

## Chronology of Key Events Related to the Bhopal Incident

Updated October 2004

Union Carbide India Limited (UCIL) was established in 1934, when Union Carbide Corporation (UCC) became one of the first U.S. companies to invest in India. UCIL shares were publicly traded on the Calcutta Stock Exchange. UCIL was a diversified manufacturing company, employing approximately 9,000 people and operating 14 plants in five divisions.

The Bhopal plant was built in the late 1970s and was owned and operated by Union Carbide India, Limited (UCIL), an Indian company that was owned by Union Carbide Corporation (which held just over half the stock) and Indian financial institutions and thousands of private investors in India.

The plant produced pesticides for use in India to help the country's agricultural sector increase its productivity and contribute more significantly to meeting the food needs of one of the world's most heavily populated regions.

**1984**

**Dec 3 The Bhopal Gas Tragedy**

Shortly after midnight, methyl isocyanate (MIC) gas leaks from a tank at the UCIL Bhopal plant. Approximately 3,800 people die and several thousand other individuals experience permanent and partial disabilities.

**Dec 4 Immediate action**

Word of the disaster is received at Union Carbide headquarters in Connecticut. Chairman and CEO Warren Anderson, along with a technical team, depart to India to assist the government in dealing with the incident. Upon arrival, Anderson is placed under house arrest and urged by the Indian government to leave the country within 24 hours.

Union Carbide organizes a team of international medical experts, as well as supplies and equipment, to work with the local Bhopal medical community.

The UCC technical team begins assessing the cause of the gas leak.

**Dec 14** Warren Anderson testifies before Congress and stresses UCC commitment to safety and promising to take actions to ensure that a similar incident "cannot happen again."

## 1985

### Feb Interim relief

Union Carbide establishes fund for victims of the tragedy – the (UCC) Employees' Bhopal Relief Fund, which collects more than \$120,000.

UCC sends more medical equipment to Bhopal.

### Mar Study Launched

UCC launches disaster program to study effects of over-exposure to MIC.

### Bhopal Gas Leak Act

Government of India enacts the Bhopal Gas Leak Disaster Act that enables the Government of India to act as the legal representative of the victims in claims arising of or related to the Bhopal disaster.

### Cause of the incident

UCC Technical team reports that a large volume of water was introduced in to the MIC tank and triggered a reaction that resulted in the gas release. Independently, a committee of experts for the Indian government arrives at the same conclusion.

### Apr Union Carbide offers \$7 million interim relief

UCC offers \$5 million in relief for victims before the U.S. District Court, bringing total to date to \$7 million.

### Government of India rejects Union Carbide relief

Government of India rejects UCC offers of aid for Bhopal victims.

### June Additional Aid

UCC funds participation of Indian medical experts in meetings to obtain information and the latest medical treatment techniques for victims.

### July Additional Analysis

Core samples confirm water triggered reaction that led to gas release.

## 1986

### Jan Union Carbide funds hospital

Union Carbide offers \$10 million to the Indian government for building a hospital to aid the victims in Bhopal.

**Mar**    **Union Carbide proposes \$350 million as settlement for victims and families**  
Union Carbide proposes a settlement amount of \$350 million that will generate a fund for Bhopal victims of between \$500-600 million over 20 years. Plaintiff's US attorneys endorse amount.

**May**    **Bhopal litigation transferred to India**  
U.S. District Court Judge transfers all Bhopal litigation to India. Decision is appealed.

## 1987

**Jan**    **U.S. Court of Appeals affirms transfer of litigation to India**  
The court rules that UCIL is separate entity, owned, managed and operated exclusively by Indian citizens in India.

**Mar**    **Government of India closes vocational technical center**  
The Government of India closes and razes the Bhopal Technical and Vocational Training Center built by Arizona State University after determining that Union Carbide Corporation supplied funds for the project.

**Aug**    **Union Carbide announces humanitarian relief**  
Union Carbide offers an additional \$4.6 million in humanitarian interim relief for immediate rehabilitation of Bhopal victims.

## 1988

**Jan –**    **Litigation in India**

**Dec**    Throughout 1988, arguments and appeals before the Indian Courts took place regarding compensation for the victims. In November, the Supreme Court asks the Government and UCC to reach a settlement, telling both sides to "start with a clean slate."

**May**    **New evidence on causation**

Independent investigation by engineering and consulting firm Arthur D. Little, Inc., concluded that the gas leak could only have been caused by deliberate sabotage; someone intentionally connected a water hose to the gas storage tank, causing a massive chemical reaction.

## 1989

**Feb**    **Final settlement at \$470 million**

The Supreme Court of India directs a final settlement of all Bhopal litigation in the amount of \$470 million, to be paid by March 31, 1989. Both the Government of India and Union Carbide accept the court's direction. UCC pays \$420 million, UCIL pays the rupee equivalent of \$50 million (including \$5 million of interim relief previously paid).

**Feb Union Carbide makes full payment**

Within 10 days of the order, UCC and UCIL make full payment of the \$470 million to the Government of India.

**May Supreme Court of India renders opinion**

The Supreme Court, in a lengthy opinion, explains the rationale for the settlement and emphasizes that the compensation levels provided for in the settlement are were substantially higher than those ordinarily payable under Indian law.

**Dec Government of India to act on behalf of victims**

The Supreme Court upholds the validity of the “Bhopal Gas Leak Disaster Act, of 1985” that authorized the Government of India to act on behalf of the Bhopal gas leak victims.

**1990**

**Jan – Supreme Court of India proceedings aim to overturn settlement**

**Dec** Hearings are held throughout year on activist petitions to overturn the settlement agreement.

**Nov List of victims to be compensated prepared**

The State Government of Madhya Pradesh submits to the Supreme Court of India the completed categorization of the claims of all of the victims. The State determines that, in addition to the victims who suffered various levels of disabilities, the incident resulted in 3,828 deaths.

**Dec Supreme Court Hearings conclude**

Court concludes review of petitions seeking to overturn settlement.

**1991**

**Oct Supreme Court confirms the settlement and closes legal proceedings**

The Supreme Court of India upholds the civil settlement of \$470 million in its entirety and sets aside portion of settlement that quashed criminal prosecutions that were pending at the time of settlement. Court also:

- Requires Government of India to purchase, out of settlement fund, a group medical insurance policy to cover 100,000 persons who may later develop symptoms;
- Requires Government of India to make up any shortfall, however unlikely, in settlement fund;
- Gives directions concerning the administration of settlement fund;
- Dismisses all outstanding petitions seeking review of settlement; and,
- Requests UCC and UCIL to voluntarily fund capital and operating costs of a hospital in Bhopal for eight years, estimated at approximately \$17 million, to be built on land donated by state government.

UCC and UCIL agree to fund the hospital, as requested.

1992

**Apr Union Carbide sets up Trust fund**  
UCC announces plans to sell its 50.9 percent interest in UCIL.

UCC establishes charitable trust to ensure its share of the funding to build a hospital in Bhopal and fund operations for up to eight years.

1993

**Oct U.S. Supreme Court denies hearing on legal standing**  
The U.S. Supreme Court declines to hear appeal of lower court affirming that Bhopal victims lack standing to sue for damages in U.S. courts.

1994

**Apr Union Carbide to sell stake in Union Carbide India Limited**  
Supreme Court of India allows UCC to sell all its shares in UCIL so that assets can be used to build Bhopal hospital.

**Nov Union Carbide completes sale**  
UCC completes sale of 50.9 percent interest in UCIL to McLeod Russell (India) Ltd. of Calcutta.

**Dec Union Carbide fulfills initial commitment**  
UCC provides initial \$20 million to charitable trust for Bhopal hospital.

1995 – 1999

**Building of the Hospital charitable trust**  
Hospital charitable trust begins facility construction in October 1995.

UCC provides approximately \$90 million from sale of all its UCIL stock.

By 1999, trust has \$100 million. Building is completed and physicians and medical staff being selected. The hospital will have facilities for the treatment of eye, lung and heart problems.

**2001**

**Hospital opens to public**

The Bhopal Memorial Hospital and Research Centre, funded largely by proceeds from UCC sale of all its UCIL stock, begins treating patients.

**2004**

**July**

**Supreme Court of India orders release of extra settlement funds to victims**

Fifteen years after reaching settlement, the Supreme Court of India ordered the Government of India to release all additional settlement funds to the victims. News reports indicate that there was approximately \$327 million in the fund as a result of earned interest from money remaining after all claims had been paid.