

March 15, 2005 Tuesday

SECTION: Pg. 4

LENGTH: 848 words

HEADLINE: Sakhalin development must be sustainable

BYLINE: Isamu Mishima

SOURCE: Yomiuri

**BODY:**

Projects to develop oil and natural gas are in full swing on Russia's Sakhalin Island, and the natural resources there will earn the country large amounts of foreign currency. The island's proximity is also a boon to Japan, which is trying to lessen its dependence on Middle Eastern supplies of fossil fuel.

But environmental organizations and experts warn that large-scale development of natural resources on Sakhalin will not only endanger rare species of wildlife, but also seriously affect the ecology of the whole region. Russia should take the natural environment into consideration and practice sustainable resource development.

Resources on Sakhalin are being developed in nine areas, with each area allocated to companies licensed by the Russian government. Two projects--Sakhalin I and Sakhalin II--are currently under way off the northeastern coast. At Sakhalin II, which is the more advanced of the two projects, oil rigs have been set up and tankers have already begun shipping oil.

But even Sakhalin II is still in the early stages.

Since the areas where the oil platforms have been set up are closed due to ice in winter, making shipments of oil impossible, Sakhalin Energy Investment Co., the international consortium operating Sakhalin II, is building two more platforms, as well as an 800-kilometer-long pipeline that will transport oil and natural gas to harbors in the southernmost part of the island, which does not freeze over winter.

The major shareholders in Sakhalin Energy are Royal Dutch/Shell, with a 55 percent stake in the project; Mitsui & Co., with a 25 percent stake; and Mitsubishi Corp., with a 20 percent stake.

If all facilities and equipment are completed between 2006 and 2007 as planned, extraction at Sakhalin II is expected to continue for 40 years. The amount of oil and natural gas produced at Sakhalin II is estimated to account for about 4 percent and 18

percent, respectively, of Japan's total imports.

Sakhalin II would enable Japan to ensure a long term and stable supply of natural gas, which emits less carbon dioxide and nitrogen oxide than oil and coal and is regarded as "clean energy."

The project will provide Japan with massive clean energy resources from a neighboring region, and marks the first step toward lessening the nation's dependence on the Middle East for fossil fuel.

It will not only be a boon for resource-poor Japan, but also give Russia a golden opportunity to earn foreign currency and contribute to Sakhalin's regional development through the building of infrastructure and the creation of jobs.

But Sakhalin II is not without problems. An island with a small population and without any significant industry, Sakhalin has maintained a rich, untouched natural environment. The land is covered by vast coniferous forests and its coastlines feature many shallow tideland inlets, providing a paradise for wildlife. But Sakhalin II endangers much of the island's environment, a development that alarms environmentalists.

Shoko Murakami, representative of the Tokyo-based nonprofit organization Friends of the Earth Japan, pointed out that even though such a massive development project would inevitably have an immeasurable impact on nature, Sakhalin Energy's assessment survey report lacks sufficient data and fails to assess the impact on Sakhalin's entire ecological system. She is concerned that with such an incomplete assessment, sustainable development will be impossible.

An independent scientific review panel established by the International Union for Conservation of Nature and Natural Resources (IUCN) at the request of Sakhalin Energy has conducted a study on the possible effect of Sakhalin II on western gray whales that inhabit the waters off the northeastern coast of Sakhalin. The study found that a proposed undersea pipeline would pass through the whales' feeding area and increase risk to the whales, whose numbers have dwindled to about 100. The IUCN also pointed out to Sakhalin Energy that the consortium has not done enough to disclose information.

The Wild Bird Society of Japan questioned the credibility of the assessment survey's data on Stellar's sea eagles, another endangered species, noting that the number of pairs of eagles listed in the report was quite different from the numbers in other assessment reports.

The total cost of Sakhalin II will come to about 10 billion dollars, 20 percent of which will be financed by the Japan Bank for International Cooperation, a government-affiliated financial institution. We can hardly overlook the adverse effect on the environment that will be caused by Sakhalin II, in which Japanese trade houses and financial institutions are involved.

Since most of the fossil fuel produced in the project will be consumed in Japan, the

nation could be criticized for exporting environmental destruction to Sakhalin if the protection of nature is neglected. Japanese partners in Sakhalin II must carefully observe resource development on Sakhalin.

Mishima is a deputy science news editor of The Yomiuri Shimbun.

LOAD-DATE: March 14, 2005