

Congress of the United States
Washington, DC 20515

March 29, 2012

The Honorable Hillary Rodham Clinton
Secretary
U.S. Department of State
2201 C Street NW
Washington, DC 20520

The Honorable Timothy F. Geithner
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington D.C. 20220

Dear Madam Secretary and Mr. Secretary:

We write to express our serious concerns regarding the behavior of US corporation Renco Group and its Peruvian subsidiary Doe Run Peru. We believe that the poor environmental record of this company reflects negatively on the image of the United States in Peru and Latin America and jeopardizes the credibility of American efforts to promote responsible foreign investment. We urge the State Department to take timely action to promote resolution of the severe lead contamination problems that affect the city of La Oroya, where Doe Run Peru operates.

La Oroya has been identified by Time Magazine and other sources as one of the most contaminated places in the world. The principal cause of the contamination is Doe Run's smelting operation, which processes lead and other metals. According to a 2005 study by St. Louis University, in collaboration with the Centers for Disease Control, Ninety-seven percent of children in the town under age 6 were found to have elevated blood lead levels. The study authors concluded that conditions amounted to an "extremely serious environmental health crisis" affecting La Oroya.

Renco's American subsidiary Doe Run Resources has a similarly poor environmental track record. The company has been the target of repeated fines and enforcement actions by the US Environmental Protection Agency. In 2010, the company reached agreement with the EPA to pay \$65 million for violation of environmental laws at its operations in Missouri as well as a \$7 million civil penalty.

In Peru, Doe Run Peru has asked for four extensions for environmental remediation commitments it made upon purchasing the La Oroya site from the Peruvian government in 1997. Despite this additional time, the company still has not taken adequate steps to reduce contamination in its area of operations.

In December 2010, Renco Group filed an \$800 million claim against Peru under the US-Peru Free Trade Agreement. Through this action, the company has sought to shift blame for La Oroya's environmental problems onto the Peruvian government. This action also represents a worrying trend of multinational companies abusing investor-state provisions in trade and investment agreements. Even when no ruling is issued, the mere threat of an order to pay damages for lost future profits can cast a chill on environmental and health regulation. Renco's investor-state claim seems to be one of several tactics it is utilizing to pressure the Peruvian government into granting Doe Run Peru reprieve from meeting its environmental commitments.

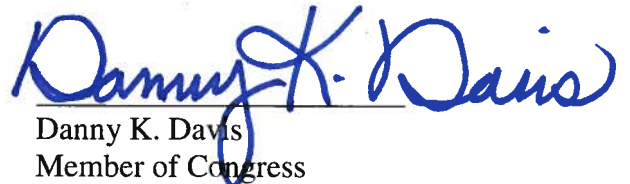
Doe Run Peru's smelting operation in La Oroya has been suspended for two years due to a financial dispute with the Peruvian government. The operation may reopen within months, and the company has again requested an extension for complying with environmental remediation commitments. The granting of such an extension would be unfortunate, given Doe Run Peru's repeated pattern of noncompliance and the grave risks to human health, especially that of children and expectant mothers, that result from the contamination produced by its operation.

The United States government should not invest its resources in defending irresponsible companies like Renco Group and its affiliates, particularly Doe Run Peru. In this regard, we urge the State Department and the Treasury Department to refrain from supporting the company in its FTA arbitration proceedings with the government of Peru. If anything, the United States Government should be urging Renco to drop its investor-state claim. We further urge the department to work with Peruvian authorities and civil society organizations and relevant US agencies, including USEPA and the CDC, to promote timely and just resolution of the environmental and public health problems in La Oroya.

We thank you for your prompt attention to this matter.

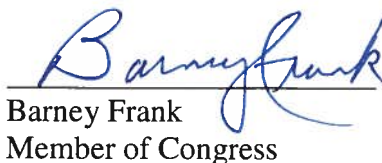
Sincerely,

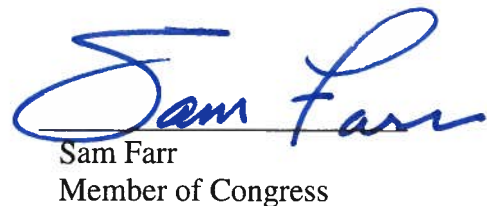

Raúl M. Grijalva
Member of Congress

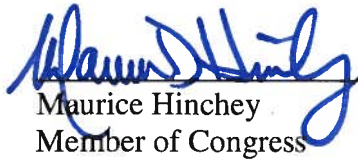

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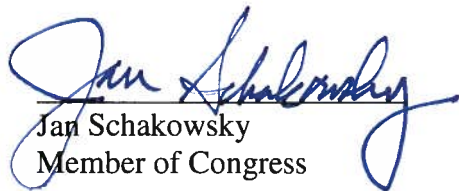

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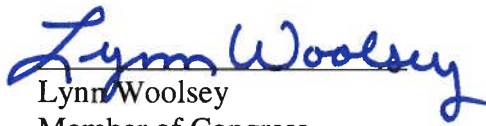

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