

PETROLEUM IN ECUADOR 2003

1. THE SARAYACU KICHWA INDIGENOUS PEOPLE

My name is Franco Viteri Gualinga and I am president of the community of Sarayacu. The Kichwa community of Sarayacu is located in the Province of Pastaza in the Ecuadorian Amazon. The community is member of OPIP (Organization of Indigenous Populations of Pastaza), as well as the regional Amazonian confederation, the national confederation and the Amazon Basin coordination.

Studies that have been carried out in Sarayacu list our lakes as being sacred and our vegetation as endemic. We are proud owners of the biggest reserve of primary forest in the country.

Sarayacu has a long history of opposition against oil exploitation, because of its serious environmental and social impact that it provokes. In 1989 we stopped ARCO from finishing its oil explorations within our territory that belongs to the community.

The conflict between CGC/Texaco started in 1996 when the government of Ecuador and the General Fuel Company (CGC) from Argentina signed a contract to carry out oil explorations in Block 23, which covers 200 000 hectares of which 135.000 hectares belong to the Sarayacu.

We later found out that relations were being established with Chevron Texaco, and in 1999, the American oil company Chevron, fused with Texaco, forming the Chevron-Texaco consortium.

Sarayacu has been opposed from the beginning to oil exploration. Since 1999 the company CGC carried out various actions destined for the negotiation, in an isolated and separated manner, with the communities and with particular members of OPIP, generating a series of situations that have lead to the deterioration of our organization.

The company could not convince us, but they did convince neighboring communities, for example, offering them paid work. One tactic that they use is to have someone within the community to convince the other people to accept the company. The communities who have made contracts with the companies are no better off than they were before. Their forest has been destroyed and the company has not fulfilled its promises as established in the contracts.

Communities that have contracts with the companies have experienced deforestation of botanical species that served as ecological niches for animals that they hunted, and also for the migration of fauna from other areas. There is a negative impact on land and aquatic micro fauna, because of the explosives that the company uses for the seismic studies.

These are just the environmental factors. When we look at the social side of things, we can see inter-community conflicts, psychosis, emotional instability of the inhabitants, and further poverty among the general population.

The company initiated dialogue with OPIP once it analyzed the impossibility of reaching agreements with only individuals or with communities. CGC and their community workers and the company DAYMI SERVICES were contracted in order to violate our collective rights.

In our community, everyone is mobilized. Our garden plots are diminishing because we are constantly at the community borders trying to make sure that the oil company does not get in, so there ends up being no one to take work in the garden. The men have no time to hunt and fish, the children miss classes, and even the youth of our community are busy defending our right to life and a clean environment.

On October 20th of 2000, in their XVII Assembly OPIP resolved to not allow oil exploration in indigenous territories and asked the government to accept the alternative development proposals coming from the peoples of Pastaza, among other demands.

In the year 2001, at the request of the Sarayacu Association, OPIP was left in charge of elaborating a proposal to present to the CGC that included a development activity plan for the communities of Pacayacu and Canelos, which should be discussed and approved by the OPIP assembly and by the oil company functionaries.

While we were elaborating the development plan, the company initiated a series of activities in order to promote the involvement of individuals and partners of OPIP in their plans, for the development of their activities, without taking into account the proposal that they agreed to discuss with the Pacayacu communities.

The company decided to hire indigenous people under the title of "community liaisons" and offered cash payment of over ten thousand dollars so that these community liaisons would intervene in their own organizations, with the organization members, and in their communities, to persuade them to accept the prospecting activities of the oil company.

Between May 6 and 9, 2002, in OPIP's IX Congress, it was agreed upon that no organization, individual or community could unilaterally or partially negotiate with the company.

In August 2002, the CGC started a series of activities aimed at dividing and fracturing our organization, in spite of the previously expressed mandate presented at the OPIP Congress.

On August 22 the GCG illegally signed an agreement with the Pacayacu community, contesting the vigilant decision made at the Congress, which produced the fracturing of our people and organization. They also created a supposed proposal with the community of Sarayacu without the knowledge of the communities' true leaders and of the Assembly of the organization.

Finally, on Friday, November 22 of 2002, workers at the CGC entered Sarayacu territory without authorization of community leaders. On December 23 Sarayacu became militarized. The company solicited protection from the army in order to facilitate the violation of Sarayacu territory. More than 80 soldiers were guarding CGC workers and took over Sarayacu during the months of December to January 2003. There were several confrontations between community members and soldiers as well as the security guards contracted by the company.

Because of this, four months ago, Sarayacu entered into a state of alert, mobilizing in the jungle in order to protect our territory against CGC invasion and corresponding seismic activities. Women from the community have been forefront in this struggle. They have protected the jungle, with their children on their back, and are willing to sacrifice their lives against the advance of the machinery and workers of this oil company.

Violence has been used on the families in this area. Some community members have been captured and submitted to torture and beatings. Four community members were detained by military personnel last Saturday, February 1st, and were made to confess the "name of their commanders". On another occasion (at the beginning of January), members of "military intelligence" tried to construct a report, in which they supposedly disclosed evidence of the formation of subversive groups in the zone.

Last Thursday the 30th of January, we had a meeting with the highest authorities of the present government (president Gutiérrez, Ministers of Defense and Energy, as well as the sub-secretary of Environmental Protection). In this Audience we asked for:

1. The immediate suspension of seismic prospecting activities in our territories.
2. Redesign and modify a new oil policy for the country, which involves citizen participation and the participation of indigenous nationalities.
3. Declare, by way of a decree, that Sarayacu territory as a tourist zone and heritage for the development of sustainable community ecotourism.
4. Negotiate external debt through the conservation of the Amazon ecosystem in Sarayacu territory.

In this meeting it was made obvious that the government authorities have internalized company perspectives to such an extent that they have tried to reduce the case of Block 23 to an inter-community problem and not a conflict between indigenous populations of Pastaza, the State and oil companies. The Ministry of Energy tried to play the part of mediator, as did President Guitérrez in this intervention. This has all left us with an enormous feeling of frustration, to see that the present government does not have politics defined to face present themes, such as the economy and indigenous rights, the environment and oil, etc., etc. These large companies use both subtle and open threats, imposing their points of view and interests at huge costs to the State and to indigenous populations.

In a declaration made on February 6th, the oil company announced that it would suspend exploration work in Sarayacu territory, but will try to come back in at a later date, determined to pass over the community opposition to these activities.

Our struggle goes beyond the preservation of our ancestral territory and the identification of the defense of our tropical forests as heritage for the human race and for the planet, based on the valuable resources necessary for life. The defense of Sarayacu territory will mean saving this precious forest for future generations, ensuring a fair society with gender equality.

Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 36 - March 2003

2. AN ENDANGERED PROTECTED AREA: THE CASE OF THE FAUNISTIC CUYABENO RESERVE AND ALBERTA ENERGY OIL COMPANY

The Cuyabeno Faunistic Reserve is located in the Ecuadorian amazonia. Created in 1979, its current extension is 603.380 hectares, of which 435.500 ha were declared in 1999 as an Intangible Area. This last designation leaves 17.000 ha unprotected, which are located in the Tarapoa oil block, a 1975 concession awarded to the Cayman Oil Company. For the time being, this block is operated by the Canadian Alberta Energy Company.

a) THE CUYABENO RESERVE

According to scientific studies, the Cuyabeno Reserve is of great importance due to its very high biodiversity. It has 14 unique ecosystems in the country, some of these with no match in the world. 307 big tree species have been identified in one hectare alone (which becomes a world record of tree diversity per area unit). 493 bird species have been registered, and over 100 mammals (Valencia, 1994). The Ecuadorian basin of Napo River, to which the reserve belongs, is considered the worlds richest in fish species, with 473 species registered to this day. A key

role played by fish has been demonstrated in the seed dispersion process in flood areas, as fish feed of the fruit fall from the bank trees in flood times.

The firm land rain forest has big trees and pals, lianas, small and medium size bushes. Along the rivers emerging trees develop, the swamps are big. In the lagoon borders a type of forest develops, frequently exposed to floods in rainy season, with plants and palm trees adapted to water presence. The lagoons and rivers host a characteristic fauna for fresh water Amazonian environments, many of them in ways to extinction, as the pink dolphin or bufeo, the manatee or sea cow, besides the giant otter.

The banks are generally inhabited by medium and small size fish, as well as the endangered caiman. The firm land fauna is rich in bird and mammal species, among which primates take the first place (10 species), rodents, chiropters, herbivores and big size carnivores. Among these we find the endangered capybara, tintin or pipele, guanta, guatusa, saíno, the reed deer, howling monkey, chichico, boa, etc. Nevertheless the most important group is the birds, where we find the hag eagle, the hoatzin, papagayos, and pericos... this is about an area of a high bird endemism, and also fundamental as a migratory bird refuge of the American continent.

b) INDIGENOUS POPULATION OF THE RESERVE

In this Reserve, indigenous communities of Siona and Secoya nationalities are ancestrally settled (part of the territory is declared as Siona-Secoya territory). The Cofán people, originally settled in the high Aguarico, including what is presently the city of Lago Agrio (or Nueva Loja), migrated from Dureno to the birth of Zabalo river in the low Aguarico.

The Siona, Secoya and Cofan peoples are now considered as ethnic minorities, and in danger of extinction. The reserve is also inhabited by Kichwa communities of Zancudococha and Bocana del Cuyabeno, two migrant populations of the Shuar people, Charap and Taikiua centers in the Aguarico river banks, along with other families of this nation that have settled as part of pre-cooperatives, as colonizers.

c) ECONOMIC ACTIVITIES IN CUYABENO

Regarding productive activities, two poles of ecological tourism are seen in Cuyabeno: the Cuyabeno lagoons, and since 1991, the area of the Zancudo lagoons. A study by Drum (1990) calculates that the tourist in Cuyabeno and Yasuní National Park spends about \$86 USD per day. If the average tourist visit in Ecuador is 8 day long, spending a total of \$ 100 USD per day, and the number of foreign tourists is 150.000 per year, the expected income represents \$ 120 Million USD per year. The tourist companies have been working lately with indigenous communities, partially incorporating these in the commercial relations.

d) OIL EXPLORATION IN CUYABENO

The oil exploration activity mainly in the Tarapoa block has led to deep environmental impacts in the Reserve, and to social impacts in the indigenous and the settled mestizo populations. The main environmental impacts are deforestation, water, soil and air pollution, and loss of biodiversity. Between years 1984 and 1989 six major oil spills from the Cuyabeno field polluted the Reserve's lagoon system, located not farther than 8Km from the field. Area residents eye-witnessed and reported that a few dollars were paid to a group of Sionas and colonizers for crude recollection, no protection at all was provided for this task, and the crude was later collected in plastic bags and buried in holes in the margins of the very lagoons (Committee for the Defence of Cuyabeno, 1993).

For a long time, crude came out of the land, even when at simple sight it had disappeared. In November of 1989 an oil spill took place in such a dimension that "filtered" its way to the public opinion, leading to the first clean up program in the history of Ecuador. Major quantities of oil came down Auca ravine and reached the Cuyabeno lagoons. The death of all types of water life was reported, and Puerto Bolivar inhabitants had to dig wells in order to obtain water for domestic purposes (MAG, 1992).

e) RECENT EVENTS

Due to the already started construction of the Heavy Crude Oil Pipeline, OCP Oleoducto de Crudos Pesados, the oil companies members of this consortium have programmed the broadening of their operations in their fields, in order to raise their crude oil production in order to fill up the OCP pipeline.

The Canadian Alberta Energy Company, AEC, main stakeholder in OCP consortium, decided to enlarge its operations in the Cuyabeno Faunistic Reserve, therefore started the process to obtain the required authorization from the Ministry of Environment, and from the Secoya people, ancestral owner of the area.

The AEC oil company, after a long process of harassment actions focused on leaders of the Siona organisation, finally got them to sign an agreement permitting the beginning of seismic prospecting activities, first stage of oil exploration, in their territory and the Reserve.

The Ministry of Environment delivered the environmental licence to AEC in November of 2002 under total secrecy. This is proven by the fact that a journalist, in the first days of December 2002, when conducting an interview with the Minister of Environment, -at that time- Lourdes Luque, asked her if this State bureau had already granted AEC the permission to operate in the Cuyabeno Reserve, to which she responded "I don't know, I don't have that information in my head right now".

The company entered the Reserve on December 10th of 2002 and is presently wrapping up the dynamite explosions in the 17.000 ha in the Faunistic Production

Cuyabeno Reserve. It is calculated that approximately 6000 detonations will take place.

Now with an approval that breaks legal and environmental frameworks, the oil company has started seismic prospecting activities in the Reserve. This lacks legitimacy and breaks the legal order regarding the conservation of these reserve areas. Is also violator of articles 86, 88, and 23 Num. 6, as well as Art.91 of the Ecuadorian Political Constitution.

This approval also contravenes Principles 3 and 15 of the Rio Statement on Environment and Development, of which Ecuador is a signatory. Regarding to the environmental impact, seismic prospecting with 3D technology will lead to soil erosion, the destruction of highly endemic native flora, still the keeper of un-investigated secrets.

The detonations that will take place during the seismic prospecting phase will damage aquifers, which currently nourish the area's lagoon system and a fresh water reserve for the future. The constant presence of helicopters produces a noise that will scare hunt animals away, including birds already under a migratory process. This will decrease the fauna internationally considered as one of the most important worldwide.

Deforestation and land taking over by colonizers will also be enhanced. Facing this aggression suffered by this unique reserve in the world, the local governments of Cuyabeno, Putumayo, Lago Agrio, the Province Council of Sucumbios, tourist operators, universities, Accion Ecologica, peasant organisations, neighbour associations, and the Chamber of Tourism are now part of the Comitee for the Defence of Cuyabeno, which objective is to get AEC out of the reserve, and the declaration of intangibility of the whole protected area. The Comitee has started a lobby strategy with Ecuadorian environmental and energy authorities to demand urgent actions from these competent bureaus to save Cuyabeno.

If you want to support the intangibility declaration of Cuyabeno, where no oil activity can be carried out, please contact: Alexandra Almeida at Acción Ecológica yasuni@accionecologica.org

Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 38 - May 2003

3. OIL SPILL IN PAPALLACTA, CAUSED BY OCP PIPELINE CONSTRUCTION ENDANGERS PROTECTED AREA

In April 8th of 2003, around 5h00 am, a breach of the Trans Ecuadorian Oil pipeline System, SOTE (Sistema de Oleoductos Trans Ecuatoriano), caused an oil spill in the Cayambe Coca Reserve, reached the Papallacta lagoon and covered almost half its surface. The water supply for 60% of the population of Quito city – the Ecuadorian capital- comes from this lagoon; there is a real risk of long term pollution due to bio-accumulation of hydrocarbon residues. This fact proves, once again, that placing both pipeline routes –at two sides of the Papallacta lagoon- is totally irresponsible.

On Tuesday April, 8th between 4h00 and 5h00 a.m., a crude spill took place through a SOTE soldered joint breach, in the Sucos-San Juan area, located in the Cayambe Coca Reserve. According to PetroEcuador, the pipeline breach would have taken place because of truck passing, working on OCP Pipeline construction, in a spot where SOTE pipeline is buried at only 1,10m below surface, in loose terrain.

Until 13h00 p.m. nothing was done to stop the crude flow going down Sucos and Tambo rivers until reaching the Papallacta lagoon; only at 14h00 pm buoys were placed in the lagoon to retain the spill, this means over 9 hours after the spill started. Only two suction equipments were available for crude extraction.

Being true that valves were closed shortly after by the Municipal Company of Potable Water, the spill occurred, the pollution is present and it will tend to sediment and become a constant pollution source for the lagoon.

The wind, water currents and bio-accumulation of hydrocarbons in water plants and natural sediments, can pollute the volcanic rocks that filter the lagoon water; something impossible to remediate.

One must keep in mind that oil has toxic and heavy metal compounds and elements such as vanadium, which can remain in the environment for 10 year periods. According to Victor Granadillo, from Zulia State University in Venezuela, “Vanadium can cause changes in the genetic material of plants, animals and humans”.

On the other hand, OCP Pipeline construction, which is about to conclude, runs around the Papallacta lagoon before following a parallel route to SOTE Pipeline, going through the Cayambe Coca Reserve. This new pipeline has neither a suitable technology, nor water protection measures in case a spill similar to this one would take place. Let’s keep in mind that when the Reventador Volcano erupted, in late 2002, the OCP pipeline proved to be more fragile and vulnerable than the thirty year old SOTE pipeline.

With the aggravating fact that OCP pipeline will transport heavy crude, at high temperatures (80°C) and will double the risk and quantities of pollution.

Source: *RESISTANCE OILWATCH NETWORK BULLETIN Number 38 - May 2003*

4. MORATORIUM REQUESTED

On the Environment's day, a group of 50 social organisations, local governments, communities, environmentalists delivered the Minister of Environment a petition to declare in Ecuador a moratorium to the expansion of the oil frontier and open pit mining. As witnesses, the Major Auki Tituaña attended; he has worked for years to declare his jurisdiction as a Ecological Municipality. Also the Mayor of Tambo Grande assisted, where months ago a popular consultation took place, in which 98% of the population voted against mining, and a Costa Rican parliament member, Edwin Petterson, who was involved in the declaration of moratorium to oil development in his country.

The petition text states that Ecuador will not carry on new oil explorations, nor will it authorize mining projects for metal extraction due to an international effort to preserve the agricultural and wild biodiversity, the world climate, and to support sustainable activities, for a period defined by a special commission, not less than three years, time in which the moratorium results will be evaluated.

So they ask

1. To make up a special commission made up by the Minister of Environment, the Minister of Agriculture, to register the areas that will become perpetually intangible, and integrate them to the system of areas protected by the State.
2. To make a commission between the Ministry of Foreign Affairs, and the Ministry of Environment, to start to work internationally so this effort will gain international reconnaissance, as a global benefit, and that translates itself into financial advantages, to face the State's obligations, and that have been traditionally solved through the extraction of nonrenewable resources.
3. To make up a commission between the Ministry of Environment, the Ministry of Agriculture, the Ministry of Social Security, and the Ministry of Economy to internalize the "externalities" (environmental, social, and economic) of the mining and oil activities, so that the prices of the products, primary and elaborate, will adequately match their costs, including those coming from the technological improvement and from the environmental restoration.

4. To create a special commission that will revise the current oil contracts, and mining titles particularly those granted to private companies, in protected areas and/or have been questioned by local populations and public offices.
5. To create a special commission to investigate and provide recommendations on the national budget with a special focus on the process by which the State acquires debts and in the possibilities of taxing negative externalities and on the depletion of the "Natural capital".
6. To call on a national platform on energy, that will allow the beginning of a transition to clean energies, renewable, low impact and towards energy efficiency, with a progressive elimination of the dependence to fossil fuels.

On the other hand, the indigenous Shuar, Achuar and Zapara peoples of Ecuador express their absolute rejection to oil development in their territories. In a press conference, the Inter federation committee, by the different indigenous organizations Ficsh, Finae, Fipse, joined by the indigenous zápara organization Onzae, stated to the national public opinion their clear opposition to the settling of the U.S. oil company Burlington, in blocks 23 and 24.

These organizations' presidents stated that they do not want an environmental and social disaster in the Ecuadorian northeast will happen again in the centre and south Ecuadorian Amazon, in Pastaza and Morona Santiago provinces, where their communities are settled.

These representatives stand in their decision, already expressed in the very Burlington headquarters at Houston, their rejection to any type of dialogue or negotiation with this or any other oil company. They rejected rumours that the leaders would had been negotiating with the company.

They also called on the government to accept and enforce this decision, born in the bases and reminded the country that the Amazonian population worked to take Lucio Gutierrez to the presidency. If the government insists to explore oil in their territories, they will stand in struggle until such aim is stopped.

Source: *RESISTANCE OILWATCH NETWORK BULLETIN Number 39. - June2003*

5. U.S. LAWYERS TAKE US\$1 BILLION LAWSUIT AGAINST CHEVRONTEXACO TO ECUADOR

QUITO, Ecuador ~ A decade after unsuccessfully filing in U.S. courts, American lawyers representing poor Ecuadorians who say their rainforest homeland was destroyed by a US oil company took their claim to Ecuador Tuesday.

"We will have for the first time in history a company like ChevronTexaco subjected to the laws of a small community," lawyer Cristobal Bonifaz said at a news conference in the capital.

The lawyers said they want California-based ChevronTexaco to clean up pollution that they allege has poisoned drinking water and rivers and led to higher cancer rates. The cleanup and medical monitoring costs for the 30,000 Ecuadorians the lawyers represent could exceed US\$1 billion, Bonifaz said.

ChevronTexaco says the oil company followed Ecuadorian environmental laws and cleaned up before leaving.

Bonifaz, an Ecuadorian-born environmental lawyer who practices in Amherst, Mass., said the lawsuit would be filed Wednesday in a small courthouse in the jungle town of Lago Agrio, 115 miles (185 kilometres) northeast of Quito.

The lawsuit alleges that a Texaco subsidiary that operated near Lago Agrio from the early 1970s until the early 1990s took advantage of lax Ecuadorian environmental standards to cut costs by dumping wastewater brought to the surface by drilling into open pits. By the time the oil company began operations in the Ecuadorian jungle, many U.S. states were already requiring drillers to pump contaminated water back underground, Bonifaz said.

"They were making decisions they knew would have a devastating effect on the environment, because they wouldn't have drilled for oil that way in the United States or any other part of the world," said Joseph Kohn, a Philadelphia-based class action lawyer working on the case.

Bonifaz said the oil company left behind some 350 ponds full of water contaminated with oil and cancer-causing chemicals scattered across a 31-mile (50-kilometre) -by- 62-mile (100-kilometre) area.

Maripat Sexton, a ChevronTexaco spokeswoman in Houston, Texas, said the oil company paid US\$40 million in a cleanup agreement that the Ecuadorian government signed off on in 1998.

"The plaintiffs have yet to present any credible, substantiated, independent evidence supporting a connection between Texaco operations ~ which ended over a decade ago ~ and an alleged negative impact," Sexton said.

The case was first filed in US courts in 1993. After winding through the court system, the 2nd U.S. Circuit Court of Appeals in New York sided with oil company lawyers, ruling in August that the case should be heard in Ecuador, where the damage allegedly occurred.

The American lawyers originally wanted the case tried in U.S. courts because they said the Ecuadorian government's dependence on oil revenues would make it unlikely for courts to deliver justice. Oil exports account for about 40 percent of Ecuador's revenue.

Bonifaz said his team prepared for a possible move from U.S. courts. The lawyers worked with Ecuadorian legislators to draft a law similar to the U.S. Superfund law, which was enacted in 1980 and requires polluters in the United States to pay for cleanups even if a site was sold or is no longer operating. Ecuador passed its "Superfund" law in 1999, Bonifaz said. He said he expected a ruling within six to seven months if the Ecuadorian court accepted the case. Texaco merged with Chevron in 2001.

Gonzalo Solano,
Associated Press. 07 May 2003

Source: *RESISTANCE OILWATCH NETWORK BULLETIN* Number 39. - June2003

6. ECUADOR SHALL NOT EVEN BE AN AMAZON COUNTRY

This publication is a survey conducted on the impacts of oil activity in the Ecuadorian Amazon, from a series of door to door visits to 237 families, which means 1520 people from indigenous communities living in the areas of influence of oil dwells and separation stations.

The study analyses these citizens' health status and finds that the majority of the population has suffered a disease at some time because of pollution. The study has registered 89 cases of deaths by cancer. The rate of cancer in this area is one of the highest in the country. This is due to the fact that these people drink, cook, wash their clothes with polluted water, not because of lack of knowledge of the impacts this has on their health, but because they lack any other option. The population living close to the separation station facilities must breathe polluted air by the constant flaring of associated gas.

A study on the crops is also carried out, on cattle, housing, and other life aspects of the Amazonian population.

The policies of every government have been to support and promote the extraction of hydrocarbons in the Amazon, regardless of its effects. Besides, a new bidding round is being set up. Therefore the book concludes that Ecuador is not and won't be an Amazon country.

This is an Accion Ecologica publication, and the author is Adolfo Maldonado, medical doctor.

Information: cmonitor@accionecologica.org

Source: *RESISTANCE OILWATCH NETWORK BULLETIN Number 39. - June2003*

7. ENVIRONMENTAL JUSTICE? THE CASE OF THE ESMERALDAS REFINERY

In the majority of countries, especially in developed countries, refineries or highrisk industries are normally always strategically located in areas where large populations of immigrants live or where the poorest social stratum lives. In the case of the USA, this is normally in black or Latin neighborhoods.

The argument is that the poor are the ones that choose to live in these areas. They are unfamiliar with the structural mechanisms that work in order to invade land of traditional occupants in order for the colonization of the poor close to the new installations.

Esmeraldas is an area of important oil activity. It is here that the Esmeraldas refinery is found, the terminal for finished products, the gas terminal, the terminal for the TransEcuadorian pipeline, the Balao oil terminal and the head of the Esmeraldas-Quito-Ambato polyduct.

The traditional population mainly Afroecuadorean, are traditionally farmers and gatherers. The most densely populated counties are those that the oil duct crosses and the city of Esmeraldas. The construction of the Balao terminal displaced fishermen and women that live along the beach. They in turn have displaced populations who live along the river. This terminal has produced severe contamination impacts in the sea.

On February 26, 1998, a fire broke out in the Esmeraldas Refinery. Petroecuador, the state company that operates the refinery, proceeded to pay indemnifications, which varied depending on the demands. These were disproportional. For example, a banana company received the same as 10 people who lost relatives.

In this case, private property was more valued than those human lives. TRIAL. LA PROPICIA VS. PETROECUADOR At the root of the fire, the Improvement Committee of the Delfina Torres Viuda de Concha neighborhood (La Propicia 1) where the refinery is located, presented a demand for permanent and accidental damages historically provoked by the Esmeraldas refinery.

This demand including repairing damages caused by the presence of the refinery, compensations for these damages and getting rid of the sources of contamination. The Committee argues that they are in the area of influence of the refinery and having been affected by spills and accidents before and after February 26, 1998.

The Committee represents 250 families that live in La Propicia and also represents all Esmeraldeñas who have suffered and who suffer from the impacts of the refinery.

They suffer from the permanent contamination of the refinery that discharges its' waste into Teatone and Esmeraldas. There is also contamination from the emission of routine and accidental gases.

The demand for damage, including moral damage, is for 35 million dollars. These funds will be used for infrastructure such as sewage systems, water treatment, river contention, and to cover health and improvement of the neighborhood.

They also demand that the necessary measures be verified for the cancellation of sources of contamination. The demanders have proved the environmental and social impacts and those that come from the fire, based on expert professionals, with public documents and press testimonies.

Petroecuador took all actions necessary in order to minimize the impacts of the fire. At the end of 2002, the population of "La Propicia" won the trial against Petroecuador.

Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 41 – September 2003

8. CHEVRON TEXACO IN ECUADOR

After two decades of operation in the Ecuadorian Amazon, ChevronTexaco has drilled 339 wells in an area of 442.965 hectares and deliberately spilled tons of toxic materials and waste in what is more than 19 billion gallons of water in the Amazon with no treatment or monitoring. Each day it spills more than 5 million gallons of production water into the environment as well as uncountable maintenance waste and of other production activities.

Oil waste was applied to roads to control dust and to maintain them, producing contamination all along these routes. Each day they burned millions of cubic feet of waste gas, devastating natural resources and contaminating the air.

In addition to the routine and deliberate discharges and emissions into the environment, the accidental spills were frequent. During the time that Texaco operated the TransEcuadorian oil pipeline, the spills from this reached approximately 16,8 million gallons of crude. They never developed an efficient system for detecting spills nor did they establish contingency plans.

The last of the Tetetes indigenous people - now extinguished as a population – abandoned their land close to Lago Agrio, close to the first commercial camp.

As well as abruptly destroying the way of life of the people of the Amazon, Texaco generated poverty throughout this area by destroying natural resources that provided natural medicines, food, domestic products and spiritual meaning. When Texaco began its oil exploration the area was primary tropical rain forest. Now, in an area whose rivers belonged to an ecosystem known worldwide for its biological richness and contained 20 to 25% of fresh water reserves in the world, many families do not have pure water or sufficient food. They also face severe health problems related to oil contamination.

In 1992, dozens of wells were converted into dumping grounds and were covered with mud, without examining, treating or separating waste; they called this "a clean up". In many other sites, crude and contaminated earth and vegetation were manually collected and burned in small holes in the ground.

Texaco's production contract in Ecuador expired the same year and the company credited its total control to the old Petroecuador installations. The next year, 1993, class action court demand against Texaco began in the Federal Court in White Plains, New York, in defense of indigenous and colonial residents, who were affected by the contamination produced by Texaco.

After a decade, this trial was sent to Ecuador. ChevronTexaco has a magnificent opportunity to demonstrate that it is really interested in biodiversity conservation and the populations that traditionally preserve this biodiversity. However, their lawyers state that they have already met all requirements in Ecuador.

Source: RESISTANCE OILWATCH NETWORK BULLETIN Number 42. –
November 2003