

Minutes of Multi-Stakeholder Meeting in Sapporo

Date/Time: April 16, 2004 10:00 – 13:30 & 14:30 –16:00
(Break-out session on SSE)

Venue: Sapporo Park Hotel

Attendees: See attached list

Objectives:

- 1) Explanation of current status of Sakhalin-II project and Japanese involvement;
- 2) Explanation and discussion on Oil spill trajectory modeling in Aniva Bay;
- 3) Explanation and discussion on “Aniva Bay – Construction and Operation; Overview of Environment program for 2004;
- 4) Break-out session on Steller’s Sea Eagles.

Summary of Discussion

1) Explanation of current status of Sakhalin-II project and Japanese involvement

SEIC made brief explanation of project update and Japanese involvement.

Questions and comments from the audience:

- a) Request to provide offshore pipeline detailed specifications and safety standards and to go through third party examination (NGO)

SEIC answers and response:

- a) In offshore pipeline designing SEIC applied international standards, such as API, in addition to Russian stringent rules and standards. Due diligence work by lenders is currently being carried out and its results will be publicised, as EIA addendum. We have taken note of your request.

2) Explanation and discussion on Oil spill trajectory modeling in Aniva bay

SEIC made presentation on Oil spill trajectory modeling in Aniva Bay and adjacent waters.

Questions and comments from the audience:

- a) Has SEIC made simulation of winter with existence of ice? (Industry)
- b) Recommend SEIC to discuss such issues, as OSR under ice conditions, persistence and modeling etc., publicly at academic conference and/or symposium, such as Monbetsu symposium. (Industry)
- c) Is a list of OSR equipment made public, like in SEIC website? (Fishery)
- d) What is the status of discussion between Russian and Japanese governments?

Do the JBIC loan conditions include the conclusion of such agreement?
(Fishery)

SEIC answers and response:

- a) It is difficult to calculate under ice conditions. We did as the first step for Okhotsk Sea. In case of calculation for winter we took into account ice concentration as the only first approach, because oil spill spreading will be contained by ice concentration. In principle oil slick drift in ice conditions is not different from other conditions. The method of modeling is similar one. But we need to study further.
- b) Your recommendation is noted. We intend to participate in Monbetsu symposium.
- c) We comply with RF regulation which requires Oil Spill Response Plan (OSRP).
Current oil spill response plan for Vityaz has been made in 1999 and updated from time to time.
Before start of full-year operation of Phase 2 each asset will have its OSRP.
After modeling, risk assessment, identification and review of logistics and resources we will establish strategy and tactics and allocate equipment and resources. Then we will be able to submit our OSRP to Sakhalin regional authorities for approval. We will not start operation without approval of OSRP.
- d) We expected NOWPAP's regional oil spill response plan to be in place quickly, but it has not been realized. When we discussed with OSR experts of Japan, Korea and Taiwan recently, we agreed that each party needed to communicate with its government to promote regional oil spill response plan.
We cannot answer your question today, but I can say that we have received a lot of comments from JBIC on our documents.

3) Explanation and discussion on "Aniva Bay – Construction and Operation"

SEIC made presentation on "Aniva bay – Construction and Operation".

Questions and comments from the audience:

- a) Has dredging work of 1.5 million tons been started or when will it be started? Where is the disposal area of dredged spoil? Has disposal work been started?
We want to know the details and if you have any permit for that. (NGO)
- b) During the first meeting in Hokkaido we requested to have information on the dredging activities and we still haven't received anything. We want you to provide us with this material during this meeting. (NGO)
- c) I don't have any technical question. SE's explanation of environment protection program is beautiful, but if SEIC does not provide necessary information in timely manner, credibility of such information becomes to be considered low. It is not acceptable for us that SEIC started dredging work

- without notice to Japanese side. We require clear response from responsible person and demand an apology from SEIC for it. (NGO)
- d) I do not think we need to talk separately as everybody is interested in this topic. Our fishery representatives and Hokkaido people are concerned about your dredging activity. We want you to provide an explanation for not informing them. (NGO)
 - e) It is greatly regrettable that SEIC did not clearly state about the commencement of dredging work in their reply letter to Hokkaido Government. We would like SEIC to provide information of what kind of consultation was done with local fishery organizations. In Hokkaido disposal of dredging soil to sea has been stopped since 1971. (Fishery)
 - f) As representative of the Marine Disaster Prevention Center of Japan we are interested to know about the bunkering operations of the ships in Aniva Bay.
 - g) As a representative of Okhotsk Sea area fishermen I would like to point out that Okhotsk Sea is rich in fish resources and has a good natural environment, and Okhotsk Sea area fishermen have been having rich and happy life by such rich resources, succeeding from their ancestors. Only concern/threat is the offshore oil field development. If accident would happen, economy and culture will be destroyed and fishermen will die. It is equal to terrorism.
I would like SEIC to think about following two issues.
 - To hold an explanation meeting in Sakhalin for Japanese stakeholders
 - To involve Japanese scientists in monitoring (Fishery)

SEIC answers and response:

- a) Dredging work started in September 2003 and will be completed by the end of 2005. SEIC has received permit from Ministry of Natural Resources of RF for this activity. Baseline study of disposal sites has been done. Based on technical and biological information disposal site was selected in 12 nautical miles from the shore and 65 meters depth.
- b) SEIC will provide necessary information. The purpose of this meeting was to answer and clarify about any question related with our management in Aniva Bay. I am happy to answer any technical question requested.
- c) Most of the information is reported in our EIA, including dredging activities. We have nothing to hide and welcome to share information and discuss issues.
We started dredging work after obtaining necessary permit from the relevant Russian authority. I do not think we need to apologize for undertaking this work with the relevant permits from Russia. As this may interfere with the audience, we may discuss this topic separately.
- d) We are working with all the necessary permits for the dredging and we will be able to keep you informed. In addition, please think about this: Do you usually communicate about your dredging activity or other impact activities to Sakhalin people? Thanks to everybody (finished Aniva presentation)
- e) Thank you for your advice on Hokkaido situation on dredging. We will check with the relevant department regarding consultation with local fishery organizations and come back to you.

- f) Unfortunately I am not able to provide you with this technical information right now. We can provide you with this information later. Please consider also that there is still some time left before starting operations.
- g) We have taken note of your comments. Regarding the two issues pointed out we will let our relevant departments study and revert.

4) Explanation of Environment program for 2004

SEIC made brief presentation of Environment program for 2004.

No specific comments from the audience.

The last comment made by the audience:

These meetings in Sapporo are the one-way explanation meetings. SEIC should not think that local government, municipalities, fishery organizations and citizens group accepted the explained issues. We just raised the basic problems. (NGO)

5) Break-out session on Steller's sea eagles

SEIC made presentation on "Overview of Steller's Sea Eagle (SSE) Research & Monitoring".

Questions and comments from Japanese side:

- a) Budget, Number of personnel, period for monitoring of SSE and/or ecosystem?
- b) There are three types of survey
 - Overall – everything
 - Ecosystem
 - Limited to the project

I would like SEIC to agree or coordinated with environment conservation organizations on program and to start actual work on environment conservation.

It is regret that due to technical problems environment protection activity stops.

In addition to mitigation measures isn't it possible to take other measures compensating partial destruction of nature, like establishment of sanctuary in other area, restriction of fishing and hunting to SEIC project related workers, support to environment education, support to regional administration on fight with poachers?

I request SEIC to carry out some symbolic project, as SSE is a designated species in Japan-Russia Migratory Bird Treaty.

- c) When did SEIC's survey on SSE start? Will monitoring continue during operation phase?
- d) Relationship between EIA and current monitoring program?
- e) Will the results of monitoring program be publicized?

- f) Disclosure of EIA addendum was a request of Japanese Minister of Environment in relation with Japan-Russia Migratory Bird Treaty.
- g) Understood that SEIC for its operation purpose carries out SSE survey, but it is necessary to think about it from much wider aspect, i.e. from aspects of ecosystem. We were explained about the programs, but we do not know well the results. Disclosing the history of changes of population and nests, we need to analyse the reasons of such changes. We would like SEIC to make all the data open.
- I do not understand the objective of laboratory analysis.

SEIC answers and response:

- a. Budget cannot be disclosed because of confidentiality clause in PSA. The scientists leading monitoring work are Professor Masterov of Moscow State University and Academician Kriksunov of Moscow State University also a lead on this project. Professor Bill Bowerman of Clemson University has been invited to take part in an international QA/QC basis.
- b. SSE program was designed and based on advice from scientists and by suggestion of the Russian Expertiza authority to include indicator species in the overall monitoring program. We will research SSE population and background data.
- In case of SSE SEIC will make monitoring, including ecosystem.
- There are some more projects in oil and gas development and other industries which also impact the environment, so it is difficult to take an overall ecosystem approach in evaluating ecological effects of the SEIC project.
- SE extended invitation to Japanese experts of SSE to meet with Professor Masterov, but as of now we have not received clear reply. We expect potential synergy effect of Japanese program and SEIC program.
- Sakhalin Island has already established wildlife sanctuaries.
- Regarding support we provided and will provide the following
- Carried out series of public lectures in Sakhalin;
 - Explained SEIC's environment measures at public consultation held at more than 40 locations last year;
 - Will publish brochure on key environment issues;
 - Support wide range of environment education;
 - Hunting/fishing policy is mentioned in Social Impact Assessment. Above Tymovsk area there is no hunting/no fishing policy;
 - Will help Sakhalin regional administration to fight with poachers, providing SE vehicles to Department of Interior for poaching control campaign.
- SE is not in a position to instruct Russian party what to do with funding.
- SEIC expects socio-economic development and education will contribute to improve life level.
- As to symbolic project we are now considering radio telemetry survey confirming migratory route. In such a case Japanese cooperation is necessary.
- c. Ornithology study started in 1998 for obtaining baseline data and Oil Spill Response Plan ESI mapping purpose. These studies included various species, not only SSE.

In northeast Sakhalin 180 potential nesting areas were identified. Five of the nests exist within 500m range from the project and need special consideration.

Current monitoring work will finish in 2005 and the results will be finalised at the beginning of 2006. Monitoring work will be continued during operations phase, but detailed program has not been set up yet.

- d. Needs of the current monitoring program were raised in the approval process of TEO-C (EIA). Choosing some indicator species, to carry out monitoring and approach to ecosystem. SSE monitoring could be considered monitoring from an ecosystem approach, whereas the asset specific monitoring programs aim to monitor project ecological effects. Due to the development of several different enterprises and the effects of other local pressures in the north of Sakhalin, SSE population monitoring does not apply to measure ecological effects of specifically SEIC activities.
- e. Our ultimate goal is to disclose the results publicly and get peer review, but before disclosure there is a restriction to the process from PSA with Russian party.
EIA addendum which is now in due diligence process by JBIC and EBRD will include additional information on SSE.
The result of the current monitoring activities will be finalized at the beginning of 2006. We need to study further whether any interim report can be publicized or not.
- f. The existence of the migratory bird treaty will be good justification for disclosure.
In return we would be interested in what kind of information can be made available from Japanese side.
- g. Previous studies had different objectives. So data from past years are not comparable. The current monitoring work for next two years will give more comprehensive results.

List of Attendees

Hokkaido Government	KAWAKAMI Toshimasa	Deputy Director, Trade and Economic Exchange Div.
	NAITO Tomoyuki	Manager, Trade and Economic Exchange Div.
	OCHI Kuniaki	Chief, Trade and Economic Exchange Div.
	SHIBATA Toshiyuki	Deputy Director, Fire and Disaster Prevention Div.
	URANO Kouji	Manager, Fire and Disaster Prevention Div.
	DOMON Hideki	Chief, Fire and Disaster Prevention Div.
	YAMAMOTO Yoshikazu	Chief, Environment Policy Planning Div.
	HONDA Akira	Chief, Environment Policy Planning Div.
	SAITO Joji	Manager, Planning and Coordination Div. Fisher and Forestry Dept.
	NITTA Noritoshi	Manager, Natural Environment Div.
	TAKEDA Tadayoshi	Chief, Natural Environment Div.
Agency of Fishery	MARUYAMA Norihito	Chief, Fishery Resources Div.
Hokkaido Educational Federation of Fishery Cooperative Associations	YOSHIDA Tomio	GM, Environment Dept.,
	HASEDA Shigeo	Deputy GM, Environment Dept.,
	HACHINOHE Noriaki	Technical adviser, - " -
	HONMA Yasutoshi	Wakkanai Regional Manager, - " -
	KAWAHARA Mineo	Rumoi Regional Manager, - " -
Abashiri Fishery Cooperative Association	KITAMURA Yoshio	Managing Director, Abashiri Fishery Cooperative
Esashi Fishery Cooperative Association	YANAGIHARA Sadao	Counselor
Sarufutsu Fishery Cooperative Association	KIMURA Koichi	Counselor
Hokkaido Bureau of Economy, Trade and Industry	UEYAMA Keisuke	Manager, International Div., Regional Development and Promotion Group
	MURAI Takashi	Manager, Environment & Resources Div.
Japan Coast Guard (1st Regional HQ)	MIKI Motomi	GM, Guard and Rescue Dept.
	MATSUSHITA Shiro	Chief, Maritime Disaster Countermeasures Office
	ONISHI Eiji	Chief, 1st Disaster Countermeasures Section
Japan Coast Guard (Yokohama)	SHIMASE Yuji	Senior Response Officer, National Strike Team

Wakkanai Municipal Office	TAKASE Yoshiaki	Manager, Disaster Prevention Section
Abashiri Municipal Office	YOSHINO Mamoru	Manager, General Affairs Dept.
Monbetsu Municipal Office	HIMEDA Jun'ichi	Manager, General Affairs Dept.
	KUBOTA Masahiro	Manager, Planning & Coordination Dept.
Etopilika	NAKANISHI Toshifumi	Vice chairman
	TAKADA Seiu	Secretary General
	FURUYA Shunsuke	Environment and disaster Prevention
Marine Disaster Prevention Center (MDPC)	SASAKI Kuniaki	GM, Disaster Prevention Dept.
	HAGIWARA Takahiro	Manager, Operations Div., Disaster Prevention Dept.
Hokkaido Economic Federation (for Tourism)	NIWA Shinobu	DGM, Secretariat
	KUDO Takao	DGM, Secretariat
Hakodate Municipal Office	FUJIMORI Satoshi	Manager, Port and Airport Management Div.
Hakodate International Trading Incorporation (HAFEX)	NASHIKI Satoru	Manager, General Affairs
	KOGASHIWA Tetsushi	Port Promotion & Sakhalin Project
NPO "Marine Wildlife Center of Japan"	KOBAYASHI Mari	NPO Coordinator
The Institute of Energy Economics, Japan	YOKOCHI Akihiro	Senior Coordinator, Project Research group 3, Project Research Unit
	NAKANISHI Satoshi	Group Manager, Project Research group 3, Project Research Unit
North Japan Port Consultants	OTSUKA Natsuhiko	GM, Engineering Dept.
Hokkaido Institute of Environmental Sciences	TAMADA Katsumi	Natural Environment Conservation, Conservation Dept.
Hokkaido Geological Institute	HAMADA Seiichi	Researcher, Marine Environment section, Marine Geology Div.
SEIC	POKRASHENKO Sergey	Environmental specialist, HSE
	SIMONOVA Svetlana	Environmental specialist, HSE
	GLUSHIK Lauren	Onshore coordinator, HSE
	HANSEN Harald Oliver	LNG/OET Environmental Engineer
	SHEARD Rachele	Project EA Manager
	NARUSE Masami	Head of EA strategy - Asia-Pacific Region, EA