

## Report n° 1 15 January 2017

Today I reflect on the nomination -- at the moment of my writing still debated at the US Senate -- of the former Chairman of ExxonMobil, Rex W. Tillerson, as the Secretary of State, and therefore the head of the Department of State of the United States by the President-elect Donald J. Trump. Rex W. Tillerson always stayed within ExxonMobil, and was awarded in 2015 [the executive \(CEO\) in the oil industry](#) . Many people ask themselves, given the privileged relationship that Rex Tillerson had with Vladimir Putin, President of Russia, what will happen now. After all Rex Tillerson was awarded from Putin in 2013 the medal of the Russian Order of Friendship. The former CEO of ExxonMobil has also been invited in Putin's Dacia after that ExxonMobil signed an agreement with the Russian oil company RosNeft. Russian authorities have allowed to ExxonMobil to do exploration and production in the Sakhalin island, located in the Russian Arctic, differently from the company Royal Dutch Shell that has been removed from operations in the same location. I recall for everybody that the Royal Dutch Shell in 2014 was operating one of the world's largest integrated, export-oriented oil and gas project, called Sakhalin-2 .

ExxonMobil with RosNeft has continued to carry on oil and gas operations, specifically in three local oil and gas fields called Hayvo, Odoptu, e Arkutun Dagi, that produce about 100,000 barrel of oil daily, with temperature below minus 45 degree centigrade.

This oil and gas exploration and production situation in the Arctic does not consider that the Obama administration also banned any drilling in the US Arctic with a law in 2016. Similarly in 2016, Canada with the Prime minister Justin Trudeau has also banned any drilling for the Canadian Arctic.

The [United States estimated](#) that the sea bottom of Arctic Ocean contains about 22 percent of the oil and gas unexplored reserves in the world.

What will be of the policy of the United States towards Russia, and other countries, once Donald J. Trump will become the 45th President of the United States is not clear. Will the policy of the United States recall the energetic policy of ExxonMobil? Perhaps this is the reason of the hesitation of a conservative republican, Marco Rubio, to confirm the nomination of Rex Tillerson as US Secretary of State.



Oil Platform of Arkutun Dagi. WorleyParsons, 2015.

During the interrogation for the nomination in front of the US Senate, Rex Tillerson declared that he has “never lobbied against sanctions personally, and to my knowledge, Exxon has never directly lobbied

against sanctions" of the United States against Russia for its invasion of Ukraine, and the annexation of Crimea in 2014. However, ExxonMobil has only actively declared that the impact of the sanction would be probably nil or anyway very poor efficient. [It has been estimated](#) as of October 2016, that ExxonMobil lost about 1 Billion USD because of the sanctions. If Rex Tillerson and in general the Trump administration succeed in suspending or eliminating the sanctions, ExxonMobil will immediately find itself to earn millions of dollars. The situation in the Arctic is however very complex , confrontational , and it will be for sure topic of another of my writings.

What is the position of Tillerson on the global climate change? Tillerson declared that "climate change is not an imminent threat to the security," and that the United States have intensified the prevention. Negative has been Tillerson's denial to link the occurrence of specific natural disasters (related for example to the increase of the temperature) with the climate change, and defines the scientific literature on the topic "inconclusive." It seems therefore that Tillerson and ExxonMobil are more interested to generate and keep confusion, that in funding scientists, economists and others to analyze the risk of climate change and to decide what to do. It has not being received positively a survey carried out among the staff of the different departments such as the Environment Protection Agency (EPA) on behalf of the new administration of the United States. In the survey some questions asked to each staff what he or she has done and think on some issues, such as the climate change. One hopes that companies such as ExxonMobil and people such as Tillerson see the opportunity to lead the adaptation of countries to climate change. We can hope well, based on Tillerson declaration, solicited by the democratic senator Tom Udall, that the United States would be "better served if they would stay at the table" of the Paris United Nations agreements of 2015.

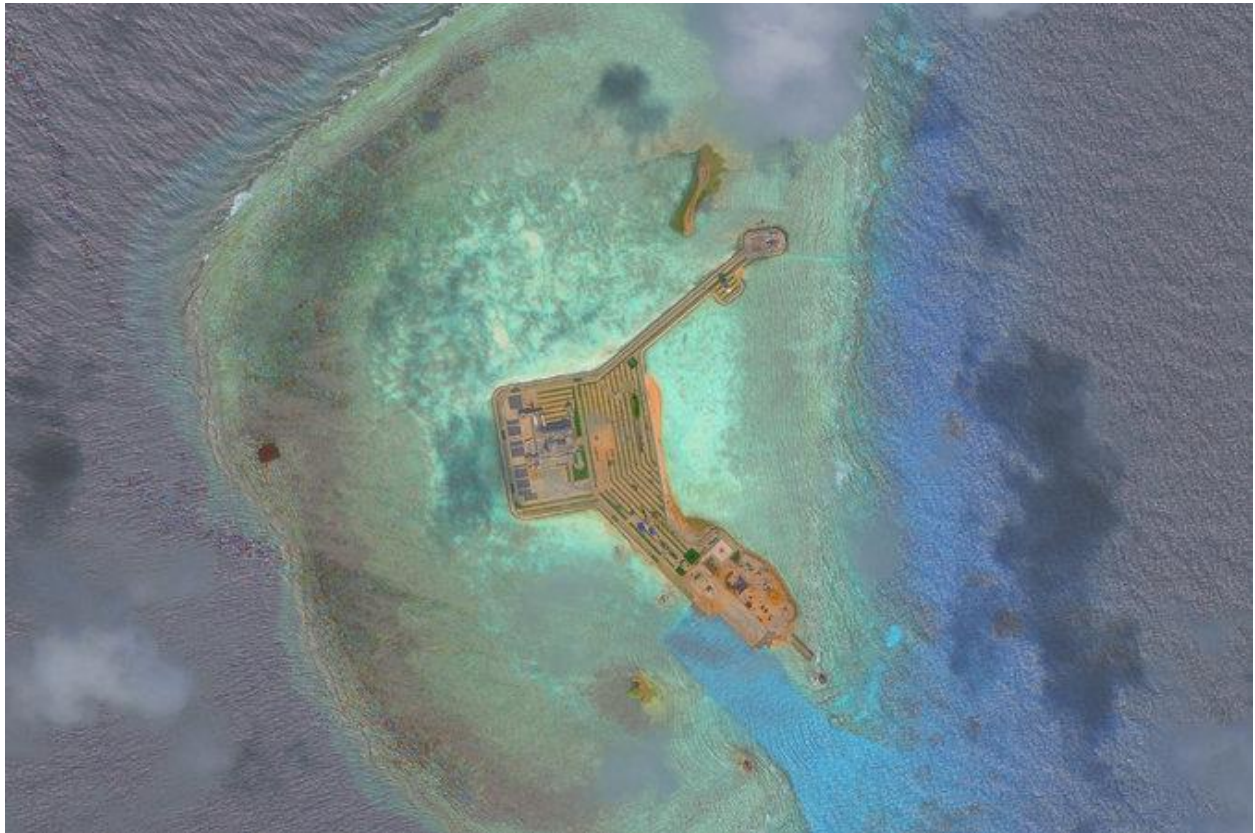
From the interrogation for the nomination of Tillerson to Secretary of State, I must also refer that Tillerson seems ot be against nuclear proliferation, that is on the contrary supported by the President-elect Trump, who in the electoral campaign claimed the need to allow Japan, South Korea and Saudi Arabia to acquire nuclear weapons.



[Russian President, Vladimir Putin and ex-CEO ExxonMobil, Rex W. Tillerson in Sochi, Russia. 2016.](#)

In conclusion, I think that the nomination of Rex W. Tillerson sign that the exploration, production and energetic consumption will become priorities not only for ExxonMobil, and similar companies, but for the United States (USA). That is the interests of the United States often will be the same of the oil and gas industry in the United States. USA will become very close to be independent from the imports of oil and gas, for example according to some people the daily imports of oil transition from 65 percent in 2005 to 28 percent in 2015, with the estimate to reach [about 11 percent in 2020](#).

The pressure for the exploration and the partition of the Arctic as well as some other regions "protected" o disputed, such as the South China Sea, will increase enormously. I hope that ENI and other Italian companies will take note of it. The position of the United States with respect to the climate change is not clear at all to me: the United States risks to postpone the decision to do something, to diversify the energy resources and to leave the technological innovation required for humanity to adapt the the climate to other countries, as it could be Italy.



One of the Chinese artificial island on the Gaven Reef in the South China Sea. These artificial islands located international waters are object of a dispute with other countries and with the United Nations. DigitalGlobe, via Getty images.