Vermont Attorney General Announces Settlement of MTBE Lawsuit

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Contact: Robert F. McDougall and Megan R.H. Hereth, Assistant Attorneys General, (802) 828-3171

Vermont Attorney General T.J. Donovan announced today that his office has resolved Vermont’s lawsuit against more than two dozen of the nation’s largest refiners of gasoline. The State’s case, filed in June of 2014, alleged that these refiners caused widespread pollution of Vermont’s groundwater with the gasoline additive methyl tertiary-butyl ether (MTBE). As a part of the settlement between the State and the gas companies, the State will receive a payment of $3.8 million. In return, the State has dismissed its remaining claims against the gasoline companies.

MTBE is a synthetic chemical that some refiners blended into gasoline at times since 1979. Studies have linked MTBE to a variety of adverse health effects, and it is a known animal carcinogen and a possible human carcinogen. The State of Vermont’s ban on the use of MTBE took effect on January 1, 2007.

Today’s settlement brings to a close more than 4 years of litigation concerning the scope of the State’s claims. As originally filed, the State’s lawsuit alleged claims against the refiners for violations of Vermont’s Groundwater Protection Act and the Consumer Protection Act, as well as design defect, failure to warn, public and private nuisance, trespass, negligence, and civil conspiracy. The refiners successfully moved to dismiss portions of the State’s original complaint, with the Vermont Supreme Court ultimately holding that many of the State’s claims were time-barred by Vermont’s six-year statute of limitations. Following the further dismissal of claims by the trial court in December of 2017, including claims for sites and wells where contamination was yet to be detected, the State was left to pursue claims at sixty-one sites around the State. Under the terms of the settlement, the State has reserved its right to pursue relief under Vermont’s environmental clean-up laws for any newly-discovered MTBE contamination post-settlement, but all other future State claims are released.

The Vermont Agency of Natural Resources worked closely with the Attorney General’s Office in support of the case. Additionally, the national law firms of Baron & Budd, P.C., Weitz & Luxenberg P.C., Hagens Berman Sobol Shapiro LLP, and the Law Office of L. Michael Messina PA, assisted the State of Vermont in the case. Consistent with their representation contract with the State, these firms are entitled to split a roughly 23% share of the $3.8 million payment to the State of Vermont. The State’s share of the settlement payment will be $2,854,938.92.