

# PETROLEUM IN ECUADOR 2001

## 1. ACCIÓN ECOLÓGICA'S STAND ON THE OCP PIPELINE

The construction of oil pipelines has severe impacts from the moment the way is cleared. It provokes deforestation, interruption of the flow of water, affectation of agriculture and social conflicts in urban zones, among other things.

In a country like Ecuador, traversed by seismic fault lines, it is impossible to find a safe route. Volcanos affect all possible routes.

Oil spills fundamentally located in the zones that cross the mountain range provoke the contamination of the headwaters of the rivers, threatening the alimentary security of the country.

Spills, fires and explosions in the case of Ecuador, are not simply isolated accidents, they are part of the daily history of the petroleum industry infrastructure.

To achieve the quota of more than 350,000 barrels daily that the OCP is anticipated to transport, the production reserves located in protected areas and indigenous territories must be included.

This pipeline that will transport heavy crude presents three problems, summarized below:

This crude that has an elevated quantity of sulfur and heavy metals that cause the accelerated deterioration of the petroleum infrastructure and, for its transport and refining requires a great quantity of energy and emits a greater percentage of wastes than light crude.

It is extracted by private enterprises that have demonstrated strong ties with processes of corruption and have shown themselves to be economically inefficient.

The construction route of the OCP, for the most part, runs parallel to the SOTE (Transecuadorian Oil Pipeline System). During the construction of the SOTE, the serious risks that this infrastructure presented were not taken into consideration, seeing that:

- The route of the SOTE is of high seismic risk

- The earth along a large part of the route is very soft and vulnerable
- Only the great distance in relation with the Peruvian border was considered in order to guarantee its safety, however today it is the most vulnerable route in terms of security, given that it is very close to the border with Colombia
- During the time in which it was in charge of the operation, Texaco produced a spill of more than 18 billion gallons of crude
- In the last three years, major accidents have taken place in the western mountain range and in the province of Esmeraldas (in the northwest of Ecuador), in most instances because of land conditions inadequate to support this structure.

The Ecuadorian government has mentioned that on some occasions the spills are the result of sabotage. To construct an oil pipeline, and for Ecuador to enter into the Plan Colombia, is to put the country at significant risk given that the Colombian guerillas have damaged the Colombian pipeline on more than 670 occasions in 10 years, with a spill of more than 2 million barrels.

With these antecedents, to base the national budget nearly 50% in petroleum income is a mistake.

Both proposed routes for the OCP are effected by the volcanoes Minahulca and Guagua Pichincha, and both traverse a complex system of geological faults. In Ecuador, there has not been a single decade that has not suffered natural disasters of a geological nature, and of grand magnitude, that have provoked ruptures in the petroleum infrastructure.

Two proposed layouts for the pipeline are: on one side, through agricultural zones and populous neighborhoods of Quito, and on the other, through a zone of high biodiversity, such as the forests of the northwest of the province of Pichincha. This causes a conflict of interests between conservation and the survival of campesinos and of Quito's urban populations.

The political petroleum proposal of the present government is based in overdimensionalized reserves (use possible reserves), and all the present proposals, such as that of the OCP, the joint ventures, the proposal of the ITT project and the tenth round of bidding, aim at the overexploitation of hydrocarbon resources.

In governmental proposals, it is estimated that by 2025 the national government will have to import petroleum, under the assumption that the probable reserves are actual.

In accordance with the petroleum reserves, in the year 2004, the minium petroleum exploitation (given that the piping will no longer be adequate) of 700,00 barrels per day are a goal that implies, in addition to overexploitation, the sacrifice of the reserves for upcoming years after just 5 years.

Under these considerations, the logic of overexploitation is absolutely irrational because it entails the construction of an enormous infrastructure that after 20 years will be useless, and is going to provoke an increase in the external debt of the country or the mortgaging of resources as entitlements or petroleum factoring.

The construction of this infrastructure, and the petroleum extraction projects in fragile areas with vulnerable populations, will cause a grave cultural and ecological loss.

With these antecedents, Acción Ecológica:

- Opposes completely the construction of the OCP
- Opposes the extraction of heavy crude
- Opposes petroleum extraction in protected areas
- Opposes the ITT project, which signifies the end of Yasuní National Park

The national government, rather than sell energy sovereignty to the highest bidder, should apportion energy resources for future generations and invest in research into alternative energy sources.

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**Source:** RESISTANCE OILWATCH NETWORK BULLETIN Number 12 –January 2002