan Stanley Threatened by CFTC Review](#)

(Bloomberg) -- Goldman Sachs Group Inc. and Morgan Stanley may never have the same leeway in commodities as they did when oil reached a record \$147 a barrel last year.

The Commodities Futures Trading Commission will consider greater regulation of oil, gas and other energy markets at hearings this month. It plans to review exemptions to trading limits that since the 1990s allowed Goldman and Morgan to build multibillion-dollar ventures in futures, swaps and over-the-counter markets.

### [Oil in Downtrend, May Fall to \\$50: Technical Analysis](#)

(Bloomberg) -- Crude oil is in a downtrend that may lead to prices falling as low as \$50 a barrel, according to Schork Group Inc.

“Oil has indeed entered a bear channel,” said Stephen Schork, president of the Villanova, Pennsylvania-based consultant. “The market gapped lower, therefore that gap - in between \$66.26 and \$65.65 - is now the top of resistance.”

### [Detectives search oil firm Sibir Moscow offices - Ifax](#)

MOSCOW (Reuters) - Russia's law enforcement agencies were conducting on Wednesday searches of the Moscow offices of oil firm Sibir Energy, Interfax news agency reported citing unnamed sources.

### [Oil companies warned against holding on to fuel](#)

The government has issued a stern warning to oil companies to stop holding on to fuel.

It also dismissed reports by the National Procurement Committee, NPC, for oil companies of Zimbabwe that the nation's reserves have run dry as a move to sabotage the country.

### [And the world's largest companies are...](#)

Royal Dutch Shell knocks Wal-Mart out of the top slot. See which other global giants made the cut.

### [GM Running Out of Trucks and SUVs](#)

General Motors is in trouble because it built too many trucks and SUVs, and neglected

the fuel-efficient car market, right?

If so, the bankrupt automaker should have been well on its way to recovery by now. The company is running low on trucks and SUVs.

### [Lawmakers, businesses jockey for 'green' jobs](#)

ELKHART, Ind.— In the empty factories and laid-off workers in this struggling section of the Rust Belt, entrepreneur Wil Cashen sees "unimaginable potential."

Seeking to capitalize on the trend toward more-energy-efficient vehicles, Cashen has a plan to retrofit pickup trucks with electric motors at several of Elkhart County's large, dormant manufacturing facilities and sell them to utility companies.

### [Coral no more](#)

350 or 450? There's a split in scientific and political communities about which number—both represent parts per million of carbon dioxide in the atmosphere—is the tipping point into dangerous climate change. Actually, it goes sort of like this: Most scientists agree that 350 is the more realistic number, but most politicians say 450 is the best we can shoot for.

### [Greenpeace activists hijack Italian power stations](#)

Four coal-fired power stations in several parts of Italy were today occupied by Greenpeace activists as G8 leaders met in L'Aquila to discuss issues including action on climate change. More than 100 Greenpeace activists from 18 countries took part in the protests, which hope to draw attention to the group's campaign for action by world leaders on cutting greenhouse gas emissions.

### [OPEC: World will need less of its crude](#)

OPEC says the world will need less crude oil from the group in 2013 than it did last year as the lingering impact of recession crimps demand and rising biofuels supply makes up for shrinking production elsewhere.

The Organization of Petroleum Exporting Countries, whose members supply about 40 percent of the world's oil, slashed its forecast for global oil consumption in 2013 by 5.7 million barrels to 87.9 million barrels a day. OPEC will have to produce 31 million barrels of crude daily in 2013 to satisfy demand, compared with 31.2 million barrels last year, it predicted in an annual report today.

"There is a growing perception that the economic slowdown will be U-shaped, that is the



recovery will gather momentum only gradually,” the group’s Vienna-based secretariat said in its World Oil Outlook published today. OPEC sees demand for its crude “rising slowly over the medium term, returning back to 2008 levels by around 2013.”

### [Oil falls near \\$62 on recovery doubts](#)

VIENNA – Oil prices slipped closer to the \$62 a barrel mark Wednesday reflecting growing concerns over a slower-than-expected recovery in the global economy.

Prices were lower for the sixth straight day from a peak of above \$73 last week, in tandem with continued weakness in Asian stock markets and a stronger U.S. dollar.

### [Does commute seem shorter? Report confirms less traffic](#)

(CNN) -- Americans are spending less time stuck in traffic and wasting less gas, according to a new report.

Rising joblessness and stinging gas prices have put the brakes on worsening trends in traffic congestion, according to a study issued Wednesday by the Texas Transportation Institute, the nation's largest university-based transportation research facility.

### [U.S. Oil Fund Says It Didn't Cause 'Unusual' Crude Price Swings](#)

(Bloomberg) -- United States Oil Fund, the first exchange-traded fund for crude futures, said it didn't cause the record high and subsequent collapse in oil prices last year.

U.S. trading regulators began an investigation of the fund in February in connection with a surge in the price difference between two crude-oil contracts. At one point early this year, the fund held 20 percent of outstanding March crude futures on the New York Mercantile Exchange.

### [Hit the Speculators and Oil Bets Are Off](#)

The Commodity Futures Trading Commission's proposed crackdown on speculation in oil and natural gas, announced Tuesday, comes at an odd time. After all, the CFTC was largely dismissive about the impact of speculators on energy prices last fall, when crude still hovered around \$100 a barrel. In the past week, Nymex crude has dropped 10% to about \$63, in response to fears about the slow pace of economic recovery.

There is a strong argument to make that given the weak demand outlook and

overflowing oil inventories, prices should be even lower. But market prices are set by competing "fundamental" views. There is a clear division between those who see economic "green shoots" and those who see weeds, just as there are "peak oil" aficionados set against less pessimistic opponents.

### [Insecurity tempers lure of Iraq's oil fields](#)

Baghdad – International oil companies trying to get their foot in the door on some of the richest undeveloped oil fields in the world are grappling with a wide array of factors including lingering security fears and concerns that Iraq's climate for foreign oil investment is still shifting.

### [Why Iraq sees success in oil auction](#)

Baghdad – Iraq is declaring a historic auction to develop some of the world's richest oil fields a success – despite a bidding process from which most international oil companies walked away emptyhanded – and is proceeding with plans for a second round of bidding at the end of the year.

"We showed the world two things – that the Iraqi oil industry is open for investment for the first time, and second, that the process was transparent," says Foreign Minister Hoshyar Zebari.

### [Natural Gas Fund Says It Has Run Out of New Shares](#)

(Bloomberg) -- The United States Natural Gas Fund, the largest exchange-traded fund in the fuel, said today that it has run out of new shares as it awaits government approval to issue more units.

The fund applied with the U.S. Securities and Exchange Commission to register 1 billion new shares on June 5. The wait will temporarily halt the fund's recent growth. Outstanding shares have increased to 281.4 million, more than eight times the level at the start of the year.

### [Nigerian militants attack Shell, Agip pipelines in Bayelsa state](#)

LAGOS (Xinhua) -- Nigeria's major militant group in the oil rich Niger Delta region the Movement for the Emancipation of the Niger Delta (MEND) said on Wednesday it had attacked oil pipelines operated by Royal Dutch Shell and the Italian firm Agip in southeast Nigeria's Bayelsa State.



### [Russian auditors attack coal exporters over pricing](#)

MOSCOW (Reuters) - Russia's budget is losing substantial revenues because the country's exporters ship coal overseas at artificially low prices through various offshore schemes, Russia's top auditing body said.

A report published on the Audit Chamber website said up to 80 percent of Russian coal exports were going through offshore firms at prices often 30 percent to 54 percent below market rates.

"As a result substantial funds raised from coal sales are accumulated on offshore firms' accounts while Russia's budget is losing a substantial part of tax revenues," the auditing chamber said in a statement.

### [South Korea courts Poland on nuclear, LNG projects](#)

WARSAW (AFP) – South Korean President Lee Myung-Bak Tuesday signalled Korean firms were keen to build Poland's first atomic reactor and liquefied natural gas terminal, projects key to its energy diversification bid.

"I know that in the context of energy security and diversification Poland is planning to build a nuclear electricity plant and an LNG terminal. Korea has a very strong position in these areas and awaits greater cooperation with Poland on these matters," he told a Polish-Korean economic forum in Warsaw.

### [EU fines E.On and Gaz de France](#)

Energy giants E.On and Gaz De France (GDF) Suez have been fined by European Commission competition regulators for carving up gas markets between them.

Both Germany's E.On and France's GDF Suez have been fined 553m euros (\$770m; £477m) by the Commission.

The firms agreed in 1975 not to compete with each other in their national gas markets when they started to import gas through a pipeline from Russia.

### [Iconic skyscrapers find new luster by going green](#)

NEW YORK – When owners of the Empire State Building decided to blanket its towering facade this year with thousands of insulating windows, they were only partly interested in saving energy. They also needed tenants.

After 78 years, Manhattan's signature office building had lost its sheen as one of the city's most desirable places to work. To get it back, the owners did what an increasing

number of property owners have done — they went green, shelling out \$120 million on a variety of environmental improvements, a move would have been considered a huge gamble a few years ago.

### [Why toilet paper belongs to America](#)

Even as the markets boom in developing nations, toilet paper manufacturers find themselves needing to charge more per roll to make a profit. That's because production costs are rising. During the past few years, pulp has become more expensive, energy costs are rising, and even water is becoming scarce. As the climate continues to change, toilet paper companies may need to keep hiking up their prices. The question is, if toilet paper becomes a luxury item, can Americans live without it?

The truth is that we did live without it, for a very long time. And even now, a lot of people do.

### [Pickens' energy campaign marches on: Texas oil man made a big splash, but has little to show for it](#)

After spending millions on television commercials and a public relations tour that took him to 74 cities and 22 town halls, his plan has run into some sizeable hurdles, most notably a crash in energy prices. As prices plunged, the Texas billionaire's hedge funds lost billions of dollars. Pickens also scrapped plans for the world's biggest wind farm, and California voters rejected a natural gas initiative he backed.

"I do wonder how long that I can continue at the pace," Pickens, 81, said Tuesday in an interview with Associated Press reporters and editors. "I know my time is limited. I'm in a hurry. I want to get this done."

### [Terminal Absence of Leadership](#)

The alleged goal of globalization, at least if the superficial tag lines are to be believed, is to elevate the standards of living for all. What the tagline can't reveal, and what the economists who are tenured to the service of globalized corporate and government interests fail to convey, is that the resource base of the world cannot support anything approaching the utopian standard of living touted by that lot.

### [The Land Of Plenty](#)

The American economy seems only dazed from its first impact with Peak Oil and oblivious to the unyielding wall it just hit. Those unacquainted with the topic may want to read *Twilight in the Desert* by oil investment banker Matt Simmons, *The Long*

*Emergency* by James Howard Kunstler or the novel *World Made By Hand*.

American oil production has been in terminal decline since 1971. Worldwide production appears to have peaked in 2005. The current crude oil stockpiles and recent demand destruction are immaterial to this foreboding storm. In the geo-political scheme this issue is guiding many of the decisions from Washington to Moscow to Beijing and Tehran. The gold to oil ratio does matter. Many may take our complex oil powered systems, like food production and distribution, for granted.

### [Pope calls for 'God-centered' global economy](#)

The "true world political authority" that Benedict calls for should keep solutions as simple and local as possible but still create solidarity for the common good.

Reese notes the "strong language here on the redistribution of wealth — not something people like to talk about in the USA. If the Catholic right is against the redistribution of wealth, they're against the pope. He doesn't believe an unregulated marketplace is going to solve all the problems of economy and poverty."

### [Solar for Dark Climates](#)

Solar technology that generates both heat and electricity could make solar energy practical in places that aren't sunny.

### [World's first fuel cell aircraft takes off in Germany](#)

HAMBURG, Germany (AFP) – The world's first piloted aircraft capable of taking to the air using only power from fuel cells took off in Germany Tuesday, producing zero carbon dioxide emissions, its makers said.

"We have improved the performance capabilities and efficiency of the fuel cell to such an extent that a piloted aircraft is now able to take off using it," said Johann-Dietrich Woerner from the German Aerospace Center (DLR).

### [Time-of-day pricing and solar panels are smart ideas under Hawaii's sun](#)

Recent passage by the U.S. House of Representatives of the Clean Energy and Security Act is a reminder of the threat posed to Hawaii by climate change: more frequent, stronger tropical storms threaten to erode beaches, submerge beachfront properties, and alter Hawaii's tourism and agricultural economies. Fortunately, Hawaii can do its share to combat global warming and in the process, help ameliorate its dependence upon imported oil for electricity generation.

## [Clean Cars Are Coming](#)

I got into an interesting online debate with Matthew DeBord, the car blogger from Slate, who thinks the electric-vehicle revolution will be a long time coming. He's unconvinced that we're about to go through a profound change in personal transportation.

## [Price Is EV's 'Elephant in the Room'](#)

The electrification of the automobile has been called the auto industry's "moon shot," an analogy that works because of both the technology involved and the cost to develop it. Automakers are pouring hundreds of millions of dollars into the effort with no promise that it will lead to affordable battery-powered vehicles anytime soon — or any guarantee people will buy them once they're available.

## [Obama makes nuclear compromise to pass clean energy bill](#)

The Obama administration endorsed a revival of America's nuclear industry yesterday in an effort to build forward momentum for climate change legislation before the Senate.

The seal of approval for nuclear power — a cause embraced by Republican senators — came on day one of a full-on lobbying effort by the White House for one of Obama's signature issues

## [EEI Expo: Secretary Chu Describes Life in a Carbon-constrained World](#)

Chu said that "sooner or later we will be living in a carbon constrained world." He listed five things that "we need to do to get where we need to be."

## [Despite Shift on Climate by U.S., Europe Is Wary](#)

Angela Merkel, the German chancellor, said during a visit to Washington in late June that she had detected a "sea change" in Washington's approach to climate change since Mr. Obama took office, raising the odds for a successful outcome to the treaty negotiations, to be held in Copenhagen in December.

But Europe is also unhappy with the Obama administration's reluctance to accept aggressive near-term goals for cutting greenhouse gases and its refusal so far to formally accept language that would limit the rise in global temperatures to 2 degrees Celsius, or 3.6 degrees Fahrenheit, above pre-industrial levels.

## [US to accept 2-degree target on climate change, EU says](#)

L'Aquila, Italy - The United States is ready to accept a Group of Eight (G8) goal of limiting global warming to within 2 degrees centigrade, European Union leaders said Wednesday as the annual G8 summit opened in L'Aquila, Italy. "One year ago it was not possible, our American partners did not accept (the targets), now they accept it. So there is progress," EU Commission President Jose Manuel Barroso told reporters.

Swedish Prime Minister Fredrik Reinfeldt, whose country currently holds the EU's rotating presidency, said US President Barack Obama had "made references to" the 2-degree target contained in the summit's draft conclusions.

## [Gore says climate deal needs more public pressure](#)

OXFORD (Reuters) – Public awareness about the "catastrophe" of climate change is not high enough to pressure politicians into taking action, former Vice President Al Gore said on Tuesday.

Gore, who shared a Nobel Prize in 2007 for his environmental campaigning, said politicians will only do more once the people who elect them force the issue.

## [Senate tackles climate change](#)

WASHINGTON — The Senate took up sweeping climate change legislation on Tuesday, with four Obama administration officials insisting that the measure is urgently needed to combat global warming, wean the U.S. off imported oil and revitalize the nation's economy.

Energy Secretary Steven Chu told the Senate Environment and Public Works Committee that the United States "has the opportunity to lead a new industrial revolution of creating sustainable, clean energy."

## [Senate Democrats Begin Drawing Road Map to 60 Votes on Climate Bill](#)

When it comes to climate change legislation, Senate Democratic leaders find themselves in a similar spot to where their House counterparts stood a few months ago: pledging passage of a comprehensive bill without a clear path on how to get there.

## [Gov. Barbour Dives, Once More, Into the Climate Fray](#)

The longtime Republican leader and possible 2012 presidential candidate starred as the

key GOP witness at the first Senate hearing on the issue since the House narrowly passed a major global warming bill last month. Following the path of recent Republican vocalizers like former House Speaker Newt Gingrich of Georgia and ex-Sen. George Allen of Virginia, Barbour summed up the plan as an economic catastrophe.

### [Polluting Nations Drop Vow to Cut Gas Output 50%, Official Says](#)

(Bloomberg) -- The world's biggest polluting nations dropped a vow to cut their greenhouse-gas emissions 50 percent by 2050 after developing countries balked at the plan, according to a government official who attended a meeting on the matter.

Nations gathered in Italy this week had pledged in a draft declaration to halve emissions by 2050, with industrialized countries cutting 80 percent, said the person, who declined to be identified because talks haven't ended.

Both numerical targets were stripped from the final document, to be released tomorrow, after representatives at the major economies forum scrambled to reach an agreement in Rome yesterday. The countries release about 80 percent of the world's heat-trapping emissions blamed for climate change.

### [It can only get worse – so we must be prepared](#)

Like most natural disasters, people give little thought to flooding until it occurs. Reaction is strong at the time, but apart from those seriously or personally affected, memories quickly fade and anxiety decreases until the next time. This is how it has always been – except now major flooding incidents are becoming increasingly common.

This is no surprise. In 2004 the Office of Science and Technology Foresight report on climate change, floods and coastal defence showed that we could expect the number of properties at risk from flooding to rise from 80,000 at present to 350,000 by 2050, with associated damage costs rising by a factor of seven. The report also concluded that the cost of managing flood risk would increase by a similar amount if present approaches to flood defence and drainage were continued.

Put bluntly, this is unaffordable, and we must find a new way to tackle flood risk in the future.

### ['There's something afoot in the Arctic'](#)

Each year I guide ski expeditions across the pack ice to the North Geographic Pole and each year brings new surprises -- severe storms rarely seen in these parts, vast tracts of first-year ice where there should be years of accumulation, pack ice drifting faster and farther than ever before.

The veneer of fractured ice over the Arctic Ocean is changing, disintegrating before my



eyes. Over the last twenty years more than 5000 kilometers of ice has passed beneath my skis during numerous expeditions to both poles, as well as treks across Greenland, Spitsbergen, Iceland, Ellesmere Island and the Patagonian Icecap. Add to this multiple voyages and flights to both Antarctica and the Arctic and I have come to feel part of the polar landscape. I've developed somewhat of a polar sense, and I sense there is something afoot that I don't much like.

### [NASA data shows 'dramatically thinned' Arctic ice](#)

WASHINGTON (AFP) – Arctic sea ice thinned dramatically between the winters of 2004 and 2008, with thick older ice shrinking by the equivalent of Alaska's land area, a study using data from a NASA satellite showed.

Using information from NASA's Ice, Cloud and Land Satellite (ICESat), scientists from the US space agency and the University of Washington in Seattle estimated both the thickness and volume of the Arctic Ocean's ice cover.



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