

THE CORRIB GAS DISPUTE



BACKGROUND AND CURRENT STATUS

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Introduction

The conflict over the Corrib gas field, 80 kilometres off the west coast of Ireland, has exposed major concerns regarding the relationship between the state, Irish communities and multinational companies, and a lack of vision on how Ireland will tackle the challenges of peak oil and climate change. The value of the gas in the Corrib offshore field was estimated at approximately €10 billion in 2007. The total value of all oil and gas reserves off the west coast of Ireland is at least €440 billion. There is a lot at stake here, but, as this paper will explain, more than money is on the line.

Enterprise Oil first discovered the Corrib gas in 1996. Shell purchased Enterprise Oil in 2002, acquiring its 45% stake in the Corrib field. The (largely) state-owned Norwegian company Statoil has a 36.5% stake in the field, and Marathon from the USA held the remaining 18.5% (until it sold its share to Vermilion of Canada in 2009). The plan was to extract the gas, pipe it through Broadhaven Bay to a landfall site at Glengad in north Mayo and, from there, pipe it onwards in a still raw and unstable state to a refinery at Bellanaboy, 9 kilometres inland. The gas was expected to flow from the field by 2003. But local people objected to both the routing of the high-pressure pipeline and to the proposed refinery site on the grounds that they posed an unacceptably high risk of death and destruction to the community. The Planning Board (An Bord Pleanála) considered these objections at hearings held in 2002.

The Wrong Site

The verdict of An Bord Pleanála, delivered in 2003, was unequivocal – the proposed refinery site was rejected on the grounds that “It has not been demonstrated that the remote siting of an onshore processing terminal eight kilometres inland from the landfall constitutes the best alternative.” Kevin Moore, Senior Planning Officer with An Bord Pleanála, concluded his extensive report on the proposed refinery as follows: “From a



strategic planning perspective this is the wrong site; from the perspective of government policy which seeks to foster regional development this is the wrong site; from the perspective of minimising environmental impact, this is the wrong site; and from the perspective of sustainable development, this is the wrong site". The preferred option of most local people, and their supporters further afield, but rejected by the companies on cost grounds, was that the gas be refined offshore – hence the campaign slogan and name, 'Shell to Sea'. This is a vital point: most protestors were not opposed to the extraction of the gas, but rather to the proposed manner of its extraction.

The Rosspoint 5

After the decision of An Bord Pleanála to refuse planning permission for the onshore refinery, the Irish Prime Minister (Taoiseach), Bertie Ahern, as well as other senior politicians, met with Shell later in 2003 and encouraged them to reapply for planning permission. They did so – and, in 2004, local objections were overruled and planning permission was granted for the refinery at the same site, Bellanaboy, as originally proposed. In 2005 Shell and Statoil tried to enter the lands of local farmers to mark out the pipeline route (although the pipeline itself had not been given the go-ahead) but were refused entry. The government, however, had already weighed in behind the companies in 2001 by issuing compulsory acquisition orders vis-à-vis the farmers' land, the first time such orders were issued on behalf of a private company. The companies sought an injunction against the farmers and their supporters, demanding that they promise not to obstruct the pipeline work. The locals refused and a High Court judge sentenced 5 men – the Rosspoint 5 – to jail indefinitely for contempt. They would go on to spend 94 days in jail in 2005. In the face of widespread public outrage, the companies dropped the injunctions and the government announced a safety review of the project.

Is it Safe?

This government-sponsored safety review report – the Advantica Report – approved the pipeline in 2006, albeit with certain caveats, including that the onshore pipeline pressure be limited to 144 'bar' (the maximum gas pressure in towns and cities is 4 'bar' and that gas is refined). Advantica was confined to carrying out a review of the onshore pipeline route and was precluded from examining the suitability of Bellanaboy as the optimum location for the refinery. While often cited as the ultimate 'clean bill of health' for the project, the local community pointed to the narrow terms of reference, and that even this review spoke of a 'transient fireball' that would kill everyone within a 200 metre radius should the pipeline (to be located in unstable bogland that is prone to landslides) explode. A separate expert analysis carried out by the independent Centre for Public Inquiry documented numerous flaws in the plans, and that report's principal safety expert recommended that the pipeline be rerouted entirely away from human settlement. A government-appointed mediator, drawn from the world of industrial relations and with no technical or engineering expertise, subsequently recommended a slightly modified pipeline route, that would still run through the heart of the community and which is therefore not acceptable to local residents, and a decision on planning permission for this modified route is expected at the end of October 2009.

Willingness to Compromise

While the government and the companies remained intransigent on their plans, local people proved flexible and willing to compromise. In 2007, three local priests proposed an alternative refinery site on the coastline (where there is no housing within several kilometres) that would have obviated the need for any substantial onshore pipeline. While some protestors continued to insist that the gas be refined at sea, most local people were willing to support this compromise proposal. However, the companies insisted that the Bellanaboy refinery site – by now largely constructed – was non-negotiable, despite the fact that the (modified) onshore pipeline route to that refinery did not yet itself have planning permission. This is reflective of the persistent tendency towards ‘project-splitting’ by the companies i.e., applying for permission for one part of the project at a time, thus piling on pressure for subsequent stages to be authorised. We now have a situation where the offshore pipeline, the landfall site and the refinery have all been approved, thus rendering objections to the last stage (the modified onshore pipeline) seemingly pointless. The overall project has never been the subject of a comparative and holistic assessment.

Environmental Threats

The principal issue for local people is the potentially cataclysmic effects of a major pipeline explosion; at oral hearings on the modified onshore pipeline route in 2009, gas consortium representatives were obliged to concede that this is a unique pipeline, of a type found nowhere else in the world – hence, safety concerns cannot be allayed on the basis of precedents elsewhere. Shell consultants also conceded that, in the event of a gas leak, “houses within 230 metres of the pipeline could burn spontaneously from heat radiation”. In addition, the overall safety and environmental record of the project does not inspire confidence. The refinery site has generated run-off into Carrowmore Lake, the water supply source for 10,000 people on the Erris peninsula. Tests in early 2007 revealed rising aluminium levels in the lake, up to 200 times the limit for drinking water recommended by the World Health Organisation. Also in early 2007, a diesel spill at the refinery site leaked a toxic, tar-like substance into a stream feeding into the lake. Local fishermen have strongly opposed the project (including the offshore pipeline), fearing pollution and destruction of their traditional fishing grounds.

The project has also been characterised by persistent breaches of environmental (and other) law by the companies. In their original application for planning permission the companies concealed scientific survey information about the presence of whales and dolphins in Broadhaven Bay. In 2005, Shell was found to have illegally assembled sections of gas pipeline at the refinery site, and in the same year a Shell-hired vessel damaged local fishing boats. In 2007, Shell consultants dug test bore holes at the pipeline landfall site which is a designated Special Area of Conservation under the European Habitats Directive (harbouring rare birds and other wildlife) without the required Ministerial permission – they subsequently claimed that this action, which was in breach of an EU regulation, was an ‘oversight’. And yet work has subsequently again been undertaken at the landfall site without the required notices of consent.

Human Rights Abuses

Even more alarming than the breaches of environmental regulations are the breaches of human rights law routinely and systematically carried out by the Gardaí (police) and private security forces employed by the companies. Protestors have been kicked, dragged, punched and batoned for (allegedly) refusing to comply with police orders. In February 2007, a delegation of international human rights and environmental activists visited the area, representing Global Community Monitor, a US-based NGO: one of their findings was that “There is evidence from videos of youth, women and the elderly being pushed and beaten by Gardaí without provocation. Even high ranking officers were personally involved in beating up protestors”. Human rights monitoring as recently as Summer 2009 has confirmed that Gardaí abuses (including intimidation, harassment and assault) of protestors’ human rights are ongoing and serious.

Shell’s private security agents – Integrated Risk Management Systems (IRMS) – have engaged in surveillance operations against local people, filming children as they undress on the beach near the landfall site and aiming cameras into the kitchen of a nearby home. In 2009, Willie Corduff, a middle-aged local farmer (and a member of the Rossport 5), was beaten during a peaceful protest in the middle of the night inside the refinery site by a group of masked men, leaving him with extensive bruising and in deep shock. Later in 2009, Pat O’Donnell, a local fisherman who had been to the forefront of opposition to the laying of the offshore pipeline, had his boat boarded and sunk by unidentified armed men – he and a crewman barely escaped with their lives. (O’Donnell’s fishing gear was also confiscated by Gardaí, and his son arrested, to clear the way for the laying of the offshore pipeline in 2009 – despite the fact that he had a legal right to fish in the bay). There is substantial local dissatisfaction with the official investigation (or the lack of it) into these and other



incidents. The IRMS workforce previously included Michael Dwyer, who was later killed while engaged in far-right mercenary operations against the government of Bolivia, and who was put in touch with these mercenary networks through an IRMS colleague.

In summary, local people object to this project on health and safety grounds but have found their objections treated with contempt and repression. In an inversion of the actual situation on the ground, the mainstream media have tended to portray the protestors as violent enemies of progress. Shell et al have sought to defuse protest and burnish their image by hiring former Gardaí as security consultants and former journalists as PR spokespeople, as well as offering grants to local organisations and assiduously cultivating national media sources. Thus, for most people outside the area the dispute seems to be one of sinister subversives, or ignorant Luddites, obstructing a vital national development project. However, even the claim that the project is contributing to national development is flawed.

Giving Away the Gas

The Irish state holds no shareholding in the Corrib gas field nor in any other such natural resource find, not does it demand royalty payments from the exploration companies. A generous (to the companies) tax rate of only 25% applies – and even that low rate only kicks in after a company's exploration and development costs (including the estimated costs of closing down the operation when the resources have been depleted) have been recovered. The Corrib gas field will probably be half depleted before any tax is paid at all. Governments throughout the world – including in Bolivia, Venezuela, Russia and Brazil – have recently renegotiated deals with oil and gas companies to ensure that the state gets a fairer share of the revenues, and this has not prompted investment flight by foreign companies. The failure to do so in Ireland is all the more striking at a time when the state's finances are in crisis and swingeing public expenditure cutbacks are being implemented. For many people, a condition of allowing this project to proceed in any form (see below) should be that the Irish people receive a substantially larger share of the revenues.

These very generous (to the corporations) terms came about as the result of a progressive relaxation of government policy towards the energy companies during the 1980s and 1990s, most notably under the tenure of Ray Burke as Energy Minister. Burke was later found guilty of taking corrupt payments (on other matters) while a government Minister. In 1987, Burke met with energy companies privately and without his officials present, after which some of the most important relaxations of exploration and development terms were announced.

The state, through Bord Gáis, will also pay for the pipeline to link the Bellanaboy refinery to the national energy grid in Galway. The Irish government has, in addition, allocated Shell and its associates 400 acres of state-owned forest to allow for the construction and possible expansion of the refinery, and has sought to further facilitate the corporations by expropriating private assets – local people's farmlands – through compulsory purchase orders (see above section 'the Rossport 5'). Add in the costs the state is incurring to police the area on behalf of Shell et al (the Garda overtime bill alone is enormous), and the generosity of the Irish government towards wealthy corporations stands in even starker

contrast. Shell's profits in 2008 alone were \$31 billion. The Irish government claims its extreme pro-corporate stance is justifiable to ensure Ireland's energy security, but there is no necessity for Shell and its partners to sell the gas to Irish consumers – and if they do so, it will be at the full market price that is currently being paid by Ireland for gas from the North Sea or further afield.

The Way Forward

The absence of any significant benefit to the Irish people from the Corrib Gas project, coupled with the intensity of legitimate local objections and fears, begs the question: should the project go ahead at all? At a time when global warming is threatening the world, and most immediately the lives of people in the poorest parts of the world, the burning of yet more fossil fuels is difficult to justify on global justice and sustainability grounds. And the long-term, sustainable development of areas such as west Mayo will depend on activities such as fishing and tourism – not the 25 jobs likely to be generated by refinery maintenance work.

In light of all the above factors, the Irish government should immediately suspend this project and it should only be allowed resume if local people are not forced to live with a high-pressure pipeline carrying unrefined gas through their community – the gas, if it is to be refined at all (and we note the strong environmental case that it should be left beneath the sea), should be refined offshore or at a location acceptable to the local community.



Mary and Willie Corduff at the Famine Walk

Photo - Derek Speirs

Furthermore, the human rights of the local community must be protected and human rights abuses perpetrated by Gardaí and private security firms ended; this concern will be desperately pressing in the worst-case scenario of the onshore pipeline being driven through the community, making intensified protest inevitable and intensified state repression probable.

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