



## DrumBeat: October 31, 2008

Posted by [Leanan](#) on October 31, 2008 - 9:30am

Topic: [Miscellaneous](#)

### [Pickens' grassroots energy push may get mowed](#)

HOUSTON (Reuters) - The ambitious campaigns by energy billionaires T. Boone Pickens and Chesapeake Energy Corp's Aubrey McClendon to wean the United States off foreign oil and toward natural gas and wind power may fall victim to crashing energy prices and the global credit crisis.

As part of his plan, has Pickens argued for an overhaul of the nation's power grid, while Chesapeake Chief Executive Officer McClendon wants the nation's fleet of vehicles to run on compressed natural gas rather than gasoline and diesel fuel. Both ventures would cost hundreds of billions to implement.

The energy sector has been socked by worries that the financial crisis could cause a worldwide slowdown that would cut into energy demand. Since reaching a peak over \$147 per barrel in July, crude oil futures have fallen more than 50 percent.

"Presumably, a lot of capital would have to be raised to move these things forward, and that looks to be extremely difficult in these current conditions," said Richard Murray, director of the University of Houston Center for Public Policy.

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### [Libya 'ready to host Russian naval base'](#)

MOSCOW (RIA Novosti) - Libya is willing to host a Russian naval base as a means of security against any possible U.S. attack, a Russian business daily said on Friday.

### [Petrobras, Cuba to Explore for Oil in the Straits of Florida](#)

(Bloomberg) -- Petroleo Brasileiro SA and Cuba's state-run petroleum company have signed an \$8 million agreement to explore for oil off the communist island's coastline about 100 miles from Key West, Florida.

Brazilian President Luiz Inacio Lula da Silva signed the agreement with his Cuban counterpart, Raul Castro, during a ceremony today in Havana in which Petrobras CEO Jose Sergio Gabrielli also participated.

### [American Electric Says Cook Reactor May Be Shut Months by Fire](#)

(Bloomberg) -- American Electric Power Co., the biggest U.S. producer of electricity from coal, said its Cook 1 nuclear reactor in Michigan may be shut more than 10 months after damage from sudden vibration and a fire on Sept. 20.

``The potential for being back online late in the first quarter or early in the second is high, but the potential for being offline through the second half of 2009 is also a possibility," Chief Executive Officer Michael Morris said today on a conference call with investors to discuss third-quarter financial results. A repair schedule will be set in November.

### [Peak Oil: Are Oil Prices Destined to Rise Again?](#)

Big oil as a whole needs oil prices of about \$82 a barrel next year to fund their plans for new investment in oil exploration and production, Credit Suisse says in a new report. Right now, the consensus forecast of about \$75 oil means overall, oil companies will suspend some marginal projects, as Shell has already announced with Canadian tar sands.

If oil stays around \$60 a barrel, the funding shortfall for Big Oil will increase to more than \$70 billion, CSFB says, as oil companies mothball a range of tricky new projects. That represents about 20% of planned capital expenditure for big oil companies in 2009.

Not everybody would be affected equally. ExxonMobil can weather oil prices at \$50 a barrel, the bank says, while big Chinese oil companies are praying oil returns to record levels north of \$140.

### [BP Seeks Gasoline as Coryton Refinery Disruption Cuts Supplies](#)

(Bloomberg) -- BP Plc, Europe's second-largest oil company, sought gasoline supplies after a disruption last week at Petroplus Holdings AG's U.K. Coryton refinery cut fuel output.

BP is working with Petroplus to source fuel ``while the refinery comes back online," Mark Salt, a BP spokesman, said today by telephone from Milton Keynes, England. Georgina Clark, a Coryton-based Petroplus spokeswoman, referred Bloomberg News to the company's headquarters in Zug, Switzerland, where a call wasn't immediately returned.

Fuel shortages have been reported in parts of the East Anglia region, east of London, because of delays in deliveries to filling stations, Petrol Retailers Association Director Ray Holloway said by telephone, without specifying the extent of the shortfall.

### [Ecuador says will terminate Repsol oil contract](#)

QUITO (Reuters) - Ecuador will terminate an extraction contract with Spain's Repsol after they failed to agree to switch to a deal more favorable to the government, Oil Minister Derlis Palacios said on Friday.

Left-wing President Rafael Correa has promised more state control over the country's natural resources and wants oil companies to transfer to new service contracts that guarantee the government more oil revenue.

"The government has decided to end its working relationship with Repsol," Palacios told reporters.

### [T. Boone Pickens liquidates energy equity hedge fund](#)

Hedge fund operator and oil prognosticator T. Boone Pickens liquidated one of his hedge funds last month as the stock markets plunged.

The Dallas billionaire converted his energy equity fund to cash and offered investors the opportunity to withdraw their money early.

The fund started with \$2 billion and could be down to around \$400 million to \$500 million after withdrawals, according to someone familiar with the fund.

The fund was down 60 percent this year after heady gains in previous years.

### [Booming Persian Gulf gets market reality check](#)

Abdullah Hajeri led a march on the Emir's palace in Kuwait, demanding the oil-rich nation's ruler stop stocks from plunging. Adnan Mohammed Saleh, down the Persian Gulf coast in Dubai, said he wants more government protection from the global financial crisis.

"Every day the market is crashing," said Saleh, a 42-year-old trader, staring dumbfounded as company names scrolled across the Dubai Stock Exchange's outdoor ticker in red.

The region's rulers are under pressure from citizens to shore up investors, not just banks, as they try to fend off what may be the worst economic crisis since December 1998, when oil at \$10.35 a barrel forced them to slash spending. Crude prices have fallen 50 percent from a record \$147.27 in July, and stock indexes in Dubai and Saudi Arabia are down by as much this year.

Gulf economies are more susceptible to financial turmoil than in the past because of their greater dependency on international expertise, investment and tourists to

diversify away from oil. While Dubai, home to the world's tallest building and the man-made Palm Island, is considered most at risk, no part of the Persian Gulf will go untouched.

### [Edwin Black: \*The Plan\*](#)

I've given up on energy independence as a near-term goal. Disingenuous politicians, rapacious corporations, paralyzed government and a sleepwalking media will keep our world addicted to oil as long as possible, trumpeting the tiny incremental store-front progress that means little in the bigger picture. *The Plan* is about nothing as distant as energy independence, the ravages of global warming, or doing the right fuzzy wuzzy thing environmentally. *The Plan* deals with a "clear and present danger" that exists right this very moment... one that could paralyze western society in the coming days, months or years. *The Plan* is about an oil crisis caused by an interruption of our oil supply. America is not prepared for it. Our allies are. And we are not even discussing it. The Republicans are not. The Democrats are not. The Governors are not. The White House is not.

### [IEA cites gains from energy efficiency](#)

Developing countries could save hundreds of billions of dollars by investing in energy efficiency rather than focusing on energy production, a new report has found.

To achieve a 22 per cent increase in energy availability in developing countries by 2020 would cost about \$2,000bn, according to the International Energy Agency.

But McKinsey Global Institute, the research arm of the consultancy, has found that the same end could be achieved for \$90bn a year by focusing on energy efficiency improvements with positive returns.

### [Ford bets on new pickup, rehires workers](#)

At a time when many automakers are cutting workers, Ford plans to bring back 1,000 employees to a truck plant in Dearborn, Mich., because it expects growing consumer demand for its new F-150 pickup truck, The Wall Street Journal reported Friday.

Ford believes there is pent-up demand in the marketplace for their new pickup, especially among truck customers who need the vehicle for their job, according to the Journal.

### [Czech Republic seeks direct oil deliveries from Russia](#)

MOSCOW (RIA Novosti) - The Czech Republic is ready to sign contracts for oil deliveries from Russia without intermediaries, the country's industry and trade minister said on Friday.

Russia has been reducing oil supplies to the Czech Republic over the past four months. The chairman of state oil giant Rosneft, Igor Sechin, earlier said the decline was due to a lack of direct contracts between Russian suppliers and Czech customers.

### [Kazakhs to get more profit from Kashagan oil field](#)

ALMATY, Kazakhstan (AP) -- Kazakhstan signed a revised oil deal Friday that boosts the profits the Central Asian nation will get from an international consortium developing the giant Kashagan oil field.

Under the agreement, state energy company KazMunaiGas raises its share in the project to 16.8 percent - equal to that of the largest stakeholders - from an earlier 8.33 percent stake.

### [Nonessential staff evacuated from North Sea oil rig after reports of spill](#)

LONDON (AP) \_ The British coast guard says workers have been evacuated from a North Sea oil rig after a reports of a spill.

The Maritime and Coast Guard Agency says 56 nonessential staff have been airlifted off the Heather Alpha rig, about 60 miles (100 kilometers) east of the Shetland Islands. Thirty-four people remain on board.

### [Russia 'Not Frightened' by Oil at \\$40 a Barrel, Kudrin Says](#)

(Bloomberg) -- Russia, the world's biggest energy exporter, isn't worried if slowing global demand pushes oil prices as low as \$40 a barrel, Finance Minister Alexei Kudrin said.

``We aren't afraid of oil at \$50 a barrel or at \$40 a barrel," Kudrin told lawmakers today in comments broadcast by state channel Vesti-24. Social payments to teachers, doctors and pensioners would be made on time, he said. ``This is not 1998."

### [Iran cuts oil production by 199,000 barrels a day](#)

Iran will cut its crude oil production by 199,000 barrels a day from November 1, the country's oil minister was quoted as saying Friday.

The minister, Gholam Hossein Nozari, said the production decrease is in line with an OPEC decision last week to cut production by 1.5 million barrels a day in response to a sharp fall in oil prices, according to the official IRNA news agency.

Nozari said that OPEC may hold another urgent meeting if crude prices don't rebound.

### [Sleepless in Tehran](#)

I've always been dubious about Barack Obama's offer to negotiate with Iran — not because I didn't believe that it was the right strategy, but because I didn't believe we had enough leverage to succeed. And negotiating in the Middle East without leverage is like playing baseball without a bat.

Well, if Obama does win the presidency, my gut tells me that he's going to get a chance to negotiate with the Iranians — with a bat in his hand.

### [Jordan: Fuel prices down again](#)

AMMAN - The government on Thursday issued a decision lowering prices of fuel derivatives by 12.8 per cent for gasoline 90, 13.3 per cent for gasoline 95 and 13.2 per cent for diesel and kerosene.

...Earlier in the month, the government announced it would modify the frequency of fuel pricing updates to be issued every fortnight, with a view to shorten it to a week. Since February, the changes were made on a monthly basis.

### ['Homes are no longer an asset: they're a liability'](#)

THESE are bad times for Camden borrowers, big or small.

In the past fortnight, lenders have pulled out from two of the biggest developments in the borough — the £2billion King's Cross railway lands.

And other banks are calling in their own debts, in the form of mortgage repossessions, threatening the homes of an increasing number of Camden householders.

### [Now, \\$17 billion in US-backed energy bargains](#)

The really big news is this: There's NO cap on the solar systems eligible for the 30% federal tax credit for the next eight years.

The old cap of \$6,667 on solar purchases covered solar panels but was too little to pay

for ancillary systems. Now that Congress has squashed the cap on "qualified" solar energy purchases, the entire works, including solar panels, storage devices and power conditioning systems will all be eligible for the 30% federal tax credit -- both residential and commercial solar power.

We're looking at a \$325 billion investment at least in the US solar industry. This is beyond huge.

### [Electric-car race could strain lithium battery supply](#)

The headlong rush to create electric cars for green-minded consumers may come with a significant economic and environmental cost.

Lithium ion batteries--the same used in electronic gadgets and laptops--have become the preferred battery type for plug-in hybrids and electric cars now starting to come to market.

That swelling demand has some industry observers concerned that there will be a shortage of the metal lithium, the material used to make the batteries.

"You can solve the transportation problem but end up creating an equally vexing commodity problem," said Matthew Nordan, president of emerging technology consulting firm Lux Research. "It's a big concern."

### [Follow Cuba's emissions standard](#)

Castro proves that equal societies perform measurably better on environmental goals.

### [Sustenance for sustainability](#)

Scientists who seek intensely interdisciplinary study could be the beneficiaries of increasing interest in the emerging field of sustainability research, with new university programmes offering novel opportunities. Portland State University in Oregon and Cornell University in Ithaca, New York, are the most recent entrants to the field. They follow the example set by institutions such as the School of Sustainability at Arizona State University in Tempe.

### [California: Water deliveries slated to plunge to 15 percent of requests](#)

The state on Thursday announced plans to cut water allocations to cities and farms to the second lowest level since it began making deliveries in 1962, which local growers said could push farmland out of production and boost already soaring grocery prices higher.

## [Guardians of the past uncover green lessons for the present](#)

Studying the systems of country estates, which were often self-supporting until the industrial revolution, has triggered modern versions, backed by new technology and energy-saving equipment.

"We need to relearn the old wisdom of self-sufficiency and sustainability," said Maddy Jago, chair of the Yorkshire and Humber Historic Environment Forum, which is restoring the Dales hydroelectric plant, last used in 1946. Two Archimedes screws - historically used for pumping water upwards - will act as turbines to produce enough power for 100 local homes. "This project alone will help the future of an important historic building, and contribute to reducing greenhouse gases and reliance on fossil fuel."

## [Crisis dents Brazil's dreams of oil bonanza](#)

RIO DE JANEIRO (Reuters) - Plummeting crude prices and the evaporation of global credit seem certain to delay development of huge oil reserves off Brazil's coast, which the government had hoped would solve many of the country's ills. Just two months ago, with the price of oil at around \$120 a barrel, Brazil was brimming with confidence over the potential 50-80 billion barrels of oil, with newspapers running cover stories and editorials on the issue daily.

President Luiz Inacio Lula da Silva, who called the oil a "gift from God," advocated taking greater a cut for the government to drive Brazil to developed-country status. Analysts said this would also boost support for his chosen successor in 2010.

But the financial crisis has delayed plans by the government and state-controlled oil company Petrobras, which needs to spend hundreds of billions of dollars to extract the 7-km (4.5-mile) deep oil from beneath a thick layer of salt below the ocean floor."

## [Falling fuel prices change outlook again](#)

I was leafing through the pile of strewn magazines I call a living room the other day and happened upon an unread June 9 edition of Maclean's magazine. The cover story is "Life At \$200 A Barrel" and, according to Maclean's, you won't be able to eat, travel or live as you do now. "Say goodbye to the age of plenty." Details on page 45. Said page includes admonishments from Jeff Rubin, chief economist with CIBC World Markets, calling for oil to hit US\$200 a barrel by 2012. Page 45 goes on to say that other analysts speculate of "oil at US\$250, even US\$300 a barrel."

As I write this, a barrel of oil costs about US\$63, which has OPEC scrambling like a freshman at his first boy-girl sock-hop. The body that supposedly rules the oil market can't decide whether to have one or two major production chops to prop up the plummeting price. The price of gasoline, meanwhile is below \$1-a-litre here in the Great

White Frozen North and the sub-US\$3-a-gallon is making a comeback south of the border.

All of this means that the wisdom we have come to see as accepted may prove just as illusory as ever-escalating house prices and financially stable stock prices. It also means that virtually every auto manufacturer's carefully crafted plan just went in the dumper.

### [Global meltdown to have a negative impact on food security](#)

Food security usually becomes the casualty in the event of any crisis, be it financial or political. It is not unusual for the recent global financial crisis to invite concerns from organisations like FAO and other food policy groups.

The global meltdown in the financial and equity markets follows hard on the heels of soaring food price and energy crisis caused primarily on account of intensified bio-fuel programme. The global commodity prices, though still ruling high, has marked a dip due to good harvest in the current season. According to the latest issue of FAO's Crop Prospects and Food Situation report, global grain production this year is forecast to increase 4.9% to a record 2,232 million tonne. However, some 36 countries are still in need of external assistance as a result of crop failures, conflict or insecurity or continuing local high prices, the report noted.

### [Pemex Lowers Output Estimate by 3.6% on Storms](#)

(Bloomberg) -- Petroleos Mexicanos, the state-owned energy company, lowered its forecast for daily production this year by 3.6 percent after hurricanes and stormy weather interrupted output.

Pemex, as the Mexico City-based oil company is known, said in a report today that production will be between 2.7 million and 2.8 million barrels per day. The company had forecast daily production of 2.8 million barrels in July and began the year with an estimate of 3.1 million.

### [Pemex refining margin falls further to negative US\\$1.90/b](#)

Mexican state oil company Pemex's refining margin fell to negative US\$1.90/b in the third quarter of 2008 compared to a US\$4.50/b positive margin in 3Q07, company CFO Esteban Levín said in a webcast.

### [US Aug Crude Imports Highest Since Sep '07; Nigeria Gains](#)

NEW YORK -- U.S. crude oil imports in August averaged 10.284 million barrels a day,

the most in any month since September 2007, as flows from Nigeria recovered, government data published Thursday show.

### [Trick or treat: Numbskull frights, impish delights await the unsuspecting](#)

No Cobalt for you! Just as countless car dealerships are stuck with SUVs on their lots as gas prices surge, so too are the nation's car rental firms, prompting many travelers to be hit with the dreaded "involuntary upgrade." So even if you've reserved a frugal Ford Focus, you could easily end up with a behemoth truck at the counter.

### [Croatian PM: Gas Jobs Excluded from INA](#)

ZAGREB, CROATIA – The gas business must be excluded from Ina, Croatian Prime Minister Ivo Sanader said, adding that the sale or exchange of shares of the Ina Croatian oil company had to be indefinitely postponed considering the financial and energy crisis in the world.

### [Revenue spikes on record hydro exports](#)

Canadian electricity exports hit record levels this summer and are expected to be strong heading into the winter as economic hard times put a damper on domestic demand.

The National Energy Board said yesterday in its winter energy outlook that exports in July were particularly high, driven by trends in Eastern Canada, and surpassed the previous year's exports by 20 per cent.

"The combination of a strong loonie in the first half of 2008 and struggling energy-intensive industries, such as automotive and pulp and paper, have contributed to declining electric load in Eastern Canada, while the combination of strong precipitation and increasing installed capacity have provided for ample domestic electricity supply," the agency said.

### [Tajiks Fear Another Cold Winter Without Heat Or Electricity](#)

Hanifa says she and her husband have spent all their savings to purchase enough coal and wood to keep their three-room apartment warm this winter.

"As soon as we get our October salary, we'll buy a wood-burning stove, and then our preparation for the winter will be complete," says the schoolteacher in the northern Tajik town of Khujand.

Hanifa's apartment block is connected to a centralized heating system, but the system has literally been paralyzed since the early 1990s.

"Everybody wants to get a stove, and coal and wood," she says. "After last year's experiences, people are very concerned. We had a meeting at school today, and our director said next winter will be even worse, so we have to install stoves in the classrooms. No one believes that we are going to have electricity and that our homes will be heated."

### [Wanted: A Climate Bailout](#)

What a difference an emergency makes. Scare people enough and \$700 billion can materialize almost overnight. The White House can repudiate its core economic philosophy--government should leave markets alone--within hours. Congress, where spending bills sometimes wait years to reach the floor, can pass one of the costliest laws in its history within days. Even the endlessly fickle media can provide 24/7 news coverage, making the emergency the topic on everyone's mind.

### [Solar Bubbles](#)

Here's an audacious bet: Cheap plastic balloons with solar cells inside can solve the world's energy problem.

### [New Anxiety Grips Russia's Economy](#)

MOSCOW — At the start of the global financial crisis, Russian authorities insisted they had ample cash reserves to weather any storm. But as sorrow has succeeded sorrow — plummeting oil prices, a 70 percent descent in stock markets here, a global credit crisis and a slow-motion bank run on this country's private banks — Russia has had to spend its reserves faster than anybody imagined.

On Aug. 8, reserves peaked at just under \$600 billion, the third-largest in the world. By this week, they had fallen to \$484 billion, as money flew out of government vaults to support the ruble, prop up the banking system and bail out the businesses of the rich Russians known as oligarchs.

This week's fall — \$31 billion — was the steepest so far. With no end to the global troubles in sight and a worldwide recession likely, which could further reduce oil prices, the question is: How long can Moscow keep this up before its reserves grow thin?

Dark pictures are easy to paint. If oil prices continue to fall, the rising expectations that Russians have had for the last several years — the most prosperous in generations — will be foiled. Zero growth would pull the rug from under the hope for a middle-class life for millions, shrinking their horizons back to cramped apartments and garden plots. Already, Russian tour agencies have defaulted on payments to air travel companies — canceling, for some Russians, foreign travel that has come to be prized.

### [Russia: New cars stuck in limbo as crisis begins to bite](#)

As the credit crisis spreads, car dealers are turning back deliveries of new vehicles. Hundreds of unsold cars line the road to Moscow as Renault Russia claims it has nowhere to put them. Truck drivers are threatening to block the road if the situation is not resolved.

“The company has not provided anywhere for us to live - nothing. We live in our cabs like dogs in the kennel,” said one of the drivers.

...Car sales in Russia have fallen by more than 50% in October, leaving car lots full to bursting.

### [Iran feels economic pain as oil prices fall](#)

TEHRAN, Iran – Three weeks ago, a hard-line cleric close to Iran's president gloated publicly that the world financial crisis was God's punishment on the United States. The laughter, however, was short-lived.

Iran plunged this week into a bitter storm of political recrimination, largely directed at President Mahmoud Ahmadinejad, as officials and ordinary Iranians realized with shock that the Islamic republic faces a severe economic crisis of its own.

The reason: As oil prices plunge because of the global slowdown, Iran is caught in a classic crunch. Ahmadinejad's government failed to save enough of the billions in oil windfall it earned during the good years to now cushion the bad.

### [Iraq plans to cut 2009 budget by \\$13 billion](#)

BAGHDAD – Iraq plans to cut its 2009 draft budget to \$67 billion in light of falling world oil prices, finance ministry officials said.

### [Crude Oil Is Poised for Record Monthly Drop as Demand Declines](#)

(Bloomberg) -- Crude oil fell in New York, poised for its biggest monthly drop since trading began in 1983, on concern that the decline in the U.S. economy will curb fuel demand in the world's largest energy user.

Oil retreated, taking this month's decline to 37 percent, after the U.S. Commerce Department said yesterday that gross domestic product contracted in the third quarter at the biggest annual pace since 2001. Showa Shell Sekiyu K.K., Royal Dutch Shell Plc's Japanese unit, will cut its crude processing by 7 percent during the fourth quarter on falling domestic demand.

### [Shift to cleared trade could unblock oil markets](#)

LONDON (Reuters) - Exchange-style clearing offers a way forward for the multi-billion dollar over-the-counter market in oil derivatives that has seized up because of the credit crisis.

Volumes of over-the-counter (OTC) trade slumped in September after the crisis in the banking sector made participants nervous about counterparty credit risk.

"The physical oil market is still operating normally but the paper market is experiencing problems," said Ian Taylor, Chief Executive of independent oil trading firm Vitol.

"OTC trades have gone down dramatically during this economic crisis and as traders exit from commodities, volatility increases," he said at this week's Oil & Money conference in London.

### [Credit crisis to spur futures market oversight](#)

"The credit crisis has only strengthened the resolve of many people to go back and look very hard at this energy speculation issue," said Michael Greenberger, a professor at the University of Maryland. "Even though they're two different issues, it's the same cast of characters," he added.

### [Nigeria to trim oil exports by 5 percent due OPEC cuts](#)

LONDON (Reuters) - Nigeria will reduce crude oil export volumes by 5 percent in November and December due to OPEC's production cut, its state oil firm said on Thursday.

Nigeria joins the United Arab Emirates, which announced export cuts after the group's emergency meeting last week.

### [Independence Hub setting records in energy production](#)

Among the world records set by Independence Project are it is the world's deepest producing platform, the world's deepest export line and the world's deepest subsea production tree, and the world's deepest flowline installation.

"Ten fields and 16 wells tie back to the hub, so each one of those wells is producing natural gas from 8,000 to 9,000 feet below the surface of the ocean," Christiansen said. "You have to go another 6,000 feet or so below that to where the natural gas is actually located."

## [West African pirates kidnap French oilmen](#)

YAOUNDE (AFP) – Heavily-armed pirates swarmed aboard an oil industry support vessel working off the coast of Cameroon and kidnapped 10 crew members, including six Frenchmen, the French foreign ministry said Friday.

## [What does cheap oil mean for investors?](#)

"Investment in alternative energy is becoming less attractive," says Bob Parker, vice-chairman of CSFB Asset Management on Bloomberg. Many analysts expect oil majors such as BP and Shell to slash investment in "hard to exploit" locations, such as Canada's oil-rich tar sands, says The Wall Street Journal's Keith Johnson. This is despite Canada's sands being home to "the biggest crude reserve outside Saudi Arabia". Meanwhile, two of Canada's biggest "tar-sands-to-crude" producers, Suncor and Petro-Canada, are already scaling back capital expenditure – most recently postponing spending on the "upgraders" that turn tar-like bitumen into high-quality crude oil.

## [Promises, Promises: Chasing an elusive pledge](#)



WASHINGTON – It will be 35 years next week since President Richard Nixon, responding to an Arab oil embargo, vowed to make the United States energy independent – and do it in seven years. America is still waiting.

Now as Barack Obama and John McCain vie to become the next president, a promise of U.S. energy independence again has become a rallying cry on the campaign trail.

Is it possible, or even desirable? Many energy experts say it's not. People disagree on what energy independence means – zero energy imports, or something less? And even if the United States were energy independent, would it be insulated from global oil price shocks, with oil priced in a global marketplace? Again, energy experts say don't count on it.

## [What the presidents said about energy](#)

President Bush and the six presidents before him have all called for reductions in the country's reliance on foreign oil, some promising energy independence that has yet to be achieved.

What they said...

## [Jim Brown: Feast or Famine](#)

I hope readers see where this is going longer-term. Lower prices are shrinking development, which will lead to much higher prices later as global demand continues to grow. It is a vicious cycle and most analysts don't see the impending crisis 2-3 years from now.

## [China ties up Russia's crude - again](#)

MOSCOW - After years of on-off negotiations and recriminations between Beijing, Moscow and Tokyo, Russia's state pipeline company Transneft agreed this week to complete construction of a pipeline to deliver crude oil between Skovorodino, in southeastern Siberia, and Daqing, the oilfield and refinery hub in northeast Heilongjiang, in China.

## [British firm strikes oil in Russia, may lose license](#)

MOSCOW (RIA Novosti) - A British company has discovered a large oil field in Russia but may lose the development rights as the oil find is classified as strategic by Russian law, a business daily said on Friday.

## [StatoilHydro strikes gas in Barents Sea](#)

OSLO, Norway (AP) -- Norwegian oil company StatoilHydro ASA said Friday that it had struck natural gas near its Snoehvit offshore field in the Barents Sea.

The company estimated the size of the Arctic find at 2-14 billion cubic meters (70-495 billion cubic feet) of recoverable natural gas.

## [Australia: Infrastructure spending set to increase](#)

The threat of anthropogenic global warming is likely to require significant spending on new infrastructure, even if the scale and nature of that investment remains unclear at present. The notion of "peak oil" (a progressive decline in the world's maximum sustainable production of oil and a reciprocal increase in petroleum prices) could leave Australia with a hefty bill to develop alternative transport fuels and associated infrastructure.

### [Stranded oil spurs an electric America with more renewables](#)

Lately, I've been reading a series of good books from scholars who are citing obscure mineral depletion research by the U.S. Department of Energy, the International Energy Agency, and other geo-science agencies across the globe.

### [Canada to seek continent-wide approach to climate change](#)

OTTAWA (AFP) – Canada's Prime Minister Stephen Harper on Thursday called for a North America-wide plan to curb CO2 emissions linked to warming, while jumbling his new cabinet's economic and environmental duties.

"We want to work with the Americans on regulatory systems relating to greenhouse gas emissions in order that we can work toward the same goals," said Harper.

"We want to work with the next US administration and we hope that there will be a continental approach in the future," he told reporters.

### [Car-crazy Germany plans tax relief for 'green' automobiles](#)

BERLIN (AFP) – The German government said on Thursday it planned to eliminate taxes on new cars with low greenhouse gas emissions for the first two years of ownership, but environmentalists said the scheme would backfire.

"We want to introduce an automobile tax exemption for cars that are particularly clean," Environment Minister Sigmar Gabriel told ARD public television.

### [Britons dying for green burials](#)

LONDON (AFP) – UK residents are increasingly choosing "green" burial plots as their final resting place for ecological reasons and as space in more formal cemeteries fills up, experts say.

Whether in the shade of an oak or in the middle of a flowery meadow, more and more people are planning for a "natural" funeral as they plan their final journey.

## [Man-made climate change seen in Antarctica, Arctic](#)

OSLO (Reuters) - Both Antarctica and the Arctic are getting less icy because of global warming, scientists said on Thursday in a study that extends evidence of man-made climate change to every continent.

Detection of a human cause of warming at both ends of the earth also strengthens a need to understand ice sheets on Antarctica and Greenland that would raise world sea levels by about 70 meters (230 ft) if they all melted, they said.

"We're able for the first time to directly attribute warming in both the Arctic and the Antarctic to human influences," said Nathan Gillett of England's University of East Anglia of a study he led with colleagues in the United States, Britain and Japan.



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