

Dutch Court Rejects Most of Shell Spill Case

MIKE CORDER, Associated Press



THE HAGUE, Netherlands (AP) — A Dutch court has ruled that a subsidiary of international oil giant Royal Dutch Shell should be held responsible for a pipeline leak poisoning farmland in Nigeria, as it had failed to take adequate measures to prevent sabotage.

In its ruling Wednesday the Hague Civil Court rejected most of the case brought by Nigerian farmers and environmental pressure group Friends of the Earth against Shell, saying the leaking pipelines were caused by saboteurs, not Shell negligence.

However, in one case, the judges ordered a subsidiary, Shell Nigeria, to compensate a farmer for breach of duty of care by making it too easy for saboteurs to open an oil well head that leaked on to his land.

It was believed to be the first time a Dutch court has held a multinational's foreign subsidiary liable for environmental damage and ordered it to pay damages. Pressure groups welcomed the judges' decision, saying the ruling opens the door for similar pollution cases against multinationals.

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Shell hailed the judgment as a victory.

"We are very pleased by the ruling of the court today," said Allard Castelain of Shell. "It's clear that both the parent company, Royal Dutch Shell, as well as the local venture ... has been proven right."

The Dutch arm of Friends of the Earth, which represented the Nigerian farmers, welcomed the compensation order for one village, but said it was "stunned" by its defeats in other villages.

The group said the ruling could have implications beyond Nigeria's oil fields.

"The verdict also offers hope to other victims of environmental pollution caused by multinationals," said Geert Ritsema of Friends of the Earth.

The group has always maintained that much of the damage in the Niger Delta can be traced to what it calls poor maintenance of Shell's infrastructure, rather than sabotage, an argument the court rejected.

Lawyers representing another Nigerian community, Bodo, in a legal battle with Shell in British courts cautiously welcomed the Dutch ruling.

"Over many years Shell has denied any responsibility for these types of spills resulting from 'bunkering' or sabotage," lawyer Martyn Day said in a statement.

He called the Dutch court's ruling a major step forward "as it makes Shell aware in no uncertain terms that they have a responsibility to ensure that all steps are taken to ensure the illegal sabotage does not occur."

The level of damages in the Dutch case will be established at a later hearing, but that could be held up as Friends of the Earth said it plans to appeal.

Only one of the Nigerian plaintiffs, Eric Barizaadooh, was in court Wednesday and his claim was rejected by the court, but he said he was happy for the village that won compensation.

"For my colleagues who succeeded, that is victory," Barizaadooh said outside court. "'Shell is brought to book. I believe this is a revolutionary case.'"

Shell's local subsidiary is the top foreign oil producer in the Niger Delta, an oil-rich region of mangroves and swamps about the size of Portugal. Its production forms the backbone of crude production in Nigeria, a top supplier to the gasoline-thirsty U.S.

Shell, which discovered and started the country's oil well in the late 1950s, has been heavily criticized by activists and local communities over oil spills and close ties to government security forces. Some Shell pipelines that crisscross the delta are decades old and can fail, causing massive pollution.

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The company has begun an effort to improve its standing with local communities in the last decade by building clinics, roads and even natural gas power plants. It blames most spills now on thieves who tap into crude oil pipelines to steal oil.

"The complexity lies in the fact that the theft and the sabotage is part of an organized crime ... that siphons away a billion dollars a month," from Nigeria, Castelain said.

"This is organized crime," he added.

In London at midday, the company's share price was up 0.1 percent to 23.68 pounds.

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