

Use economics as tool to holding drillers accountable



THIS YEAR will be a crucial year for the natural gas drillers in the Marcellus Shale and their environmentalist opponents.

Chesapeake Energy, Anadarko Petroleum, Exco

Resources and Cabot Oil & Gas, among other companies, already have made great strides – and profits – in expanding the natural gas industry by persuading the legislators in Harrisburg that drilling is not only a lucrative but necessary means of addressing the nation's energy needs.

On the other hand, environmental groups and certain homeowners in the affected region insist on greater regulation of the industry by appealing to various state agencies. Until now, their arguments have been based on water rights, environmental pollution, the safe disposal of used fracking fluid and full disclosure of chemicals used in the drilling process – issues that seemingly have been either circumvented or ignored by the gas companies while Harrisburg looks the other way.

If they are to be successful, environmental groups and other watchdog organizations must emphasize the economics of the drilling process; it's the only issue the gas companies understand.

The London Mining Network – an alliance of human rights, development and environmental groups committed to exposing companies engaged in destructive mining projects around the world – offers an effective blueprint for opponents of Marcel-

COMMENTARY

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lus Shale drilling.

Mining is one of the most polluting industries in the world. Use of coal in energy generation is a major contributor to destructive climate change. Similarly, the use of uranium produces radioactivity that threatens both human health and the natural environment.

In addition, mining has a disproportionately negative impact on land-based communities, especially indigenous peoples, and is frequently associated with forced evictions, military conflict and human rights abuses.

These activities violate the United Nations' Declaration on the Rights of Indigenous Peoples, which establishes their right to "free, prior and informed consent before projects affecting their lands or resources are allowed to proceed."

London is the world's biggest center for investment in the minerals industry. British investment banks, pension funds and insurance companies invest hundreds of millions of pounds a year in scores of mining projects around the globe. Most of the world's biggest mining companies are listed on the London Stock Exchange and on its Alternative Investment Market.

The London Mining Network monitors and exposes the finances and destructive activities of mining companies listed on the

London Stock Exchange as well as the London-based funders and the British government, which support those destructive mining projects.

It achieves these goals in a variety of ways, but the most effective method has been through economic intervention, including:

- Researching the finances of mining companies and making them available to the public through published and online reports.
- Completing its own cost analysis of a mining project based on the overall cost to the environment and land-based communities and the profit/loss potential, and then making that information available to the public.
- Ensuring that mining projects are not allowed to proceed without recognition of land title for mining-affected communities.
- Participating as "dissident" shareholders in company meetings.
- Organizing boycotts of the businesses and investment institutions that fund the offending mining companies.

Opponents of natural gas drilling can strengthen their case for more stringent regulation of the industry by employing such methods. Ultimately, they will be making the natural gas companies accountable to the bottom line – the only "line" they understand.

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