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FEATURED Q&A

What Will It Take to Make Brazil's Mines Safer?



Brazil's National Mining Agency on Monday ordered mining companies to do daily inspections on tailings dams classified as upstream, the same type as the one that broke in Brumadinho last month. // Photo: Brazilian Government.

Q Brazilian mining company Vale said Jan. 29 that it would dismantle 10 dams that are similar to the one that collapsed four days earlier, killing more than 100 people and leaving another 200 missing. The disaster near the town of Brumadinho happened just over three years after the failure of a dam at the Samarco mine, which Vale co-owned, killed 19 people and caused Brazil's worst-ever ecological catastrophe, leading to a multi-billion-dollar lawsuit that remains in the court system. What problems led to these dam failures, and could they have been prevented? Why did conditions not change enough after the 2015 dam collapse to prevent the one that happened this year, and should company executives be held criminally responsible? What efforts must government authorities in Brazil, the mining industry and other actors make in order to prevent such disasters from happening again in the future?

A Jana Nelson, former Brazil desk officer at the U.S. Department of State: "The main reason the Mariana disaster was not a deterrent for future Vale disasters is that federal and local governments were more interested in getting the company back in business and generating revenue than in protecting communities and compensating for damage. The multistakeholder committee created to investigate culpability and promote recovery was put together in haste and has, thus, limited legal jurisdiction to fine or force the Samarco joint venture between Vale and BHP Billiton to halt activities. The committee was done, as they say in Portuguese 'para ingles ver,' paying lip service to natural disaster recovery. Every committee decision that was not

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TODAY'S NEWS

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Venezuelans Brace for Massive Street Rallies, Protests

Venezuela's opposition leaders have called for nationwide street protests today in a bid to keep up pressure on embattled President Nicolás Maduro.

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BUSINESS

Mexico Plans to Revise Contracts With CFE

Mexican President Andrés Manuel López Obrador called for the revision of all contracts that private energy companies have with state-run power utility CFE.

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POLITICAL

U.S. Negotiators Reach Mexico Border Deal

Negotiators have agreed in principle to a deal on Mexico border security that would avert a U.S. government shutdown scheduled for Friday. Meanwhile, former Democratic representative Beto O'Rourke held a pro-immigrant rally in El Paso on Monday opposite President Donald Trump's.

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O'Rourke // Photo: Beto O'Rourke via Facebook.

POLITICAL NEWS

Venezuela: Massive Street Rallies Aim to Pressure Maduro

Venezuela's opposition leaders have called for nationwide street protests today in a bid to keep up pressure on embattled President Nicolás Maduro to allow international humanitarian aid into the country amid extreme shortages of food and medicine, the Associated Press reported. Juan Guaidó, who has been recognized by numerous countries as interim president under the constitution, said Monday evening that his supporters had gotten their first cargo of humanitarian aid past border points blocked by Maduro. "Today we delivered the first donation, or the first cargo of humanitarian aid, albeit on a small scale, because you know they have blocked the border for the time being," said Guaidó while standing next to stacks of vitamins and nutritional supplements for pregnant women, according to the report. Last week media footage showed trucks carrying international aid to a warehouse on the Colombian border city of Cúcuta, which Venezuelan military units, loyal to Maduro, blocked

with tanker trailers at a major bridge crossing. On Monday, however, there was no sign that those shipments were leaving the warehouse, according to Reuters. Guaidó has appealed to the military to allow in the aid, promising amnesty. In an exclusive interview with BBC News broadcast today, Maduro said he would not allow aid into Venezuela because it was a way for the United States to justify an invasion. "They are warmongering in order to take over Venezuela," he said, adding that the country had "the capacity to satisfy all the needs of its people" and did not have to "beg from anyone."

U.S. Negotiators Reach Mexico Border Deal 'In Principle'

U.S. House and Senate negotiators on Monday night agreed in principle to a deal on Mexico border security that would avert a government shutdown scheduled for Friday, The New York Times reported. The agreement would provide \$1.375 billion for fencing and other physical barriers at the Mexican border and allow for 55 miles of new bollard fencing, a slat-like barrier, with some restrictions on location based on community and environmental concerns, ac-

NEWS BRIEFS

Famous Brazilian Journalist Killed in Helicopter Accident

Brazilian journalist and media personality Ricardo Boechat, 66, was killed in a helicopter crash in São Paulo on Monday, Folha de S.Paulo reported. The pilot was also killed. São Paulo Governor João Doria called Boechat's death "a great loss for all journalists who believe in the value of freedom of the press and the quality of Brazilian journalism." João Carlos Saad, the chairman of Grupo Bandeirantes, where Boechat worked for much of the latter part of his career, was first to arrive at Boechat's wake today, which is open to the public until 2 p.m.

Venezuela Sets Limits, Fees on Cryptocurrency Remittances Sent Home

Venezuela's government has begun regulating cryptocurrency remittances, Bitcoin News reported Monday. The country's National Superintendency of Crypto Assets and Related Activities (Sunacrip) has set a monthly limit and will be collecting commissions of up to 15 percent of the transaction amount. Additionally, the government announced new details of its comprehensive registry of crypto service providers. The move stands in contrast to more recent efforts to attract traditional remittances from the millions of Venezuelans who have fled the country's economic collapse.

Southern Copper Restarts Peru Mine Operations

Southern Copper said Monday it had partially restarted mining operations in southern Peru after heavy rainfall brought all mining activity to a halt for three days, Reuters reported. Southern Copper, which is controlled by Grupo México, said its facilities in the Cuajone and Toquepala mines are operating at 60 and 70 percent of their capacity.

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strictly environmental was questioned and contested in court by Samarco. The drawn-out judicial process resulted in few payouts to the community to date and even less arrests, though many were found criminally responsible. Having learned their lesson from Mariana, Vale is now taking actions to ensure even less payouts to the victims of Brumadinho. The federal government, in turn, is caught in a situation of recidivism, which should force a more stringent penalty in the case of Brumadinho. And yet, there still doesn't seem to be a clear process for action in cases of gross negligence or willful misconduct in natural disasters. The Bolsonaro administration should implement the recommendations of the Mariana recovery

committee to avoid future disasters and, to paraphrase Ken Salazar in the BP Horizon oil spill, keep their boot on the neck of Vale until proper indemnities are paid out and those responsible have their day in court."

A

Craig Duncan, former vice president of corporate affairs at International Minerals:

"The Vale dam disaster is a very complex problem to handle at best. I'm familiar with a recent similar crisis in Northern Antioquia. EPM eventually handled the problem with clarity and professionalism. What I might recommend in the Vale case is that the Brazilian government immediately hire a third party to verify the exact engineering faults

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According to the report, which cited two unnamed sources involved in the talks. The deal would still need approval by both houses as well as President Donald Trump's signature. The funding for 55 miles of new fencing is a figure far lower than the \$5.7 billion that Trump had demanded last year. Meanwhile, Trump held a rally to "finish the wall" in El Paso, Texas, Monday evening, where he said that he would press forward for more wall construction regardless of congressional approval. "A wall is a very good thing, not a bad thing. It's a moral thing," Trump told Fox News on the sidelines of the event. Trump was greeted in El Paso by a counter-rally led by former Texas Democratic representative and potential presidential candidate Beto O'Rourke. "We know that walls do not save lives; walls end lives," O'Rourke told supporters. He also criticized the Trump administration's treatment of immigrants, from separating thousands of children from parents at the border to Trump's descriptions of immigrants as criminals. "We will not send them back to certain death," O'Rourke said of migrants fleeing gang violence in their home countries, primarily in Central America. National Public Radio reported that at least 10,000 people turned out for each rally, citing local police and fire departments.

BUSINESS NEWS

Mexican President Plans to Revise All Contracts With CFE

Mexican President Andrés Manuel López Obrador on Monday called for the revision of all contracts that private energy companies have with state-run power utility CFE in an effort to keep power prices down, El Universal reported. "We are urging companies that have agreements with the Federal Electricity Commission to come together to review contracts and above all to reach an agreement that electricity prices will not increase," López Obrador told reporters. The president added that his government is looking for a "voluntary struc-

COMINGS & GOINGS

Axel van Trotsenburg Named World Bank's New Head of Latin America, Caribbean

The World Bank Group has named economist Alex van Trotsenburg as its new vice president for Latin America and the Caribbean. Van Trotsenburg has worked for more than 30 years at the Washington-based lender, most recently as vice president of development and finance. Previously, he served as country director for Colombia and Mexico, as well as for Argentina, Chile, Paraguay and Uruguay. Earlier in his career, he worked at the OECD in Paris. He takes over a portfolio of nearly \$30 billion from Jorge Familiar, who has become the World Bank's controller.

Former U.S. Rep. Ros-Lehtinen Joins Akin Gump

Former U.S. Representative Ileana Ros-Lehtinen (R-Fla.) has joined legal and lobbying firm Akin Gump in Washington as a senior advisor, the Miami Herald reported last month. "One of the things that attracted me to Akin Gump was its broad and established client base across Latin America," Ros-Lehtinen, who was the first Hispanic woman elected to the U.S. Congress, said in a statement. The firm has clients in several Latin American countries including Argentina, Colombia, Mexico and in Central America. Ros-Lehtinen represented Florida's 27th congressional district from 1989 until 2019, when she was succeeded by Rep. Donna Shalala (D-Fla.).

Noiana Marigo to Head Freshfields' U.S. International Arbitration Group

Noiana Marigo, a partner of Freshfields Bruckhaus Deringer based in New York, has been promoted to head the law firm's U.S. international arbitration group, the firm announced last month. Marigo, who joined the London-based firm in 2002, previously worked as Freshfields' co-head of the Latin America practice group. Nigel Blackaby, who previously led the practice, is expanding his responsibilities as the firm's global co-head of international arbitration, the statement said.

ture" of such agreements, saying he wants private companies to help in the government's commitment to not increase electricity prices, Reuters reported. CFE is contractually obliged to pay billions of dollars to private companies that developed seven natural gas pipelines to supply power plants, although the projects are incomplete, López Obrador said. Among those companies are Mexican energy infrastructure firm IEnova, which is a unit of U.S.-based Sempra Energy, and Mexican businessman Carlos Slim's Grupo Carso, according to CFE director

Manuel Bartlett. Bartlett also named several former CFE officials who are now executives at energy companies and accused them of participating in a scheme to "destroy" the power utility, according to the report. IEnova's shares fell as much as 6.95 percent after the comments. López Obrador has sharply criticized the "neoliberal reforms" carried out in the administration of his predecessor, Enrique Peña Nieto, including the 2013 energy overhaul that ended CFE's monopoly in the Mexican electricity market.

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for such a calamity, such as the U.S. Army Corps of Engineers. They are first-class and will give an impartial technical reason for these dam failures. Once this has been done, I would name an unrelated advisory board with high-level reputations for identifying technical faults, management issues and other factors that could have caused such a disaster. We can all second guess, but the faster the truth is verified by independent experts and managers, it will bring much-needed confidence and professionalism and a proper solution to this disaster. Once the reasons are clear, then the government can take the appropriate steps to correct them in the future.”

A **Keith Slack, director of strategic impact and campaigns at Earthrights International in Washington, D.C.:** “The tragedy at Brumadinho was a stark example of how corruption and corporate influence can create enormous costs for human rights and the environment. Press reports suggest that problems at the Brumadinho tailings dam were well-known and that workers were deeply concerned. Yet Vale was slow to take action to address the problems, and the results were catastrophic. The root of the problem is the use of an upstream tailings storage method, in which tailings are used to build the dam. This method is used by mining companies because it’s cheaper, even though its failure rate is much higher than with other methods. A proposed law to ban this practice in Minas Gerais was defeated last year following pressure by the mining industry. The possible criminal negligence of Vale and its contractors in the tragedy should be investigated, ideally by an international, independent commission to counter the industry’s political influence in Brazil. Globally, governments should pass laws banning upstream tailings storage, the use of long-term liquid tailings storage when a mine closes, construction of waste facilities upstream from communities or sensitive areas, and mines that will require

the perpetual treatment of waste water. The mining industry should accept these more stringent conditions and not seek to overturn or undermine them. They should only operate mines with the free, prior and informed consent of local communities, which should only be sought after the potential risks—including tailings dam failures—have been

“ Governments should pass laws banning upstream tailings storage.”

— Keith Slack

independently assessed and disclosed. Regrettably, the pervasive use of unsafe tailings storage methods across the industry means that the Brumadinho disaster is unlikely to be the last unless comprehensive and immediate action is taken.”

A **Leni Berliner, president and CEO of Energy Farms International:** “These are the recommendations I would make: First, don’t live near active mining operations, particularly old ones. Most mining companies would be glad to build housing or relocate people and provide transportation. Second, monitor, monitor and monitor tailing dams—to monitor old ones requires retrofitting. Third, don’t expect tailings dams to withstand torrential rains that are more frequent and heavier due to climate change. Finally, new mines are generally built in coordination with local authorities, so they are sited the best way possible and so responsibility of disaster-preparedness can be shared. Encouraging and enabling local authorities to help manage an old mine is a different story. Perhaps that is where the state and federal governments can be useful.”

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Erik Brand
Publisher
ebrand@thedialogue.org

Gene Kuleta
Editor
gkuleta@thedialogue.org

Anastasia Chacón González
Reporter
achacon@thedialogue.org

 **THE DIALOGUE**

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