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## **AMWA Applauds MTBE Settlement**

### ***Oil Industry Payments Will Help Utilities Protect Drinking Water Supplies***

The Association of Metropolitan Water Agencies (AMWA) today applauded an out-of-court settlement that will result in 13 large oil companies paying \$422 million to 153 public water systems in 17 states to help offset cleanup costs resulting from contamination of drinking water supplies by the gasoline additive Methyl Tertiary Butyl Ether (MTBE).

The settlement in the case of *In Re Methyl Tertiary Butyl Ether ("MTBE") Products Litigation*, S.D.N.Y., No. 1:00-1898 was only possible because AMWA led a coalition of drinking water associations and public health groups that demanded that Congress hold the oil industry accountable for water pollution caused by the release of MTBE into the environment. The coalition, which included the American Water Works Association and the Association of California Water Agencies, twice successfully defeated legislation in Congress that would have provided the oil industry with a liability waiver for MTBE cleanup and treatment costs.

Said AMWA Executive Director Diane VanDe Hei, "The companies that produce and distribute MTBE in gasoline spent tens of millions of dollars trying to persuade Congress to give them immunity from water contamination lawsuits. Had our coalition of drinking water and public health organizations not successfully defeated their immunity legislation, consumers and municipal governments would have been on the hook to pay for current and future cleanups."

In addition to the initial \$422 million payment, the settlement also requires the 13 oil companies to pay 70 percent of the decontamination costs for wells owned or operated by the plaintiffs that become contaminated with MTBE in the future, and require cleanup efforts over the next 30 years.

The 13 defendants in the case who agreed to the settlement are BP Amoco, Atlantic Richfield, Chevron, ConocoPhillips, Shell, Marathon, Valero, CITGO, Sunoco, Hess, Flint Hills, El Paso Merchant Energy, and Tesoro. ExxonMobil has refused to join the settlement and faces the first of numerous trials over MTBE contamination starting in September.

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*The Association of Metropolitan Water Agencies is an organization of the largest publicly owned drinking water suppliers in the United States.*

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