No More Spills: Oil Companies Face Protests Over Drilling Plans in Italy



Telemax Lanciano

The effects of the BP (BP) disaster in the Gulf of Mexico have reached all the way to Abruzzo, Italy, where several oil companies — including Petroceltic, Mediterranean Oil & Gas and Forest Oil (FST) — have obtained permits to drill for oil beneath the Adriatic Sea and in rural areas famous for their farms and vineyards.

The Italian media is honing in on the risks of drilling, joining locals who are protesting on Abruzzo's pristine beaches. Local newspapers and publications like *Liquida Magazine* are fueling fears, and *II Tempo* newspaper recently published a frightening image showing what a large oil spill would look like in the Adriatic Sea.

One of the most vocal protesters is Dr. Maria Rita D'Orsogna, a physicist and math professor at the California State University at Northridge. "We have all seen the devastation caused by BP," she says, adding that a similar spill would ruin Abruzzo's coast. Born in America, D'Orsogna spent much of her childhood near Abruzzo; now she has made it her business to raise awareness about oil drilling in the area. She has spent the last three years sifting through legal documents and traveling from town to town in Italy to explain the situation to local citizens. "In Italy, the word 'environmentalist' has a bad connotation," she tells *DailyFinance*. "I knew that the only way of turning the tables around was to educate normal people who would not have necessarily thought of themselves as environmentalists." Taking On an Industry

D'Orsogna's determination to raise awareness of the ramifications of drilling in Abruzzo has earned the nickname "The Erin Brokovich of Abruzzo." "We are not talking about one oil rig," she says. "Fifty percent of the land and all of the coastline are currently covered by drilling permits."



While oil companies have had to file environmental impact statements in order to obtain permission to drill, D'Orsogna says she believes they have been rubber-stamped by office workers with little relevant expertise. "I am an independent physicist who reviewed Petroceltic's environmental statement on behalf of the Province of Chieti, and sent it to the Ministry of the Environment. It was crap.

There was no risk assessment, no emergency plan, no simulations of pollutants in the water, in the air. They will not even tell us what garbage they will pollute our waters with. They repeatedly assured the Ministry (not the people!) that their drilling will have little to no environmental impacts." It's passionate analysis like this that is helping turn the tide in Italy, making it equivalent to what she calls "political suicide" for politicians to say they are in favor of drilling.

Drilling in America is highly regulated, but — as D'Orsogna notes "Italy has very lax regulations when it comes to drilling and in general protecting the environment." The country is just beginning to enact rules and regulations to govern the industry: only last week, the Italian government passed a law requiring off-shore oil wells to be located at least five kilometers (roughly three miles) from the shore. Previously, there was no restriction on placement, and permits had been granted for wells to be drilled extraordinarily close to the shoreline. By comparison, in order to gain permission to drill within 200 miles of the U.S. coast, companies must go through a "lengthy and transparent" application process, throughout which there are many opportunities for the public to voice their concerns, according to John Romero of the U.S. Department of the Interior.

A Natural Jewel

Even with the new five kilometer restriction, Abruzzo's budding tourism industry could be in danger. This year, thanks to hefty investment from both local sources and the E.U., Abruzzo has been featured as the place to visit in many international publications. *The Times* of London counted it among the "10 Best Adventures of a Lifetime," *The Wall Street Journal* featured it as an Editor's Pick in its travel section, and Matt Gross wrote of the joys of tasting the region's delicacies in *The New York Times*. "Abruzzo is being recognized for its natural beauty and pristine natural settings, almost wild," says D'Orsogna. "Who will want to come visit an oil-rig and oil-tanker-infested coast? Do you know of anyone that thinks of Texas as prime beach destination?"

Hollywood is also in love with Abruzzo. George Clooney's recent film, *The American* was shot in Abruzzo and the film's director, Anton Corbijn, has joined the "No Oil Abruzzo" campaign. "One of the main characters in our new film is the landscape of Abruzzo," Corbijin told lifeinabruzzo.com. "To think that anyone in their right mind would for some lousy profit and product destroy a large part of this largely unspoilt paradise is beyond me."

If a spill like the one in the Gulf of Mexico were to happen in Abruzzo, D'Orsogna says, the area would never recover. The Adriatic Sea is shallow, with very slow currents that are too weak to carry spilled oil out to sea. "Even a smaller explosion could cause a lot of damage: the oil will get to the coast right away and stagnate there," says D'Orsogna. "And since drilling is so close to shore we will not have the luxury of waiting two months for the oil to reach shore."

Drilling in Fish Sanctuaries

Even without a spill, oil drilling contaminates the surrounding waters. For years, companies like Italian oil giant ENI (ENI) have been drilling into the seabed to test the quality of the oil. D'Orsogna says that even these small tests have led to tar-covered rocks washing up on the beach. Her website features photos of what has been found and she says that after one such incident, "the mayor of the town was so terrified, fearful of seeing these rocks and was so scared that this was going to impact the tourism over there that instead of attacking the oil companies that were doing this, he went ahead and said that people should not be divulging this news because it's going to hurt the reputation of the place." These test sites operate for short periods of only three or four months, but analysis performed by the local water safety office suggest that the waters around these temporary rigs are far more polluted than the rest of the sea.

Abruzzo is also home to a number of fish sanctuaries, some of which have been subsidized by the E.U. in an effort to support the region's active fishing industry, which together with agriculture has annual earnings of around 36 million euros. Astonishingly, many drilling

permits have been granted for areas in extremely close proximity to these protected areas: according to D'Orsogna, Petroceltic, an Irish oil company, has filed a request to drill near two E.U. subsidized fish hatcheries. Included in the area of the permit granted to Mediterranean Oil & Gas are two hatcheries, and D'Orsogna says Mediterranean Oil & Gas's rig would be located less than 1 km from them.



Raffaella Cartledge D'Orsogna has raised awareness among both citizens and politicians. "It is not about political ideology but simple common sense," says Carlo Constantini, who is a member of Abruzzo's Regional Council. "The citizens of Abruzzo spent hundreds of millions of Euros in agriculture, fishing and to promote tourism. Those investments cannot be sacrificed for the building of the extraction industry, incompatible with agriculture, fishing and tourism." After all, this is the source of the award-winning Montepulciano d'Abruzzo wine, prized organic cheeses and olive oil. "How do we expect to keep labeling our food and wine as organic and natural if they are produced next to oil wells and refineries?" asks D'Orsogna.

Ironically, the oil beneath Abruzzo is of extremely poor quality, with an API Index of 12. The API Index, set up by the American Petroleum Institute, grades oil from a low of 8, which applies to extremely impure oil found in the tar sands of Canada, to highs of 40-50, given to sweet light crude extracted in places like Texas. Abruzzo's oil is categorized as "heavy crude oil," making it difficult to extract, expensive to process and less valuable. Its impurity would also make it extremely tough to clean up in the event of a disaster. "Imagine, what would be more difficult to get rid of: gasoline or motor oil?" says D'Orsogna. "Instead of gasoline, we have the equivalent of thick motor oil, laden with impurities, and that smells of sulfur."

D'Orsogna says that, in exchange for offering up its natural resources, Abruzzo will get very little in return, but could potentially suffer major damage to its main industries of tourism, fishing and agriculture. The area would make money in the form of royalties, but these numbers are not impressive: they would receive 4% of the value of oil extracted from the sea once it is processed and sold on and about 10% from oil extracted from the land. And these small profits must then be shared between Abruzzo and the central government in Rome.

Nearby Warnings

Critics of the Abruzzo drilling plans point out that several nearby areas were changed forever when the oil industry got a foothold. In the region of Basilicata, oil extraction began 20 years ago. At the time, locals who were desperate for jobs welcomed the oil industry, but the cost to the local environment has been steep. In 1998, ENI began exploration in the region's Vall d'Agri National Park in the Apennine mountains. Since then, the list of environmental problems has grown.

According to CEE Bankwatch, an NGO focused on the effects of E.U. investments in industries like mining and drilling, Basilicata's groundwater table has fallen, causing water wells to dry up. Meanwhile, the pollution in the area has had a negative effect on local agriculture, and the oil plant and pipeline have released an intense, noxious smell. D'Orsogna cites numerous studies showing that cancer rates have skyrocketed, while property prices have plummeted. Pollution is so pervasive that byproducts like hydrocarbons have even been found in samples of the local honey.

Meanwhile, unemployment in Basilicata is still a problem: over the past 15 years. the regional population has actually fallen 25% as locals emigrate away from the area's industrial fallout. "About 20 years ago, when the talk of oil first surfaced everyone was happy, but now citizens think that they spoiled their land for very little in return," says D'Orsogna. "There has been no trickle-down effect for the benefit of the people."

In Abruzzo, too, jobs and cash have been promised by oil companies, but here both locals and politicians seem more concerned with preserving a way of life. D'Orsogna tells of farmers who have refused on principle to sell their land to oil companies for millions of Euros. Costantini says that in Basilicata "they had to give up their agriculture when they chose oil. The Abruzzo region would put at stake its fishing and tourism industries, too, besides all of its agriculture."

Abruzzo has another serious environmental concern: the entire region is riddled with fault lines, and is highly susceptible to earthquakes. Last year, L'Aquila, a medieval city in the area, was decimated by a 6.3 magnitude earthquake. Tremors would obviously have devastating effects on an oil well, and there is ample evidence that drilling for oil can trigger earthquakes.

D'Orsogna points out that Basel, Switzerland was hit by a series of earthquakes in 2007, which many scientists have directly linked to a geothermal mining project using a technique that — she says — is extremely similar to the drilling process planned for Abruzzo. In fact, according to Treehugger.com, engineers and officials had warned of the <u>risk of earthquakes</u> in Basel before they even began. Similar quakes occurred in Cleburne, Texas, where *The Wall Street Journal* reported that the town hired its own geophysicist to investigate the <u>connection between the seismic activity and the thousands of mines</u> drilled in the area. Before drilling began, the area had never experienced a single earthquake. "How can we be sure this will not happen to us, given that it is already a highly seismic area?" asks D'Orsogna.

Abruzzo is not the only area in Italy that oil companies would like to exploit. D'Orsogna says that there are plans to drill in the waters <u>just</u> <u>outside of Venice's famous lagoon</u>. It's projects like this that horrify her. "The more time you spend reading about these things, the more disgusted you become," D'Orsogna sighs. "You're, like, how did we ever get to this point?"

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