



Drumbeat: September 26, 2012

Posted by [Leanan](#) on September 26, 2012 - 9:36am

[Weapons of Mass Urban Destruction](#)

In the last five years, China has built 20,000 miles of expressways, finishing the construction of 12 national highways a whopping 13 years ahead of schedule and at a pace four times faster than the United States built its interstate highway system. Over the last decade, Shanghai alone has built some 1,500 miles of road, the equivalent of three Manhattans. China's urban population is projected to grow by 350 million people by 2020, effectively adding today's entire U.S. population to its cities in less than a decade. China has already passed the United States as the world's largest car market, and by 2025, the country will need to pave up to an estimated 5 billion square meters of road just to keep moving.

China's love affair with the car has blossomed into a torrid romance. In April, nearly a million people poured into the Beijing International Automotive Exhibition to coo over the latest Audis, BMWs, and Toyotas. But China is in danger of making the same mistakes the United States made on its way to superpower status -- mistakes that have left Americans reliant on foreign oil from unstable parts of the world, staggering under the cost of unhealthy patterns of living, and struggling to overcome the urban legacy of decades of inner-city decay.

[Oil Falls to 7-Week Low on Demand Outlook, Stockpile Gain](#)

Oil fell to the lowest level in seven weeks after a report showed rising U.S. stockpiles and the Federal Reserve Bank of Philadelphia President Charles Plosser said a new stimulus plan probably won't boost economic growth.

Futures slid as much as 1.1 percent, extending yesterday's 0.6 percent decline. The American Petroleum Institute said crude supplies increased 335,000 barrels, a third weekly gain, while Citigroup Inc. cut its global demand forecasts. Bond purchases announced by the Fed this month probably won't spur expansion or hiring, Plosser said in a speech yesterday. Oil surged to \$100.42 a barrel on Sept. 14, its highest this year, after the Federal Open Market Committee said it will undertake a third round of quantitative easing.

[Heating oil: prices will rise so buy now, says watchdog](#)

Rural households that use oil for central heating should stock up now before prices rise,

an official watchdog has advised.

[Kenya inflation seen down for 10th month in row](#)

NAIROBI (Reuters) - Kenya's inflation is expected to fall for the tenth month in a row in September to 5.40 percent as lower food prices offset upward pressure from a jump in retail fuel prices, a Reuters poll showed on Wednesday.

[Projected Alaska North Slope oil production at risk beyond 2025 if oil prices drop sharply](#)

Oil production on Alaska's North Slope, which has been declining since 1988 when average annual production peaked at 2.0 million barrels per day, is transported to market through the TransAlaska Pipeline System (TAPS). Because TAPS needs to maintain throughput above a minimum threshold level to remain operational, its projected lifetime depends on continued investment in North Slope oil production that itself depends on future oil prices. In the Annual Energy Outlook 2012 low oil price case, North Slope production would cease and TAPS would be decommissioned, which could occur as early as 2026.

[Visualizing Peak Oil: Hype, Hope, Boom, Or Bust](#)

While oil prices have slid in their ubiquitous post-QE manner in the last few days, they remain notably elevated amid growing tensions in Iran and central bank largesse spillovers. These short-term fluctuations, however, pale in significance to long-run implications of peak-oil and whether it exists or not. From cost implications to technological innovation and demand destruction and supply constraints, the feedback loops of oil prices over time provide vicious and virtuous cycles for the global economy as we know too well.

[With Gulf energy to burn, it's time to learn when to save](#)

Acknowledging an addiction is the first step to beating it. At a Royal Dutch Shell-sponsored debate in Dubai last week, regional energy experts asked: why do the Arabian Gulf countries use so much energy?

Among major economies, the UAE and Saudi Arabia are the fifth and sixth-most energy intensive in the world. Ahead of them are mostly former Soviet states with chilly climates and decrepit infrastructure.

[China hones new pitch for Abu Dhabi oil](#)

YINCHUAN, CHINA // Western oil majors have perfected a pitch when it comes to keeping their place in Abu Dhabi concessions, vouching for their technology and expertise that, it is implied, newcomers lack.

Now with a little more than a year to go until a prized concession expires, the biggest newcomer of all - China - is responding with a similar narrative.

[Tycoons seek full BP Russia venture takeover](#)

The battle for control of BP's Russian oil joint venture escalated on Wednesday when its local tycoon co-owners said they were putting in a cash offer for the British group's entire stake.

But analysts said the 50-percent holding in Russia's third-largest crude producer was still likely to end up in the hands of the state firm Rosneft and its powerful chief Igor Sechin -- a confidante of President Vladimir Putin.

[Coal exports make U.S. cleaner, EU more polluted](#)

BRUSSELS/LONDON (Reuters) - Shale gas has jolted traditional roles in the planet's climate drama, giving cleaner fuel to the United States, whose displaced coal has headed to Europe to pollute the old continent.

It is an ironic twist for the European Union, whose energy policy is largely based on promoting renewables and a target to cut emissions by 20 percent by 2020. The U.S. did not ratify the Kyoto Protocol to combat global emissions and its national goals are far less ambitious than Europe's.

[Fertilizer could provide solution to Bakken flaring](#)

(Reuters) - Northern Plains Nitrogen is developing ambitious plans for a billion-dollar fertiliser plant in North Dakota to extract better value from the state's abundant natural gas.

If launched, the plant would help reverse a long-term decline in U.S. nitrogen-fertiliser output, reflecting the competitive advantages conferred on U.S. fertiliser makers by cheap gas.

[Biggest English Polluter Spends \\$1 Billion to Burn Wood](#)

More than two centuries after coal power helped forge the world's first industrial economy, Britain is going back to burning wood.

Drax Group Plc will spend \$1 billion to turn the U.K.'s biggest coal-fired plant into western Europe's largest clean- energy producer. The utility plans to convert one of the site's six units to burn wood pellets by June, said Chief Executive Officer Dorothy Thompson. It intends to switch two more units to wood at a later date, investments that

if completed will see it harvest a forest four times the size of Rhode Island each year.

[Special Report - Chavez's oil-fed fund obscures Venezuela money trail](#)

(Reuters) - The site of what may someday be Venezuela's first newsprint factory today consists of little more than a warehouse, several acres of cleared tropical savannah, and two billboards bearing pictures of President Hugo Chavez.

More than five years after Chavez first hailed state-owned Pulpa y Papel CA as a vanguard "socialist business," there is little else to show here in rural south-eastern Venezuela for the more than half a billion dollars that state investment fund Fonden set aside for the project.

[China Bankrolling Chavez's Re-Election Bid With Oil Loans](#)

Edelmina Flores thanks God and Hugo Chavez for her apartment in a new housing complex in the Venezuelan president's home state of Barinas. She might also want to thank the Chinese government.

Since 2007, the China Development Bank has lent Venezuela \$42.5 billion collateralized by revenue from the world's largest oil reserves, according to data compiled by Bloomberg from announcements of deals by the Chavez government. That's around 23 percent of all overseas loans by the state-run lender and more than the \$29 billion the U.S. spent rebuilding Iraq between 2003 and 2006. At least \$12 billion was promised in the past 15 months, when stagnant oil output and the highest borrowing costs among major emerging markets would've made raising capital more expensive.

[Paraguay Reclaiming Energy From Brazil in Franco Industrial Push](#)

Paraguayan President Federico Franco said Brazil and Argentina will have to accept less hydroelectric energy as the land-locked country develops its industry and tries to accelerate development.

"We are no longer going to hand over our energy," Franco said in an interview yesterday at Bloomberg's headquarters in New York. "We're going to develop internal markets, we're going to industrialize our country and Paraguay will no longer just be a country that exports cattle and agricultural goods."

[Yemen president offers conditional dialogue with al Qaeda](#)

SANAA, Sept 26 (Reuters) - Yemen's president offered dialogue to Islamist militants including al Qaeda on Wednesday, but said they must agree first to put down weapons and reject support from abroad.

Restoring stability to Yemen has become an international priority given fears that jihadi fighters could entrench themselves in a country and threaten world No. 1 oil exporter Saudi Arabia next door and important world shipping lanes.

[Japan fires water cannon to turn away Taiwan boats](#)

(Reuters) - Japanese Coast Guard vessels fired water cannon to turn away about 40 Taiwan fishing boats and eight Taiwan Coast Guard vessels from waters Japan considers its own on Tuesday in the latest twist to a row between Tokyo and Beijing.

Japan protested to Taiwan, a day after it lodged a complaint with China over what it said was a similar intrusion by Chinese boats.

[China, Japan in tense talks on disputed islands](#)

China accused Japan of violating its sovereignty as a territorial row simmered on Wednesday with Japanese carmakers cutting their Chinese output, saying the tense climate was hitting sales.

A spike in long-simmering tensions over disputed islands in the East China Sea also brought a warning from South Korea's president that Asia's security environment was becoming "increasingly unstable".

[Japan's Automakers Scale Back Production in China as Sales Drop](#)

BEIJING — Japanese automakers, including Toyota and Nissan, are cutting back production in China after anti-Japan protests that closed dealerships and darkened the sales outlook in the Chinese car market, one of the world's largest.

[Indonesia Seeks Rules of Road for South China Sea](#)

Foreign Minister Marty Natalegawa has been trying to patch up differences among Association of Southeast Asian Nations members on how to manage the maritime territorial disputes that pit China against several of its neighbors in a region where sea lanes are crucial to world trade, rich fishing grounds and potentially major reserves of natural gas and oil.

[Tensions between Philippines, China have eased, says Chinese ambassador](#)

MANILA, Philippines — Seeking to soften the impact of the report of a deadlock, China's ambassador to the Philippines on Tuesday said that tensions between the two countries had eased after last week's high-level talks on their territorial dispute in the West

Philippine Sea (South China Sea).

[Explosions rock Syrian capital](#)

DAMASCUS, Syria (AP) -- Two massive explosions rocked the heart of the Syrian capital on Wednesday, striking near the army and air force command headquarters and sending huge columns of thick black smoke over Damascus.

The bombings were the latest to hit the city as the uprising against President Bashar Assad's regime intensifies, highlighting the increasingly deep reach of the rebels determined to topple him. Syria's state-run news agency SANA said a fire broke out in the area after the twin blasts, which struck just before 7 a.m. near the landmark Omayyad square.

[Libya Trains Thousands of Rebels to Guard Oil Facilities](#)

Libya is training former rebels to protect oil installations across the North African nation, the head of the country's state oil company said.

The ministry of defense is training 10,339 citizens and militiamen who took part in the revolt that ousted the regime of Muammar Qaddafi last year, National Oil Corp. Chairman Nuri Berruien said yesterday in a telephone interview in the capital, Tripoli. They will join an existing force of 2,500 security workers by the end of the year, he said.

[Obama at UN Vows U.S. Won't Let Iran Gain Nuclear Weapon](#)

President Barack Obama pledged in a speech to world leaders today that the U.S. will do what it takes to prevent Iran from building a nuclear weapon and warned that time for a diplomatic resolution "is not unlimited."

While there is still a chance to negotiate, Obama told the annual meeting of the United Nations General Assembly in New York, a nuclear-armed Iran would imperil Israel, ignite a regional arms race and destabilize the global economy.

[Exclusive: Vitol trades Iranian fuel oil, skirting sanctions](#)

(Reuters) - Vitol, the world's largest oil trader, is buying and selling Iranian fuel oil, undermining Western efforts to choke the flow of petrodollars to Tehran and put pressure on Iran's suspected nuclear weapons program.

Vitol last month bought 2 million barrels of fuel oil, used for power generation, from Iran and offered it to Chinese traders, Reuters established in interviews with 10 oil trading, industry and shipping sources in Southeast Asia, China and the Middle East. A spokesman for Vitol declined to comment.

[New York's Fractivists Keep the Heat on Cuomo](#)

On a hot and breezy August morning, more than 1,000 protesters gathered in Albany calling on Governor Andrew Cuomo to ban the drilling practice called hydraulic fracturing in New York State. Activists chanted anti-fracking fight songs and carried banners highlighting the dangers of the gas drilling practice. It was in many ways like the handful of rallies that had come before it.

But there was one subtle difference that tracked a trend in the anti-fracking movement. The first hint came with one of the first speakers: Bill McKibben, the environmental writer and activist who started the grassroots group 350.org to press for action on climate change. Last year, McKibben and his group organized a campaign that took the arcane local issue of an oil pipeline running through Nebraska and turned it into a national story, culminating in one of the environmental movement's largest acts of civil disobedience ever, when an estimated 10,000 activists circled the White House in a human chain last November. In his speech at the August rally, McKibben called this a "gut-check" moment for Cuomo and suggested that banning fracking would make him a leader on the national, even international stage.

[Arctic Oil-Drilling Delays Allow Time for a Safety Review](#)

Shell Alaska's six-year, \$4.5 billion-and-counting attempt to tap into the oil under the Arctic Ocean has seemed snakebit recently (or, given the indigenous wildlife, whalebit?).

In July, one of its drilling rigs nearly ran ashore, and then this month it was almost hit by an ice floe many times the size of Manhattan. Meanwhile, an oil containment barge destined for duty at the drilling site has been plagued by mechanical problems and remains stranded in Bellingham, Washington. Drilling plans have now been put off until next summer.

To environmental groups, the delay is evidence that the company shouldn't be allowed to drill in the pristine northern waters. Many of them would just as soon the Arctic seafloor be left untapped.

["EU has no authority in the Arctic", says Norway deputy oil minister](#)

In Norway, the industry has feared that the new rules will weaken Norwegian regulations in this area, but the government has made it clear that it does not consider the measure as having EEA relevance.

"The EU will respect this," stated Deputy Minister Per Rune Henriksen, who met with Parliamentary members on both the Environmental and the Industry and Energy Committees on Tuesday.

[Oil and Nature: A Landscape Reconfigured](#)

In the stark white space of the Aperture Gallery in Chelsea, billboard-size photographs present an array of haunting scenes. A chemical plant with a cemetery in the foreground. An empty basketball court alongside a turreted oil refinery. A lush swamp filled with trees, one of which has a Shell Oil sign nailed to it.

The exhibition, "Petrochemical America," and an accompanying book of the same title are the product of a collaboration between the photographer Richard Misrach and the landscape architect Kate Orff, an assistant professor at Columbia University's Graduate School of Architecture, Planning and Preservation. Together, they chronicle the history and the environmental and social impacts of the petrochemical industry in the Mississippi River Corridor in Louisiana, between Baton Rouge and New Orleans.

[Warming to nuclear option](#)

In 2012 it is just as foolish to be a "nuclear denier" as "climate sceptic". Recently, the IEA released a major report, which confirmed the role of nuclear power in combating climate change and providing global energy security at the end of the hydrocarbon fuel age. In summary, it stated: "Nuclear power is the technology which must be accelerated, promoted and relied upon if the world is to stabilise carbon dioxide emissions at an acceptable level".

Australia's Energy Resources Minister, Martin Ferguson, has often endorsed this view. Recently he chaired a meeting of the IEA where he stated: "The only proven form of clean energy of a baseload and a reliable nature is actually nuclear from a global point of view."

[The Future Is Electric Cars: Fmr. GM Vice Chairman Bob Lutz](#)

You probably missed it. National Plug-in Day this past Sunday when owners of electric cars and plug-in hybrids gathered in 60 cities to celebrate the fledging technology. The celebration didn't get much coverage given the relatively small number of electric vehicle owners, but their numbers are growing.

More electric cars than ever are expected to be sold in the U.S. this year, but the totals are, at most, in the tens of thousands and nowhere near the 14 million-plus vehicles that are expected to be sold. And the news for electric vehicles is mixed.

[Tesla Told to Speed Repayment of U.S. Electric-Car Loan](#)

Tesla Motors Inc., the startup electric car-maker that received \$465 million in U.S. Energy Department loans, must come up with a speedier repayment schedule after getting a waiver on existing terms.

The Palo Alto, California-based company, led by billionaire Elon Musk, said yesterday in a U.S. regulatory filing that it has until Oct. 31 to submit a proposal for “early repayment” of loan principal to the Energy Department.

[It's a myth that wind turbines don't reduce carbon emissions](#)

Conclusive figures show that the sceptics who lobby against wind power simply have their facts wrong

[Analysis: Coal fight looms, Keystone-like, over U.S. Northwest](#)

(Reuters) - Call it the Keystone of coal: a regulatory and public relations battle between environmentalists and U.S. coal miners akin to the one that has defined the Canada-to-Texas oil pipeline.

Instead of blocking an import, however, this fight is over whether to allow a growing surplus of coal to be exported to Asia, a decision that would throw miners a lifeline by effectively offshoring carbon emissions and potentially give China access to cheaper coal.

[Insulated homes - how many have been treated in Britain?](#)

Of the 23.4m homes in Britain with a loft, 65% now have loft insulation. How many homes have been treated and how has the government scheme affected the numbers being insulated?

[Global population is food for thought](#)

PICK a number and forecast global growth population by 2060.

You know that by 2050 it will be nine billion.

Exponentially that figure will increase to 10b by 2060, according to consultant Julian Cribb, author of The Coming Famine.

Mr Cribb told delegates at last week's Global Agribusiness Conference the consequences of global population growth were dire considering the confluence of peak oil, peak water, peak fish, peak land and peak phosphorous.

[Cold snap may hit Argentine wheat, rain seen ahead](#)

BUENOS AIRES (Reuters) - A cold snap in grains powerhouse Argentina could cause frost damage to wheat plants as they enter key growth stages, but the outlook for soy

and corn crops remains bright thanks to rains soon expected to sweep the Pampas, specialists said on Tuesday.

Expectations for ample showers related to the El Nino phenomenon are raising farmers' hopes for a bumper harvest after a dry 2011/12 season in Argentina, the world's sixth biggest wheat exporter, No. 3 soybean provider and No. 2 corn supplier.

[From Methane to Plastic to Methane, Without Waste](#)

Imagine that you could go online and rent something in your neighbor's garage rather than buy something new that you will need to use only a few times a year. Or that you could use microwave technology to transform timber residue or other waste biomass into a valuable industrial material like graphite.

Those were just two of the 50-plus entries in this year's Postcode Lottery Green Challenge, an annual competition that awards the world's largest prize for sustainable entrepreneurship. This year's \$630,000 check went to Molly Morse, chief executive of Mango Materials, a California-based startup that makes a biodegradable plastic from methane, a powerful greenhouse gas.

[As an expert in post-apocalyptic political economy....](#)

I kinda like the idea of a reset in which electricity simply stops working for some malevolent reason, so I don't exactly have the same problem that the physics geeks have with the show. But *Revolution's* premise simply neither considers nor respects the lessons from history in trying to create it's post-apocalyptic world. Consider the following historical facts:

- 1) Countries and empires managed to maintain something resembling territorial integrity prior to the invention of electricity;
- 2) There's this little invention called the "steam power" which really only needs fire to be able to work, that the show completely elides. This matters one whole hell of a lot. Steam engines can power railroads, steamships, and even cars. So a blackout would have put some crimps in cross-country and cross-border communication -- but it wouldn't have slowed transportation all that much. Steam power would also allow things like industrial factories and foundries to continue -- albeit with considerable retooling. All told, the odds of state collapse are actually pretty remote.
- 3) Everyone in this show is either walking or riding a horse to get around. Now let's assume that everyone in the world developed historical amnesia about steam power. It's stupid, but OK. *Where are the f**king bicycles?!* Are those not working as well?

[Rare Trout Survives in Just One Stream, DNA Reveals](#)

A shift in the scientific landscape is not an entirely new experience for fish managers

working with the cutthroat trout in the region. The 2007 study shook the very foundations of cutthroat trout recovery efforts, showing that managers had accidentally mixed a different subspecies of cutthroat trout, the Colorado cutthroat, with the rare greenback, and then stocked these hybrid strains into otherwise pure greenback streams.

The latest study, whose co-authors also include the biologist Chris Kennedy of the Fish and Wildlife Service and scientists with the University of Adelaide's Australian Center for Ancient DNA and the University of Colorado, Boulder, shows that the last surviving greenback population lies within a four-mile stretch of a small alpine stream known as Bear Creek. The stream is about five miles southwest of Colorado Springs, on the eastern slope of Pikes Peak.

[100 million to die by 2030 if world fails to act on climate](#)

LONDON (Reuters) - More than 100 million people will die and global economic growth will be cut by 3.2 percent of gross domestic product (GDP) by 2030 if the world fails to tackle climate change, a report commissioned by 20 governments said on Wednesday.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).