

Home Depot and the Patagonia Dam Controversy: Why Dam Home Depot?

What's the issue?

- Several multinational corporations have proposed a series of five dams on two rivers in remote Patagonia, Chile.
- The dams would require the construction of more than 1,500 miles of transmission lines, requiring the world's longest clearcut through globally rare forests and roadless wilderness.
- Thousands of acres of native forest and wetlands, including rare wildlife, would be flooded and destroyed if the dams are approved.
- International Rivers works with Chilean and international organizations in the Council to Defend Patagonia (*Consejo de Defensa de la Patagonia*), a coalition of more than 50 diverse civil society groups from Chile and around the world working to protect Patagonia.

What does The Home Depot have to do with this?

- Every year The Home Depot buys approximately US\$50 million in wood products (largely trim and moldings) from the Chilean interests that are proposing these dams.
- In November 2003 Home Depot signed a specific, written agreement with environmental organizations and these Chilean timber suppliers to protect Chile's native forests.
- The Home Depot promises to help their customers become more environmentally conscious shoppers and strives to be a leader among environmentally responsible businesses.
- The Home Depot can establish an important precedent by distancing its brand from the Patagonia Dams controversy either by severing its relationship with its Chilean suppliers or using its influence to help protect Patagonia's rivers.
- It has been more than a year since environmental organizations have asked Home Depot to take a stance on this controversy, but they have failed to act.

What's at stake?

- Patagonia is host to some of South America's wildest rivers and rarest forests.
- The region has a high rate of unique species that exist nowhere else on earth including the *huemul* or andean deer (less than 3,000 left), the *huillin* or chilean river otter and the *aplochiton* zebra fish.
- The transmission lines for these dams would require cutting many thousands of hectares of globally rare forest types such as those dominated by the endangered Guaiteca Cypress and threatened Magellanic Coigue.
- Chile's opportunity for pursuing clean, affordable, renewable energy technologies and sustainable alternatives is threatened by this project.
- Through bringing industrial development to Patagonia, the project threatens the authentic and unique Patagonia pioneer culture.
- The Patagonia region is geologically unstable, with extensive volcano and earthquake activity, making it a high-risk region for big dam projects.

- The wide-scale damming of rivers in Patagonia threatens to ruin tourism in the region, which is an important part of the Chilean economy.

Why Should Consumers in the United States care?

- Consumer activism helps determine business policies that lead to protections for the environment and human rights.
- A recent poll shows that 57% of Chileans are against the Patagonia Dams (IPSOS April 2009).

What are the alternatives to shopping at The Home Depot?

- Consumers in the United States can look for their shopping needs at stores other than The Home Depot. A number of US distributors, such as Golden State Lumber and Pro-Build, have committed to providing responsible products at similar prices.
- The same type of wood products as those offered by these Chilean companies are also produced in the US and New Zealand.
- Responsible Chilean companies with similar wood products include the company Masisa.
- The Home Depot already offers its customers similar products made by other manufacturers at similar prices.

What alternatives does Chile have for meeting its energy needs?

- Chile has abundant alternative energy options, including solar, wind, and geothermal. Right now, less than 1% of Chile’s energy supply comes from its most abundant and available source: solar thermal energy from the Atacama Desert.
- Energy efficiency alone could make up an important part of the electricity promised by the Patagonia Dams scheme.
- Currently there is an estimated US\$1 billion of investment in wind power in Chile.
- Pursuit of these alternatives would permit Chile to reduce its dependence on dirty energy sources like fossil fuels and large-scale hydroelectric development.

Who are the multinational corporations proposing these dam projects?

- The HidroAysén joint venture scheme is 51% owned by Italy’s Enel and 49% percent owned by the Chilean multinational Colbún.
- The Matte Group is recognized as the “de facto” owner of Colbún, with a 49% share and control of the board of directors.
- The Home Depot is the largest single purchaser in the US of wood products from the Matte Group forestry sector (CMPC).