

# **Drumbeat: September 21, 2012**

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# Fewer Americans commuting solo

The dismal economy and skyrocketing gas prices may have accomplished what years of advocacy failed to: getting more people to stop driving solo. The share of workers driving to work alone dropped slightly from 2010 to 2011 while commutes on public transportation rose nationally and in some of the largest metropolitan areas, according to Census data out today Thursday.

Group commuting -- riding buses, trains, subways or sharing cars or vans -- rose from 2005 to 2011 in more than a third of 342 metropolitan areas for which data exist, according to a USA TODAY analysis.

About two-thirds saw jumps in residents using public transit. The share driving to work alone dropped in about two-thirds or more than 200 metros.

# The Gas Tax Is Running Low. But What Should Replace It?

For decades, the excise tax on gasoline and diesel fuel has been the main source of funds for building and maintaining the nation's roadways. It has paid for most of the four million road miles currently in service.

But now there is agreement across the political spectrum that the gas tax is broken and needs to be replaced, or at least overhauled. The problem is twofold: First, the tax has failed to keep up with the rising cost of highway construction and repair. And second, improved fuel economy and the rise of hybrid and electric vehicles means that more driving won't be matched by higher gasoline sales, and that how much people pay for the roads won't necessarily reflect how much they use them.

# Individuals to be taxed for oil consumption

China is expected to change its oil consumption tax coverage to individuals from companies, and to tax consumers at the gas station after a consumption tax reform, said a tax official at the 5th General Assembly of Chinese Corporations' Tax Management and Innovation on Thursday.

The country will also adjust the scope of taxation, to increase the taxes for high energy consuming, highly polluting and resource-based products, said Cong Ming, an official

from the State Administration of Taxation.

# Oil Trims Biggest Drop Since June as Losses Considered Excessive

Oil advanced in New York as optimism that central bank stimulus will revive the global economy fanned speculation that crude's biggest weekly decline in more than three months was excessive.

November futures rose as much as 1.2 percent after front- month prices slid 7.2 percent in the four days through yesterday, when the October contract expired. The Financial Times reported that Spanish and European Union officials were working on plans to trigger bond purchases by the European Central Bank. Global equities are trading less than 1 percent below this year's peak, reached on Sept. 14 after the Federal Reserve announced another round of quantitative easing.

# Commodities Boom May Have Peaked as Fed Stimulus Fades

The biggest advances in commodities this year may be over because of mounting concern that policy makers aren't doing enough to bolster economic growth at a time when producers are expanding supply.

# Hollande Faces Defeat on Energy Price Caps as Gas Suppliers Sue

French President Francois Hollande has made capping energy prices a centrepiece policy to help households pressed by stagnant economic growth. It's a campaign he's likely to lose.

The government capped the latest rise in natural gas at 2 percent, far below the 7 percent former monopoly GDF Suez SA deemed necessary to cover supply costs. The move is a necessary part of "protecting consumer purchasing power," Finance Minister Pierre Moscovici and Environment Minister Delphine Batho said this week.

# <u>Public Power Wins Court Appeal to Overturn Lignite Order</u>

Public Power Corp SA won a European Union court ruling that allows it to maintain preferential access to cheap fuel for power generation, potentially helping the Greek government in talks with creditors on an economic overhaul needed to qualify for more emergency loans.

# UAE: Oil prices underpin growing vehicle market

New car sales in the United Arab Emirates have grown around 20% in the first eight

months of this year and growth is expected to continue due to a resilient economy underpinned by high oil prices.

# <u>Duke Chief Answers Critics After Coup at Biggest Utility</u>

Jim Rogers is sitting in his sleek, modern office on the 48th floor of the Duke Energy Center in Charlotte, North Carolina, explaining how, after a merger capped off by an 11th-hour management coup, he remains chief executive officer of the largest electric utility in the U.S. He wonders aloud whether to enliven the account with a metaphor about soured romance.

#### The Venezuelan Election Deserves Our Attention

The head of Venezuela's oil workers union, the United Federation of Oil Workers, said just yesterday that his members are not even entertaining the idea of a Chavez defeat. "It is impossible for Capriles to win this year...We the working class will not allow it."

But while some in the state run oil industry look to Chavez as a savior of their industry, he has been involved in a number of dangerous and unsavory pursuits over the years that bring a black cloud over his administration and its business. Chavez has been linked to major narcoterrorists, including Walid Makled who was designated a major drug kingpin by the Obama administration in 2009 and is a financial stalwart of Chavez's administration. In fact, dozens of top-level figures in the Chavez government including ministers, judges and generals were on Makled's payroll.

#### Government Consents Next Hurdle for Cnooc in Nexen Bid

Nexen Inc. shareholders' approval of Cnooc Ltd.'s \$15.1 billion bid for the Canadian energy producer leaves the fate of the biggest Chinese takeover in the hands of three foreign governments as opposition mounts.

#### Kurdistan looks to awaken giant

DUBAI and LONDON // Through war and peace, northern Iraq's Kirkuk oilfield - endowed with 10 billion barrels of reserves, equal to half of America's total - has effectively lain fallow.

Proposals have been floated to revive today's anaemic production of 280,000 barrels per day (bpd) but progress has been blocked by a disagreement over whether the federal government or the Kurdistan regional government has rights to the land.

"Years passed and still we are in limbo," says Ali Salhi, the chairman of the oil and economic development council of the Kirkuk governorate. Today, his hopes are buoyed by the success of Kurdistan, which has partnered the world's biggest oil companies in the face of opposition from Baghdad.

# China resumes oil imports from Sudan after 4 months' halt: customs

BEIJING (Reuters) - China in August made its first crude oil purchase from Sudan since April, importing about 140,000 tonnes, customs data showed, and traders said purchases may increase once Sudan and rival South Sudan finalise a border deal.

China did not import any crude from South Sudan in August, the data showed, as oil output there remained shut.

# Japan Airlines cuts flights to China amid squabble

HONG KONG (CNNMoney) -- Shares of Japan Airlines tumbled Friday after the airline announced it was cutting flights to China amid a dispute over islands in the East China Sea.

# Obama's surge in Afghanistan ends

Very quietly, the surge of troops into Afghanistan that President Obama announced to such fanfare in late 2009 is now over.

Defense Secretary Leon Panetta said today that 33,000 troops have been withdrawn, calling the Afghan surge "a very important milestone" in a war the Obama administration is winding down; there are sill 68,000 U.S. troops in Afghanistan.

# Libya Premier Says Pursuing Suspects in U.S. Mission Attack

Libya is pursuing suspects in the fatal attack on the U.S. consulate in Benghazi who have fled abroad and the government is focusing efforts on improving security, Prime Minister-elect Mustafa Abushagur said.

Abushagur, who was named premier this month, said that eight Libyan nationals had been arrested in connection with the assault and that Ansar al-Shariah, an Islamist militia, was one of the groups thought to be involved. Several suspects are currently being sought after crossing the border into Egypt, Abushagur said in an interview today in his office in Tripoli, the capital, vowing that "these crimes will not go unpunished."

# Pakistan protest against anti-Muslim film turns violent

(CNN) -- A peaceful protest in Lebanon and a violent one in Pakistan highlighted Friday demonstrations against a film and series of cartoons recently published in France mocking the Muslim Prophet Mohammed.

The United States and Germany closed some diplomatic facilities in expectation that protests could intensify after weekly prayer services Friday.

# Actress in anti-Islamic film files lawsuit against filmmaker and YouTube

LOS ANGELES (CNN) -- One of the actresses in "Innocence of Muslims" -- the anti-Islam film that ignited a firestorm in the Muslim world -- is suing the producer of the film, Nakoula Basseley Nakoula, claiming she is a victim of fraud, invasion of privacy and misappropriation of her likeness.

In a 17-page complaint filed Wednesday in Los Angeles Superior Court, the lawsuit from Cindy Lee Garcia also names YouTube LLC, the video-sharing website on which the video is posted, and its parent company, Google Inc., as causing irreparable harm to Ms. Garcia for refusing to remove the content from their site.

# Fire-ravaged mosque in US midwest receives flood of support

"Donations have been very much equal between Muslims and non-Muslims and they are coming from everywhere. The first people to respond were the local churches. We have close ties with the churches and synagogues in the area and people from many different congregations wanted to know how to help.

"I guess they wanted to show that, while there were these horrific images of hate and violence in the news, that is not what America is about."

# JPMorgan Power-Trading Business Faces Suspension, FERC Says

The Federal Energy Regulatory Commission has accused J.P. Morgan Ventures Energy Corp. of misleading regulators and said its authority to sell electricity might be suspended.

#### New York State Plans Health Review as It Weighs Gas Drilling

After four years of study by the state, the Cuomo administration now says its decision on whether to allow high-volume hydraulic fracturing in New York will have to wait until it conducts a review of the potential public health effects of the controversial natural gas drilling process.

#### Pennsylvania Grandmothers Star in Global Fracking Debate

Two grandmothers in tiny Franklin Forks, Pennsylvania, have become unlikely celebrities in the international debate over the safety of hydraulic fracturing for natural

gas.

Shelly DePue, who has four gas wells on her farm west of town, says fracking is safe and an economic boon. Tammy Manning, who lives across fields and forested hills a mile away, blames nearby gas drilling including DePue's wells for threatening the health of her family.

# Mexico Blast A Blow To Pemex's Safety Record

MEXICO CITY (AP) -- An enormous blast that killed 30 workers at a pipeline facility in northern Mexico was a big setback for the state-owned oil company, which up to this year had been reporting strides in its safety record at once accident-prone plants.

# MPs demand moratorium on Arctic oil drilling

British MPs are calling on Shell and others to halt "reckless" oil and gas drilling in the Arctic until stronger safety measures are put in place.

Politicians also want to impose "unlimited" financial liability on operators and the creation of a "no-drill zone" in a new environmental sanctuary.

# Shell sues Greenpeace to stop Arctic protests

AMSTERDAM (AP) -- Royal Dutch Shell PLC is suing Greenpeace International in an attempt to have the environmental organization banned from holding any protest within 500 meters of any Shell property, or face a €1 million (\$1.3 million) fine.

The suit being argued at Amsterdam's District Court Friday shows Shell aggressively taking the offensive to protect its \$4.5 billion investment in drilling for oil in the icy Arctic waters off the coast of Alaska. A verdict is not expected for two weeks.

# Pump triggers Three Mile Island reactor shutdown, NRC says

(CNN) -- The Three Mile Island nuclear power plant shut down unexpectedly Thursday when a reactor coolant pump failed, federal regulators said.

"This appears to be a fairly straightforward shutdown," said Neil Sheehan, a spokesman for the Nuclear Regulatory Commission. "Every indication we're getting is the reactor safety systems are performing the way they are designed."

# Nuclear energy: a shift in Japan's balance of power

So is the nuclear shutdown an overreaction? "From a completely external perspective it does seem a bit like that," says Mr Rea. "But for people on the ground in Japan it has been a very big deal."

The tsunami and the nuclear near-disaster "marked a big schism in the national consciousness ... they have probably found it hard to separate the two issues".

Greens and other opponents of nuclear power took heart this summer from the fact that Japan's power supplies seemed to cope well through the peak air-conditioning months.

But, says Mr Rea, "to extrapolate ... to say the country is ready to go nuclear-free is wrong".

# Tortoises Manhandled for Solar Splits Environmentalists

It's a 106-degree Fahrenheit day in the Mojave Desert. Heat devils dance off chocolate-hued Clark Mountain on the horizon. Air-conditioned cars zip along Interstate 15 toward Las Vegas. And inside a chain-link pen covered to keep out predators are scores of rare, threatened, sand-colored desert tortoises.

Their captivity helps show how complicated it is to combat climate change without collateral damage. The foot-long (30- centimeter) creatures are being removed from their burrows for a project to harvest solar energy in the California desert. Trucks groan down sunbaked roads, cranes pivot with 750-pound (340- kilogram) mirrors and mechanical post-pounders drive steel pylons into the packed desert floor, destroying their habitat.

# Tax Credit in Doubt, Wind Power Industry Is Withering

At its peak in 2008 and 2009, the industry employed about 85,000 people, according to the American Wind Energy Association, the industry's principal trade group.

About 10,000 of those jobs have disappeared since, according to the association, as wind companies have been buffeted by weak demand for electricity, stiff competition from cheap natural gas and cheaper options from Asian competitors. Chinese manufacturers, who can often underprice goods because of generous state subsidies, have moved into the American market and have become an issue in the larger trade tensions between the countries. In July, the United States Commerce Department imposed tariffs on steel turbine towers from China after finding that manufacturers had been selling them for less than the cost of production.

And now, on top of the business challenges, the industry is facing a big political problem in Washington: the Dec. 31 expiration of a federal tax credit that makes wind power more competitive with other sources of electricity.

# China's Wen Urges EU to Avoid Tariffs Amid Solar Probe

Chinese Premier Wen Jiabao pressed the European Union to avoid erecting trade barriers amid an EU threat to impose tariffs on solar panels from China.

"We must uphold trade liberalization and facilitation, oppose trade protectionism," Wen told a Brussels business conference yesterday in comments interpreted into English. He urged Europe to "exercise restraint in resorting to trade- remedy measures."

# Householders unlikely to recover solar heating installation costs for 30 years

The amount of money householders can expect to be paid for fitting "green heating" was published for the first time on Thursday, revealing most homeowners installing solar hot water systems are unlikely to recoup their initial outlay for more than 30 years.

# New fuel cell system generates power on campus

UC Santa Barbara is now host to a unique new energy system that is providing electricity as part of the university's commitment to energy efficiency and sustainability. The new 200-kilowatt Bloom Energy Server is directly connected to Southern California Edison's electric distribution system.

# Container ships become more energy-efficient

Technology and Software from Siemens are making the world's largest container ships more energy-efficient. The Korean shipbuilding company Daewoo is building 20 container ships for the Danish shipping company Maersk, each with a total carrying capacity of 18,000 standard containers. For this project Siemens is supplying the controls for a system that generates electric power from the waste heat of the ship's engine. Siemens also supplies shaft-driven generator motors that are used either to generate electric power or to assist the marine engines. These two technologies together reduce CO2 emissions by 12 percent. Since the efficiency of a ship depends on many different factors, Siemens has also developed a decision support tool to optimize energy consumption.

# World Carfree Day (WCD)

Every September 22, people from around the world get together in the streets, intersections, and neighbourhood blocks to remind the world that we don't have to accept our car-dominated society.

But we do not want just one day of celebration and then a return to "normal" life. When people get out of their cars, they should stay out of their cars. It is up to us, it is up to our cities, and our governments to help create permanent change to benefit pedestrians, cyclists, and other people who do not drive cars.

Let World Carfree Day be a showcase for just how our cities might look like, feel like, and

sound like without cars...365 days a year.

# U.S. Electricity Generation Wastes Huge Amounts of Scarce Water, Other Hidden Costs Also Imposed

Examples of the water-related findings in the report include the following:

- -Nuclear power has critical cooling requirements that require huge amounts of water. Roughly 62 percent of U.S. nuclear plants have closed-loop cooling systems. Reactors with closed-loop systems withdraw between 700-1,100 gallons of water per megawatt hour (MWh) and lose most of that water to evaporation. Water withdrawals are even higher at open-loop cooled nuclear plants, which need between 25,000-60,000 gallons per MWh. Most of the water is returned, but at a higher temperature and lower quality.
- -In addition to fouling streams and drinking water through mining and coal-ash dump sites, coal-fired power relies heavily on closed-loop cooling systems which withdraw between 500 and 600 gallons of water per MWh and lose most of this via evaporation. Withdrawals for open-looped cooled coal-fired power plants are between 20,000-50,000 gallons per MWh. Most of the water is returned, but at a higher temperature and lower quality.

# Midwest drought belt: A changed world emerges

The drought of 2012 isn't just a rural tragedy. Barges plying the Ohio and Mississippi rivers carry less cargo to avoid running aground in low water.

Homeowners far from farmland are paying for expensive repairs to basements and foundations separated from the shrinking soil around them. Businesses that depend on water — a canoe rental company, a campground that counts on its well-stocked fishing pond to attract visitors — feel the economic pain, too.

# Bill Clinton: The Case For Optimism

...It's hard to top the economic success stories concerning clean energy, and it's tragic that these achievements aren't more widely known. Germany, where the sun shines on average as much as it does in London, reportedly set the world record for electricity generated from the sun in a single day: 22 gigawatts, or roughly the output of 20 nuclear power plants.

Long mislabeled as expensive and unwieldy, the clean-energy sector in the U.S. was actually growing by 8.3% before the economic slowdown, more than twice the rate of the overall economy. In fact, those European countries meeting their Kyoto Protocol commitments have been among the least hard hit by the economic crisis, including Germany, Denmark and Sweden.

If sustainable energy were bad economics, Costa Rica wouldn't be one of the richest

countries in the region, with what is arguably the greenest economy in the world. Costa Rica certainly has one of the world's highest percentages of electricity generated from renewable resources as well as an enormous conservation ethic: 26% of its landmass is in national parks, 51% in forest cover.

# Special Report: How Romney energy czar fuels business with politics

The environmentalists fighting Keystone XL have had allies, and for a time, one of the most effective was the man who's now Romney's chief energy adviser: Oklahoma oilman Harold Hamm.

In 2009, the 66-year-old founder and chief executive of Continental Resources formed a lobbying group of fellow Oklahoma oilmen and reached out to state governors, landowners and environmentalists along the proposed route. Hamm feared Keystone XL would flood his firm's backyard with cheap Canadian oil.

"We basically stopped Keystone at the border," Hamm said in an interview with Reuters, explaining how the alliance was able to stymie permits for the line. "We didn't want all that oil dumped in Oklahoma."

#### **America's Greenest Presidents**

What do Theodore Roosevelt, Richard M. Nixon and Jimmy Carter have in common? They are viewed as environmentally progressive presidents — at least by the 12 groups that ranked them in a survey released this week. Still, the challenges faced by presidents who stand up for the environment have shifted greatly over time, some of those organizations point out, making it hard to compare one leader's achievements with another's.

# John Kerry on why we need fossil fuels (for now) and climate action (for real!)

# Q. To enviros, Obama's all-of-the-above energy strategy seems like a copout. Should the party be moving more aggressively away from fossil fuels and toward clean energy?

A. You have to be all of the above. Look, I'm the most ardent advocate up here for doing something about climate change, but you're nevertheless gonna have to use fossil fuels. The question is, can you use them in clean and manageable ways? The answer is, *Yes, you can*, if you make the right sort of requirements.

# Expansion of Islamabad termed 'environmentally unsustainable'

The Federal Ministry of Climate Change observed that the expansion of the federal capital is 'environmentally unsustainable' and showed serious concerns over the

development that is making the green city climatically inflexible.

Federal Minister for Climate Change Rana Muhammad Farooq Saeed Khan, while chairing the 2nd Progress Review Meeting on 'Implementation of Climate Change Policy,' said that the haphazard growth of the city would only expose its infrastructure and dwellers to the climate change-induced natural disasters. "We seriously need to check this trend of the federal capital's growth and make it more climate-resilient so as to avoid future dangers due to climate change," he said.

#### Has Plant Life Reached Its Limits?

In 1972, a junior at Oregon State University bought a small paperback for \$2.75 titled "The Limits to Growth." Citing the rate at which the population was expanding and the spread of industrialization, it projected a dismal future for the planet.

The book, by a group of M.I.T. researchers, made a deep impression on the student, Steven Running, a botany major.

Forty years later, the prediction is being borne out, said Dr. Running, who is now a forest ecologist at the University of Montana and directs the university's Numerical Terradynamic Simulation Group. Humans are approaching the limits of the globe's finite plant life, he argues in an article published online on Thursday in the journal Science.

# Sea-level rise threatens endangered rabbit far more than development, research finds

(Phys.org)—When University of Florida researcher Robert McCleery and a graduate student began looking at why an endangered marsh rabbit's habitat was disappearing in the Florida Keys, they fully expected the blame would fall on development.

Instead, they were stunned to find that nearly half of the rabbit's habitat loss was due to rising sea levels.

# Antarctica's Speedy Ice Streams May Trigger Major Melting

Antarctica's ice streams flow like giant frozen rivers on the edges of the icy continent. These narrow glaciers already move more quickly than the ice surrounding them, but their flow will speed up even more in response to warming oceans, new research finds.

And this rapid movement could trigger major thinning in the interior of the Antarctic ice sheet, contributing to global sea-level rise, the study warns.

# East Timor could become home to Kiribati's climate refugees

| Drum | Drumbeat: September 21, 2012 http://www.theoildrum.com/r East Timor has offered a home to climate change refugees if rising sea levels make life on some Pacific Islands impossible.

# Coal Era Beckons for Europe as Carbon Giveaway Finishes

European utilities are poised to add more coal-fired power capacity than natural gas in the next four years, boosting emissions just as the era of free carbon permits ends.

Power producers from EON AG to RWE AG will open six times more coal-burning plants than gas-fed units by 2015, UBS AG said in a Sept. 5 research note. Profits at coal-fired power stations may more than double by then, according to a Goldman Sachs Group Inc. report published on Sept. 13.

# 4 countries discuss climate change in Brazil

BRASILIA, Brazil (AP) - Representatives of Brazil, South Africa, India and China are meeting to define a common position ahead of November's United Nations' climate change conference in Doha.

The four countries form the bloc known as BASIC that acts jointly in international climate change meetings.

# Top emitter China agrees to work with EU to cut carbon

BRUSSELS (Reuters) - China, the world's biggest carbon dioxide emitter, has struck a deal to work with the European Union to cut greenhouse gases through projects including the development of Chinese emissions trading schemes, the European Commission said on Thursday.

# Ending Its Summer Melt, Arctic Sea Ice Sets a New Low That Leads to Warnings

Scientists said Wednesday that the Arctic has become a prime example of the built-in conservatism of their climate forecasts. As dire as their warnings about the long-term consequences of heat-trapping emissions have been, many of them fear they may still be underestimating the speed and severity of the impending changes.

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