



Peace and Justice Commission

ACTION CALENDAR
January 29, 2008

To: Honorable Mayor and Members of the City Council

From: Peace and Justice Commission

Submitted by: Steve Freedkin, Chairperson

Subject: Chevron Corporation

RECOMMENDATION

Direct the City Manager to report to the City Council as soon as possible what, if any, is the nature of the City of Berkeley business with Chevron Corporation, and that the City of Berkeley cease all purchases from Chevron, to the extent allowable by law.

FISCAL IMPACTS OF RECOMMENDATION

Approval of the recommended action will prohibit the City from purchasing products from Chevron Corporation.

CURRENT SITUATION AND ITS EFFECT

Companies in the petroleum-based energy industry generally draw a wide range of criticism, and are often referred to as Big Oil. Because of the inelasticity of the demand of petroleum and the high-risk nature of operations abroad, the companies involved in the industry have been accused of playing a large role in influencing economic and foreign policies in nations across the globe.

Chevron Corporation in particular is responsible for severe ecological destruction. Texaco, which became a part of Chevron in 2001, dumped over 18 billion gallons of toxic wastewater into Amazon rainforests from 1964-1992, in what has become known as the "rainforest Chernobyl", and is often considered one of the world's worst ecological catastrophes. Various Ecuadorian groups have sued Chevron for its activities, arguing it purposefully misrepresented its activities in the rainforest.

In the United States, Chevron's activities in Richmond, CA have been the subject of ongoing controversy. Chevron's Richmond operations house over 11 million pounds of toxic materials, and have been responsible for over 304 accidents. For illegally bypassing wastewater treatments and failing to notify the public about toxic releases, Chevron's Richmond refineries were forced to pay \$540,000 in 1998. Overall, Chevron

is responsible for 95 Superfund sites—locations for which the Environmental Protection Agency (EPA) has earmarked funds for cleanup.

BACKGROUND

At the meeting of December 3, 2007, the Peace and Justice Commission approved the following motion: **M/S/C** (*sorgen/Bohn*) that the Council of the City of Berkeley approve the following recommendation regarding the Chevron Corporation:

WHEREAS, Berkeley Municipal Code (BMC) Chapter 369.070, establishing the Peace and Justice Commission, states that the Commission shall (A) Advise the Berkeley City Council ... on all matters relating to the City of Berkeley's role in issues of peace and social justice... including ... support for human rights and self-determination throughout the world, (and) (C) Help develop proposals for the City Council ... for actions in furtherance of the goals of peace and justice"; and

WHEREAS, Chevron Corporation is a California based company, facing serious questions about its human rights and environmental record in countries such as Ecuador, Burma, Nigeria and Angola, as well as here locally in Richmond; and

WHEREAS, from 1964 to 1992 Texaco (now Chevron) built and operated oil exploration and production facilities in the northern region of the Ecuadorian Amazon, and systematically dumped 18 billion gallons of toxic waste directly into the rainforest, and Chevron is a defendant in a class-action lawsuit in Lago Agrio, Ecuador where thousands of rainforest dwellers are seeking at least \$10 billion in clean-up damages, exclusive of personal liabilities, and Chevron has been implicated in a disturbing pattern of threats and corruption in the environmental trial out of Ecuador, and the contractual ties between Chevron and the Ecuadorian military strongly suggest that Chevron is responsible for the surveillance and threats against plaintiffs' representatives, which were in some cases perpetrated by identified military officers; and

WHEREAS, the intimidation of the plaintiffs has become so intense that the Inter-American Commission on Human Rights, of the Organization of American States, has granted a petition requesting precautionary measures from the Ecuadorian government, the United Nations Secretary General's Special Representative on Human Rights Defenders, Hina Jilani, has written a letter to the Ecuadorian government urging it to prosecute the perpetrators and protect the plaintiffs and their legal team; and

WHEREAS, Chevron is accused of polluting land and water resources in its ongoing operations in the Niger Delta, and nine Nigerian plaintiffs are suing Chevron in federal court in San Francisco for deaths and other abuses in two incidents in 1998 and 1999, in which Nigerian military and police paid by Chevron and using Chevron helicopters and boats tortured and shot protestors and destroyed two villages allegedly associated with opposition to Chevron's oil activities; and

WHEREAS, in 2002, the Angolan government fined Chevron \$2 million for oil spills from a pipeline that polluted beaches and damaged fishing in the Cabinda region; and

WHEREAS, Chevron, through its takeover of Unocal in 2005, is a partner with the military regime of Burma in the notorious Yadana natural gas pipeline project which involved mass forced labor and other human rights abuses, committed by the army on Unocal's behalf. Moreover, Chevron Corporation is one of the largest foreign investors in Burma. Their Yadana project funnels tens of millions of dollars to the regime, money the military needs to retain its stranglehold on power; and

WHEREAS, the military regime in Burma is currently conducting a brutal military crackdown against pro-democracy protestors, which as of October 4th, has led to scores of deaths and thousands of arrests and detentions.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley directs the City Manager to report to the City Council by as soon as possible what, if any, is the nature of the City of Berkeley business with Chevron, and that the City of Berkeley cease all purchases from Chevron, to the extent allowable by law.

Ayes: Bohn, Cohen, Freedkin, Kafin, McDonald, Meola Sherman, sorgen; **Noes:** Brody; **Abstain:** Seaton; **Absent:** Litman, Wagley, Winkelman.

Commissioner Seaton: "As usual, I abstain from motions unsupported by sufficient details. I don't believe the issue is so-time sensitive to warrant its hasty enactment. More documentation is required."

CONTACT PERSON

Steve Freedkin, Chairperson, Peace and Justice Commission, (510) 595-4626
Diana Bohn, Peace and Justice Commission, (510) 525-5497
Manuel Hector Jr., Secretary, Peace and Justice Commission, (510) 981-5110

