

# The Profiteers Bulletin

Ending Canadian corporate impunity in Colombia

January 2015



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## Canadian oil company Pacific Rubiales in Colombia: Fairtrade certified?

Pacific Rubiales has received Fairtrade certification for petroleum production in the sites of Rubiales and Quifa, Colombia. Fairtrade certification was granted by Equitable Origin, after a process carried out by Deloitte Colombia. This news is surprising. It removes all credibility from the process of Fairtrade certification.

Pacific Rubiales Energy is one of the leading oil extraction companies registered in Canada. In 2013 in a session of the People's Court on extractive policies in Colombia, it was found guilty of a series of violations regarding labor, environmental and indigenous people's rights.

This Fairtrade certification has been issued for the first time to Pacific Rubiales for their « [...] performance exemplaire sur les plans social et environnemental » (exemplary performance in the social and environmental fields), regarding their petroleum production in Colombia. However, the daily practice of this Canadian oil company in Colombia raises doubts about how and why they could be afforded the Fairtrade certification and the legitimacy of this certification.

The main oil field of this Canadian company is located in the Colombian Department of Meta. Pacific Rubiales also owns several subsidiaries in the oil and mining sectors in Colombia. PASC recently investigated the contaminated water in Campo Rubiales. The results of

this investigation revealed alarming rates of hydrocarbons in many of the collected samples.

In 2011, the Colombian Constitutional Court issued a sentence (T-693/11) to Meta Petroleum/Pacific Rubiales for not having respected the preliminary consultation of

the indigenous peoples. The company has been ordered to pay near 2 million American dollars to the Achagua community as a compensation for the social, environmental and cultural damages it has done.



These same consequences can be found in the sacred traditional territories of the Sikuanis, where Pacific Rubiales has proceeded to construct a pipeline without respecting the preliminary consultation principle.

The People's Court jury also condemned the Canadian oil company for various violations of labor rights such as the right to freedom of association, the right to work as working conditions, employment, and wage rate were in violation with Colombian standards, and of human rights because of aggressions, death threats, attacks, accusations, murder attempts against unionized workers. In order to emerge from the conflict generated

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by unacceptable working conditions that included 28 day contracts, poor sanitary, salary and health conditions, etc., in 2011 the company created an employer's union, imposing its affiliation in order to break free from the Colombian petroleum industry union, the USO (Unión Sindical Obrera de la Industria del Petroleo).

A few months ago a campaign called "Common Front against the renewal of the Campo Rubiales contract" was launched. Many trade union organizations, including the CUT (Central Unitaria de Trabajadores de

Colombia) and the USO, the Polo Democratico's elected representatives, as well as several NGOs united to oppose the renewal of the contract between Pacific Rubiales and Ecopetrol, which will expire in 2016.

How can a Fairtrade certification be granted to Pacific Rubiales Energy for its activities in Rubiales and Quifa, Colombia, when it consistently violates human rights and foments and profits from Colombia's social and armed conflict?

Source: PASC and CSN, January 7th 2015.

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## Water Contamination and the Right to Water in Colombia: The case of Campo Rubiales

In July 2013, a Canadian delegation participated in a public hearing at the Popular Tribunal on Extractive Industry Practices in Puerto Gaitán, Colombia. The purpose of the trip was to listen an array of witnesses, hear evidence and then evaluate the behaviour of Canadian oil company Pacific Rubiales Energy (PRE) in Puerto Gaitán. During the hearing, communities and social organizations demonstrated the negative social, cultural and environmental impacts of oil drilling in the region. One of the principal complaints was that PRE had contaminated water used for consumption and subsistence farming.



Following the delegation, Projet Accompagnement Solidarité Colombie (PASC) coordinated an effort to collect and test water samples from Puerto Gaitán. The project, which took place in the fall of 2013, was carried out at the request of social organizations, like the Colombian oil workers' union Unión Sindical Obrero (USO), which hope to eventually bring evidence of water contamination before national and international courts.

The results demonstrate that five out of the twenty water samples collected contained an alarmingly high presence of hydrocarbons. Here are a few examples.

PRE transports oil via tanker trucks on a clay road, which results in a permanent cloud of dust. To solve this problem, the company applies water to the road daily.

Local inhabitants have expressed concern that this water is actually waste water from oil production. Thus, upon evaporation, it leaves behind hydrocarbon particles, which mix with the surrounding dust, causing air contamination and posing a danger lung health. An inhabitant of the region has also complained that the runoff has contaminated her well water.

PASC's field team was able to take a water sample directly from the pipe of a water application tanker. The results show a hydrocarbon concentration of 1040 µg/L. A sample from the surface of the above-mentioned well showed a rate of 1600 µg/L. In Quebec, the standard for potable surface water set by the Sustainable Development, Environment and Climate Change Ministry (MDDELCC) is 10 µg/L - 100 times lower than concentrations in the samples taken by PASC's team in Colombia.

The inhabitants of the Puerto Gaitán region have also complained that the methods that PRE uses to treat water are not sufficient. Indeed, the residual water from the rinsing station for the tankers simply passes through a waste water filter. Before treatment, the water contains a hydrocarbon concentration of 3190 µg/L, which drops to 2190 µg/L after the filter treatment. This "filtered" water is then thrown directly into the Tilaba River. At the dumping point, the concentration is 570 µg/L, which is still higher than the MDDELCC standard of 130 µg/L (standard for acute risk situation, such as

spilling) or even the second rate of 63 µg/L (standard that marks the prevention of chronic effects on the environment).

Along the Tilaba River, it is possible to observe the presence of hydrocarbons on its shores, as we can see in the image above. According to criteria set by the MDDELCC, oil and petrochemical products should not be present at a concentration that can be detected by a visible film on the surface of the water.

It is difficult to prove that a company is responsible for water contamination, especially given that the national environmental authority gives the oil industry every right to pollute. However, it is possible, under certain circumstances, to prosecute before Canadian courts companies responsible environmental crimes committed outside of Canada. Access to water is a fundamental right and every breach of this right should be denounced. Colombia and Canada have both ratified various international legal instruments which oblige these countries to ensure the full exercise of the right to water.

First, both Canada and Colombia ratified the International Covenant on Economic, Social and Cultural Rights on October 29th 1969 and May 19th 1976, respectively. Article 1 of the Covenant anticipates that in no circumstances « may a people be deprived of its own means of subsistence ». Water contamination in the

region of Puerto Gaitán represents a danger to public health, and to accessibility to adequate water supplies for subsistence farming.

Article 12 of the Covenant stipulates that every person has the right « to the enjoyment of the highest attainable standard of physical and mental health ». Moreover, Article 11 guarantees the right to a sufficient standard of living including the right to « adequate food, clothing and housing, and to the continuous improvement of living conditions ». The term “including” indicates that the list is not exhaustive, and that the right to access water is a necessary condition for a sufficient standard of living. Under these articles, a state commits a violation, through an act or omission, when it deliberately neglects its obligations to ensure the full enjoyment of the rights provided in the Covenant. It is thus clear that Canada and Colombia’s decision to ignore the contamination of drinking water by a Canadian company in Colombia is a violation of articles 11 and 12 of the ICESCR.

In sum, Canada and Colombia have failed to adequately address water contamination by oil companies like Pacific Rubiales Energy in Colombia. As such, they have failed to ensure the right to access water, an obligation that they are obliged to respect under their international commitments.

Source: PASC, December 2014

## Talisman is simply changing hands

We learned in December 2014 that the multinational Talisman, one of Canada's largest independent corporations, was bought by Spanish company Repsol in exchange for US\$13 billion. Talisman is an oil and gas exploration and production company, operating at the international level since 1992. The company is known in Quebec for participating in shale gas projects, and has been highly criticized for its operations in Sudan, Indonesia, Malaysia, Vietnam, Australia, Iraq and Algeria, to name just a few. In 2013, the company held



interests in up to 4.2 million hectares of land in Colombia, as well as rights of exploitation and exploration in heavily militarized regions where private interests have supremacy over the fundamental rights of concerned communities.

It should be underlined that Talisman holds 45% of the production rights in an oil field located in the municipality of Acacias, in the department of Meta. This oil field is the largest exploration project Colombia has seen in recent years. The multinational has also been carrying out seismic exploration in the same department, in partnership with Pacific Rubiales (the companies each hold 50% of the project).

Above all, in 2011 Talisman acquired a substantial

amount of the assets owned by the British Petroleum Exploration Company. The British group had sold its entire Colombian subsidiary to a consortium consisting of 51% ownership by Colombian oil company Ecopetrol and 49% by Talisman (a Canadian oil company at the time). With this agreement, both multinationals now own, under the name Equi3n Energia Ltd, the two largest natural gas fields in the country, located mainly in the Casanare department. These giants are planning to exploit the territory via fracking, which uses phenomenal amounts of water, even though Casanare suffered a serious water shortage at the start of 2014.

It is important to remember that the British Petroleum Exploration Company, whose assets are now in large part owned by Talisman, is subject to a lawsuit before British courts, brought in October 2014, for its activities related to the construction of the Ocesa pipeline in Colombia. The company is accused of causing severe environmental damage, harming the lives of local communities. Since 1994, Enbridge, another Canadian oil and gas company, has owned 25% of the shares of the Ocesa pipeline. This is one of the most Canadian investments in Colombia. Enbridge has hired a British military group (Defense Systems Colombia) to protect its installations. Ocesa, the largest pipeline in Colombia,

has 17 military bases along its path and 1,400 soldiers assigned to its protection; the pipeline project has often resulted in severe repression and has led to political, social and economic violence.

Besides the political violence created by the security measures protecting the pipeline, its construction has destroyed the livelihood of more than 350 peasants in the region, who were forced to abandon their contaminated land. At 800 km long, the pipeline carries 500,000 barrels of oil per day – oil extracted by Talisman. Even if Talisman sold in December 2013, 12.5% of its interests on the Ocesa pipeline, the company still owns transportation rights in the pipeline.

And we're only talking about Talisman's activities in Colombia...

Talisman has now been acquired by Spanish multinational Repsol, which has its own extensive track-record in Colombia: in 2007, their activities were condemned by the Colombian session of the Permanent People's Court. Regardless of the home-countries of these multinationals, though, communities affected by their activities, both here in Colombia and elsewhere, will continue to mobilize.

Source: PASC, January 21st 2015.

### Canadian Multinationals in Colombia: War Profiteers

Colombia vies for 1st place as the most dangerous country in the world for union activists and 2nd place in terms of forced displacements. More than 85% of internal refugees and murdered unionists come from regions marked by mining and petroleum development. Canada, which has signed a free trade agreement with Colombia, is the primary country of origin for foreign investment in this sector, meaning that Colombia's most important petroleum and precious metals reserves are managed through Canadian capital markets. Yet Canada has no system for regulating the activities of its companies abroad, allowing them to act with complete impunity as they profit from political violence in this war-torn country.

This bulletin intends to break the silence.

**We would like to thank the following unions for their financial support:**



Public Service Alliance of Canada  
Alliance de la Fonction publique du Canada



The members of **Projet Accompagnement Solidarit3**  
**Colombie** are available on demand to visit workplaces and to participate in group discussions on the impacts of Canadian investments in Colombia, and the situation with unions in Colombia.

Don't hesitate to contact us.

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