



December 2, 2014

Catherine Novelli
Under Secretary for Economic Growth, Energy, and the Environment
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Under Secretary Novelli,

On behalf of EarthRights International, I write to express grave concerns about the nomination of Chevron Corporation as a finalist for the Secretary's Award for Corporate Excellence. Chevron was nominated by the U.S. Embassy in Burma for its humanitarian work in that country, but its overall record – both in Burma and worldwide – is no model of a U.S. business acting as a “good corporate citizen,” as the award is intended to recognize.

The award is supposed to recognize “exemplary practices.” But Chevron's nomination is not based on its actual practices in its own operations, but on what amounts to corporate philanthropy – projects involving improving health care and providing entrepreneurial assistance to women. While these projects may be laudable, they cannot be considered apart from the impacts that the company's actual operations have had on Burma.

Chevron began its engagement in Burma with the Yadana pipeline project (originally developed by Unocal, which Chevron later acquired). The Yadana project was notorious for benefiting from forced labor and other brutal human rights abuses. A 1995 State Department cable (Cable No. 002067, declassified Nov. 23, 1999) detailed a meeting with a Unocal manager who “acknowledged that army units providing security for the pipeline construction do use civilian porters,” and that the oil company could not “control their recruitment process” – which was forced conscription. The Unocal manager also “stated forthrightly that the companies have hired the Burmese military to provide security for the project and pay for this through the Myanmar Oil and Gas Enterprise (MOGE). He said three truckloads of soldiers accompany project officials as they conduct survey work and visit villages.” As you know, the human rights record of the Burmese military has been atrocious.

The U.S. Department of Labor's 2000 Report on Labor Practices in Burma likewise detailed the problems with the Yadana project:

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Allegations of forced labor and other human rights abuses in the area emerged even before construction on the pipeline started. Although expatriate staff was recruited to build the actual pipeline, evidence suggests that Burmese nationals built the majority of support facilities for the pipeline and that the army had recruited forced laborers. Troops stationed in the pipeline area who are allegedly providing security for the pipeline have also been accused of forcing civilians to build army bases, serve as porters, and provide other support for their operations. After the on-shore segment of the pipeline was completed, reports of forced labor continued to emerge.

Although these allegations were made years ago, and conditions in the pipeline region have improved, Chevron has not remedied the harms to the local population. Chevron continues to profit from the Yadana pipeline; indeed, it has expanded its operations there, and it has fought tooth and nail to avoid liability. While EarthRights International litigated for years in U.S. courts to obtain some relief for a dozen victims of pipeline-related abuse, there are thousands of remaining and uncompensated victims; Chevron has made no reparations to those victims. Chevron cannot begin to claim that it is operating in a socially responsible manner in Burma until it addresses the victims of the Yadana project.

Furthermore, even if Chevron were operating responsibly in Burma, the Secretary's Award should not recognize a company for one bright spot when its global record is as problematic as Chevron's. In addition to the well-known lawsuit against Chevron in Ecuador (in which the evidence of widespread environmental degradation has never been challenged, despite Chevron's successful lawsuit against the Ecuadorians' lawyers), Chevron has been sued over the damaging and illegal practice of gas flaring in Nigeria, has been targeted by villagers in Kazakhstan for its participation in a gas field that has made their village unliveable, and was responsible for a 2012 refinery explosion in Richmond, California, which caused thousands to seek medical attention and resulted in a \$1.28 million fine to the State of California. Chevron has also been an opponent of strong transparency rules for the extractive industries, an important policy priority of the U.S. State Department that would have clear benefits for extraction-affected communities worldwide.

In fact, Chevron has negatively affected so many communities around the world that in 2009 they banded together to form the True Cost of Chevron Network, releasing "alternative" annual reports in 2009-2010 that detailed the real impacts of Chevron's operations around the world. Two of those reports are enclosed, and they are available online at <http://truecostofchevron.com/report.html>.

U.S. corporations do not promote American values abroad when they ignore human rights and environmental protections in their day-to-day operations, regardless of who they may help with their spare change. To give Chevron an award for a corporate philanthropy project, while ignoring the real human suffering that its actual profit-making operations have caused around the world, would make a mockery of the notion of responsible business. Instead, the message would be that

corporations can wash their hands of their misdeeds with a few health care and economic development projects.

We strongly believe that the Secretary's Award should honor a corporation that actually demonstrates excellence and best practices in its day-to-day business – and Chevron does not.

Sincerely,



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U.S. Ambassador to Burma

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Chief of Staff to the Secretary of State

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