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World - AP Latin America

U.S. Oil Co. Goes on Trial in Ecuador

Tue Oct 21, 4:56 PM ET

By EDISON LOPEZ, *The Associated Press*

LAGO AGRIO, Ecuador - A decade after Texaco pulled out of the Amazon jungle, the U.S. petroleum giant went on trial Tuesday in a lawsuit filed on behalf of 30,000 poor Ecuadoreans who say the company's 20 years of drilling poisoned their homeland.



[Reuters Photo](#)

The case is the first time a multinational oil company has been subjected to Ecuadorean jurisdiction for allegedly damaging the environment in this small Andean nation, which depends on oil for its development.

Former Ecuadorean Supreme Court Justice Alberto Wray, with the assistance of an American legal team, wants California-based

ChevronTexaco to pay for cleanup and medical monitoring costs, which the plaintiffs say could reach \$1 billion.

Judge Alberto Guerra rejected an opening challenge to the court's authority by the oil company's lawyers, who argued the judge did not have the authority to bring ChevronTexaco to trial for alleged damage caused by Texaco, which merged with the parent company in 2001.

ChevronTexaco "is not the successor to Texaco. Therefore it cannot be held responsible for anything," ChevronTexaco lawyer Adolfo Callejas said.

Some 300 people — including Indians in body paint and feathers — marched outside the courthouse in Lago Agrio, a ramshackle town about 110 miles northeast of Quito.

Among the 30,000 plaintiffs are an estimated 5,000 Indians whose ancestral jungle homelands have allegedly been polluted.

The lawsuit alleges that Texaco took advantage of lax Ecuadorean environmental standards to cut costs by pouring wastewater brought to the surface by drilling into some 350 open pits instead of reinjecting it deep underground.

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"We have water studies that show that people are drinking contaminated water caused by this pollution, caused by the oil — that they are drinking contaminants that are known to cause cancer," said Steve Donziger, a U.S. lawyer representing the Ecuadorean plaintiffs.

ChevronTexaco has denied the allegations, saying it followed Ecuadorean environmental laws and spent \$40 million under a clean-up agreement with the Ecuadorean government in 1995. The government certified the clean-up three years later.

The plaintiffs' lawyers originally wanted the case tried in U.S. courts, arguing the Ecuadorean government's dependence on oil revenues would make the country's courts unlikely to deliver justice. Oil exports account for about 40 percent of Ecuador's revenue.

The case was sent to Ecuador in August 2002 when the 2nd U.S. Circuit Court of Appeals ([news](#) - [web sites](#)) in New York ruled it should be heard where the damage allegedly occurred.

For settler Jose Aguilar, the legal arguments mean little, compared with damage to crops and farm animals and the health of the region's inhabitants.

"It is irreparable damage," he said outside the courthouse as protesters read testimonials from cancer victims. "Everything has been damaged. People have died. Everything has been lost."

Ricardo Beija, a vice president and legal adviser for the oil company, told reporters the damage caused by drilling was "minimal" and "normal for any operation."

"We have confidence in the Ecuadorean courts," he added.

In the company's opening arguments, Callejas also warned the case would scare away other multinational corporations considering investing in Ecuador.

Callejas also said ChevronTexaco could not be held responsible for alleged damage done by Texaco, which merged with the parent company in 2001.

Plaintiffs lawyer Wray dismissed the argument.

"We believe that ChevronTexaco assumed Texaco's obligations," he said.



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