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Ecuador will clean up areas in \$18 bln Chevron case

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By Victor Gomez

CUYABENO, Ecuador , Dec 14 (Reuters) - Ecuador's state oil company Petroecuador said on Monday it will clean up areas in the Amazon jungle at the heart of a lengthy legal battle in which Chevron was ordered to pay \$18 billion damages.

Locals accuse Texaco, which was bought by Chevron in 2001, of dumping oil-drilling waste in unlined pits, polluting the forest and causing illness and deaths among indigenous people in the 1970s and 1980s.

A judge ordered Chevron in February to pay environmental damages and clean up the old drilling sites. Chevron denies the charges, and the 18-year-old legal saga looks set to continue after both sides appealed.

"The pollution is in areas assigned to us and we've got the obligation to clean them up," Petroecuador's general manager Marco Calvopina told reporters, adding that cleaning the areas would not amount to taking responsibility for the pollution.

"We're going to record all the cleaning up that we do because we obviously know that there's a court case going on."

Calvopina said Petroecuador plans to spend some \$70 million to clean up pollution in the Amazon jungle, including some areas involved in the Chevron case.

Chevron says Texaco cleaned up all waste pits for which it was responsible before turning the sites over to Petroecuador, which still operates in the area.

A New York judge sought to freeze the \$18 billion judgment against the second-largest U.S. oil company earlier this year, but the decision was later overruled on appeal.

Chevron, arguing that the judicial process in Ecuador was corrupted, is banking on international arbitrators who must first decide whether they will become the latest body to weigh in on what has become a landmark international legal battle.

The arbitration could then take years, if a previous dispute with Ecuador is any guide. It took four years for a separate international tribunal to rule Ecuador must pay Chevron \$96 million in connection with commercial claims made in Ecuadorean courts in the early 1990s.

Calvopina said Petroecuador did not want to wait for the legal battle to end because people's health was at stake.

"It's like if someone throws rubbish in front of your house ... at some point you have to clean it up," he said. (Writing by [Eduardo Garcia](#); Editing by Daniel Wallis and Cynthia Osterman)