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How Badly Will US Exports of Crude Oil Hurt the Environment?



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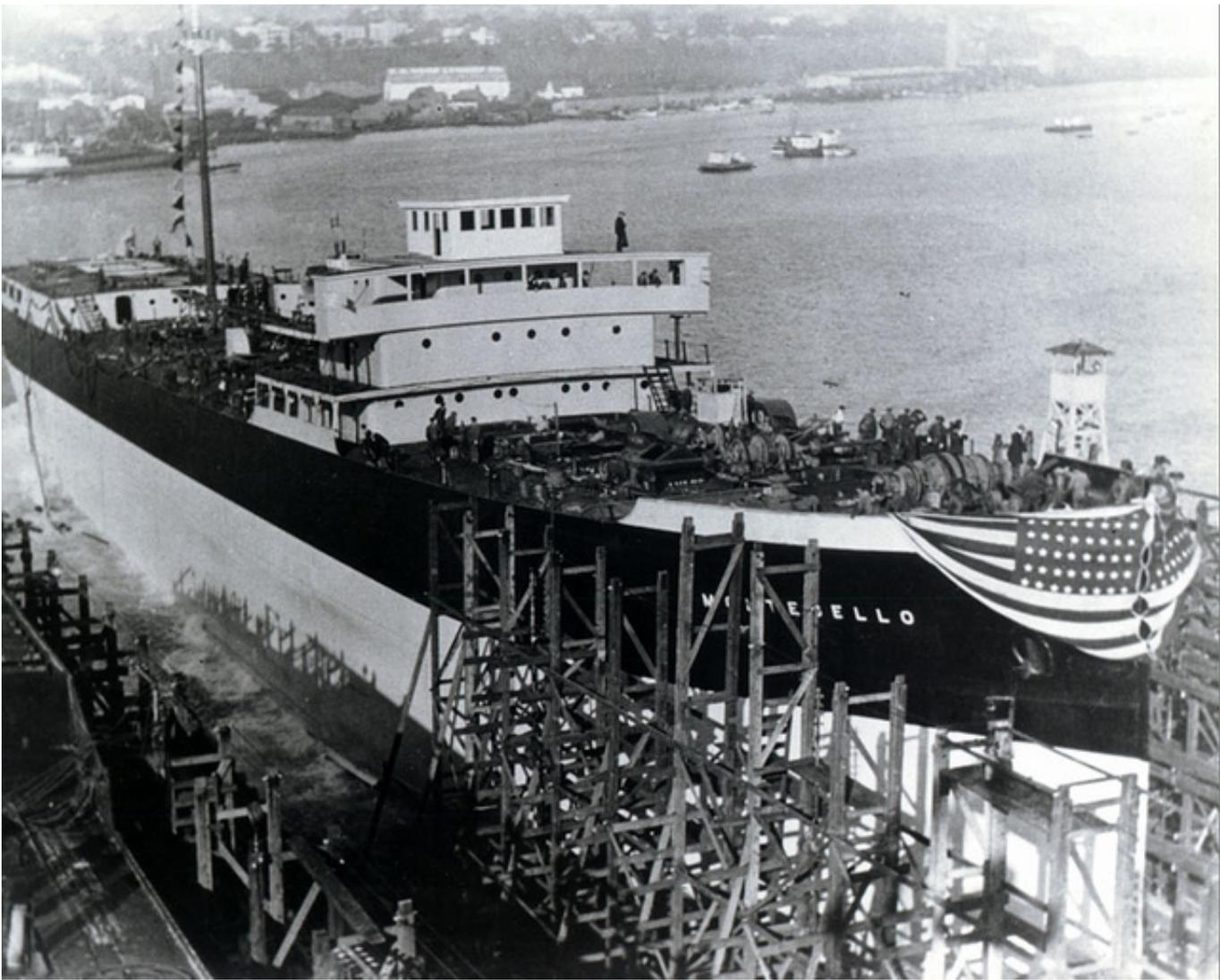
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January 7, 2016



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A US oil tanker in 1921. In December President Obama signed a spending bill that lifted a 40-year ban on exporting US oil. Photo via [California Department of Fish and Wildlife \(https://www.flickr.com/photos/californiadfg/5535892970/in/photolist-9rbU7w-67hj8p-9fEJ22-efJcQr-efPXGA-6DYSuv-9nBjs6-qEW5FJ-amGDvR-amGDXF-amGDjB-amGDKp-amKt8u-amGBJ2-amGCb6-amGEbT-b5hRp4-cwHFzm-yPchdM-9r8Wdi-9rbU3S-amGCDe-9r8WdB-qM3G67-pQkMnB-9rbU4w-9r8Wfp-9rbU55-q2k3J8-9r8WhB-9r8Wgn-9rbU67-oY3Ah-pNFWW-pNzqL-pNCfC-bTpgFr-ebVfyv-cFq3TW-zbrTCr-6NXnov-9nBp2z-pNzuV-9nEq3E-9nBkvT-9nEkqw-9nEk5S-9nEmuN-9nEkJ1-pNyuz\)](https://www.flickr.com/photos/californiadfg/5535892970/in/photolist-9rbU7w-67hj8p-9fEJ22-efJcQr-efPXGA-6DYSuv-9nBjs6-qEW5FJ-amGDvR-amGDXF-amGDjB-amGDKp-amKt8u-amGBJ2-amGCb6-amGEbT-b5hRp4-cwHFzm-yPchdM-9r8Wdi-9rbU3S-amGCDe-9r8WdB-qM3G67-pQkMnB-9rbU4w-9r8Wfp-9rbU55-q2k3J8-9r8WhB-9r8Wgn-9rbU67-oY3Ah-pNFWW-pNzqL-pNCfC-bTpgFr-ebVfyv-cFq3TW-zbrTCr-6NXnov-9nBp2z-pNzuV-9nEq3E-9nBkvT-9nEkqw-9nEk5S-9nEmuN-9nEkJ1-pNyuz).

Over the holidays, when most Americans were busy buying stuff and trying to stay cool in the [December heat \(http://www.vice.com/read/photos-of-nyc-on-christmas-day-2015\)](http://www.vice.com/read/photos-of-nyc-on-christmas-day-2015), one of the most significant environmental policies of the last several decades was quietly enacted. There was no public vote, no public debate process. Instead, the move to allow oil to be shipped overseas from the United States was made when President Obama and Congress signed a huge and otherwise-inconspicuous spending bill into law [on December 18 \(http://fuelfix.com/blog/2015/12/18/congressional-vote-obamas-signature-end-oil-export-ban/\)](http://fuelfix.com/blog/2015/12/18/congressional-vote-obamas-signature-end-oil-export-ban/).

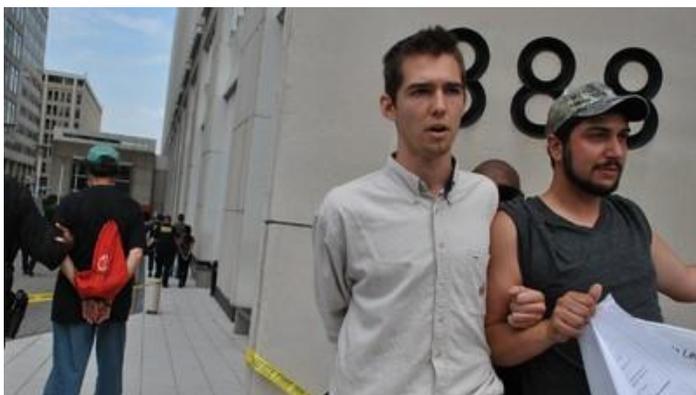
Now, for the first time in 40 years, and just as the US reaffirms its commitment to crack down on greenhouse gas emissions, oil producers **will be allowed to ship their carbon to foreign countries** (<http://www.nytimes.com/2015/12/17/business/energy-environment/expected-repeal-of-oil-export-ban-unlikely-to-have-immediate-impact.html>) on big freighters, where it will likely burn with less oversight and fewer environmental laws than it would be subject to in the US.

The reversal of the oil export ban, along with the expected first shipment of liquefied natural gas to a foreign country ever (expected later this month), is great news for oil and gas producers who've been hit hard by lower and lower prices for their goods in recent years. But, experts say, it's terrible news for the rest of us and the global environment. And it's especially depressing coming right after so many world leaders, including President Obama, **committed to battling climate change** (<https://news.vice.com/article/why-the-paris-climate-summit-is-a-really-big-deal>) at the Paris Climate Conference last month.

"It's a huge deal," Jean Su, a lawyer with the environmental nonprofit Center for Biological Diversity, told VICE over the phone. "It's less than a week after the Paris agreement was signed and Obama said the US was committed, then we go and sign a thing that regresses on everything that happened in Paris. It's horrendous."

Continued below.

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ADVERTISING MESSAGE

There's a good reason oil and gas producers want to open the oceans to crude and liquefied natural gas: they're losing tons of money. Oil prices dropped from over \$100 a barrel in 2014 to just about \$35 a barrel today. That's **about the same amount** (<http://money.cnn.com/2015/11/24/news/oil-prices-production-costs/>) it costs to produce a barrel, meaning right now oil producers are making nothing. Natural gas prices are **down to their lowest levels in 16 years** (<http://www.9news.com/story/money/business/2016/01/05/natural-gas-prices/78323412/>).

And there's a logical reason for that, too: Over the last decade, the United States has produced a truly amazing amount of oil and gas. Thanks to new technologies, mostly **fracking** (<http://www.vice.com/tag/fracking>), which allows producers to extract gas and oil from rocks thousands of feet below the surface of the earth with a mix of high-pressured water and chemicals, production of oil skyrocketed from about 5,000 barrels a day in 2008 **to 8,700 in 2014** (<https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=p&s=mcrfpus2&f=a>). Natural gas production increased by about 40 percent **over the same period**

<https://www.eia.gov/dnav/ng/hist/n9050us2a.htm>). So lower prices at the pump and for your home heating bill are a natural reflection of the market. But it also meant oil producers were going broke: **40 oil and gas producers have filed for bankruptcy** (<http://fuelfix.com/blog/2016/01/02/swift-energy-becomes-40th-north-american-driller-in-bankruptcy/>) in the last year alone.

The solution, it seemed, was finding new markets where oil and gas could be sold for cheaper. **On New Year's Eve** (<http://www.wfaa.com/story/news/2015/12/31/usa-oil-exporter-first-time-40-years/78161166/>) a Bahamian tanker called the "Theo T" cruised out of Corpus Christi, Texas with the first batch of crude oil to leave US shores in four decades, thanks to the budget bill that enabled it. And later this month, the **first-ever ship** (<http://www.bloomberg.com/news/articles/2015-12-31/cheniere-starts-producing-at-shale-gas-export-terminal-ing-says>) carrying liquefied natural gas will leave from a huge new plant on the border of Louisiana and Texas.

It's a huge milestone for the industry, but environmentalists say exporting is a losing proposition for everyone.

"We're already on the frontlines of oil and gas production," Raleigh Hoke, an activist with the Gulf Restoration Network, which works with communities affected by oil and gas in Louisiana, told VICE over the phone. "There are already 28 export facilities being constructed along the coast, so that means countless new pipelines through people's backyards, new trains carrying oil **which are dangerous** (<https://secure3.convio.net/river/site/Advocacy?cmd=display&page=UserAction&id=449>), and it hinders our efforts to restore our wetlands."

But it's not only local impacts: transporting oil or liquefied natural gas takes tremendous amounts of energy.

"To make it, you have to put a lot of energy in to freeze it, to transport it, to keep it pressurized not only on land but all the way across the ocean," said Dr. Seth Shonkoff, an environmental science researcher at the University of California Berkeley. "No one is researching how much additional methane we're putting into the atmosphere by doing that."

The other problem is leakage: Natural gas has been touted by Obama as a "bridge fuel" to get the world off of coal and other dirtier fuels. But it's only better than coal if the vast majority of it doesn't leak into the atmosphere before being burned. But there's already evidence enough methane leaks out all over the place to **negate any of its climate benefits** (<http://thinkprogress.org/climate/2014/10/22/3582904/methane-leaks-climate-benefit-fracking/>), and Shonkoff said exporting that methane gives it myriad new opportunities for it to leak into the atmosphere more. That means exporting liquid natural gas could make it dirtier than coal. Still, no one knows exactly how bad gas exports will be for the environment.

But it's slightly more clear what oil exports will do: one analysis found exports will allow for 3.3 million more barrels a day of oil to be produced in the US between 2015 and 2035. Burning that would result in 515 metric tons of carbon pollution a year—that's the equivalent of putting **another 135 coal-fired power plants in the US** (<https://www.americanprogress.org/issues/green/news/2015/08/21/119756/the-environmental-impacts-of-exporting-more-american-crude-oil/>).

So why did President Obama, who just weeks prior signed one of the most significant climate agreements in the world, approve of such an environmentally detrimental policy shift? The short answer: politics. Without throwing a bone to oil-backed Congresspeople, the budget bill last month would have likely been blocked. And now with the policy enacted, it's likely there won't be any chance to reverse that decision until the US gets a new President, and a new Congress.

"Frankly we just have to wait until November," Athan Manuel, an organizer at the Sierra Club, told VICE. "And then hope we have an anti-fossil fuel Senate and an anti-fossil fuel President."

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