
China/India Conflict Only Highlights The Continued Importance Of American Energy Development

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On a desolate Himalayan mountainside thousands of feet above sea level, Chinese and Indian troops recently fought a military battle using sticks, clubs and fists. When it was over, the hostilities over a border dispute left 20 Indian soldiers, and an unknown number of Chinese soldiers, dead.

The implications of this military situation are profound. The unmarked border between the two nuclear powers has been a longstanding flashpoint. In 1962, open warfare erupted between the two countries over the same border. Since then, the conflict has simmered on a low burn, with Indian and Chinese forces agreeing to refrain from using weapons to protect the border. However, occasional skirmishes pop up again and again. It is unclear what started the present violence, the worst since 1967, but there are some possibilities.

Since the Coronavirus hit, the Chinese have gotten more assertive internationally. Their actions on the Indian frontier are no exception. China claims that India is responsible solely for the tension. The Chinese say that India was building a new bridge on its side of the poorly defined border - known as the Line of Actual Control - that would allow India to more fully mobilize troops. Some in India, however, respond that over the last few months China has made numerous provocative moves and has seized approximately 40 square miles of Indian territory.

For the United States, India has become an important partner as it seeks to counter China's growing influence, especially now during the Covid-19 pandemic. India is much poorer than China, however, and desperately needs energy and clean water. India also is highly dependent on burning dirty coal for its energy needs. As recently as 2017, coal accounted for 56% of India's primary energy consumption.

In just the last few years India has moved to diversify its energy mix. Since 2017, India has increased its imports of American oil from 26,000 barrels/day to nearly 260,000 barrels/day. In February, the United States and India signed a Memorandum of Understanding to help move India more toward a natural gas based economy. India seeks to increase its natural gas portfolio from approximately 6% today to approximately 15% by 2030.

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Home to over a billion people, the shift of a country like India to a more natural gas based economy is important both for improving India's standard of living and for converting India's economy to a much cleaner burning fuel. Concomitantly, this shift could portend substantial positive environmental impacts for the entire world.

Unfortunately for the United States, domestic politics means, ironically, that this country might not be ready to fully assist India in the energy transition that we largely brokered. With America's pipeline infrastructure delayed in consistently fractious battles in the courts and with state and local governments seeking to assert a different agenda, there might not be sufficient quantities of American natural gas reaching embarkation ports to export to India at all. That means that natural gas produced in the United States using American technology and following American environmental standards will not be available to help fill India's energy needs. Anybody who doubts the seriousness with which those standards are being enforced need only look to Pennsylvania, which recently reached an agreement with Range Resources over alleged environmental infractions and last week sued Cabot Oil and Gas over other alleged infractions.

Without American natural gas supply India will have to look elsewhere. That might mean India looks increasingly toward Russia or the Middle East for natural gas. Alternatively, India might abandon, or at the very least slow down, its quest to convert its energy economy to natural gas.

That would not be a good thing either for India or for the world environment. Unlike in the West, the Indian energy infrastructure is only partially developed. Nearly all Americans have heat and electricity, as do most Europeans and Canadians.

Despite making great strides this century, that still is not the case in India. The capacity for economic growth has a direct impact on Indian people's lives. Greater development means hundreds of millions of Indian people might escape poverty. This will give them an opportunity to concentrate on things other than just feeding their families - like preserving their environment, and that of the world as a whole. India's current situation both economically and politically thus gives the United States a chance to help the world environment while simultaneously strengthening our ties with an important world ally.

That the United States can do this for itself, India and the world while also preserving America's geo-strategic balance seems all to the good. While China certainly has become the chief geo-political rival of the United States during the 21st Century, it has done so without being involved in international wars. Hopefully, by strengthening international cooperation with nations surrounding China, the United States can convince China that its interests are best served by continuing to grow using wholly peaceful means. If we in the United States can encourage this by increasing our capacity to export our natural gas bounty, with the added benefit that it will also help improve the world environment, then so much the better for everyone.

Meanwhile, it remains hard to see how United States domestic policies that actually stifle development and worldwide distribution of our enormous natural resources – obtained in an environmentally sound manner, of course - move us closer to where we want and need to be internationally, either from a security perspective or in terms of overall environmental and financial benefits.

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ATTORNEYS MENTIONED

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