

## THE ROADLESS WARRIOR

To save the Amazon, Bruce Babbitt wants to isolate islands of oil and gas production amid a sea of trees.

ruce Babbitt ambles down a walkway flanked by manicured lawns, gleaming office trailers and tidy rows of housing. The drone of vehicles competes with Latin music playing softly in the distance. Only the occasional birdsong or glimpse of macaws serves to remind that this encampment is smack in the middle of the Peruvian Amazon. Babbitt looks into the distance, where the separation towers of a natural-gas facility rise above the trees and shimmer with industrial splendour in the evening sun. "It's an amazing sight," he says.

The Malvinas natural-gas plant might seem the ultimate insult to a largely unspoiled tropical paradise, particularly for a lifelong conservationist such as Babbitt, who served as Secretary of the Interior — responsible for managing much of the United States' federal land and natural resources — under US President Bill Clinton from 1993 until 2001. But where others see blight, Babbitt sees a vision of the future. He looks past the pipes and pollution and focuses instead on what makes this project stand out: seen from the sky, Malvinas is an island of industrial activity in a sea of trees. There are no roads into the site; everything that enters or leaves Malvinas, including gas, rubbish, food and people, does so by plane, boat or underground pipeline.

BY JEFF TOLLEFSON The design is called an offshore-inland development, and Babbitt thinks it might be the western Amazon's

only hope. Historically, roads have paved the way for uncontrolled development throughout the region. Without them, there can be no associated logging, squatting or large-scale invasion of the forest, as has happened around other oil and gas operations in the Amazon. "There's a huge rush all across this region, and the place is going to be destroyed unless this model is embedded in all future discovery and operations," Babbitt says. "This is a message that curiously does not have a messenger."

It does now, in Babbitt. In partnership with the non-profit Blue Moon Fund based in Charlottesville, Virginia, Babbitt has used his prominence to urge governments in the region to require that any oil and gas development in the Amazon basin follow the offshore-inland model. His efforts run counter to industry, which fears regulation, and to some environmentalists, who want to avoid selling out to oil and gas producers that have a poor track record in the Amazon. But Babbitt's campaign is an extension of the work he did in the US government, where he forged innovative policies that balanced business and

conservation interests on issues ranging from endangered species to energy development in Alaska.

Now 73 years old, Babbitt is dedicating himself to protecting the Amazon. Working with Enrique Ortiz, a programme officer with Blue Moon, Babbitt has been shuttling back and forth between Peru and his home in Washington DC to promote the offshore–inland model and a broader goal of smart, controlled development in the Amazon.

The heart of their campaign is Malvinas, which began processing gas from the surrounding Camisea natural-gas field (see 'Islands in the jungle') in southeast Peru in 2004. Apart from one field in Brazil, Camisea is the only example of offshore–inland development in the Amazon. The roadless plan was implemented under pressure from environmental groups and the Inter-American Development Bank (IDB), but the idea received scant attention, in part because Camisea has been beset by environmental problems such as pipeline leaks. Babbitt and Ortiz, however, see potential here. They are promoting the idea of roadless development at a crucial time, as energy companies look to expand their operations in the Amazon. Earlier this year, Babbitt and Blue Moon were instrumental in blocking a plan to build a new pipeline from the Camisea field that could have spurred widespread road construction and deforestation.

"I'm not a very emotional guy, but I'll tell you I got emotional about this," Babbitt says, after delivering his first public speech promoting his vision for roadless development at an energy conference in Lima in September. "It was important to make an issue of it, to demonstrate that it was possible to mobilize opposition."

## DAMAGE CONTROL

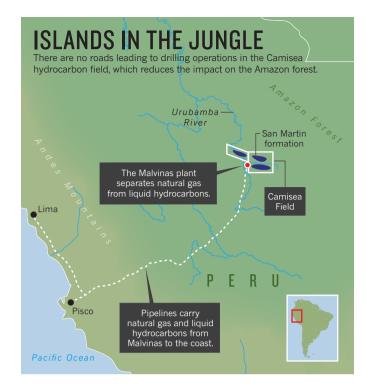
Malvinas's isolation comes into focus as Babbitt's helicopter rises into the sky and arcs out to the east, across the jungle. The Urubamba River borders the plant on the west, and a sea of green surrounds it on all other sides. Babbitt and Ortiz are accompanying a crew of six workers to San Martin Number 1, a platform for multiple wells tapping natural gas, propane, butane and other light hydrocarbons trapped in a sand-stone formation thousands of metres below ground. En route, they pass over a clearing dotted with thatch-roofed huts near the Camisea River. It is home to one of several indigenous communities that have leased their land to a consortium led by the exploration and production firm Pluspetrol, based in Buenos Aires. 'Uncontacted' tribes that have yet to establish any ties with modern society roam the rolling hills on the horizon.

The helicopter circles the production site and gives Babbitt and Ortiz a good view of the operation. Apart from a few small structures containing production equipment, the main feature is an open grass field roughly the size of a football pitch, which is used for setting up equipment. Several pipes rise up out of the ground on one edge of the clearing then dive back below the surface at the base of a hill, marking the beginning of an underground journey to Malvinas, where gas will be separated from liquids then piped to the coast for distribution. Workers cleared a narrow path through the trees when they buried the pipeline, but the jungle has since reclaimed the land, completely camouflaging the route.

For the two environmentalists, Malvinas is a proof of principle. "This is far from an idyllic forest, but what I see is something that is contained," Ortiz says. "As long as there is no oil or gas in the river, it's just not that bad."

Pluspetrol has several isolated production platforms tapping the eastern end of the Camisea field, and is expanding production with several platforms to the northwest. At each of these platforms, the company used horizontal-drilling techniques to create multiple wells that veer off underground and tap different regions, helping to limit the amount of forest that needed to be cleared.

The project's remote location has made it difficult to assess what might have happened had roads been allowed into Camisea, but historically, deforestation has followed closely on the heels of road building. A lack of roads has kept the western Amazon relatively intact. To



the south, a classic fish-bone pattern of secondary roads can be seen branching off the InterOceanic Highway, and roads have accompanied oil and gas operations in Ecuador and northern Peru<sup>2</sup>. One modelling study<sup>3</sup> suggests that the southwestern Amazon, around the confluence of Peru, Brazil and Bolivia, could lose two-thirds of its forest cover by the middle of this century if roads continue to be built without additional protections.

## **CIRCLE OF LIFE**

Babbitt started working full time on Amazon conservation issues just two years ago, after he retired from his law practice in Washington DC. He is not, however, new to the region. He made his first trip there in the summer of 1962, as a master's student in geophysics at Britain's Newcastle University. His professor, Keith Runcorn, pioneered the palaeomagnetic mapping that bolstered the case for plate tectonics, and Babbitt's job was to collect rocks for palaeomagnetic analyses from transects up and down the eastern side of the Andes in Bolivia. He spent much of his time in camps run by Gulf Oil, a company based in Framingham, Massachusetts, that was busy doing early oil and gas reconnaissance.

Babbitt ended up abandoning rocks for law school and then politics, but his geological introduction to the eastern Amazon still comes in handy. "There's a circular quality to life," he says. "That first summer made an impression on me, and I made a commitment to get back."

As a lawyer, Babbitt moved up through the ranks to attorney-general of Arizona, then to governor in the 1980s. He failed to win the Democratic nomination for the US presidency in 1988, but in 1993, Clinton appointed Babbitt to serve as secretary of the Department of the Interior, which put him in charge of roughly 200 million hectares of federal land. It was then that he began to think more deeply about low-impact ways to develop oil and gas, beginning with the North Slope in Alaska. In 1998, the interior department opened up around 1.6 million hectares of wilderness there for drilling but required the use of 'ice roads', which are created each winter to give heavy equipment access to the region. That meant that industrial activity was confined to the winter months and helped to prevent damage to the fragile tundra.

Babbitt started to focus on Camisea drilling in 2002, when he chaired a blue-ribbon commission established to review environmental policies at the IDB. At the time, a consortium was seeking US\$75 million in loans from the bank to build a pipeline from Camisea to the coast.



The Malvinas natural-gas facility has no roads leading into it.

Under pressure from environmentalists, the IDB imposed several requirements, including roadless development, collaboration with native communities and a programme to monitor biodiversity.

It was an important time for Babbitt. The Camisea example showed how international lending institutions could impose social and environmental constraints on such projects. And despite a litany of complaints about Pluspetrol's actions in Camisea, Babbitt and Ortiz say that the roadless requirements have held up — so far.

Their optimism is not shared by all. For many environmental and social activists, Camisea is a deeply flawed project. It has been rocked by scandal, from ruptured pipelines in the early years to questions about how the government distributes revenue from the project. Activist groups such as Amazon Watch in San Francisco, California, argue that Pluspetrol could have built fewer platforms by taking additional steps to consolidate their drilling, and that the pipeline has caused extensive erosion along the route carrying gas south out of the basin from Malvinas. César Gamboa, political director for the Law, Environment and Natural Resources centre in Lima, supports the offshore-inland model, and his group has received funding from Blue Moon to work on legal issues associated with oil and gas development and their impact on indigenous cultures. But Gamboa sees the model as just a first, small step and argues that companies need to do much more to limit the environmental and cultural impact of operations in the Amazon.

Gamboa says that the main issue is what happens to indigenous communities as development moves forward. Communities that have secured title to their lands can gain access to health and education services through development. As oil and gas production expands, however, it will encroach on the uncontacted tribes, which have no formal rights or title to the land they live on. "It's an issue of human rights," says Gamboa.

What is clear is that the operations in southeast Peru are just the beginning. Pluspetrol has its eyes on indigenous territories to the east of Camisea, and other companies are moving into the region. The Spanish company Repsol is exploring to the north, and Brazil's governmentcontrolled energy giant Petrobras is working to the west and south. The Peruvian government has already granted exploration rights for roughly half of its Amazon territory, and Babbitt says that it is just a matter of time before oil and gas companies seek access to the crown jewel of the Peruvian Amazon, Manu National Park, the country's first major conservation initiative and an area of extreme biodiversity.

In addition to funding Peruvian non-governmental organizations to conduct research and draft legislative proposals, Babbitt and Ortiz are busy spreading the word within industry and government. Babbitt spoke about the offshore-inland idea during a conference this autumn on Latin American energy investments in New York, and he

is now taking the message to investor groups that promote corporate a responsibility. He and Ortiz are also expanding their audience within South America by initiating talks with the Brazilian Development Bank and the Brazilian industrial giant Odebrecht Group, based in Salvador, which is working on a big pipeline into the Camisea region with Petrobras, based in Rio de Janeiro.

Babbitt acknowledges that it is a tough sell, even among the companies that have developed Camisea and proudly tout its environmentally friendly attributes. Two years ago, the consortium running the pipeline sought to build a second pipeline, which was to be routed through the lower Urubamba River valley, and through an important environmental sanctuary.

That plan raised alarm because to construct a pipeline, a temporary road would need to be built to move equipment around. Settlers often follow roads, so temporary roads become permanent ones, leading to deforestation and expanded development. That was not a risk with the first pipeline because the tortuous path it follows up and down hills is not attractive to loggers, miners and others seeking new territory.

When Babbitt and Ortiz learned about the plans for a new pipeline, they immediately moved to block it. Ortiz mobilized — and in some cases funded — environmental groups in Peru while Babbitt lobbied old contacts on Capitol Hill and at the IDB. They also made their case to Thomas Lovejoy, an Amazon ecologist at George Mason University in Fairfax, Virginia, who is on the advisory board of Hunt Oil in Dallas, Texas — one of Pluspetrol's partners in the Camisea project and in the pipeline consortium. Hunt Oil officials were sympathetic to Babbitt and Ortiz's case and pushed for a new pipeline route. In the face of growing opposition from environmental and indigenous groups, the consortium this year redirected the pipeline away from the sanctuary and up into the hills.

Despite Amazon Watch's reservations about Camisea, its executive director, Atossa Soltani, gives Babbitt and Ortiz credit for helping to

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persuade the companies to rethink the pipeline. "They took a tactical approach," she says, "and they were really effective."

Officials at Pluspetrol, however, do not hold up Camisea as a model. Nelson Soto Fuentes, the firm's director of environmental issues and community relations, warns that roadless development is both expensive and difficult, and that some communities might actually welcome roads.

Others are more open to the idea. Carlos del Solar, a consultant for Hunt Oil, says that companies are increasingly looking to this kind of development as a way to avoid the social conflicts that afflict many major infrastructure projects in the region. "It's expensive, but in the long run it pays off," del Solar says, although he is not sure that government regulation is necessary.

As he prepares to leave Malvinas, Babbitt puts Camisea in a historical context, comparing the Amazon of today to America's lawless Wild West. Although the struggle between conservation and development continues across the West, including in Babbitt's Arizona, the US government has imposed the rule of law and set up a process to manage public lands. Babbitt hopes that the same will happen in the Amazon.

His goal is to slow down the most destructive road building and development until that time comes. The offshore-inland model is not a complete answer, he says, "but it starts the process of thinking about development in the right way". ■

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