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	<p>Bolivia Media Watch: Morales Says Opposition Goal To Reduce MAS Majority SOURCE: OSC Summary in English 0000 GMT 03 Feb 2014 [OSC Summary] [For assistance with multimedia elements, contact OSC at 1-800-205-8615 or oscinfo@rccb.osis.gov.] The following is a selection of highlights from Bolivian press and broadcast media on 3 and 4 February 2014: ECONOMIC ISSUES: Experts Say Rurelec Compensation Ruling 'Not Subject to Appeal' -- Cochabamba Los Tiempos consults two experts about the recent ruling made by the Permanent Court of Arbitration in The Hague which finds that the Bolivian Government should pay British Rurelec \$41 million in compensation for the nationalization of the Guaracachi Power Plant. The government has rejected the ruling and has said it will only pay \$28.9 million. Constitutional lawyers Jose Antonio Rivera and Victor Gutierrez told the daily that the ruling is final and cannot be appealed. Business Sector Urges Government To Accept Hague Arbitration Ruling -- La Paz La Prensa reports that Daniel Sanchez, president of the Bolivian Private Business Federation, said yesterday that the government should respect the Permanent Court of Arbitration's ruling on compensation for British Rurelec. "Legal rulings must always be observed to preserve the subject of image, above all in terms of investments and the legal security that needs to exist," Sanchez said.</p>	
Email	<p>From: [redacted] Sent: 03 March 2014 14:57 To: PS Minister Swire – Action; [redacted] Cc: Ross Denny Subject: Briefing for Swire meeting with Bolivian Ambassador Attachments:Swire mtg Bolivian Ambo briefing.docx; BOLIVIA: RURELEC WINS LANDMARK ARBITRATION CASE AGAINST THE BOLIVIAN GOVERNMENT [DIPTTEL 1400976];</p>	

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	<p>[redacted]</p> <p>Please find attached briefing for Mr Swire’s meeting on Wednesday with the Bolivian Ambassador.</p> <p>Kind regards,</p> <p>South America Department Foreign and Commonwealth Office King Charles Street London </p>	
<p>Attachment to email of 03 March 2014.</p>	<p>SUBJECT: INTRODUCTORY MEETING WITH BOLIVIAN AMBASSADOR H.E. MR ROBERTO CALZADILLA</p> <p>POINTS TO MAKE</p> <p>* You have seen the judgement from The Hague concerning Rurelec. Pleased to see the Bolivian commitment to honouring that decision. Impress the need for the Bolivian government to comply with the PCA ruling, notably by paying the amount awarded, without seeking further delays. Other investors and potential investors will be watching all this very carefully.</p> <p>BACKGROUND</p> <p>Rurelec heard on 31 January that they had won their arbitration case against the Bolivian government but have been awarded only \$35m, a fraction of their assets in country and loss of earnings. [redacted]</p>	
<p>Attachment to email of 03 March 2014.</p>	<p>From: Diptel LA PAZ Sent: 07 February 2014 15:03 To: Diptel FCO Subject: BOLIVIA: RURELEC WINS LANDMARK ARBITRATION CASE AGAINST THE BOLIVIAN GOVERNMENT [DIPTTEL 1400976]</p> <p>Diptel LA PAZ</p>	

	<p>Foreign & Commonwealth Office Diplomatic Telegram</p> <p>Rate this DipTel Add a Comment</p> <p>Summary</p> <p>In the first international arbitration case against the Morales government, the Permanent Court of Arbitration orders the Bolivian government to compensate UK electricity generation company Rurelec PLC for expropriation of their assets in 2010. [redacted] Evo Morales says he respects the rulings of international courts, while the Attorney General considers seeking an annulment or reduction in the amount payable.</p> <p>On 1st February, the Permanent Court of Arbitration at The Hague issued its ruling on Rurelec PLC v the Government of Bolivia following the latter's expropriation of Rurelec's 50.001% stake in Empresa Guaracachi SA, an electricity generation business in Bolivia, in May 2010. The ruling found in favour of Rurelec and requires that the Bolivian government pay Rurelec compensation of US\$35.5m. The Tribunal also found that the government's action was unlawful as it failed to pay due compensation as required by the UK-Bolivia Bilateral Investment Treaty. The award is being promoted by Rurelec as a victory, although the figure is substantially lower than the US\$142m sought, [redacted]</p> <p>[redacted] While stating that he respects international justice (and he has said that the PCA ruling will be honoured) he qualified this by saying that he does not like international arbitration courts, claiming that they always find in favour of private companies at the expense of states. [redacted] The Attorney General has announced that the government is considering its legal options, which include seeking an annulment (judged by experts to be very difficult to obtain), or a reduction in the amount that has to be paid. In the meantime daily interest on the award is accruing.</p> <p>Rurelec's compensation claim may be unwelcome and difficult for the Bolivian government, but if faces considerably bigger claims.</p> <p>Comment</p> <p>In our dealings with the Bolivian government in support of both Rurelec we (and the companies concerned) have tried to encourage a negotiated outcome to avoid delay [redacted] and costly arbitrations.</p>	
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	<p>DENNY Authorised Ross Denny HMA Contact Ross Denny HMA </p>
	<p>From: Archie Young Sent: 20 February 2014 18:06 To: Ross Denny Cc: [redacted] Subject: RE: BOLIVIA: RURELEC WINS LANDMARK ARBITRATION CASE AGAINST THE BOLIVIAN GOVERNMENT [DIPTTEL 1400976]</p> <p>Sorry, there was one other point – we should agree some lines for UK companies regarding the BIT in light of the Rurelec ruling.</p> <p>From: Diptel LA PAZ Sent: 07 February 2014 15:03 To: Diptel FCO Subject: BOLIVIA: RURELEC WINS LANDMARK ARBITRATION CASE AGAINST THE BOLIVIAN GOVERNMENT [DIPTTEL 1400976]</p> <p>Diptel LA PAZ Foreign & Commonwealth Office Diplomatic Telegram</p> <p>Rate this DipTel Add a Comment Summary</p>

	<p>In the first international arbitration case against the Morales government, the Permanent Court of Arbitration orders the Bolivian government to compensate UK electricity generation company Rurelec PLC for expropriation of their assets in 2010. [redacted] Evo Morales says he respects the rulings of international courts, while the Attorney General considers seeking an annulment or reduction in the amount payable.</p> <p>On 1st February, the Permanent Court of Arbitration at The Hague issued its ruling on Rurelec PLC v the Government of Bolivia following the latter's expropriation of Rurelec's 50.001% stake in Empresa Guaracachi SA, an electricity generation business in Bolivia, in May 2010. The ruling found in favour of Rurelec and requires that the Bolivian government pay Rurelec compensation of US\$35.5m. The Tribunal also found that the government's action was unlawful as it failed to pay due compensation as required by the UK-Bolivia Bilateral Investment Treaty. The award is being promoted by Rurelec as a victory, although the figure is substantially lower than the US\$142m sought, [redacted]</p> <p>[redacted] While stating that he respects international justice (and he has said that the PCA ruling will be honoured) he qualified this by saying that he does not like international arbitration courts, claiming that they always find in favour of private companies at the expense of states. [redacted] The Attorney General has announced that the government is considering its legal options, which include seeking an annulment (judged by experts to be very difficult to obtain), or a reduction in the amount that has to be paid. In the meantime daily interest on the award is accruing.</p> <p>Rurelec's compensation claim may be unwelcome and difficult for the Bolivian government, but if faces considerably bigger claims.</p> <p>Comment</p> <p>In our dealings with the Bolivian government in support of both Rurelec we (and the companies concerned) have tried to encourage a negotiated outcome to avoid delay, [redacted] and costly arbitrations.</p> <p>DENNY Authorised</p>	
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	<p>Ross Denny HMA Contact Ross Denny HMA </p>
	<p>From: [redacted] Sent: 04 March 2014 17:03 To: Ross Denny Subject: RE: Request for briefing - COP TUESDAY - Mr Swire Chile brush bys Importance: High</p> <p>All,</p> <p>I've now been given more time for the briefing for Mr Swire's visit. Could you please comment on the attached brush by briefs for the Chilean inauguration</p> <p>From: [redacted] Sent: Monday, March 03, 2014 07:08 PM To: Ross Denny Subject: Request for briefing - COP TUESDAY - Mr Swire Chile brush bys</p> <p>All,</p> <p>Mr Swire is travelling to the region next week to attend the Chilean Presidential inauguration and visit Peru and Uruguay. I've been asked for brush by briefing for the inauguration for Bolivia. Do we know who will be going from either country? I've put some thoughts/lines together for the briefing, grateful for responses overnight.</p> <p>Ross – Have you got a steer for the briefing and points to make? We could cover... Rurelec</p> <p>Kind regards,</p>

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	<p>South America Department Foreign and Commonwealth Office King Charles Street London </p>	
<p>Attachment to email of 4 March</p>	<p style="text-align: center;">BOLIVIA BRUSH-BY BRIEFING</p> <p>David Choquehuanca – Foreign Minister</p> <p>Points to make:</p> <ul style="list-style-type: none"> ● Pleased to see your commitment to honouring the PCA ruling on Rurelec. Impress the need to comply fully, notably by paying the amount awarded, without seeking further delays. 	
<p>Email chain</p>	<p>From: Ross Denny Sent: 10 March 2014 18:01 To: [redacted] Cc: Archie Young Subject:FW: Rurelec Developments</p> <p>[redacted]</p> <p>[redacted] I can approach them in terms of encouraging early settlement, with no further delaying, as this would be in the best interests of a Bolivia currently trying to demonstrate that it is open for business, including for inward foreign investment (as I have in fact done earlier). [redacted]</p> <p>Ross</p> <p>[redacted]</p>	
<p>Email</p>	<p>From: [redacted]</p>	

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	<p>Sent: 14 March 2014 14:13 To: Archie Young Cc: [redacted] Subject: Bolivian Ambassador</p> <p>Archie – Speaking points for the Bolivian Ambassador below;</p> <p>Rurelec</p> <p>* Impress the need for the Bolivian government to comply with the PCA ruling, by paying the amount awarded, without seeking further delays. Important that the international court’s independent decision is upheld.</p> <p>Kind regards,</p> <p>South America Department Foreign and Commonwealth Office King Charles Street London </p>	<p>Attachment to email of 4 March</p>
<p>Email</p>	<p>From: Ross Denny Sent: 20 March 2014 14:06 To: Archie Young Cc: [redacted] Subject: Rurelec Developments</p> <p>Archie,</p> <p>To be aware of these encouraging signs of a possible breakthrough on Rurelec and payment of its long overdue compensation. [redacted]</p> <p>Ross</p> <p>[redacted]</p>	

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<p>Email chain</p>	<p>From: Ross Denny Sent: 20 March 2014 14:35 To: [redacted] Cc: Archie Young; [redacted] Subject: RE: Bolivian Deputy Foreign Trade Minister</p> <p>[redacted]</p> <p>Initial remarks below alongside your suggestions. Will follow up with any subsequent ideas that spring to mind.</p> <p>Ross</p> <p>From: [redacted] Sent: 20 March 2014 14:12 To: Ross Denny Cc: [redacted]; Archie Young Subject: Bolivian Deputy Foreign Trade Minister</p> <p>Ross,</p> <p>[redacted] we have arranged for Archie to see him on Friday. [redacted]</p> <p>Do you have points for Archie's meeting? I've jotted some thoughts below. Grateful for your thoughts overnight.</p> <p>* Lobby on Rurelec yes, but see my recent email following my call yesterday</p> <p>Kind regards, South America Department Foreign and Commonwealth Office King Charles Street London </p>	<p>Reference to Ross Denny's email of 20 March.</p>
<p>Email</p>	<p>From: [redacted] Sent: 21 March 2014 12:45</p>	

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<p>Reference to Ross Danny's email of 20 March</p>	<p>To: Archie Young Subject: BOLIVIAN DEPUTY FOREIGN TRADE MINISTER, MR CLAREMS ENDARA</p> <p>Archie,</p> <p>Some points below for your 14.30 meeting with the Bolivian Minister.</p> <p>BOLIVIAN DEPUTY FOREIGN TRADE MINISTER, MR CLAREMS ENDARA</p> <p>* Rurelec - See Ross's recent email. He was assured that government (cabinet) has taken the decision to pay Rurelec, and will do so. Welcome this. Push for early payment, making the point about nothing to be gained by delaying any longer [redacted] Rurelec are meeting the new Procurador General, Hector Arce today.</p> <p>Kind regards,</p> <p>[redacted] South America Department Foreign and Commonwealth Office King Charles Street London </p>	<p>mail chain</p>
<p>Briefing document for FCO meeting on 21 March 2014</p>	<p>BOLIVIAN DEPUTY FOREIGN TRADE MINISTER, MR CLAREMS ENDARA</p> <p>* Rurelec - See Ross's recent email. He was assured that government (cabinet) has taken the decision to pay Rurelec, and will do so. Welcome this. Push for early payment, making the point about nothing to be gained by delaying any longer [redacted]. Rurelec are meeting the new Procurador General, Hector Arce today.</p>	
<p>Email from Bolivian Information Forum</p>	<p>From: enquiries@boliviainfoforum.org.uk Sent: 02 April 2014 10:07 To: [redacted] Subject: BIF Bulletin 25</p> <p>BIF Bulletin No. 25</p>	<p>Email</p>

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<p>April 2014</p> <p>BIF Bulletin 25</p> <p>April 2014</p>	<p>Contents</p> <p>Rurelec dispute</p> <p>Rurelec dispute solved but unsolved</p> <p>The newly-appointed Procurador General, Hector Arce, has warned that Bolivia will not pay a dollar more than what is reasonable in compensation for companies nationalised by the Morales administration. Appointed to the post on March 19, Arce – a senior figure in the ruling Movimiento al Socialismo (MAS) government – made clear that he saw his role as “defending the State, defending the interests of Bolivian society”.</p> <p>The government faces a number of compensation claims, among them that of Rurelec PLC, a UK firm whose majority holding in Guaracachi, an electricity generator, was nationalised on May 1, 2010. Rurelec had been demanding compensation of US\$143 million, a figure that the Bolivian authorities had said was wildly inflated. On January 31 this year, the Permanent Court of Arbitration (PCA), based in The Hague, adjudicated the case, establishing the amount of compensation due at the much lower figure of US\$28.9 million.</p> <p>Rurelec, whose CEO is Peter Earl, took the case to arbitration shortly after the announcement that its interests were being nationalised, arguing that the move violated the terms of a bilateral investment treaty between the UK and Bolivia, agreed to prior to Morales coming to office.</p> <p>However, the dispute did not end in The Hague. Rurelec argues that the amount of compensation payable is actually US\$35.5 million. Additionally, it maintains that it is owed US\$</p>
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