

**Calopietro, John R**

**From:** Siddiqui, Mahvash  
**Sent:** Wednesday, February 27, 2013 12:52 PM  
**To:** Conn, Laura L; Weber, Nicole E (Quito)  
**Cc:** Feit, Aaron L (Quito)  
**Subject:** RE: Ecuador Morning Press Highlights 2/21/13

RELEASED IN PART  
B5,B6

DECONTROLLED

We received the email below from Chevron. FYSA.

**From:** Barry, Lisa B ( ) [mailto: @chevron.com]  
**Sent:** Wednesday, February 27, 2013 7:32 AM  
**To:** Hormats, Robert D  
**Cc:** Craft, William E; Whitaker, Kevin M; Teel, Wynne M; Irwin, William T ( )  
**Subject:** FW: Ecuador Update: New Information on GOE's Views on the International Arbitral Panel Findings  
**Importance:** High

B6

Bob and Team,

We wanted to bring to your attention some new developments on Ecuador that are important to the issue of whether Ecuador is in compliance with eligibility criteria for both the ATPA and GSP program. As you are very well aware, in early February, an international arbitral tribunal issued an award finding the Republic of Ecuador in violation of its prior awards authorized under international law and the US-Ecuador bilateral investment treaty by not taking all measures to prevent the attempted enforcement by the plaintiffs of a \$19 billion judgment against Chevron. Ecuador has attacked this ruling head-on with direct and focused comments from President Correa, pledges by him to unite neighbors in South America for support, and words from the GOE Foreign Minister advising that he has been dispatched by his President to other Latin America countries with guidance that dealing with the Chevron issue is the number one priority for his Ministry. These comments only reinforce that Ecuador is not in compliance with the eligibility criteria that require the GOE "to act in good faith to recognize and enforce an arbitral award." This is particularly problematic given tomorrow's GSP hearing where the GOE is attempting to build support for additional products from Ecuador to receive unilateral trade preferences. We welcome an opportunity to discuss further but believe that this provides additional compelling evidence as to why the Chevron petition should be accepted. We also believe it is important that the USG send a strong public message that it stands behind these important investment disciplines embodied in the BIT and Investment Chapters of FTAs.

Thank you for your consideration.

Lisa Barry

REVIEW AUTHORITY: Alan Flanigan, Senior  
Reviewer**MercoPress.**

South Atlantic News Agency

Montevideo, February 26th 2013- 20:58 UTC

Tuesday, February 26th 2013- 10:13 UTC

## Ecuador/Chevron dispute enters a new chapter: Correa calls for Latam support

President Rafael Correa said he expects the regional groupings Alba and Unasur to meet urgently and address the "legal aberration" committed by a UN trade law arbitration tribunal against Ecuador in a case involving US multinational Chevron and decades of environmental damages.



*Correa blasted the 'scandalous attitude of the international tribunal' which ordered him to suspend the ruling of an Ecuadorean court*

"We urgently need Latinamerican unity to avoid the abuses of the multinational corporations that consider us colonies and have on their pay-list the arbiters and arbitration centres" in defence of the interests of those powerful corporations, blasted the Ecuadorean leader recently re-elected by a landslide.

According to Correa an international arbitration tribunal recently ordered Ecuador to impede the execution of a sentence from an Ecuadorean court against Chevron ordering the US multinational to pay 19 billion dollars for environmental damage in the Ecuadorean Amazon from 1964 to 1990.

Formed via The Hague's Permanent Court of Arbitration under the United Nations Commission on International Trade Law, the panel ruled Ecuador violated a treaty with the United States requiring it to ensure the company gets a fair trial.

The ruling comes a year after the tribunal reinforced its 2011 finding on enforcement suspension. The panel will consider all the case's issues next year. An Ecuadorean court first ruled against Chevron in February 2011.

However Ecuador has denounced the Reciprocal Investment treaty with the US, enforced in 1997 since it considers it is contrary to the country's interests.

"We are still suffering the lethal inheritance of the long, dark neo-liberal night with these criminal investment treaties", blasted Correa again denying the applicability of the US-Ecuador treaty.

"It's the end of sovereignty, the end of our independence; we have become colonies with these rulings from international courts. Dare to imagine if the situation was the other way around and the court ruled against the US?"

Correa complained that the international arbitration tribunals always rule benefiting the multi-national corporations and against sovereign states, because that is why they are there, and that is why in the interest of Ecuador and Latinamerica I have been fighting for our own arbitration mechanisms".

He also claimed that Chevron "has been involved in an international PR campaign to destroy Ecuador, and in world media to discredit the Ecuadorean justice system.

Correa was particularly furious with the international arbitration ruling because it appealed to the investments reciprocal treaty with the US, which became effective in 1997, despite the fact that Texaco which was later sold to Chevron, definitively left Ecuador in 1992 when the corporation was not protected by the treaty.

Furthermore he argued that the environmental court case in Ecuador against Chevron was started fifteen years ago by social organizations from the Amazon and thus the case belongs to private law.

Nevertheless "the international tribunal in a scandalous attitude considers itself competent to deal with the case and orders the suspension of the ruling of our courts and is punishing Ecuador because its president did not order the suspension of the sentence: they are completely out of their minds!" underlined Correa.

"Obviously we are going to defend the country with all our means; we are going to let the world know about this aberration, so that is why Latinamerican unity is crucial to avoid the abuses of these multi-national corporations that consider us colonies".

Correa then went on to claim the world is ruled by 'big money', which is the cause of the current world crisis, in the European Union, where capital dominates the lives of human beings, and markets dominate societies.

"Changing all this is the great challenge for humanity this century. We Latinamerica peoples must rebel against these injustices and need urgent meetings of the Bolivarian Alliance for our peoples of the Americas and the Union of South American Nations", concluded Correa.

<http://en.mercopress.com/2013/02/26/ecuador-chevron-dispute-enters-a-new-chapter-correa-calls-for-latam-support>

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**From:** Conn, Laura L  
**Sent:** Monday, February 25, 2013 3:15 PM  
**To:** Weber, Nicole E (Quito); Grosh, Lisa J.  
**Cc:** Siddiqui, Mahvash; Feit, Aaron L (Quito); Caplan, Lee M  
**Subject:** RE: Ecuador Morning Press Highlights 2/21/13

Hi Nicole –

My apologies! Yes, it was the Feb. 2012 decision (I meant to write "this month last year").

This decision allows the tribunal to hear the merits of Chevron's claims, but there won't be final award on the merits for quite some time.

Best,  
Laura

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**From:** Weber, Nicole E (Quito)  
**Sent:** Monday, February 25, 2013 2:58 PM  
**To:** Conn, Laura L; Grosh, Lisa J.  
**Cc:** Siddiqui, Mahvash; Feit, Aaron L (Quito); Caplan, Lee M  
**Subject:** RE: Ecuador Morning Press Highlights 2/21/13

Laura, is the arbitral decision you are referring to this one from February 2012 (link below)?  
We are not aware of such a decision this month, rather one year ago.  
Also, since this is an "interim award," we've seen arguments that such awards are not meaningful until there is a final award.  
Nicole

<http://www.chevron.com/documents/pdf/ecuador/PCA-Jurisdiction-Decision.pdf>

*Nicole E. Weber*  
*Economic and Commercial Section Chief*  
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<http://ecuador.usembassy.gov>

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**From:** Siddiqui, Mahvash  
**Sent:** Monday, February 25, 2013 2:00 PM  
**To:** Conn, Laura L; Feit, Aaron L (Quito); Grosh, Lisa J.; Caplan, Lee M  
**Cc:** Weber, Nicole E (Quito)  
**Subject:** RE: Ecuador Morning Press Highlights 2/21/13

Thanks Laura! This is very helpful.

Nicole/Aaron—if you may have any further questions—please advise.

Thanks!

Mahvash

**Mahvash Siddiqui**

**Financial Economist** (Latin America, South and Central Asia, Middle East)

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\*The\* Source for Econ Officers: <http://cas.state.gov/econatstate/>

B6

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**From:** Conn, Laura L

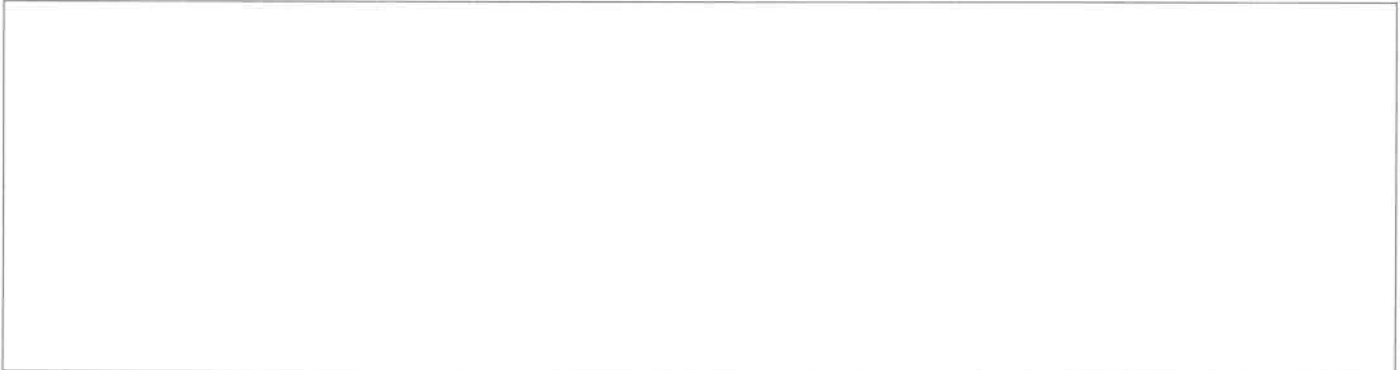
**Sent:** Monday, February 25, 2013 12:29 PM

**To:** Siddiqui, Mahvash; Feit, Aaron L (Quito); Grosh, Lisa J.; Caplan, Lee M

**Cc:** Weber, Nicole E (Quito)

**Subject:** RE: Ecuador Morning Press Highlights 2/21/13

Hi Mahvash,



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Best,  
Laura

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**From:** Siddiqui, Mahvash

**Sent:** Friday, February 22, 2013 10:28 AM

**To:** Feit, Aaron L (Quito); Conn, Laura L; Grosh, Lisa J.; Caplan, Lee M

**Cc:** Weber, Nicole E (Quito)

**Subject:** RE: Ecuador Morning Press Highlights 2/21/13

Hi Aaron,

Thanks for looping me in. I am looping in our legal advisors to provide their apt legal perspective.

My understanding is that Chevron invoked the BIT as a legitimate US investor that has protections under the BIT. It pursued international arbitration as it is a legitimate investment dispute.

I defer to the lawyers for their guidance.

Mahvash

**Mahvash Siddiqui**

**Financial Economist** (*Latin America, South and Central Asia, Middle East*)

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**From:** Feit, Aaron L (Quito)  
**Sent:** Friday, February 22, 2013 8:38 AM  
**To:** Siddiqui, Mahvash  
**Cc:** Weber, Nicole E (Quito)  
**Subject:** FW: Ecuador Morning Press Highlights 2/21/13

Mahvash,

We'd like to get your take on this. In a press conference, President Correa criticized Chevron's arbitration under the BIT, saying that Chevron invoked the 1997 BIT even though the company (as Texaco) left Ecuador in 1992. Specifically, he said "they want to retroactively invoke a reciprocal bilateral investment treaty, the arbitration in the UN unanimously declared it competent because they lost a private jury trial against indigenous people from the Amazon, now Chevron sues Ecuador based on a 1998 [sic] treaty when the company left in 1992. This is just one (example) of the kind of abuses we have to put up with."

Is Chevron's ability to invoke the BIT based on the fact that the private jury trial resulting in a now-\$19 billion judgment against the company happened well after the BIT was established?

Thanks! Aaron Feit

Correa recordó a la prensa extranjera acreditada en Ecuador, que Chevron- Texaco invoca a un tratado de protección de inversiones, vigente desde 1997, mientras que la petrolera abandonó el país en 1992.

Indagado por prensa estadounidense, sobre si ecuador negará el pago que exige Chevron, dijo: "Tomaremos las medidas respectivas y seguiremos defendiendo al país con una campaña internacional diciéndole al mundo lo que ha sucedido. Usted lo ha reconocido, están queriendo cobrar retroactivamente un tratado recíproco de protección de inversiones, el arbitraje de las Naciones Unidas por unanimidad se declaró competente porque perdieron un juicio privado contra los indígenas amazónicos, (ahora Chevron) demanda al Estado ecuatoriano en base a un tratado de 1998, cuando la empresa salió en 1992; eso solo es un píldora, un ejemplo de los abusos que tenemos que aguantar", dijo el mandatario.

See also El Ciudadano: <http://tinyurl.com/ad3zgxv>

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**From:** Namm, Adam E (Quito)  
**Sent:** Thursday, February 21, 2013 9:31 PM  
**To:** Weber, Nicole E (Quito); Feit, Aaron L (Quito)  
**Cc:** Zuniga-Brown, Timothy P (Quito)  
**Subject:** FW: Ecuador Morning Press Highlights 2/21/13

Nicole/Aaron,

Pls refresh my memory re why Chevron could invoke the 1998 BIT although it departed Ecuador in 1992.

Thx,  
Adam

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**From:** Raman, Jay R (Quito)  
**Sent:** Thursday, February 21, 2013 10:36 AM  
**Subject:** Ecuador Morning Press Highlights 2/21/13

**Morning Press Highlights**  
**U.S. Embassy Quito, Ecuador**  
**February 21, 2013**  
**(For Official Use Only)**  
**See also: [Daily Press Clips](#)**

**Ecuador emprenderá campaña internacional para denunciar los abusos de Chevron**  
Andes: <http://tinyurl.com/amb6o7b>

El presidente ecuatoriano, Rafael Correa, recordó este miércoles que la gigante estadounidense Chevron utiliza al tribunal de Arbitraje de La Haya, que es parte de la Organización de las Naciones Unidas, para suspender una sentencia en su contra que le obliga al pago de 18.200 millones de dólares favorables a una comunidad indígena afectada por daños ambientales causados por la empresa.

Correa recordó a la prensa extranjera acreditada en Ecuador, que Chevron- Texaco invoca a un tratado de protección de inversiones, vigente desde 1997, mientras que la petrolera abandonó el país en 1992.

Indagado por prensa estadounidense, sobre si ecuador negará el pago que exige Chevron, dijo: "Tomaremos las medidas respectivas y seguiremos defendiendo al país con una campaña internacional diciéndole al mundo lo que ha sucedido. Usted lo ha reconocido, están queriendo cobrar retroactivamente un tratado recíproco de protección de inversiones, el arbitraje de las Naciones Unidas por unanimidad se declaró competente porque perdieron un juicio privado contra los indígenas amazónicos, (ahora Chevron) demanda al Estado ecuatoriano en base a un tratado de 1998, cuando la empresa salió en 1992; eso solo es un píldora, un ejemplo de los abusos que tenemos que aguantar", dijo el mandatario.

See also El Ciudadano: <http://tinyurl.com/ad3zgxy>