

Head of Bolivian state oil company quits

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LA PAZ, Bolivia - The president of Bolivia's state oil company, Jorge Alvarado, resigned on Monday amid a probe into a contract with a Brazilian company, marking a setback in the drive to nationalize the country's hydrocarbons industry.

In his letter of resignation, read at a press conference in La Paz, Alvarado wrote that the accusations against him were "an attack by the oligarchy and the reactionary right-wing" aimed at halting the nationalization process.

He said he was resigning "to avoid committing any further harm to the great ideas for change in our country."

Alvarado was one of the key figures in leftist President Evo Morales' drive to nationalize the South American nation's hydrocarbons industry, but his leadership of Yacimientos Petroleros Fiscales Bolivianos, or YPF, has come under increased scrutiny as nationalization has run into troubles.

The Bolivian government last week acknowledged that Alvarado had violated the terms of May 1 nationalization decree by having YPF contract to export crude oil through an independent Brazilian firm.

Opposition members of the Bolivian Senate voted last Wednesday to open an investigation of Alvarado.

Morales said Monday that Alvarado had committed "no act of corruption, nor harm to the state" and alleged there was a "conspiracy" among opposition figures and international petroleum interests to slow down Bolivia's nationalization process.

Former YPF Vice President Juan Carlos Ortiz has been tapped to fill Alvarado's position.

Under Morales' May 1 nationalization decree, YPF is required to assume control of every stage of the production process. Foreign companies were given six months to cede operational control to YPF or leave the country.

Earlier this month Bolivia announced that the "full effect" of nationalization would be suspended while YPF underwent a complete reorganization and sought \$180 million in emergency financing.

Critics say YPF lacks the resources or technical know-how to manage Bolivia's natural gas reserves on its own.

Hydrocarbons Minister Andres Soliz tendered his resignation last week after being censured by the Bolivian congress over nationalization's limited progress, but Morales rejected the offer.