

Karl Kendall
11/18/2002 08:36 AM

To: Ralph.Braccio@erm.com
cc:
Subject: Re: NEWS ITEM

Thanks Ralph; I saw it in the trade press somewhere (Oil & Gas Journal?) last week.

Of course one's reaction may be justifiably ambivalence...kudos for Osinerg (I think...or cynically is it my place to question motives?) but naturally it does question the when and where of the incident itself and why our happy sponsors weren't looking after their own contractors...(not to over dramatize with hyperbole) but relying of the Peruvian inspectors to clean up the project's act is a parallel to relying on UN inspectors to assure weapons compliance of you know where....It'd be interesting to know if and when the \$944,000 gets paid, and ultimately what the sponsors are doing to rectify the identified problem.

Cynically (again!) though an operating and not construction issue, I remember in the old Soviet Union how pollution fines simply became a form of taxation/overhead paid annually to maintain pollution....so a fine unto itself (even if paid?) may not be that impressive.

Ralph.Braccio@erm.com



Ralph.Braccio@erm.co
m
11/15/2002 05:45 PM

To: popi.artavanis@exim.gov, karl.kendall@exim.gov
cc:
Subject: NEWS ITEM

Popi & Karl,

1. Welcome back.
2. I saw this news tidbit, and thought you should know about it (if you haven't already heard).

--Ralph

Osinerg fines Camisea pipeline constructor for environmental damage

By an OGJ correspondent

LIMA, Nov. 5 -- Osinerg, the supervisory organization for Peru's energy industry, fined Transportadora de Gas del Peru (TGP) 3.4 million soles, equivalent to \$944,000, for environmental violations during construction of natural gas pipelines for the Camisea project.

The regulatory agency claims TGP failed to comply with all of its commitments under an environmental impact study for that project. That includes excessive deforestation along the pipeline right of way, causing landslides, and endangering the watershed with the risk of erosion, regulators said.

Osinerq will reduce the fine by 25% if TGP foregoes its right of appeal and pays within 15 days.

TGP also must repair the damage it caused.