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# GUATEMALA: RISING DISCONTENT AGAINST ENERGY COMPANY UNION FENOSA

By Louisa Reynolds

The municipality of San Pablo, in Guatemala's northern department of San Marcos, is divided between the approximately 40% of inhabitants who refuse to pay their electricity bill and those who would rather stay clear of trouble and continue to pay.

"The problem is that the charges are excessive. When my administration began, the municipal fee charged by Distribuidora Electrica de Occidente (DEOCSA) was between 26 quetzales and 27 quetzales (US\$3.26 to US\$3.38) per household. But then the electricity company introduced a hike without prior warning. I don't know why the bill says 'municipal charge' when we never receive a single cent of that money," says Rolando Barrios, mayor of San Pablo.

But even though Barrios sympathizes with the 35 villages that consider that their electricity bill is far too high, he disagrees with their decision to suspend payments and claims that activists from the Frente en Defensa de los Recursos Naturales (FRENA)--a social organization affiliated with the Frente Nacional de Lucha (FNL) labor union--are inducing people to use this as a means of exerting pressure.

Cesar de Leon, a community leader from the municipality of San Rafael Pie de la Cuesta who has encouraged locals to suspend payments, justifies such actions claiming it is "extremely unfair to expect people who live in extreme poverty and live in a shack with two light bulbs to pay 90 quetzales [US\$11.28] a month".

Meanwhile, those who have continued to pay claim they have suffered intimidation and harassment from FRENA members, while FRENA blames the death of eight activists in suspicious circumstances on Union Fenosa (UF). The authorities are currently investigating the murders and have yet to issue a report.

"We wanted to stay out of trouble so we didn't follow what FRENA was saying so they came and cut our electricity cables," says Victoriano Reyes, a resident from the village 15 de Enero, in the municipality of Malacatan. Reyes says that at the heart of the problem is that many people have fallen behind with payments and have accrued debts of up to 8,000 quetzales (US\$1002).

But De Leon denies that FRENA has coerced anyone. "Around 80 people disconnected their electricity meters but no one has been forced to join the resistance. If there are people who can afford to pay, nobody is going to stop them," he says.

In the municipality of Nuevo Progreso, the issue has divided people to the extent that some claim that the parish priest, Geldy Barrios, has refused to baptize the children of those who have chosen to pay their bills, an allegation that he strongly denies.

## **San Marcos under siege**

On Dec. 18 last year, the access routes leading to the municipalities of El Rodeo, San Pablo, Malacatan, Catarina Tajumulco, and El Carmen were blocked by angry protestors who objected to the prices charged by DEOCSA. More than 110 police agents from the Fuerzas Especiales division of the Policia Nacional Civil (PNC) and 200 soldiers were sent in to clear the roads and safeguard the headquarters of the Instituto Nacional de Electrificacion (INDE)--the state-owned electric-energy producer--which was attacked by an angry mob, causing almost 400,000 quetzales (US\$50,122) worth of material losses.

Four days later, President Alvaro Colom decreed an "estado de excepcion" in San Marcos, an emergency measure to restore law and order in which popular protests and the right to bear firearms is temporarily suspended, a curfew is imposed on the population, and the area is under control of the armed forces. To date, San Marcos remains under the estado de excepcion.

After the protests, an emergency meeting between the Fiscalia General de la Republica, the Ministerio de Energia y Minas (MEM), the Ministerio de la Defensa (MINDEF), the Ministerio de Gobernacion (MINGOB), INDE, and energy company Union Fenosa (UF) was held, after which 20 new arrest warrants were added to the 214 that had already been issued against members of the FNL.

UF spokesman Hector Salvatierra has urged the government to continue the estado de excepcion in San Marcos after UF staff members allegedly received death threats from members of FRENA using cell-phone text messages. "A group implicated in illegal actions has issued death threats against our staff members. For this reason we insist that these individuals be arrested," reads a press release from DEOCSA a fortnight ago.

Salvatierra says FRENA "is not a genuine movement" and has manipulated the local population "for political reasons."

## **Communities set up their own companies**

For the past five years, the municipalities of San Pedro and San Marcos have their own electric-energy-distribution company, a model that those who have suspended payments seek to follow.

However, Rolando Barrios, mayor of San Pablo, explains that this requires "a huge investment that most municipal authorities cannot afford."

Carlos Colom, president of the Comision Nacional de Energia Electrica (CNEE), adds that "switching to a different energy-distribution company will not lower the cost. It doesn't matter whether the distributor is INDE, DEOCSA, or a municipal company because the distributor can only charge the authorized rate. Price hikes usually result from rising oil prices and the tariff must be approved by the CNEE on a quarterly basis."

Colom adds that most of Guatemala's 17 municipal energy-distribution companies are currently in debt as the tariffs they charge are unrealistic.

Regarding claims that DEOCSA has increased the municipal tariff, Colom says that this is fixed by the municipal council and that it is impossible for DEOCSA to increase it without the council's approval.

Secretario de Coordinacion Ejecutiva de la Presidencia Luis Velasquez says that consumers in San Marcos owe around 80 million quetzals (US\$10 million) to DEOCSA. "These people are illegally connected to the electricity service," he explained, adding that residents have repeatedly prevented the company from sending staff to read the electricity meters and charge for the service.