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Chilean Government Approves Logging Contract for U.S.-Based Company

by LADB Staff

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After a ten-month legal battle, on Jan. 28 the Chilean government conditionally approved US-based Trillium Corporation's US\$200 million Rio Condor project to exploit virgin forest in Tierra del Fuego, an island group 2,500 km south of Santiago at the southern tip of South America. In the provisional ruling, the Comision Regional del Medioambiente (COREMA) of Magallanes, which includes Tierra del Fuego, ruled that Trillium, based in Bellingham, Washington state, can cut lenga and other hardwood trees from 250,000 hectares of forests.

The concession will last 100 years. To win final approval, Trillium must meet certain requirements, including limiting the amount of wood cut and buying insurance to cover the cost of potential environmental damage. Trillium plans to mill lenga, a fine wood similar to beech that is native to southern Chile and Argentina, into moldings and furniture parts for export to the US, Asia, and Europe.

The company, which owns more than 400,000 ha in Tierra del Fuego, says the project will employ 600 people. Trillium has invested US\$60 million to buy land, build access roads, and complete environmental impact studies (EIS) for the Rio Condor project over the past few years. Logging could begin by the end of this year, officials said.

The decision, nearly a year after Chile's Supreme Court rejected the Rio Condor project, could mark the beginning of the end of a long and contentious legal battle between the US company and ecologists and scientists who oppose the project. Supreme Court overrules first approval In early 1997, Trillium was ready to harvest its first lenga trees. It had the backing of the Chilean government and COREMA (see NotiSur, 02/21/97).

Then, on March 19, the Supreme Court ruled in favor of a group of environmentalists and legislators, finding that COREMA's approval of Trillium's EIS was arbitrary and illegal because the agency had no environmental norms by which to judge the study. Since then, the agency adopted the necessary regulations. Trillium rewrote its proposal following the Supreme Court verdict and overhauled its management plan, which the court had criticized as being operationally weak. "Some things weren't thought out too well when everyone was in the euphoria of developing a project that was going to be the model for all logging projects for the next 500 years," said Bob Ellis, director of forestry operations for Trillium. The redesign garnered COREMA's second approval, but with some required modifications.

COREMA said Trillium's harvesting rate is excessive, the project lacks a forest inventory and sufficient cartography for its management plan, and it lacks concrete measures to regenerate forests overgrazed by guanacos, a relative of the llama. The authorization requires correction of the shortcomings within a set time period. Trillium manager Edmundo Fahrenkrog said the company is

very satisfied with the decision and said it is "a great professional challenge to prove to the region, the country, and the world that the project is sustainable." L

ocal supporters said they are convinced the project will benefit the area. "We are not in favor of pillaging forests or being careless with nature," said Silvia Vera, governor of Tierra del Fuego, a supporter of the project and member of COREMA. "We favor combining sustainable development and preservation."

Opponents doubt logging can be sustainable

The approval came despite strong protests from environmental groups, and the decision will increase controversy regarding the government's environmental policy. Environmentalists say they plan further legal action and more protests. They say they are not totally against the project but want more safeguards so that Chile's virgin rain forest does not disappear altogether. "The long list of environmental conditions for the project show that existing regulations can't ensure protection of natural resources under this development plan," said Hugo Vera, one of two officials on the panel of 20 who voted against the project. "These problems have to be resolved before the project is allowed to go ahead."

The Alianza por los Bosques de Chile, a network of nongovernmental environmental organizations, said scientific- technical factors were not taken into account and a project was approved that is not environmentally sustainable. It said economic interests won out over social and environmental considerations. If the project goes forward, the Alianza said, it will campaign to force the company to export under terms of the green label and according to international norms regarding care and protection of native species.

Greenpeace said the government "authorized the destruction of forests" that are unique in the world. "This project was already approved from the start for political reasons," said Maria Luis Robleto of Greenpeace. "Here the development of Magallanes and employment in Tierra del Fuego have been discussed, but the sustainability of the project was not discussed." Manuel Baquedano, of the Instituto de Ecología Política, a member of the Alianza network, said "government policy, according to instructions from President Eduardo Frei, is to approve all projects, improving them but never rejecting them." [Sources: Business Wire, Spanish news service EFE, 01/28/98; BBC News, Inter Press Service, 01/29/98; CHIP News (Chile), 01/29/98, 01/30/98; The Miami Herald, 01/30/98]

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