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Environmentalists, Chilean Deputies Oppose Megaproject in Tierra del Fuego

by LADB Staff

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Despite a recent victory for the US-based Trillium Corporation's plan to log large areas of forest in southern Chile, opponents pledge to continue the fight. On June 5, environmentalists marked World Environment Day with a protest against the Trillium project. In addition, "green" deputies in Congress plan new actions to block the transnational's megaproject that involves an endangered native species of tree.

The protest, outside La Moneda presidential palace in Santiago, was organized by the local branch of the international environmental group Greenpeace. During the protest, police arrested 15 demonstrators, including Carmen Rodriguez, executive director of the southern Pacific branch of Greenpeace, and Maria Luisa Robleto, coordinator of the group's Forest Campaign.

The protests came a week after the Comision Nacional del Medio Ambiente (CONAMA) gave final approval on May 29 for Trillium's plan to cut 22% of the native lenga (roble magallanico) forest in Tierra del Fuego to produce wood chips. The Rio Condor Project, which anticipates a US\$200 million investment, will exploit 250,000 hectares of forest on the island 3,200 km south of Santiago. Rodrigo Egana, CONAMA executive director, said the commission made its decision following a lengthy analysis and after considering both company arguments and those of nongovernmental organizations.

The CONAMA decision, which came after a four-year battle, was applauded by the acting governor of the province of Tierra del Fuego, where most inhabitants support the project because it promises 150 new jobs. Nevertheless, the CONAMA approval carried 100 conditions, including that the company provide "environmental insurance" to guarantee the sustainability of forest resources for the next 110 years. The approval also provides for independent monitoring of the project's impact on the environment. It calls for measures to protect rivers and streams as well as a large population of guanacos relatives of the llama in the Tierra del Fuego forests.

Opponents say fight is not over

Greenpeace says lenga is unique and one of the last of the ancient species of trees that covered the planet 8,000 years ago, 80% of which have been destroyed. Legal actions by the Defensores del Bosque network in Chile had kept the project on hold since April 1997, when the case was heard by the Corte Suprema de Justicia (CSJ). Although the CONAMA decision definitively ends government deliberations regarding the project, opponents said they are preparing new court battles (see NotiSur, 02/02/97 and 02/13/98).

Greenpeace, the Defensores del Bosque, and the Instituto de Ecologia Politica (IEP) said they would file a new motion with the CSJ to stop the project. "Green" deputies in Congress will support the

motion, and the groups plan to initiate an international boycott against Trillium exports. "A boycott against Trillium is legitimate," said Carmen Rodriguez, saying that Greenpeace will also wage a global campaign to prevent Trillium from using the international environmental certification required for future exports of lenga-produced wood chips to European and US markets.

IEP president Manuel Baquedano called the CONAMA decision "an aberration" that has serious consequences. He said it will destabilize the ecosystem in Tierra del Fuego and affect the climate, and he said the economic sustainability of the project is doubtful. Baquedano said instead of attaching 100 conditions, the government should have simply turned down the project. He said the approval indicates that the government is more concerned about economic interests than environmental protection. Other environmentalists contend that the administration of President Eduardo Frei favors investment in exploitation of natural resources rather than sustainable development as defined by the UN, and that Chile's Framework Law on the Environment and its regulations favor business interests, reduce state participation, and undermine the rights of the community in the evaluation of projects.

Deputies will file motion to block project

On June 1, Deputies Guido Girardi and Arturo Longton said they will file a lawsuit to challenge the government's sale of the forests to Trillium. The parcel was initially sold during the dictatorship of Gen. Augusto Pinochet (1973-90) at the incredible price of US\$1 per ha. The sale was later renegotiated for US\$3 per ha by the transition government of Patricio Aylwin (1990-94). The deputies claim the transnational deceived the country by saying it had already invested US\$100 million in Chile, when Foreign Investment Committee statistics show it has invested only around US \$30 million.

At the request of the IEP, the Chamber of Deputies will ask the World Trade Organization (WTO) for reports on possible "dumping" practices by logging companies. If Trillium is found to have engaged in dumping, the cost of its exports will rise because of an additional tariff. The request to the WTO is tied to charges that the Chilean government will grant Trillium a number of incentives, such as a tax exemption for productive activities in remote areas. Environmentalists say the subsidies to Trillium will amount to US\$59 million during the first five years of the project.

Trillium criticized at home

Trillium is the majority partner in Savia, formerly Bayside, which owns large tracts of lenga forest on Tierra del Fuego in Chile and Argentina. When lobbying to log and build roads in old-growth forests there, the company promised ecologically responsible management. The Seattle-based environmental group ForestWater Alliance is highly critical of Trillium's practices in its home state. It's Internet site says, "Observers of Trillium's South American activities would be well-advised to balance the company's assurances against the record it has established at home."

The group says that, although Trillium tells the Chilean government it will practice "sustainable forestry" and "provide jobs," people in its hometown of Bellingham, Washington, are convinced that "Trillium has always been in the business of liquidation forestry, rather than responsible, long-term management." (Sources: Notimex, 05/29/98; Spanish news service EFE, 05/30/98; Inter Press Service, 06/01/98, 06/05/98)

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