



Drumbeat: September 26, 2010

Posted by [Gail the Actuary](#) on September 26, 2010 - 8:38am

Topic: [Miscellaneous](#)

[Dana sale to spur flurry of energy takeover moves](#)

D'Ath argues the Korea National Oil Corporation's acquisition of Dana highlights the attraction of oil and gas firms, particularly to potential buyers from the East.

"The likes of the Koreans and the Chinese are keen on acquiring energy and raw material assets but are also looking to diversify away from holding US government bonds given concerns about the US economy."

[Chile miners: Family joy as rescue capsule arrives](#)

A cage specially built to help rescue 33 men trapped underground in a mine in Chile has arrived at the mine head.

The steel capsule will be used to pull the men to safety one by one, once a rescue shaft wide enough to haul them up has been drilled.

[Feinberg creates industry-specific formulas to adjust claims process](#)

Oil spill claims czar Ken Feinberg said today that he is seeing enough consistency in business claims that he will give owners more benefit of the doubt when reviewing their finances, which he said should result in bigger checks and faster payments.

After a month of reviewing claims, Feinberg said he has noticed businesses in the same industry are making similar assumptions when calculating losses. For example, he cited the importance that beach businesses place on summer income.

Up to this point, Feinberg said, his adjusters at the Gulf Coast Claims Facility were reviewing each claim on its own, and may not have agreed with those assumptions.

Now he will be clustering claims by industry and applying the same formula to each claim.

Some business owners who have gotten small checks may get supplemental payments

to bring them up to par with others, he said.

[BP fund czar promises bigger, faster claims](#)

Victims of the Gulf of Mexico oil spill should start getting bigger payments faster, the administrator of the fund set up to help them said Saturday.

Kenneth Feinberg said he was responding to criticism from residents and businesses.

"Over the past few weeks, I have heard from the people of the Gulf, elected officials, and others that payments remain too slow and not generous enough," Feinberg said in a statement. "I am implementing new procedures that will make this program more efficient, more accelerated and more generous."

[Activists end protest on Chevron oil ship in North Sea](#)

Greenpeace campaigners who attached themselves to an oil drilling ship in the North Sea ended their protest Saturday after the ship's operator, Chevron, won a court injunction ordering them to leave.

[Ethanol backers cite need for wider U.S. support](#)

Ethanol industry leaders said on Thursday federal action is crucial to the industry's future, and they urged U.S. regulators and lawmakers to move forward with proposed increased blending levels as well as greater investment in broad biofuel infrastructure improvements.

Currently, U.S. law provides a 45 cent per gallon tax credit to refiners who blend ethanol with gasoline, and imposes an import tariff as a deterrent to foreign competition.

But the tax credit, worth an estimated \$4.7 billion last year, expires on December 31. The tariff will also end at the same time.

With Congress due to recess next week and mid-term congressional races consuming lawmakers attention into November, ethanol backers have diminishing hopes that U.S. lawmakers will restore the industry subsidies.

[Deficit Hawks Threaten Ethanol's Future](#)

The tax credit, worth more than \$4.7 billion last year, expires on Dec. 31, as does the protective tariff. If Republicans control the House after the Nov. 2 elections, the renewal of those measures will be in doubt. Ethanol could go the way of biodiesel, an alternative

fuel made from soybeans, whose production has ground to a near-halt since biodiesel's \$1-a-gallon incentive expired at the end of last year, according to the National Biodiesel Board.

Failure to renew the tax credit would drain a key driver of growth from an industry that has seen at least a dozen companies seek bankruptcy protection in the past two years.

[Brazil Opens Pioneering Factory Producing Eco-friendly Plastic](#)

President Luiz Inacio Lula da Silva says a pioneering factory in southern Brazil that produces "green" plastic clearly shows the value of sugarcane-based ethanol.

"It demonstrates to the world that ethanol can find an important place even in sectors that once depended solely on oil," the president said Friday during the opening of the factory.

[Local test project would use solar power to aid in oil production](#)

Kern County may soon be home to another renewable energy project, this one geared toward oil producers who use steam to extract more crude from local oil wells.

Fremont-based GlassPoint Solar announced this week that it has received \$3.5 million from a consortium of major oil companies interested in the company's solar technology, which is designed to help oil producers control their costs and extend the life of their oil fields.

GlassPoint said the investment allows it to move forward with a demonstration project in western Kern.

[Karachi facing shortage of 70 million gallons of water](#)

He said a pump ceased to function on September 21 depriving the city of 35 million gallons water per day, while another pump went out of order on September 25, due to which the total water shortage rose to 70 million gallons per day.

Sources said the KWSB contractors have refused to continue the repair and maintenance work as their outstanding bills of around Rs 2 billion have not been settled, he claimed.

[High grain prices may provoke world food crisis](#)

Bread, meat, milk, eggs and vegetable oil cost more today than in spring this year. The

situation will deal a heavy blow at the importer-nation budgets. The poor countries will be the hardest hit, since they have to rely on international loans to settle their food programme-related problems. Mass-scale unrest has already flared up in Mozambique in the face of a threat of famine owing to growth in foodstuff prices.

[What the world needs now: coal, sweet coal](#)

The energy leaders have seized on the plight of the “energy poor” in their effort to beat back critics who would drive up the cost of their energy, block their projects and force reductions in their greenhouse-gas emissions.

[Google’s vision of the Future? Bicycle Meets Monorail](#)

Quite simply, Google must have gotten 149,996 stupid suggestions for this to have gotten funding. Monorails are kind-of cool in that Disney-theme-park way, and recumbents are efficient bicycles — if entirely unsuitable for daily, urban cycling. But combining the two is something not even the worst sci-fi writer would conjure up.

[In Arabian Desert, a Sustainable City Rises](#)

Designed by Foster & Partners, a firm known for feats of technological wizardry, the city, called Masdar, would be a perfect square, nearly a mile on each side, raised on a 23-foot-high base to capture desert breezes. Beneath its labyrinth of pedestrian streets, a fleet of driverless electric cars would navigate silently through dimly lit tunnels. The project conjured both a walled medieval fortress and an upgraded version of the Magic Kingdom’s Tomorrowland.

[Fiorina’s billionaire backers](#)

After a good deal of back and forth, Fiorina — who also supports offshore oil drilling, another Koch favorite — recently endorsed Proposition 23, just as the Koch brothers’ company pumped \$1 million into its campaign. This month, Sacramento Bee columnist Dan Morain noted that, while the brothers’ oil companies stand to profit mightily from Proposition 23’s passage, they also have an interest in seeing that other states don’t emulate California’s attempt to reduce carbon emissions. Two years ago, this state adopted model air-quality regulations curbing cancer-causing emissions of formaldehyde in the forest products industry. Federal interest in adopting similar curbs is causing Georgia-Pacific no end of grief.

[The Larry Summers hall of shame](#)

5. Blaming the California energy crisis on excessive regulation: In 2000, Summers and Alan Greenspan improperly identified the government, not Enron, as the main culprit in the California energy crisis. Together, they argued that only through deregulation and unconditional support for energy companies would the state possibly curb rapidly rising energy costs. They were wrong -- it was Enron, of course -- but the larger problem was Summers' unwillingness to question the cure-all powers of the market.

[LA, Beijing to exchange ideas on solving traffic](#)

While the notion of the car capital of the world teaching China's capital how to handle traffic seems far fetched, experts say the two cities can benefit from the partnership.

"Beijing planners are desperately trying to adjust to an increasingly car-oriented world, where people don't live where they work. At the same time, LA wishes it had as good of a transit infrastructure - and as many people wanting to take transit."

[Starting today: MARTA cutting part of bus and rail service](#)

MARTA decided to impose the significant service cuts amidst declining sales tax revenues from Fulton and DeKalb Counties, its major source of funding. Even with the cuts, MARTA will be \$69 million short of covering its \$109 million budget deficit. The transit agency will use reserve funds to address the difference. These reserves funds are expected to run out by 2013.



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