PETROLEUM IN PERU 2002

1. DECLARATION OF AIDECOS AND ADECOP IN REGARD TO THE PETROLEUM SPILL IN SAN JOSÉ DE SARAMURO

On 3 October, the petroleum company Pluspetrol experienced a crude oil spill of 5,500 barrels, which represents 264,000 gallons. To date, this oil spill in Saramuro, Marañon River, has not been dealt with adequately.

This fact has affected the river's waters, the Cocama-Cocamilla and riparian populations, and the Pacaya-Samiria National Reserve. Given the indifference shown by some authorities, the communication media and investigators, the indigenous community Cocama-Cocamilla, organized in Aidecos (Indigenous Conservation Association of Samiria) and Adecop (Development Association of Pacaya) declared, in regard to the spill, solidarity with the following institutions: Parish of Santa Rita de Castilla, Formabiap (Program for the Training of Bilingual Teachers) Aidesap Central (Indigenous Development Association of the Peruvian Jungle), Municipality of Parinari, and Orai (Aidesep Regional Office, Iquitos).

The communiqué was in the following terms:

"We ask for the solidarity of all social organizations, ecologists and other profesionals interested in Amazonia and of the population in general with the indigenous community Cocama-Cocamilla. This community is the only one who can testify and contribute to knowledge about human adaptation in an "bajial" ecosystem. In this natural environment, the activities of apropriation and transformation developed by the people to satisfy their needs rotate around the variation the rising and fall of the river. These events mark the seasons of the year, regulate the annual cycle of plant and animal life and the possibilities for the subsistence of human beings. It isn't surprising, then, that fishing is the principal activity elaborated by the men, and that the Cocama are recognized by the Loreto population as great fishermen or "fisqas" of the Amazonia.

Beyond the environmental contamination, the spill has affected the Cocama-Cocamila and riparian communities socially. In indigenous beliefs, water represents and unlimited resource, always available, without restrictions of usage. We are not accustomed to restrict it in the preparation of our food, for cleaning, or for recreation. We also are worried about our symbolic world, for the yacurunas and for the mother of the fishes, mui watsu, the "large viper," that inhabit the bottom of the waters and continuously travel about the rivers.

We protest the services of water apportionments and medical attention given by Pluspetrol. The company gave inadequate water apportionment to the affected

population. There were two types of water distribution: one by way of drum cannisters and the other by way of a barge. With an urban criteria, they delivered to each family a 20 liter drum each week, without taking into account that each had an average of 10 individuals. The distribution by barges took place recently after 15 days of the spill, and the people didn't use the water for consumption because of its bad taste and smell. It seems that the barge that supplied that water had been recently painted. The donation of medicines and medical service was insufficient taking into account the size of the affected population. The company only contracted three doctors to work in San José de Saramuro, Santa Rita de Castilla, and San Regís.

We protest the cynicism of the company that now asks that each effected community sign a letter thanking it for the "donations" that is makes in the zone. It is evident that Pluspetrol takes advantage of the economic conditions in which the people live.

To date, Pluspetrol has handled the "cleaning" of the crude in a relative manner. It has not considered the cleaning of the heavy elements contained in the crude and their sedentation to the bottom of the river. Nor has it appreciated the respective degradation of the land, that is to say the cleaning of the beaches and shores where the crude has adhered itself (with the imminent rising of the river this crude will penetrate the interior of the reserve). Its work is slow, already there is crude in Orillas del Marañón, and is negligent, in that at some sites crude burns on the beaches or is buried in the banks at a depth of 40 cm.

The population that collects the crude doesn't have adequate technology for the work and smears itself with risks to its health in exchange for a wage of 18 Sols a day. Neither Pluspetrol nor the state show seriousness in regard to the problem of the safety of the riparian citizen.

We ask that an impartial and qualified institution conduct a diagnostic on the current and future impact of the spill of 5,500 barrels of crude. In regard to health, the damage is clear: the people have diarrhea, headaches and skin problems. The population knows that it is in a critical situation and is worried. Despite the declarations of Pluspetrol and the State that "there isn't any damage" and that the "river is clean," the people are dismayed because the fish have disappeared from the effected zone and there isn't "mijano,"__fact that demonstrates the contamination of the waters. This is serious given the importance of fishing in providing proteins for the riparian population.

So as to prevent a reoccurence of this event, we demand maximum control of the barges that transport crude through the Amazonia. It is incredible that up until now the authorities have not ordered Pluspetrol to retrieve the remains sunken in the Marañón, although it is known to contain crude. In the future, this could cause new ravages to the aquatic ecosystem of the Marañón.

We alert the Peruvian population to the fact that 20% of the extraction of gas from Camisea will be under the charge of Pluspetrol, transnational corporation that is demonstrating itself to be irresponsible and does not consider the natural environment important.

We ask ourselves why the Port Authority of Iquitos, as guilty of this ecological disaster as Pluspetrol, hasn't assumed its responsibility in the matter, given that barge BZ 346, responsible for the disaster, is the property of Ofopeco, the civilian company of the Peruvian navy. Why has this institution permitted one of its barges to provide this type of service without minimum conditions of guarantee?

Finally, we demand respect for our lands and solicit that Pluspetrol immediately leave the Pacaya-Samiria National Reserve.

For the following reasons: to date, they have not demonstrated responsibility in the extraction of petroleum. This is evidenced in two palpable facts that are the contaminations of bodies of water._ In 1999, the contamination of the Chambira River was detected, effecting our Urarina indigenous brothers, and in the present with have the crude spill in our waters of San José de Saramuro. And to finalize, the indigenous community of Cocama that has inhabited this zone for a millenium demands that the company_leave its lands and its waters. As an aquatic society, it has been affected in its very heart, at the base of its sustenance and of its spiritual world.

Iquitos, 9 November, 2000

Adiemos Adecop

Note: any pronouncement of solidarity can be directed to Miguel Manihuari Tamani - President of Adiemos and to Nelson Arimuya Murayari - President of Adecop by e-mail at: ppsgrupo@rail.org.pe

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2. GAS FROM CAMISEA

The Camisea gas project is located in the department of Cuzco in the lower Urubamba river valley, in the Peruvian Amazon, 431 km west of Lima. It is a deposit with four gas wells. Reserves are estimated to be between 11 and 13 tcf trillion cubic feet (equivalent to 600 million barrels). The project is located in the southern Peruvian Amazon rainforest, on indigenous lands, including uncontacted groups, as well as the Nahua ú Kugapakori Reserve. The project will impact some 14,000 indigenous people in 30 communities, specially in Machiguenga town. It will also affect sacred sites, such as the Pongo de Mainique canyon (a site where bears live, considered as sacred animals) as well as the Community Reserve of Vilcabamba "Pavik Nikitine". In addition, along the route there is a large quantity of archeological deposits that are part of Peru's national heritage. The gas will be extracted from Block 88, which is 230.000 hectares, operated by Pluspetrol. The gas would be then transported as liquid gas to supply national demand, and eventually Mexico and the United States (specially California), although exportation to Brazil is also being considered. Given the existing reserves, the Peruvian government has qualified it as a project of national priority, since it will turn Peru into the biggest liquid gas exporter in South America. Part of the gas will be used to provide natural gas to Lima for 6 years, to 100,000 inhabitants, even though Lima is a city of several million. The gas will be transported by the TGP (Gas Transport of Peru), a consortium formed by Tecgas (23.4%), Pluspetrol (operator, 22% -Argentina), the American Hunt Oil (22.2% - United States), Sonatrach (11.09% -Algeria), SK (11.1% - South Korea), Graña and Montero (2% - Peru). Techint is the constructing company. The construction will possibly end in 2004. The transport of gas will start Camisea to Lima and Callao, by way of two gas pipelines: one for natural gas, measuring 714 kilometers, and the other for liquid natural gas, measuring 540 kilometers. The production phase will be lead by a consortium made up of Pluspetrol (36%), Hunt Oil (36%), SK Corporation (18%) and Tecpetrol (10%). The InterAmerican Development Bank is financing the project in 75 million dollars, along with the Andean Development Corporation (CAF Corporación Andina de Fomento), by 50 Million dollars, and the Chase Manhattan Bank with 25 million dollars, (with the guarantee of the Export-Import Bank -a US Export Credit Agency-).

Pluspetrol is conversing with the Export-Import Bank for the financing of 2,7 Billion dollars for the natural gas project in Camisea. Impacts In last August, a delegation of Peruvian and international NGOs, accompanied by the president of the Machiguenga Council of Río Urubamba (COMARI), monitored and investigated the environmental and social impacts of this project, detailed as follows. Perhaps the most serious denounce registered by the mission is that the company has started forced contact with indigenous groups that live in voluntary isolation in the Nahua ú Kugapakori Reserve. Contact was made by a Pluspetrol Company representative and Machiguenga guides, who announced their presence by using megaphones.

In another instance of forced contact, individuals of these communities velled at workers to get away. A little while after, the company sent helicopters to scare away the indigenous people. This constitutes a clear violation of Peruvian legislation and Agreement 169 of the ILO. Seismic studies have begun in the Reserve by the Canadian company Veritas. Pluspetrol did not the evaluation mission to enter into the camp, but the mission could manage to gather a few testimonies. Techint has installed a 2 hectare camp in the indigenous community of Chokoari, which will also be affected by 15 km of the pipeline construction, through their communal forests. Great part of these communal forests are located within Block 88. This community has been deeply affected by the presence of oil workers, and cases of violence and prostitution have been reported. The company takes construction materials from the Cumpurisato River banks, close to the community of Kepashiato. An access road construction has started there. Both activities have been carried out without the authorization of the community, and without and Environmental Impact Study nor a mitigation plan. During the construction, several accidents and deaths of workers have been reported, as well as of and community members due to negligence in operations, such as the 6 workers who died in Kepashiato, because the machinery rolled down a precipice. Despite environmental regulations indicating that company boats must reduce their speed when passing by indigenous populations, a girl died drowning in the community of Kirigueti, because of a wake left by a boat passing close to her at maximum speed. In reaction, the entire community blocked the river to impede river traffic from passing. The community has forced the company to start a consultative process reagarding the responsibilty for this accident. In spite of an EIA and management plans, the company has gone off track many times from the planned road construction paths, entering into communal lands, provoking serious deforestation and erosion. In some areas the company has taken up to 10 meters of soil off thin summit surfaces to allow the broadening of the road path. The fertile soil is then used as filling of thin bottom ditches. The erosion generated by construction has produced mudslides, and has blocked rivers. Erosion has also produced the pollution of potable water in Poyentimari, Monte Carmelo and Simáa communities. Even though it is against security regulations, there have been repeated situations of helicopters transporting cargo flying over populated areas. The president of the community informed Pluspetrol that heavy boards had fallen in an agricultural area of the community. The materials have still not been collected and helicopters continue to fly over the community, with external cargo. A large fuel spill occurred in the Urubamba River in the community of Atalaya, from a very big Veritas fuel boat, a Pluspetrol contractor. The capsizing occurred when it tried to pass through a section of shallow water. Six communities that live in the spill's area of influence have reported a lot of fish deaths. As compensation, Techint has stated that it will employ under qualified community members as trail makers. In spite of this, the local population has complained that the company is still hiring foreign workers, who mistreat the natives and force them to work for much lower salaries compared to what foreigners receive. In a report issued by SERVINDI, an accusation was made regarding the death of a newborn child and affected with hydrocephalia, which has caused alarm in the population of the Echarate district, province of La Convención - Cuzco. This is the 5th case of a child born with this disease, and the

population believes that it is related to the gas development in Camisea. The report also states an increased number of teenage pregnancies. The Peruvian organizations involved in the case demand independent monitoring of the project.

More information: Centro para el Desarrollo de Indígena Amazónico - CEDIA Cedia+@amauta.rcp.net.pe

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