



BARON &amp; BUDD, P.C.

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## Water Contamination Suit Results in Historic Settlement

### *Partial Settlement Requires Oil Companies to Pay \$422 Million And Treat Wells for MTBE Over the Next 30 Years*

DALLAS--([BUSINESS WIRE](#))--Representing 153 public water providers, which includes municipalities, water agencies and private water companies, from 17 states, the national law firm of Baron and Budd, P.C. today announced the largest settlement to date with many of America's leading oil companies over drinking water contamination caused by the gasoline additive Methyl Tertiary Butyl Ether (MTBE). The settlement stems from cases pending in a federal Multi-District Litigation (MDL) court in New York established to hear MTBE cases nationwide.

"Today's landmark settlement marks a significant step toward protecting the long term viability of drinking water resources across the United States" said, Baron and Budd shareholder Scott Summy, one of the nation's top water attorneys and Co-Lead Counsel for all Plaintiffs in the MDL. "Many of these public water providers were facing federal legislation that would grant immunity to the oil companies for MTBE product liability lawsuits at the time these cases were filed. I am proud to have represented the courageous and responsible water providers and municipal governments who took this step to protect their communities."

Settling Defendants in the case include BP Amoco, Atlantic Richfield, Chevron, ConocoPhillips, Shell, Marathon, Valero, CITGO, Sunoco, Hess, Flint Hills, El Paso Merchant Energy, and Tesoro. These companies – representing approximately 70% of the country's oil refiners – have agreed to pay \$422 million to the Plaintiffs to address public drinking water wells that are contaminated with MTBE. The settlement also requires the Settling Defendants to pay their share of treatment costs for wells owned or operated by the Plaintiffs that become contaminated by MTBE in the future and qualify for treatment over the next 30 years. Conspicuously absent from the settlement is Defendant ExxonMobil. ExxonMobil has refused to settle and faces the first of numerous trials over MTBE starting in September.

MTBE, which was added to gasoline at varying levels between 1979-2007, has leaked from underground storage tanks and contaminated nearby groundwater throughout the United States. Internal oil company documents discovered by Mr. Summy and one of his co-shareholders, Celeste Evangelisti, demonstrated that, in the mid-1980's prior to adding MTBE to gasoline on a large scale, many of the oil companies were well aware of the problems posed by MTBE to drinking water, but failed to disclose the risk to government regulators or the public. (Communities For a Better Environment vs. Unocal Corporation - 1998). These findings led Mr. Summy to bring MTBE products liability suits across the country – a novel approach at the time.

At extremely low levels, MTBE can give drinking and bathing water the strong taste and odor of turpentine, rendering it non-potable in affected communities. A Drinking Water Advisory issued by the Environmental Protection Agency states that MTBE is a "possible human carcinogen."

"No human health studies or long-term carcinogenicity studies on animals were conducted by the oil companies prior to adding MTBE to the nation's gasoline supply," said Baron & Budd founder Russell Budd. "The American public should not have been used as guinea pigs."

**Please see the attached Press Kit for more information and graphics on MTBE water contamination, the plaintiffs and the story behind the largest water contamination settlement in US history.**

#### **About Baron & Budd, P.C.**

For 30 years, the law firm of Baron & Budd, P.C. has championed the rights of people and communities harmed by corporate misconduct. With more than 40 attorneys and offices in California, Texas and Louisiana, Baron & Budd enjoys a national reputation as a leader of the plaintiffs' bar. The firm represents individuals with mesothelioma and other diseases

caused by asbestos; injuries caused by other toxic substances and unsafe pharmaceuticals; public water providers seeking clean-up costs for drinking water contamination; securities investors defrauded by corporate wrongdoing; states and other governmental entities defrauded by false claims; and consumers in class actions.

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