

Chevron ordered to pay Ecuador \$9.51 bn on appeal

November 13 2013



An Ecuadoran court upheld a ruling that US oil giant Chevron was liable for environmental damage in its Amazon basin region by sister company Texaco, but ordered it to pay a reduced \$9.51 billion

An Ecuadoran court upheld a ruling that US oil giant Chevron was liable for environmental damage in its Amazon basin region by sister company Texaco, but ordered it to pay a reduced \$9.51 billion.



The Supreme Court upheld a 2012 ruling against Texaco, which operated in the South American nation from 1964-1990, but dramatically reduced the amount to be paid in damages to \$9.51 billion from \$19 billion, the ruling said.

Just last month, Chevron was in <u>court</u> in New York trying not to pay the damages.

Chevron wants a New York district judge to prevent lawyer Steven Donziger, Ecuadoran villagers and environmental activists from using the US courts to force Chevron to pay its fine.

A court in Ecuador first had ordered Chevron to pay \$18 billion in damages, which was later raised to \$19 billion, to people from Lago Agrio in Sucumbios province, in the Amazon basin region for environmental damage.

But Chevron has almost no assets in Ecuador and is resisting attempts by the original plaintiffs to use the American courts to force its US operation to pay up.

Chevron has never worked directly in Ecuador but inherited the pollution lawsuit when it acquired former rival Texaco in 2001. It is fighting against having to pay the fine.

The New York case is the latest in years of litigation over pollution attributed to Texaco Petroleum, which worked in the Amazon from 1964 to 1990.

Thousands of villagers say they were sickened and many have cancer from the oil spillage's effect on their water supply.

The case could have implications for lawsuits in Canada and Brazil,



where the plaintiffs are going after Chevron's assets.

Commentators say the case could help to determine the extent to which US courts can pass judgment on alleged misconduct of American multinationals abroad.

In the US District Court in New York, Chevron is alleging fraud and violations under the Racketeer Influenced and Corrupt Organizations Act.

Chevron maintains that Ecuador and its state oil company should pay the damages.

© 2013 AFP

Citation: Chevron ordered to pay Ecuador \$9.51 bn on appeal (2013, November 13) retrieved 28 April 2024 from https://phys.org/news/2013-11-chevron-ecuador-bn-appeal.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.