

# Obama backs hydrofracking in State of the Union speech

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In his recent State of the Union message, US president Barack Obama expressed strong support for the use of hydrofracking for the extraction of natural gas from shale formations. The move was immediately seen as an attempt to curry favor with the energy industry in advance of the presidential election.

Obama has come under sharp criticism from both the industry and politicians for his failure to grant immediate approval of the proposed Keystone XL pipeline, which is to carry oil extracted from Canadian “tar sands” to refineries on the Gulf Coast. It is highly likely, however, that he will do so in the future.

While gaining immediate political advantage was certainly a goal, increased domestic energy production is also part of a much larger US geopolitical strategy to control the world energy market, which involves the reckless use of the military for outright conquest or at least domination of foreign sources (Iraq, Libya, Iran) and distribution routes (control of pipelines from Central Asia and sea lanes to China).

Obama called for an “all-out” effort to develop domestic oil and gas production, which he cloaked under the dubious rubric of “clean energy.” He claimed that hydraulic fracturing (a.k.a. hydrofracking, or simply fracking) would create 600,000 new jobs and would be done safely. While the number of jobs to be created is highly speculative, mounting evidence indicates that the safety as well as the alleged cleanliness of these operations is questionable in the extreme.

In his speech, Obama reported that domestic production of oil and natural gas has increased in recent years. For natural gas, this increase is based on the expansion of the environmentally dangerous process of hydrofracking. Much of the expansion of oil production is the result of the renewed permitting of deepwater drilling, the process that led to the BP disaster in the Gulf of Mexico.

In a gift to the energy industry, the administration has announced that it will open up more than 75 percent of potential offshore oil and gas resources for production, greatly increasing the probability of future environmental disasters. The drive to increase domestic energy production is complicated by a variety of economic and environmental factors.

The Environmental Protection Agency (EPA) has just reduced substantially the total estimated reserves of natural gas recoverable from the Marcellus Shale formation, the principal current source of shale-derived natural gas in the eastern US, from 410 trillion cubic feet to 141 trillion. This is a reduction of approximately two thirds

from the earlier estimate. The revision is based on data from 2011 during which production roughly doubled from the previous year. Nevertheless, even larger reserves of natural gas are estimated to be available in the Utica Shale formation, which is buried at greater depths than the Marcellus.

The push to rapidly expand natural gas production through the use of hydrofracking is paradoxical from an immediate economic perspective. Published estimates project the increase to be from 5 trillion cubic feet in 2010 to 13.6 trillion in 2035, assuming that the industry is able to proceed as it wishes. However, natural gas is currently trading at \$2.30 per thousand cubic feet, the lowest price in a decade. EPA estimates the price will remain below \$5.00 per thousand cubic feet through 2035. At this price, industry is operating at a razor-thin profit margin, increasing the pressure to cut corners and ignore safety and health concerns.

Unless demand rises sharply, the drive for rapid expansion appears counterproductive for the industry. Indeed, Chesapeake Energy, one of the major natural gas drillers, recently announced plans for an 8 percent reduction in gas production. Nevertheless, the industry continues to exert great pressure to allow hydrofracking in New York State, where a moratorium is currently in place.

While it is expected that abundant and cheap natural gas will prompt a shift from oil and coal, the solution to the economic puzzle lies primarily in the expectation of a vast increase in exports. In a recent speech in Las Vegas, President Obama described the potential for hydrofracking transforming the US into the “Saudi Arabia of natural gas.” Natural gas prices are currently significantly higher overseas than they are in the US. The export of liquefied natural gas (LNG) is seen as the means for the US to compete with Russia as a supplier of natural gas to Europe if the price differential can be maintained. These aims underlie the tremendous pressure to belittle the adverse effects of this process on the environment and human health.

Another part of the US energy strategy, the Keystone XL pipeline project to connect Canada’s oil sands to refineries on the US Gulf Coast, is also primarily intended to increase production for export.

As use of hydrofracking to extract natural gas from shale expands, evidence continues to accumulate on several fronts that this process has a variety of negative consequences. The potential for contamination of both ground water and rivers that are the sources of drinking water has been evident for some time. Recent

investigations by the federal EPA have confirmed previous reports that hydrofracking caused the contamination of household drinking water wells in Pennsylvania, where fracking is rampant, with a variety of toxic chemicals including arsenic, a carcinogen, as well as glycols and barium. Similar problems have been documented by the EPA in Wyoming, where other gas-bearing shale deposits are located. In addition to drinking water contamination, a number of new dangers are now coming to light.

The claim that increased production of natural gas is cleaner and more environmentally friendly than the use of other fossil fuels has been countered by a recent Cornell University study (“Venting and Leaking of Methane from Shale Gas Development”), which has been accepted for publication in the journal *Climatic Change*. The research demonstrates that, in fact, natural gas obtained from shale, as opposed to conventional sources, is highly polluting since it releases both carbon dioxide and methane during production and distribution. Methane is a very potent greenhouse gas. Containment of the methane, while possible, would require a very large investment in infrastructure, putting even greater strain on profit margins.

A further complication comes from attempts to dispose of the huge quantities of wastewater generated by hydrofracking. Beginning in March 2011, a series of earthquakes hit Ohio. While their intensity was relatively mild, the largest registering 4.0 on the Richter scale, they were notable because they occurred in an area where tremors had been virtually unknown previously. The only plausible cause for this remarkable spike in seismic activity is the proximity of a number of deep injection wells that were being used to dispose of the highly toxic hydrofracking wastewater.

Since it became evident that the treatment of this contaminated water before returning it to the environment was difficult and expensive, long-term storage deep underground was proposed as a cheap and easy alternative. The water is injected underground at high pressure. Earthquakes associated with deep injection wells had previously been reported in Arkansas. The increased pressure and lubrication caused by the wastewater are apparently mobilizing previously stationary geological faults. With the new difficulties posed by this latest proposed solution, the question of wastewater disposal remains unanswered.

Bloomberg News reports that companies are in the process of developing “super fracking,” which would go even deeper and create larger fractures in the gas-containing bedrock. The consequences of this new process are completely unknown.

A major battle over hydraulic fracturing is currently taking place in New York State. Democratic governor Andrew Cuomo has been strongly in favor of permitting its expansion into the state. The process has been extensively used since 2008 in Pennsylvania, which lies immediately to the south. New York, Pennsylvania, and West Virginia overlie the bulk of the Marcellus Shale formation, which is one of the main targets of hydrofracking for the extraction of natural gas in the United States.

The New York State Department of Environmental Conservation (DEC) has proposed a set of regulations to control hydrofracking in the state. Strong public concern has been expressed regarding the use of this process based on the extremely negative experience caused by the lax regulations in Pennsylvania. Indeed, concern is

so great that the proposed regulations completely ban the practice within the watersheds that provide drinking water to New York City and Syracuse.

The recently concluded comment period on the revised draft Supplemental Generic Environmental Impact Statement has resulted in receipt of approximately 20,000 comments, the largest number ever submitted to the agency. Among these comments were ones from EPA that expressed concern that the DEC is not devoting enough attention to the handling and disposal of toxic wastewater, including the potential exposure of workers to radon and other radioactive materials brought up from bedrock. Previous studies have shown that fracking wastewater may contain radioactive elements at concentrations thousands of times higher than is permissible in drinking water.

Public opinion polls show strong sentiment against hydrofracking. A recent report in the *New York Times* indicates that property owners who have already signed leases with drilling companies are finding that the rosy promises of quick wealth come with many negative consequences. Many leases do not require the lessee to compensate the landowner for damages caused by contaminated water. Leases give drillers wide latitude to cut trees, clear ground, store equipment, and run lights at all hours. And the landowner often has no recourse to renegotiate terms at the end of the contract period should the company want its renewal.

The pressure on Cuomo due to the growing opposition was made evident by the fact that he included no mention of this topic in his recent budget proposal. Nevertheless, strong industry pressure (UPI reports the industry has made \$1.34 million in contributions to New York politicians in the last four years) and the prospect of increased tax revenues, combined with Obama’s public expression of support for fracking, make it likely that this process will eventually be permitted in New York State.

While the availability of sufficient energy is critically important for modern society, leaving the development of such resources in the hands of capitalist enterprises whose principal aim is the maximization of profit will only lead to more disasters such as the BP oil well blowout in the Gulf and the Fukushima Daiichi nuclear plant meltdown in Japan. Furthermore, global imperialist rivalries over energy production and distribution are major contributors to international tensions and the drive toward war.



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