

## ESHIA Public Meeting Minutes

Date	<b>14.11.03</b>
Time	<b>12.30-13.30</b>
Settlement	<b>Gornoye, Makarov District</b>
Location	<b>Administration</b>
Number of attendees	<b>16</b>

### **1. What are the sums invested into the Project and Oblast economy?**

Direct benefits from the Project include:

- \$55,6 million. Paid for use of mineral resources
- \$100 million paid to Sakhalin development plan
- \$45 million paid as bonuses
- \$10 million paid as pay-roll taxes by the Company employees
- \$1 million. Paid to facilitate social programs

By the way, there are indirect benefits from the Company's activities, e.g. development of local business, services etc. By 2010 it is planned to achieve annual transfers of \$230 million to the Oblast budget, whereas now the budget expense item is \$250 million.

### **2. With such huge sums transferred from the Project, why does local people's welfare remain the same?**

The Project is not working at full capacity still yet, mostly preliminary works are being performed. Besides, that's up to Oblast administration how to use money received from the Project and the Company does not have a right to control it.

### **3. Will there be gas supply to the island?**

The Russian party will get its part of profit in gas and oil equivalent and it's up to the local administration how to use it. The Company plans additional pipeline branches, but these branches and relevant infrastructure will be built at the expense of the Oblast administration. Perhaps gas supply for heating plants will be provided in the future.

### **4. Why doesn't the contractor from Markarov settlement employ local young people?**

Perhaps this is because of

- lack of medical permission
- lack of documents proving qualification
- lack of experience

- lack of vacant positions

#### **5. Can contractors perform training?**

No, as they do not have licenses necessary for that. For works with time limits qualified employees are required. But there are always new vacancies as the scopes of works are growing.

#### **6. Materials and steel works are brought from the mainland. Why?**

There are no enterprises on the island that can produce module cottages. Pipes are brought from the mainland (already wrapped) but their volume is decreasing as railway transportation is getting too expensive and therefore main supplies go from Japan now.

#### **7. Who will build Builders' camp and the pipeline in this area?**

The camp will be built first, then the pipeline. These works are performed by Leasingmashstroy, a Srarstroy's contractor.

#### **8. Will the roads be asphalted?**

Gornoye is a bit aside from the main roads and asphalt covering most likely will not be performed.

#### **9. When will pipeline laying start?**

In 2004