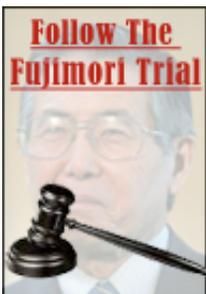


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[Doe Run miners block central highway to protest temporary 90-day layoff](#)

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Posted on June, 22 at 11:18 pm

Doe Run announced Monday it has postponed “for a few days” the temporary lay-off of some 3,500 workers, as it seeks solutions to its financial situation.

However, approximately 3,000 miners had already begun to block the Central Highway at La Oroya early Monday, in the central Peruvian highlands, as part of an indefinite strike to protest the company’s decision to lay-off all its workers for 90 days as of June 22. The highway is the only direct access to Huancayo and the Mantaro valley, the commercial hub of the central highlands, and the lower agricultural valleys of Oxapampa and Chanchamayo.

“All we want is a solution, once and for all,” said [Zócimo Galarza](#), president of the Doe Run Workers’ Union, which rejected the company’s offer to delay the temporary layoff until Thursday. The trade unions are pressuring Peru President Alan García to guarantee that the La Oroya smelter resumes normal activity, as it generates 3,500 direct jobs and 16,000 indirect jobs.

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The metallurgical complex of La Oroya run by Doe Run Peru — an affiliate of the Renco Group — has been operating sporadically since March. A consortium of banks led by PNP Paribas withdrew a \$75 million revolving line of credit, and Doe Run was then unable to buy the concentrates it needs for its smelter.

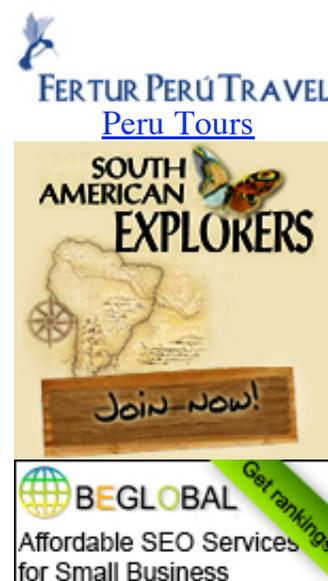
[In early April, ending weeks of speculation of a government bailout, fifteen Peruvian mining companies dependent on Doe Run Peru's smelter extended the U.S.-owned mining company a \\$175 million credit line](#), if the company met two specific conditions.

First, the Renco Group must inject \$165 million into Doe Run Peru to compensate for a financial shortfall. And second, Doe Run Peru must pledge the totality of its shares to the Peruvian government to prove that it will comply with an environmental cleanup plan.

The smelter, built and operated by the Cerro de Pasco Corporation since 1922 and nationalized in 1971 by Peru's military government led by General Juan Velasco, has always been a serious polluter. Doe Run acquired the operation in a privatization program during the Fujimori administration, when the winning bidders, Industrias Peñoles of Mexico, backed out. As part of the purchase agreement signed in 1997, Doe Run agreed to comply with a 10-year environmental cleanup and management plan, or PAMA.

But, according to Carlos Gálvez, general manager of Buenaventura Mining Co., neither Doe Run Peru nor the Renco Group are “complying with what was agreed to,” and have put the financial bailout at great risk.

La Oroya is comprised of smelters and refineries to process copper, lead, zinc and silver, as well as several sub-products. It is one of the few complexes that processes bulk concentrate. Approximately 30 mining



companies operating in central Peru sell copper, zinc, gold and silver concentrates to the U.S.-owned smelter.

The Blacksmith Institute, a New York-based environmental organization and U.S. think-tank, listed La Oroya as one of the world's most polluted places in 2007. Lung ailments are widespread, and high numbers of premature deaths have been linked to the smelter's 1.5 tons of lead and 810 tons of sulphur dioxide daily emissions.

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