



The Public Eye Award 2006 for *irresponsible corporate behavior in the Environment* category goes to:

Chevron Corporation

Laudation by Jennifer DeLury Ciplet, Managing Director, Amazon Watch, 25 January 2006

Good Afternoon. I would like to thank the Berne Declaration and Pro Natura for inviting me to talk about this year's Public Eye Award winner for irresponsible corporate behavior in the Environment category: the Chevron Corporation.

For more than thirty years, from 1964 to 1992, the oil company Texaco knowingly and systematically dumped 70 billion liters of toxic waste into rivers, streams, wetlands, and unlined waste pits in the northern Ecuadorian Amazon. This environmental and human catastrophe became Chevron's responsibility when it bought Texaco in a US\$45 billion merger in 2001.

Over the years, the toxic contents of Texaco's unlined waste pits have leached into the groundwater, streams and rivers of the Ecuadorian Amazon, contaminating the larger ecosystem and sending toxins downstream into Peru. Today, 627 open toxic waste pits remain, some of which are the size of a soccer field. These waste pits continue to leak highly toxic cancer-causing waste into the ground, poisoning the land and water where more than 30,000 local people live. Local residents have no other option but to use these contaminated sources for drinking water. Thousands of people are slowly being poisoned daily as they consume the water, bathe in local waterways, and breathe the vapors in the air from the waste pits.

Chevron's operations have resulted in an exploding health crisis. Childhood leukemia rates are four times higher in this area than in other parts of Ecuador. Estimates of the number of local people who have died from oil-related diseases, such as cancer, are shockingly high. Miscarriages among women in this area of Ecuador are significantly more common than in other parts of the country. Some experts consider the environmental impact to be the worst catastrophe on the planet other than Chernobyl.

Even Chevron's own scientists have gathered evidence that exposes the company's environmental devastation. For example, recent laboratory reports show that 97 percent of Chevron's water samples are in violation of Ecuador's weak environmental laws. In addition, 100 percent of the 22 waste sites tested by the company are still contaminated, even though the company claims to have remediated these sites in the mid-1990's.

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The effects of Chevron's "Rainforest Chernobyl" have been especially devastating for the indigenous communities who live in this part of the rainforest, including the Cofán, Huaorani, Siona and Secoya tribes. Since Texaco began its operations, one tribe—the Tetetes—are now extinct, and the land that other indigenous communities once depended on for subsistence is now so polluted that tribal members have had to abandon these ancestral areas.

Chevron claims that it cleaned up—or "remediated"—its well sites a decade ago, but it is clear that this supposed clean-up effort was little more than a sham. Instead of carefully containing and treating the pollution, Texaco bulldozed dirt and debris over hundreds of waste pits. To make this supposed clean up official, Texaco paid the Ecuadorian government US\$40 million in exchange for a "release," which was provided by a government official who has since been a paid consultant to Chevron. The company's supposed remediation cost less than one percent of the \$6 billion it would likely require to undertake a genuine clean-up.

Perhaps the most offensive part of this story is that this catastrophe was not an accident—it was the direct result of the company's decision to prioritize short-term profits over people's lives and the environment. To further increase profits from its operations in Ecuador, the company deliberately decided not to use re-injection technology, which was a standard industry practice at the time. Re-injection technology disposes the toxic byproducts of oil drilling hundreds of feet back into the well cavity, and is a better environmental option than not re-injecting the toxins. By forgoing this technology, Texaco saved itself US\$3 per barrel—a total of approximately US\$ 4.5 billion over the course of its operations in Ecuador. But despite these short-term gains for the company, the environmental and human costs are too large to measure.

Unfortunately, the case of Texaco and now Chevron in Ecuador is only one of many examples where transnational corporations have taken advantage of weak governments, vulnerable populations and the voiceless environment to bolster their bottom line. Under the neoliberal globalization model, governments like Ecuador are heavy in debt, and bound to multilateral loan conditions that force them to open up their countries to foreign investment. With 4.4 billion barrels of oil under its land, Ecuador's government is under pressure to exploit this natural resource to generate cash and make good on its debt payments. So while 70 percent of Ecuadorians live under the poverty line, the government is selling the country's natural resources to bring in cash that it will immediately pay out in debt service payments. This supposed "model of development" serves to further enrich the wealthy and impoverish the poor, and devastate the environment in the meantime.

However, there is an important sign of hope. Today, Chevron is facing a historic class-action lawsuit in Ecuador. Brought by five indigenous groups and 80 communities representing 30,000 people, this lawsuit has the potential to set a precedent that could benefit millions of people worldwide who have been victimized by private corporations. This lawsuit represents the first time in history that everyday people in the Third World have forced a multinational oil company to submit to jurisdiction in their national courts on environmental grounds. Even more, a precedent-setting ruling in a New York state court will make the Ecuador judgment in this case enforceable on Chevron's home turf: in the United States.

And this lawsuit is only one of many tactics being pursued in the international effort to hold Chevron accountable for this catastrophe. Amazon Watch, a U.S.-based environmental and human rights organization, has been organizing regular protests in front of Chevron's headquarters in San Ramon, California, educating consumers about this case, working with Chevron shareholders who

have filed shareholder resolutions in support of a clean up, and engaging Chevron's top executives directly to compel them to do the right thing in Ecuador and raise the bar on industry environmental standards. Chevron does have an opportunity to rise to the challenge and set a new industry precedent. Our campaign demands that Chevron:

Accept responsibility for genuinely cleaning up this disaster;
Compensate the affected communities, including establishing a fund to provide medical services and potable water; and
Provide full disclosure of this massive liability to its shareholders (which the company has currently not done).

To learn more about Amazon Watch's Clean Up Ecuador Campaign, please go to our website: www.chevrontoxico.com

Again, thank you for the opportunity to expose why Chevron Corp. deserves the Public Eye Award 2006 for irresponsible corporate behavior in the Environment category.

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