

Inaccurate Statements/Questions- Mike Munro	Fact
<p>First, Texaco, and now Chevron have fought this class action long and hard haven't they?</p>	<p>The case in Ecuador is not a class action lawsuit. The concept of "class action" does not exist under Ecuadorian legal statute. There are 48 named plaintiffs who have not claimed any actual injury to themselves or their own property but instead claim to represent the same communities that were represented by their municipal, provincial, and national governments in prior resolution of the claims.</p>
<p>Including leaving oil waste in unlined pits and not sending it back into the crust of the Earth?</p>	<p>Texaco did not leave waste in unlined pits. As part of an agreement with the Ecuadorian government, Texaco spent three years and \$40 million remediating 162 pits. Any remaining oilfield pits are the responsibility of Petroecuador, which chose not to conduct its share of remediation at the time when Texaco carried out its commitments.</p>
<p>I think you and I both know there's no way that you believe hundreds of unlined toxic oil pits, sitting around somewhere sinking into the water base—in America.</p>	<p>The use of open-air unlined reserve pits was a common practice in the United States during the time of the Texaco Petroleum/Petroecuador consortium. For instance, Louisiana Statewide Order No. 29-B is the law governing the closure of all oilfield pits in Louisiana. According to Carroll Wascom, a former Louisiana regulator:</p> <p><i>"29-B is applicable to all oilfield pits, including unlined drilling (reserve) pits, which have been used throughout the State of Louisiana for decades. Reserve pits are still used by many oil and gas companies to store fresh water or oil base drilling muds."</i></p> <p>As of 2007, there were 30,000 active, reserve pits in Louisiana. According to the U.S. EPA, there were some 125,000 reserve pits in the U.S. in 1985, consistent with the timeframe of operations in Ecuador.</p> <p>There is no evidence that any oil or other contaminants from any of the pits in Ecuador is "sinking into the water base." On the contrary, the plaintiffs' lawyers and consultants have made multiple private admissions that they have no data to support their allegations of groundwater contamination.</p>
<p>Your promise for remediation of hundreds of those pits was never completed and forty years later, so</p>	<p>Texaco did complete its promised remediation, spending three years and \$40 million to remediate 162 pits and complete infrastructure improvements and social projects. Any</p>

<p>many of them are sitting there now sinking into the water base.</p>	<p>remaining environmental impacts, including un-remediated oilfield pits in the region are the responsibility of Petroecuador.</p> <p>No evidence of groundwater contamination has been presented in the trial. In fact, the plaintiffs’ representatives have repeatedly conceded that they have no data showing groundwater contamination. See outtake from Crude.</p>
<p>There’s people saying you didn’t do it. All you did was just put topsoil over too many of the pits and that’s why they’re sitting there today sinking into the tributaries, drains, rivers and the Amazon.</p>	<p>Texaco’s remediation program is a well-documented matter of public record. The government of Ecuador and Petroecuador certified – and investigations by the Controller General’s office in Ecuador have confirmed – that Texaco completed remediation in every one of the pits for which it was responsible, in accordance with all regulations, accepted operating practices and contractual obligations. Even the plaintiffs’ paid consultant, Douglas Beltman, acknowledged that he “did not find any clear instances where Texpet did not meet the conditions required in the cleanup.”</p> <p>View details of Texaco’s remediation processes.</p>
<p>We know they’re not. Doesn’t the responsibility of this environment or disaster lay with whoever designed and built the oil drills and the toxic pits? Texaco. You bought Texaco.</p>	<p>The remaining legal obligations lie with the government of Ecuador. Texaco Petroleum operated as a minority partner on behalf of the consortium that was majority-owned by the Ecuadorian state. When the government of Ecuador did not renew Texaco Petroleum’s contract, it reached an agreement with Petroecuador and with the Ecuadorian government to divide responsibility in accordance with the company’s minority stake in the consortium. Petroecuador publicly acknowledged its responsibility in a paid supplement published in <i>El Comercio</i> and it had remediated more than 100 pits before the plaintiffs’ lawyers intervened to stop the remediation claiming that it was affecting their case against Chevron. Much of Ecuador’s remedial obligations are unfulfilled.</p> <p>Chevron has brought claims under the US/Ecuador Bilateral Investment Treaty against the government of Ecuador for, among other things, failing to fulfill its portion of the remediation. These claims are currently being arbitrated by an international arbitration panel at The Hague.</p>

<p>So Chevron doesn't accept also, I guess, the abnormally high increase in the cases of cancer, leukemia and miscarriages due to people having to drink and bathe in contaminated waste?</p>	<p>The plaintiffs' assertions are contradicted by official Ecuador statistical data on cancer mortality, which show there is no increased cancer risk in the oil-producing areas compared to non-oil producing regions of the Ecuadorian Amazon. The cancer rate calculated by the plaintiffs is more than 250 times higher than the rate reported by Ecuador's government.</p> <p>Moreover, when one of lawyers who devised the Lago Agrio lawsuit made cancer claims in a U.S. court, they were found to be knowingly false: http://www.texaco.com/sitelets/ecuador/en/releases/2007-08-07.aspx</p> <p>Never once have the plaintiffs or their representatives provided any medical evidence corroborating any of these claims. More facts on health can be accessed at http://www.texaco.com/sitelets/ecuador/docs/healthwhitepaperen.pdf.</p>
<p>We know of one area where the cancer rate has gone up a hundred-and-thirty percent.</p>	<p>Medical and scientific experts have reviewed the studies used by the plaintiffs to support their claims and each expert independently concluded that they are flawed, biased and inconclusive. Drs. Alejandro Arana and Felix Arellano's published letter in <i>Occupational and Environmental Medicine</i>, 2007 shows that there is not an increased risk of cancer in the village of San Carlos.</p> <p>Dr. Michael Kelsh, et al, concluded in their 2008 peer reviewed paper published in <i>International Archives of Occupational and Environmental Health</i>, "The national mortality data collected and summarized by INEC does not currently support a relationship of oil extraction activities and adverse health outcomes in potentially exposed communities." The plaintiffs' attorneys have not submitted any valid evidence to the court to support that there are increased health or cancer risks in the area.</p> <p>The plaintiffs' backers' health studies also reveal their lack of credibility, as they are unsupported by their data, demonstrate clear evidence of bias and lack any scientific merit: http://www.texaco.com/sitelets/ecuador/en/releases/2004-10-22.aspx and http://www.scribd.com/doc/45768436/Christopher-Evaluation-of-the-Doctoral-Thesis-of-Plaintiffs-Expert-Sebastian-9-29-10.</p>
<p>See, the oil samples that you said were</p>	<p>Prior to the beginning of the judicial inspections in August 2004, the two parties</p>

<p>independent were not independent, they were laboratories you either own or have influence over.</p>	<p>negotiated a sampling and analytical plan to guide the inspections and ensure a valid "apples to apples" comparison of data. The agreed-upon protocols were submitted to the court, which then ordered the two parties to adhere to them, including the use of accredited laboratories.</p> <p>Chevron's comprehensive sample analysis, performed by accredited independent laboratories, proves that Texaco's remediation was effective. In fact, experts have concluded that Chevron's sampling and analysis plan is effective, comprehensive and scientifically sound for evaluating oilfield sites in the Oriente: http://www.texaco.com/sitelets/ecuador/en/releases/2006-11-15.aspx.</p> <p>However, the plaintiffs' lawyers immediately decided to ignore the protocols and have carried out their sampling, analysis and reporting in a manner contrary to the court order, and contrary to internationally accepted standards of scientific discovery. The plaintiffs' data and analysis are scientifically indefensible. At the outset of the trial, the plaintiffs' lawyers submitted to the Court judicial inspection samples bearing the name "Selva Viva Laboratory" on the chain of custody forms. But there is no Selva Viva Laboratory; rather, this "analysis" was performed—if it was performed at all—in the plaintiffs' representatives' hotel room. After that, 75 percent of the plaintiffs' testing went through a laboratory named HAVOC. The laboratory was not properly accredited and it did not even have the proper equipment to conduct the tests it purported to conduct. Given the importance of HAVOC's work to the Lago Agrio Plaintiffs' case, the plaintiffs' lead American lawyer, Steven Donziger, was obsessed with stopping judicial inspection of HAVOC. In one e-mail, he says it would be a "DISASTER" if HAVOC were inspected by the Court. In another, he inquires about whether "the accreditation process" for HAVOC, which Donziger emphasized was "VITAL," had begun. One reason it was "VITAL" was that HAVOC had already been doing work for which the accreditation was required. In a moment captured in the <i>Crude</i> outtakes, Donziger burst into the judge's chambers and insisted that HAVOC not be inspected. He admitted in the outtakes that he "could never do this in the United States but Ecuador, you know, this is how the game is played, it's dirty. We have to occasionally use pressure tactics . . ."</p>
<p>Isn't it true that Chevron really—let's be honest—has, has little regard for poor nations like Ecuador and their people? You, you really, you know, you</p>	<p>The Chevron Way guides Chevron's business. We conduct our business in a socially responsible and ethical manner. We respect the law, support universal human rights, protect the environment and benefit the communities where we work. This is consistent</p>

<p>really don't care that much, do you? It's not about people and land; it's more about shareholders and profit, isn't it?</p>	<p>with Chevron's 45-year track record in Australia and beyond.</p>
<p>But, it sounds awfully arrogant to me when your lawyers say openly in court, "We can't let little countries screw around with big companies."</p>	<p>This statement was never made by a Chevron lawyer. It reportedly was made by an unnamed "lobbyist" without Chevron's approval and does not reflect Chevron's values.</p>
<p>You know, you know, for eighteen year now, Chevron has been accused of using fraud and crimination, bullying tactics, abuse to bury this case under hundreds of thousands of pages of documents. That, that's, that's...</p>	<p>These are meritless allegations that are uncorroborated by any evidence. On the other hand, multiple United States federal courts have ruled that Chevron is entitled to conduct further investigation into the plaintiffs' lawyers' misconduct, which has included falsifying expert reports, fabricating evidence, making unsubstantiated health and environmental damage claims, colluding with court experts, and seeking to intimidate judges and witnesses.</p>
<p>...now you're going back to the U.S. because you've had a bad decision against you and you're running back to the U.S. courts. You seem to want everything your way.</p>	<p>The judgment is illegitimate and the product of fraud. After having been confronted with evidence of the plaintiffs' lawyers' misconduct, five separate federal courts in the United States have found indications that the Ecuador trial has been tainted by the plaintiffs' fraud. Given that courts in Ecuador have ignored this evidence, the company is left no option other than to seek additional legal recourse outside of Ecuador.</p>
<p>Chevron is now accusing key plaintiffs of, as you've mentioned, of extorting money. Um, forgive me, but I think a really desperate move is accusing, uh, one particular gentleman—caring indigenous leader called Emile Hildo Priolo [<i>phonetic</i>] of being a drug dealer.</p>	<p>Chevron stands by its assertions, made in court and supported by ample evidence, that the plaintiffs' lawyers and representatives are seeking to extort money based on false accusations of environmental harm and corruptly procured, sham criminal charges in Ecuador.</p> <p>Chevron has not accused any of the plaintiffs or their representatives of being a drug dealer. This is another example of baseless allegations made by the plaintiffs and their representatives to avoid discussion of the meritless nature of their case. Most notable is the knowingly false implication that Chevron was somehow involved in the murder of one of the plaintiffs' lawyers' brother. This reprehensible conduct should create concerns for any truly objective observer.</p>

<p>Who's seen these pits? These pits have not been remediated.</p>	<p>Texaco's remediation program is a well-documented matter of public record. The premise ignores the fact that Texaco Petroleum was assigned to remediate only a share of impacts commensurate with its ownership of a 37.5% interest in the consortium while Petroecuador was obligated—but has failed—to remediate the majority share of impacts for which it was and still is liable as the 62.5% owner of the consortium. The government of Ecuador and Petroecuador certified – and investigations by the Controller General's office in Ecuador have confirmed – that Texaco completed remediation in every one of the pits for which it was responsible, in accordance with all applicable standards.</p>
<p>Well, lago twenty, lago seven—I'm sure...</p>	<p>Prior to performing remediation activities, Texaco and the government of Ecuador designated specific responsibilities to each party. Lago Agrio 20 and Lago Agrio 7 are well sites that were not assigned to Texaco for remediation. What you saw were locations that are the specific and expressed responsibility of Petroecuador. It is this type of misrepresentation that 60 Minutes fell for: http://www.cjr.org/audit_arbiter/how_60_minutes_missed_on_chevr.php.</p> <p>The drilling sites that Texaco was responsible for remediating are found in the remediation action plan. Remediation responsibility for the remaining drilling sites lies with the government of Ecuador and Petroecuador.</p>
<p>...I'm sure you've got plenty of answers for them, Mister Craig, that's who—that's what you do. You're a spin doctor. But, nevertheless, there are still nine hundred and fifty-six pits that we've been told about by the tribes of the Amazon, that are seeping crude oil into the Amazon basin. And all you guys are really concerned about is not getting called out and not having to pay any money or compensation for deaths and, and, and the rape of the land.</p>	<p>The 956 pits is an inaccurate figure. Texaco remediated 162 pits (a percentage equal to the company's 37.5% share in the consortium operations), at well sites contractually agreed upon with the government of Ecuador. The remaining pits are the acknowledged obligation of Petroecuador. Moreover, Petroecuador has continued to use consortium era pits since it took over operations in 1990 and constructed at least 270 new pits while greatly expanding the operations and drilling more new wells than were drilled during the time of Texaco's involvement.</p> <p>The evidence produced during the trial fails to support the premise that there are pits "seeping crude." Soil sampling shows there is no migration from the pits. There has been no evidence of groundwater contamination introduced during the trial, a point the plaintiffs' representatives have conceded.</p> <p>With respect to alleged damages, the vast majority of deforestation in the region is due to</p>

	<p>government policy-driven colonization, logging, large-scale palm plantations and other agriculture. Census data shows that cancer rates are lower in the region than elsewhere in Ecuador and bacterial contamination of the water due to lack of sanitation infrastructure is a much more acute health concern.</p>
<p>You don't honor the court system, Mister Craig, you, you, you, you don't—it's, it's clear you...</p>	<p>Chevron has litigated in good faith. Chevron honors court systems that adhere to the rule of law. Ecuador's court system, after ignoring mountains of evidence of fraud and misconduct clearly does not.</p>