

A NATIONAL EMERGENCY

## Impeachable Crimes: Fracking Is Genocide—Shut It Down!

by Marcia Merry Baker and Paul Gallagher

**A**pril 22—The killer shortage of food and energy supplies brought about by drought, fracking (hydraulic fracturing), and Obama-backer multi-billionaire Warren Buffett's financial manipulation of vital transportation infrastructure, must be reversed by decisive action from lawmakers: Impeach Obama. Stop fracking. Sack Buffett. Use Federal powers to ensure that vital supplies have access to transportation and to push through the development of the fusion power-driven North American Water and Power Alliance (NAWAPA XXI). The energy-flux density of our national economy must rise with technological advances, not sink into Hell with "green" Wall Street practices.

The fact of the extreme drought in the Southwest is now widely publicised; but the extent of today's crisis includes the fact that in Texas, California, and elsewhere in the dry Western states, the "Great Fracking Oil & Gas Boom" is sucking up scarce water for wells; using up limited railroad capacity to haul oil; using up pipeline capacity to convey gas products—especially propane—for export, all while domestic users go short, and pay to the hilt. Chaos is spreading.

In the Northern Plains, the 2013 harvest of wheat, corn, beans, and other farm commodities is overflowing storage capacity, for lack of rail shipment to move out the product. Meantime, next to no fertiliser has been shipped in for Spring planting. Food processors are on a go-slow. Warren Buffett's Berkshire Hathaway Corp. controls the largest railroad network serving the entire area, and has huge investments in the companies that are "fracking" oil and shipping it and all its precursors in rail cars by the hundreds of thousands.

From near zero five years ago, "fracking oil" is now shipped at the rate of 1 million barrels/day from the North Dakota Bakken Shale and other basins, largely on Buffett's Burlington Northern Santa Fe (BNSF) Railroad.

This process, destroying communities and threatening farmers and local dealers with ruin, now constitutes a food supply crisis, and national emergency. The entire process must be stopped. Use of Federal injunction and related measures are called for, in particular to remove Warren Buffett from corporate office at once. Start criminal prosecution.

Fracking is a hallmark Obama policy:

- In March 2012, Obama signed Executive Order 13604, by which Obama created a Bakken Federal Executive Group to "find ways to facilitate the development of oil and gas resources in the booming Bakken Formation." The Deputy Interior Secretary assigned to head this group said, "By coordinating across the many Federal agencies involved in the Bakken region, we are able to offer a better process for industry."

- On Dec. 26, 2013, Obama signed a Republican-originated



Fracking by Halliburton in the Bakken Shale Basin. The company was formerly owned by Dick Cheney, who greased the skids to exempt fracking technology from rational environmental oversight ("the Halliburton loophole").

bill (North Dakota's Sen. John Hoeven and Rep. Kevin Cramer were the prime sponsors), passed only six days earlier. This was the Bureau of Land Management Streamlining Act, S. 244 and H.R. 767. It created new BLM offices in North Dakota and Montana for the purpose of rubberstamping and fast-tracking permits for fracking on public lands in the Bakken Shale Basin.

This is no party politics issue. Obama is a continuation of the infamous Dick Cheney Energy Task Force perspective, of doing whatever the Wall Street/London oil and gas network demands.

Congress is hereby informed: If you are backing fracking—whether because of your fantasies of energy independence, facing down Russia, or plain old pay-off and corruption—you are in line for mpeachment.

### I. Upper Midwest States Crisis

As of the April planting season in the Upper Midwest, chaos prevails in agriculture, directly arising from the Bakken Shale oil fracking operations and oil-train shipments. BNSF Railroad dominates the rail service in this region, with Canadian Pacific Railway second. BNSF is wholly owned by Buffett's Berkshire Hathaway. Buffett is carrying out, with the Obama Administration, the fracking/tight oil "boom" policy of the British financial empire.

The severity of the resulting agriculture crisis was presented on April 10, by Northern Plains states agriculture leaders, to a Washington, D.C. hearing of the Surface Transportation Board of the Transportation Department. The STB then issued the unusual directive on April 15, *to order BNSF to make special fertiliser shipments*, and provide its plan to do so by April 18; and "to report their plans to ensure

delivery of fertiliser shipments for Spring planting of U.S. crops, and, beginning April 25, 2014, to provide weekly status reports for six weeks regarding fertiliser delivery over their respective networks.”

The STB directive stated, “Given the immediate need for fertiliser to meet rapidly approaching planting deadlines, and the potential long-lasting and widespread effects of missing those deadlines, the Board” has taken its decision.

Testimony at the hearing provided horror stories about the consequences of Buffett’s oil-rail bonanza.

Brian Schanilec, a North Dakota fifth-generation farmer and president of the Forest River Bean Co., said, “We have crops we cannot sell; we have discounts [loss in prices received for their product—ed.] that are historical. And now, we won’t have to plant half our acres, because we can’t get our crops to market. This is the biggest crossroads in our history. We cannot secure enough fertiliser to plant our crops this year.” (Video of hearing at [www.stb.dot.gov](http://www.stb.dot.gov))

**Fertiliser.** Farmer cooperatives in the Dakotas have been unable to receive or line up timely shipments of fertiliser for Spring planting. The state needs some 800,000 tons of nitrogen-based fertiliser each year, and it isn’t there. Some cooperatives have even quit preselling fertiliser, because they can’t line up delivery.

**Corn.** North Dakota Farmers Union president Mark Watne told the April 10 hearing, “We have heard from co-op managers who believe that 85% of this year’s corn crop [2013] is still in either on-farm or warehouse storage. They also believe there is a good chance that this year’s crop will not be moved before the new crop has to go into storage. To take this even one step further, there is a growing fear that cooperatives will not be able to get access to the fertiliser needed to plant this year’s crop.”

South Dakota Agriculture Secretary Lucas Lentsch told the hearing that at least 11,000 railcars have been delayed for shipment of grain. The elevators are having problems with spoilage; Many cannot accept any more grain for storage. Gov. Dennis Daugaard has warned that his state could become the world’s “warehouse for grain,” if the rail system isn’t changed.

**Wheat.** Shipments out are running at least a month behind in the northern wheat states. Minnesota Grain and Feed Association director Robert Zelenka told the STB hearing, “One of our biggest concerns looking forward is the likelihood of going into the Fall’s harvest with elevators close to full of grain and no freight to ship it. This will create some major problems, which will back onto farm storage and harvest delays.”

Over the border, in Canada, some 6 million tons of wheat have backed up and can’t move. Farmers are taking losses. Many can’t sell. The Canadian government is entertaining a national rules change, to allow more interconnection of Canadian and U.S. rail services by the U.S.-headquartered BNSF, which is already failing on the U.S. side of the border!

**Sugar.** American Crystal Sugar, based outside Fargo,



FIGURE 1 - Lower 48 States Shale Plays

N.D., announced earlier this year that because of lack of rail service, it will scale back output (from sugar beets) at three of its plants, because of running out of storage space, waiting for rail cars.

**Propane.** Shortage of propane supplies and hyperinflated prices have wreaked havoc in the Upper Midwest since December, and for reasons parallel to the Buffett oil-rail domination: The U.S. gas pipeline system, of which Buffett is a foremost owner, is serving cartel export and other interests above agro-industrial and public needs.

The Upper Midwest states, as well as New England and the South, were slammed this Winter, with propane scarcity and spiking prices. It’s still that way. At the STB hearing, Minnesota grains leader Robert Zelenka spoke about “the recurring problem with the movement and placement of propane for this Fall’s grain-drying needs and home heating.”

Over the past 18 months, the Obama Administration lifted restrictions against exports of certain Natural Gas Liquids (NGLs) including propane. Given that the world “market” price was much higher than the domestic, the London/Wall Street cartels shipped it abroad. Exports of propane and propylene have increased 5.5 times in the past two years, tripling in the last year alone. In 2013, more than 20% of all U.S. propane was exported, way up from 5% in 2008.

On Feb. 7, the Federal Energy Regulatory Commission (FERC) issued its first-ever directive to one of the gas pipeline cartel firms (Enterprise Products Partners LP), to reverse its flow-to-the-ports shipments of gas and propane, and instead make shipments south-to-north, to bring in emergency gas supplies to the North-Central States. This came about amidst the crisis this Winter, when propane users, including farms, households, schools, and institutions, were devastated.

## II. Southwest States Crisis

The California, Texas, and Western drought is a national and world-scale water and food emergency. Nevertheless, hydraulic fracturing is consuming critical volumes of water for oil and gas extraction, in areas desperately short of water.

A report released this year by the Boston-based research group Ceres,<sup>1</sup> documented this, by overlaying a map of water-stress regions (from the World Resources Institute), onto the sites of new fracking wells, for the 29-month period January

2011 to May 2013. The results:

- Nearly half (47%) of oil and gas wells opened by fracking in the United States and Canada are in areas of high water stress. In California, New Mexico, and Wyoming, the majority of wells have been drilled in regions of extreme water scarcity. Texas leads all states in the number of such wells, with over 9,000 opened in extremely water-short areas, and another 9,000 in dry-prone locations.

- Only about 5% of all fracking water in these areas has been recycled; that is, 95% is “consumed” and gone. This has directly led, in such places as west Texas and eastern New Mexico, to ranches shutting down, and towns running out of water.

- Over the 29-month study period, fracking consumed 97 billion gallons of water; that is about 45 billion gal/year (0.14 MAFY).

### III. National Food Supply Crisis

The states west of the Mississippi River account for majority percentages of U.S. food production—from the grainbelt in the High Plains, to cattle in Texas, to the “fruit-and-vegetable bowl” of California. California alone accounts for over 40% of all the U.S. production of fresh fruits and vegetables, and 20% of milk. All of this is now drastically threatened, by the combination of drought, and the fracking policy directly using water, and creating the oil-and-gas “boom” now disrupting agriculture transportation and the food chain on a vast scale.

The already rising U.S. food prices are set to soar. One example makes the point: beef. The average retail price for beef in March was \$5.36 a pound, up more than 33 cents just since December 2013. The U.S. cattle inventory fell to a 63-year low as of January, while cattle exports continue to rise. In Texas, the leading cattle state, where a multi-year drought has caused a severe contraction in cattle numbers, there are the most fracking oil and gas wells in the nation.

### IV. Transportation Disaster

Shipments of oil and coal now account for 48% of all rail cargo transported in the United States, mostly due to the spectacular rise in fracked oil production. Oil shipments grew from 9,344 carloads in 2008, to 434,032 in 2013! In 2009, North Dakota produced 200,000 barrels of oil a day; today, it is about 1.1 million a day. Oil shipments increased 5.6% in 2013 over 2012, and 6.6% in 2014 to date over 2013. Besides oil itself, some 40 railcars of sand and other inputs are needed per well fracked.

This oil-ascendence has occurred, as the total rail shipment volume in general had been falling in recent years, as the economy contracts. Total shipments in 2013 were 14.377 million carloads, compared with 14.960 million carloads in 2008. However, no “spare” rail capacity has been freed up in this contraction process to handle the fracking boom. Shipments of other goods are being dramatically displaced, and passenger service too.

In January 2014, the National Association of Railroad Passengers appealed to Transportation Secretary Anthony Foxx, saying that oil transport was disrupting Amtrak service. Amtrak’s Empire Builder train (Chicago to Portland, Ore., thence to Seattle), which runs on a BNSF route, has had frequent disruptions in service from Chicago to the West Coast, directly because of BNSF oil shipments from the Bakken Shale oil field. Association president Ross Capon called the situation intolerable: “Crude oil is being given priority over people.”

Spectacular accidents, spills, and fires are occurring on the oil trains. On Dec. 30, 2013, a BNSF oil train derailed

and exploded near Casselton, N.D., carrying the “tight light crude.” Other derailments, explosions, and fires have occurred in Quebec, Alabama, western Pennsylvania, and elsewhere.

But a frenzy of fracking-boom corporate positioning and expansion plans of all kinds is underway—rail, refineries, pipeline connections. The same day as the Casselton disaster, Buffett (Berkshire Hathaway) bought a major interest in Phillips Specialty Products, Inc., a subsidiary of ConocoPhillips, which specializes in pipeline flow-maximization and pipeline-refinery interface technologies. This company is actually a subsidiary of Phillips 66, in which Berkshire Hathaway already owned 27 million shares or about \$1 billion—5% ownership; to go with \$3 billion in ExxonMobil and \$500 million in Suncor.

In January 2013, Phillips 66 bought 2,000 oil railcars through BNSF. It has been using them to run Bakken oil to the East Coast (New Jersey refineries) and will go in the future, to the West Coast. Tesoro Oil bought 1,000 oil railcars for BNSF to move its Bakken oil to its refineries on the West Coast. It is cheaper than either Brent crude or Alaska North Slope oil. This company (Valero) also intends to bring Bakken oil to Vancouver refineries and then ship refined products to Alaska. All this multiplies the dangers.

This is the energy policy Barack Obama has pushed by “phone and pen” (Executive Order) and by encouraging legislation to remove effective regulation of fracking. Fracking oil is the most profitable cargo of Buffett’s BNSF Railroad and pipeline network. Is this also involved in Obama’s postponements of Keystone pipeline?

### V. Policy of Resource Depletion

Measured by the principle of applying increasing advances of science and technology as the determinant of the mode of power in an economy, the reversion to fracking and expansion of retrograde oil and gas for baseline electricity generation and transport is a doomsday policy. We should have never stopped “going nuclear,” and must resume going nuclear on a crash basis now. The drive for fusion power is the centerpiece.

Just the factor of diminishing returns of the evermore-demanding efforts to dig in the Earth’s crust for oil and gas, manifests the stupidity. Fracking means resource depletion, and extinction. Nuclear power means the ability to *create natural resources* and, thus, the future.

Unless fracking is stopped, we are on the road to extinction. Right now, the United States accounts for more than 10% of all world crude oil output, which share is accounted for significantly by Texas and North Dakota, and by hydraulic fracturing of tight rock formations. According to the Energy Information Agency March 26 release, the breakdown of the 10% is: over 4% from “tight oil” (fracking), and the remainder from conventional drilling. The foremost oil regions are the Texas Eagle Ford formation and the Bakken formation centered in North Dakota.

The fracking machine is now poised to roll over Mexico, change laws and the Constitution, to cause devastation in the Burgos Basin and elsewhere.

The so-called “fracking revolution” was concocted from the beginning by the commodities wing of Anglo-Dutch imperial finance—the nexus of Royal Dutch Shell, BP, and others—as a matter of energy control, prevention of nuclear power, and destruction of nations.

Look at the role of Dick Cheney. His company, Halliburton, was instrumental in deploying new techniques for the process, and exploiting the protection from regulation, which was arranged by Cheney et al. in the G.W. Bush Administration.

After his stint at Halliburton, Cheney moved on to run

the White House. One of his first projects was heading the Energy Task Force (January to June 2001) to devise a national energy strategy—a task force which involved various Cabinet departments meeting with top energy cartel members including Enron, ExxonMobil, Conoco, BP, and Royal Dutch Shell.

In addition to mapping out the areas of Iraqi oil of interest to Anglo-American interests, the task force identified fracking as “one of the fastest growing sources of oil production.” It also declared that we should reconsider any regulatory restrictions that do not take “technological advances” into account.

The next step came with the Energy Policy Act of 2005, which amended the Safe Drinking Water Act to exclude fracking from special EPA oversight and specified that the chemicals used in the process were not to be labeled as pollutants under the Clean Water Act! Not surprisingly, this was called the “Halliburton loophole,” because of the heavy role played by Halliburton in ensuring that Congress exempted this technology from (rational) environmental oversight.

When Obama came in, in 2009, beholden to the same British financial interests, he simply continued the job.

## VI. Sack Warren Buffett

Buffett's activities to cause harm to the nation, through his empire in rail, gas pipelines, Mid-America Energy, and other basic infrastructure operations (as well as insurance, etc.)—maximising the harm from fracking, are sufficient and urgent grounds to put him out of corporate office. His activities reflect his pedigree as a functionary for the City of London/Wall Street neo-British Empire. He has made a string of strategic acquisitions, which he has deployed to subvert the nation. He works in league with the interlock of Royal Dutch Shell, Chevron, BP, Halliburton, et al., imposing all aspects of the oil and gas “fracking revolution” worldwide. In particular, Buffett was in on vetting Obama for his role as a White House patsy for London.

The BNSF RR was acquired by Buffett's Berkshire Hathaway in late 2009, for \$34 billion, the largest purchase in Buffett's infamous history. BNSF today operates on 32,500 route miles of track in 28 states, and two provinces in Canada, and dominates outright major regions of the United States.

When, from 2012 to 2013, there was a year-on-year increase in overall U.S. rail cargo volume, fully half of it was accounted for by one company, Buffett's Burlington Northern. In February, BNSF announced it will spend \$5 billion this year, with \$2.3 billion on its “core network and related assets,” including to haul more oil out of the Bakken oil field in North Dakota and Montana.

Buffett is also a foremost gas pipeline owner, getting in on this part of vital U.S. infrastructure during the years of energy deregulation, under Cheney's Energy Task Force perspective. Buffett also has an electricity company, Mid-America, in the Central States; he cancelled plans in 2013 for the company to build a new nuclear power plant in Iowa, and is expanding wind turbine farms.

Buffett ranks among the 85 richest people<sup>2</sup> on Earth, whose combined personal fortunes (over \$1.7 trillion) exceed the wealth of the world's poorest 3.5 billion people. His own financial worth is estimated at \$53.5 billion, putting him among some 31 Americans on the international list.

In May 2009, Buffett was among those at the Billionaires'



Warren Buffett has a lock on rail transport in the Midwest, where railcars are unavailable to farmers because they've been diverted to transport gas and oil from fracking.

Club meeting in New York City with Bill Gates, George Soros, Ted Turner, Michael Bloomberg, and others, to confer on their goal of population reduction.

In this context, Buffett has played Barack Obama all the way to the present day. In December 2004, Obama, then Senator-elect from Illinois, had a hush-hush session with Buffett, conniving on Obama's new, British-fostered Congressional career. Obama went by chartered jet to Omaha, for a private lunch with Buffett and his daughter Susan Buffett. Obama's Chicago campaign circle tried to keep this secret, given Obama's “man-of-the-people,” anti-richguy rhetoric. (Reporter Lynn Sweet exposed it at the time.)

In August 2007, Buffett hosted an Omaha fundraiser for Obama, his wife, and children; and another in the Fall.

## VII. Congress: Act, or Be Impeached

Every aspect of the so-called fracking boom shows it to be a crime against humanity. But in Wall Street/City of London terms, Obama and cohort Republicans and Democrats represent it as a great achievement, even as the immediate crises worsen of water, food, shipping, heating and means to life.

A few Congressmen, who back the “shale revolution,” are calling for small “reforms” to help make the evil system “work better.” Sen. John Hoeven (R-N.D.) and Dick Durbin (D-Ill.) are calling for a Federal fund to deter oil rail wrecks. On April 4, Sen. Al Franken (D-Minn.) sent out a letter calling for Congress to set up a new agency—a Safe Transportation of Energy Products Fund, to deal with transporting crude oil. Some 800,000 barrels a day go by tank car out of the Bakken. But you can't tweak evil, to make it better.

On March 25, Senate Energy Committee Chairman Mary Landrieu (D-La.) held a hearing to call for more fracking, and LNG (liquefied natural gas) exports, in order for the U.S. to become the new “superpower” of oil and gas. This was echoed by Ranking Minority Leader Sen. Lisa Murkowski (R-Ak.), and others.

On April 4, the House Natural Resources Committee held a hearing to push fracking in the Monterey Shale formation of California. The pretense was shown in the title, “Energy Independence: Domestic Opportunities to Reverse California's Growing Dependence on Foreign Oil.” Chairman Doug Lamborn (R-Colo.) demanded that regulations be lessened, to speed up drilling.

## Footnotes

1. Monika Freyman, “Hydraulic Fracturing & Water Stress: Water Demand by the Numbers,” Ceres, February 2014.

2. Oxfam calculations, January 2014.