

Wikileaks on Oil Supply

"The US fears that Saudi Arabia, the world's largest crude oil exporter, may not have enough reserves to prevent oil prices escalating, confidential cables from its embassy in Riyadh show. The cables, released by WikiLeaks, urge Washington to take seriously a warning from a senior Saudi government oil executive that the kingdom's crude oil reserves may have been overstated by as much as 300bn barrels – nearly 40%. ... Many analysts expect that the Saudis and their Opec cartel partners would pump more oil if rising prices threatened to choke off demand. However, Sadad al-Husseini, a geologist and former head of exploration at the Saudi oil monopoly Aramco, met the US consul general in Riyadh in November 2007 and told the US diplomat that Aramco's 12.5m barrel-a-day capacity needed to keep a lid on prices could not be reached. According to the cables, which date between 2007-09, Husseini said Saudi Arabia might reach an output of 12m barrels a day in 10 years but before then – possibly as early as 2012 – global oil production would have hit its highest point. This crunch point is known as 'peak oil'. Husseini said that at that point Aramco would not be able to stop the rise of global oil prices because the Saudi energy industry had overstated its recoverable reserves to spur foreign investment.



The New Environmental Hazard

"He argued that Aramco had badly underestimated the time needed to bring new oil on tap. One cable said: 'According to al-Husseini, the crux of the issue is twofold. First, it is possible that Saudi reserves are not as bountiful as sometimes described, and the timeline for their production not as unrestrained as Aramco and energy optimists would like to portray'. It went on: 'In a presentation, Abdallah al-Saif, current Aramco senior vice-president for exploration, reported that Aramco has 716bn barrels of total reserves, of which 51% are recoverable, and that in 20 years Aramco will have 900bn barrels of reserves. 'Al-Husseini disagrees with this analysis, believing Aramco's reserves are overstated by as much as 300bn barrels. In his view once 50% of original proven reserves has been reached ... a steady output in decline will ensue and no amount of effort will be able to stop it. He believes that what will result is a plateau in total output that will last approximately 15 years followed by decreasing output'.

"The US consul then told Washington: 'While al-Husseini fundamentally contradicts the Aramco company line, he is no doomsday theorist. His pedigree, experience and outlook demand that his predictions be thoughtfully considered'. Seven months later, the US embassy in Riyadh went further in two more cables. 'Our mission now questions how much the Saudis can now substantively influence the crude markets over the long term. Clearly they can drive prices up, but we question whether they any longer have the power to drive prices down for a prolonged period'.

"A fourth cable, in October 2009, claimed that escalating electricity demand by Saudi Arabia may further constrain Saudi oil exports. 'Demand [for electricity] is expected to grow 10% a year over the next decade as a result of population and economic growth. As a result it will need to double its generation capacity to 68,000MW in 2018' It also reported major project delays and accidents as 'evidence that the Saudi Aramco is having to

run harder to stay in place – to replace the decline in existing production'. While fears of premature 'peak oil' and Saudi production problems had been expressed before, no US official has come close to saying this in public. In the last two years, other senior energy analysts have backed Husseini. Fatih Birol, chief economist to the International Energy Agency, told the Guardian last year that

conventional crude output could plateau in 2020, a development that was 'not good news' for a world still heavily dependent on petroleum. Jeremy Leggett, convenor of the UK Industry Taskforce on Peak Oil and Energy Security, said: 'We are asleep at the wheel here: choosing to ignore a threat to the global economy that is quite as bad as the credit crunch, quite possibly worse'."

Ref: John Vidal, Guardian, 8/2/11

www.guardian.co.uk/business/2011/feb/08/saudi-oil-reserves-overstated-wikileaks

And Also ...

"A multi-agency traffic blitz [one evening] in Melbourne's north-east ... [including] the Environment Protection Authority, Sheriff's Office and the State Emergency Service ... charged [motorists] with a range of traffic offences, including 11 unlicensed drivers, 43 unregistered vehicles, 56 EPA offences and 41 notices of unroadworthiness."

Ref: Megan Levy, The Age, 25/2/11

Lessons from Bogotá

“Gil Penalosa: Only ten years ago parks were so not important in Bogota that someone could be elected without ever mentioning this topic. Today no-one could be elected to the smallest ward of the city without making parks and open space and bicycles and pedestrian issues a major part of their campaign. ...

“Aaron Naparstek: Gil Penalosa arranged a petty-cab tour for us of this one section of the city that was really very poor. It had dirt roads, you know, for the most part. In some cases we saw open sewers, we saw cows chewing grass. What was mind-blowing about this neighbourhood was that it also had a bicycle and pedestrian path that was as nice and as finely engineered really as anything you'd see in Holland or Denmark.

“Gil Penalosa: As you can see, the promenade is wide enough, for one thing it has really nice trees. Trees especially for this area where there's little rain, but you also have a wide space for the pedestrians, and also for the cyclists. You have to separate pedestrians and cyclists because they go at different speeds. This promenade will be fantastic in the richest area of New York. But what's even more amazing is that it's in one of the poorest areas of the city. As you can see the neighbours behind me, they don't even have one street that's paved. It's really low income, so no sidewalks, no pavement. So this is really improving their quality of life. When these kids will come to school, they will be more up to their ears and it was really hard.

“Karla Quintero: The promenade was basically everything they needed in order to be able to get their kids to school in a comfortable way and a happy way and a sustainable way.

“Speaker: It's not only a transportation street, it's also a place where the people could integrate, it's a social integration area so, ... I think that's the most important thing, people could meet here and enjoy with the family, with the friends, and that's a good thing because it's a low income area so the only option of these people to have fun is the free time and the public space. ...



Bogotá, 2008

Photo:
John Vizcaino

“Gil Penalosa: The linier parks have become also part of the cycle track networks. So there's a cycle track network throughout the city. When Enrique [Penalosa] was Mayor there were over 300 kilometres built in only three years. That's a little over 200 miles.

“Aaron Naparstek: Gil was a great tour guide. You know there are certain things that he told us over and over again, and one of them that really stuck with me was this idea that, you know, it's not about funding and budgeting and revenues, making these changes is about political will. ...

“Karla Quintero: One day we got to have lunch in the luxurious Lasanate, which is the tea zone and that's this pedestrian zone with some of the best restaurants in the city. We had the pleasure of talking with Bogota's biggest restaurateur, he was the first advocate, the main advocate, organising business owners in favour of making those areas pedestrian.

“Leo Katz: Before the cars used to go by and stop in front of each restaurant to leave the clients or even they would park in front, so you can feel the change.

“Karla Quintero: And how has pedestrianising the street impacted business?

“Leo Katz: Very positively. It has been amazingly good for us because during night or afternoons people walk on the streets. Before there were cars and now you see people, you see life.

“Aaron Naparstek: People thought he was crazy. They said he was going to destroy the business on the street, that nobody would be able to get to it anymore because they wouldn't be able to ... drive there. Of course, you know, the complete opposite happened. ...

“Aaron Naparstek: Bogota where ... the average per capita income is one-tenth of the income that we have in the United States and in Canada, and they're able to do so much ... detailed urban design and ... have such [an] incredibly sleek, modern, sophisticated bus rapid transit system here. It really makes you realise that the issue is priorities and ... it's just a

question of are we going to make these kinds of changes [as] they've done it here [where] it's really working out.”

Ref: Street Films, March 2008

<http://www.streetfilms.org/lessons-from-bogota/>

The Quality of Walking

“Much discussion at the [11th International Conference on Walking & Liveable Communities] conference [at The Hague in the Netherlands] centred on issues relating to walking for transport or walking more generally rather than health and leisure walking. However, walking is not necessarily only about travel time, it is also about quality of the journey. If walking is perceived this way, modal shift is more likely to be made by choice rather than being forced (e.g. as an outcome of economic imperatives and peak oil).

“The importance of measuring walking was discussed in detail as it is mostly ignored in transportation analysis and debates. As walking is excluded from most data, therefore it is excluded from thinking.

- *Measuring time not distance – eg. if total trip time is 35 minutes which includes 20mins walk and 15 mins public transport then walking should be seen as the dominant form of transport.*
- *Measuring walking by presence not flow. Conventional measurements of transport centre on movement such as the number of trips which does not capture the pedestrian experience including sojourning, stopping, shopping, talking, meeting etc. Thus it does not account for the many health benefits: social; physical; mental and economic. This relates to the slower one travels the more they spend.*
- *Access to public transport. Need to measure door to door travel and ensure ability to travel door to door. The best public transport system is limited (eg buses and trains) if streets connected to them are not accessible.*

“How to Improve Walking

- *Meeting the basic needs of pedestrians/walkers will not be enough to compete with other modes – need high quality infrastructure and environment.*
- *Gaps in pedestrian needs should not be acceptable. Gaps in motorists’ needs are never seen as acceptable (e.g. potholes, bumps, crossings, dirt roads, gaps in the driving network).*
- *The most successful public walking spaces are where people stop, talk and socialise and not necessarily keep moving through. That is, they are the type of spaces that draw people out and to them and are not dominated vehicles.*
- *Shared space. There were many interesting discussions on importance of bringing speed down with ‘design speed’ not speed limits, that is engineer the speed down (traffic calming etc).”*

Ref: Walk 21 Trip Notes, Victoria Walks Newsletter, December 2010

The Hague Traffic Plan

“The Traffic Circulation Plan (Verkeerscirculatieplan / VCP) will partially restrict vehicular traffic from driving in the city centre and make the area more attractive and liveable. The plan discourages vehicular traffic from driving through The Hague city centre, creating more space for cyclists and pedestrians and improving the quality of the air. The plan should also create more opportunities to develop the city centre in terms of historic design and allure, economic developments, recreation and free time. ...

“Cars which don't need to be in the city centre will no longer be able to drive there. In addition the Traffic Circulation Plan will ensure that the increasing amount of traffic to The Hague is better dispersed throughout the city. As a result the city centre will remain accessible to cars which need to be there. Digital parking signs will indicate the fastest route to the parking garages in the centre. The VCP divides the city centre into three sectors. Motorists will be able to drive from one sector to the other using the Centrumring. There will be a connection between the sectors for cyclists, pedestrians and public transport. The municipality will work together with interested parties on developing all the measures”

Ref: Verkeerscirculatieplan (VCP), 5/11/09
www.denhaag.nl/en/residents/to/City-Centre-to-become-Car-Free.htm

“Work on the Spui’s new design in The Hague’s city centre has now been officially completed. The street had to be redesigned as a result of the Traffic Circulation Plan (VCP). The Spui and



Spui from the Hofweg

several other streets in the city centre are now closed to vehicular traffic. What is special about the area is that there are no traffic lights or signs and the sidewalk and street are nearly level with each other. Only pedestrians, cyclists and local traffic (residents, suppliers, taxis and emergency services) are allowed in the area. The trams and buses have their own lane, paved with black bricks, and may drive a maximum of 15 km/hour.”

Ref: Spui Now Car-Free, The Hague, 15/11/10
www.denhaag.nl/en/residents/to/Spui-now-carfree-1.htm

Do Roads Pay for Themselves? (Pt 1)

“Highway advocates [in the US] often claim that roads ‘pay for themselves’, with gasoline taxes and other charges to motorists covering – or nearly covering – the full cost of highway construction and maintenance. They are wrong. Highways do not – and, except for brief periods in our nation’s history, never have – paid for themselves through the taxes that highway advocates label ‘user fees’. Yet highway advocates continue to suggest they do in an attempt to secure preferential access to scarce public resources and to shape how those resources are spent. To have a meaningful national debate over transportation policy – particularly at a time of tight public budgets – it is important to get past the myths and address the real, difficult choices America must make for the 21st century. Toward that end, this report shows:

- *“Gasoline taxes aren’t ‘user fees’ in any meaningful sense of the term – The amount of money a particular driver pays in gasoline taxes bears little relationship to his or her use of roads funded by gas taxes.*
- *“State gas taxes are often not ‘extra’ fees – Most states exempt gasoline from the state sales tax, diverting much of the money that would have gone into a state’s general fund to roads.*
- *“Federal gas taxes have typically not been devoted exclusively to highways – Since its 1934 inception, Congress only temporarily dedicated gas tax revenues fully to highways during the brief 17-year period beginning in 1956. This was at the start of construction for the Interstate high-*

way network, a project completed in the 1990s.

- *“Highways don’t pay for themselves – Since 1947, the amount of money spent on highways, roads and streets has exceeded the amount raised through gasoline taxes and other so-called ‘user fees’ by \$600 billion (2005 dollars), representing a massive transfer of general government funds to highways.*
- *“Highways ‘pay for themselves’ less today than ever. Currently, highway ‘user fees’ pay only about half the cost of building and maintaining the nation’s network of highways, roads and streets.*
- *“These figures fail to include the many costs imposed by highway construction on non-users of the system, including damage to the environment and public health and encouragement of sprawling forms of development that impose major costs on the environment and government finances.*

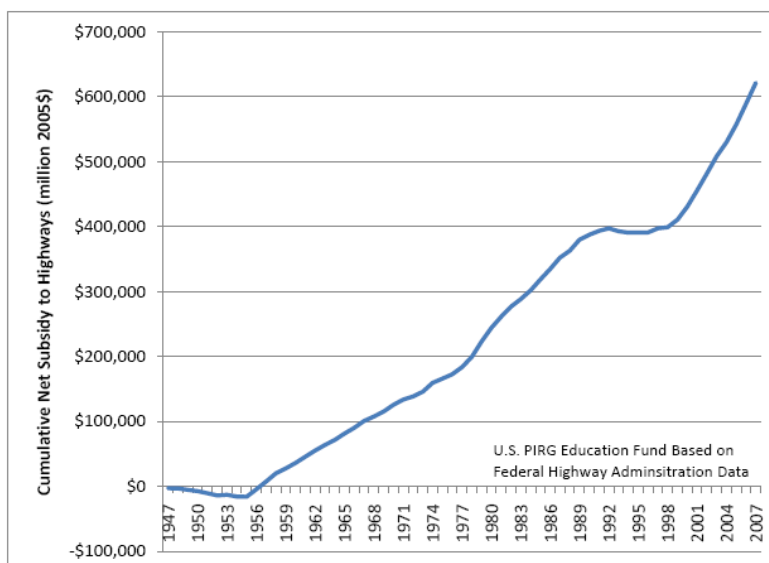
“To make the right choices for America’s transportation future, the nation should take a smart approach to transportation investments, one that weighs the full costs and benefits of those investments and then allocates the costs of those investments fairly across society.”

Ref: Executive Summary, Do Roads Pay for Themselves, US PIRG, 4/1/11 See report at:

www.uspirg.org/home/reports/report-archives/transportation/transportation2/do-roads-pay-for-themselves-setting-the-record-straight-on-transportation-funding

More on the Clem7

“RiverCity [the owner of Brisbane’s \$3 billion Clem7 road tunnel] went into a trading halt yesterday afternoon. ... RiverCity has been burning through as much as \$10 million a month since the tunnel opened early last year and has only enough cash to cover shortfalls until September. The Brisbane tunnel has failed to attract enough motorists to cover its costs. Fewer than 27,000 vehicles are now passing through the tunnel a day, less than a third of the original forecasts. The low traffic numbers are despite RiverCity using almost every means possible, including slashing tolls, to entice motorists to use the tunnel, which is named after a former Brisbane mayor, Clem Jones [see #155 & #156]. Analysts have estimated that the tunnel would need 60,000 vehicles a day and to charge full tolls before RiverCity could cover its interest bill alone.” Ref: Matt O’Sullivan, The Age, 25/2/11



Cumulative Net Difference between Spending on US Highways and US Highway User Revenues (Ref: PIRG Report above)

Shipping News

"Liquefied natural gas may beat nuclear energy and fuel-cell technology as shipping lines look for cleaner and cheaper alternatives to heavy-fuel oil. 'LNG is the best alternative we have from an environmental and financial point of view', Remi Eriksen, the chief operating officer at ship inspector Det Norske Veritas, said. Nuclear power would remain socially unacceptable, while fuel-cell technology wasn't yet advanced enough, he said at a conference in Singapore yesterday.

"Shipbuilders have begun developing LNG engines as the International Maritime Organisation draws up regulations to lower carbon and sulphur emissions. Shipping emits about 3% of the world's carbon each year, equivalent to 1 billion tonnes, Thor Jorgen Guttormsen, president of the Norwegian Shipowners Association, said. LNG vessels would cost 10-15% more to build than traditional ships, Mr Eriksen said. In the long run, there would be cost savings because LNG is cheaper than heavy fuel, he said. Heavy-fuel oil is the sludge left over after crude oil is refined into more valuable products such as petrol and jet fuel. About 23 ferries and offshore support vessels now run on gas engines in Norway ...

"Sulphur in fuels must be reduced to 0.5% by 2020, from 4.5% now, as part of industry efforts to cut pollution from shipping. Sulphur is a pollutant said to cause acid rain. In more environmentally sensitive areas, the upper limit will drop to 0.1% by 2015. LNG cuts carbon emissions from shipping by about 25%, sulphur oxides by almost 100% and nitrogen oxides by 85 per cent, Det Norske Veritas says. LNG is natural gas chilled to minus 162 degrees, turning it into liquid for shipping by tankers. Daewoo Shipbuilding and Marine Engineering Co, the world's second-biggest builder of drill ships, and MAN SE are developing an engine fuelled by LNG to be used in vessels to carry as many as 14,000 six-metre containers."

Ref: Kyunghye Park, The Age, 19/1/11

More on the Doncaster Line

"If they go ahead with their promise to build the Doncaster rail line [in Melbourne's east], and 30% of Eastern Freeway drivers use it, the queues on the Eastern Freeway would reduce markedly as 3-4000 people an hour are taken off the road. This would only require 4 trains an hour, which could be accommodated on the existing Epping Hurstbridge line from Victoria Park into the city loop."

Ref: Name Supplied, 14/2/11

Biofuel News

"Muradel [a joint venture between Murdoch University, the University of Adelaide and SQC] has built a \$3.3 million algae pilot plant in Karratha, Western Australia to test third-generation biofuel production. The conditions of hot weather, flat land, brackish water and access to carbon dioxide make Australia ideal for algae production [which has significant potential for biofuel for long-haul transport including for navies, jet aircraft and rail]. ... Professor [Michael] Borowitzka [of Murdoch University] said: 'The focus of this new company is to bring to commercial reality a large-scale business that leverages the natural advantages of the Australian environment, producing algae for renewable fuel and co-products from the biomass. Our research team has proven it is possible to grow large quantities of algae for commercial biofuel purposes'."

Ref: Maureen Shelley, Daily Telegraph, 20/1/11

More on the State of the Union

"With more research and incentives, the United States can be the first country that has 1 million electric vehicles on the road five years from now, he said. A quarter century from now, the country should be able to get 80% of its electricity from wind, solar, biomass, natural gas and nuclear plants, he added. Efforts to invest in light rail, meanwhile, should continue, with the goal of eventually providing 80% of the population access to such transportation, the president said. The Obama administration has pledged to reduce greenhouse gas emissions by 17% below 2005 levels by 2020. By investing billions in renewable energy projects, public transportation and alternative fuel research and by issuing stricter emission standards for vehicles, the administration expects to move a long way toward that goal."

Ref: Media News Wire, 27/1/11

And Also ...

"I have been a regular V/Line [train] commuter for 10 years on the Bendigo line, but have just started driving in – twenty minutes quicker by car, and at least I am guaranteed to get a seat!"

Ref: Reader's Comment, The Age, 22/2/11

"Most of them [politicians] managed to sit on their hands for a decade, so they obviously wouldn't do anything if returned to power again."

Ref: Reader's Comment, The Age, 22/2/11

"Sell [the Regional Rail Link] this way: the more plebs you get off the roads and onto rail, the less plebs will get in the way of your limo."

Ref: Reader's Comment, The Age, 22/2/11

More on 4WDs (SUVs) in Cities

Last month *The Age* and the *Sydney Morning Herald* posed the question: should large 4WDs be banned from some Australian cities? Here are some more of the responses:

"Excellent idea; these urban cockroaches need to be stomped on. Particularly the black European ones with four exhaust pipes."

"Ban all cars (including taxis) from the CBD; walk, cycle, train or bus it!"

"Don't ban them. Tax them. Tax them savagely."

"I'm not happy with a ban as my work revolves around using a 4WD but possibly an extra levy on city entry for large 4WDs and trucks makes sense, or perhaps limit the time of day for entry?"

"1. 4WDs are usually significantly heavier than conventional vehicles. Since impact energy equals mass by velocity squared, they do much more damage to other cars/passengers in multi-vehicle collisions.

"2. The height of 4WDs makes driving amongst them in traffic difficult because they impede visibility of the road and surrounds. Their extra height also causes far more severe injuries to passengers of other vehicles during a crash, because bumpers/bullbars on 4WDs often sit at levels well above the anti-intrusion bars in normal cars.

"3. In the instance where a large 4WD (Land-cruiser size) is involved in a single vehicle accident with an immovable object, occupant safety is much worse than for smaller modern cars at the same velocity due to the sheer mass of the 4WD & the inadequate impact absorption characteristics of their very rigid chassis.

"4. Due to the high centre of gravity, vehicle mass and rudimentary suspension systems, 4WDs handle comparatively poorly and are (statistically) more frequently involved in single vehicle accidents & roll-overs than normal cars.

"5. The mass and therefore 'embedded energy' of a 4WD usually means they consume more energy to manufacture and more energy to run than conventional vehicles, thus creating more pollution. 4WDs that run on diesel may be slightly more economical than petrol versions, but they emit large volumes of particulates, the health implications of which we only now understand."

"Anyone proposing a ban on 4WDs (in fact any vehicle type) is obviously against personal freedoms which our forefathers fought for and

should go live in North Korea or Russia. I don't even own a 4WD (though I do own several legal firearms)."

"Owners of big 4WDs always end up reversing over their children anyway, so they're slowly removing their genes from the gene pool. Give it another 50 years and they'll be extinct."

"I thought about having a drinking game based on this comment thread. Every time I read a gross generalisation, straw-man or plain inaccuracy, from either side of the table, I'd take a shot. Then I realised that it's another 4WD for/against discussion and that I'd be drunk and unable to read the damn thing about a third of the way through."

"I have a large 'British' 4x4 because I like them and have had them for years. I need it (not) so that I can have a comfortable 'commute' between my town house and my beach house. Sometimes I go off road, when I frequent a nice winery! It looks good with some dust on it. My wife also has a 4x4, it's a German one with a 4.8 V8 and boy is it a gas guzzler. Mind you, it's quite fast. She likes it, but it's OK, she never goes near a school because we don't have kids. She also uses it to 'commute' to the second home. But not wanting to be totally environmentally irresponsible, we have a 3rd car for local shopping; it's a 3.0 litre convertible and only 2wd. We just don't need a 3rd 4x4. I don't care if you tax me more, I can afford it."

"I always thought SUV stands for 'Stuff You Vehicle'. 4WDs are fine for farmers and tour operators who need to go bush. They have no place in urban areas – too big, too polluting and too dangerous to other vehicles and pedestrians. I say tax them out of existence."

"There's a correlation between the size of cars and the size of people: as people gradually get fatter so are cars ... If you actually want to reduce congestion there needs to be an increase in quality public transport, and cycling can replace the car when you are only going a handful of kilometres – which is quite often."

"I used to live on Cape York and owned the ubiquitous Toyota troopy, which was basically a necessity up there. ... Why anyone would want a large 4WD in town seriously baffles me – they're a complete pain in the arse! Parking is impossible (clearance was too high for many car parks), visibility is limited and fuel bills are excessive. I understand that some people don't have access to reasonable public transport but why anyone would choose such inappropriate vehicles to get around in is a mystery."

Ref: Readers' Comments, The Age/SMH 20/1/11