



commission for environmental impact assessment

To: the Minister of the Environment and
Water Resources
Ms. Tamuna Lebanidze
Ministry of the Environment
68a, Kostava street
380015 Tbilisi
Georgia

your reference
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your letter of
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our reference
1120- (Kh/lw)

subject
Advisory Review on the Compliance of
Project Implementation with the
Environmental Permit for the Baku-
Tbilisi-Ceyhan Oil Pipeline and the South
Caucasus Gas Pipeline in Georgia

direct dial
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Utrecht,
22 December 2004

Excellency,

At your request a working group of the Netherlands Commission for Environmental Impact Assessment (NCEIA) has been assigned to advise you on environmental compliance of the Baku-Tbilisi-Ceyhan oil pipeline project and the South Caucasus gas pipeline project, presently under construction by the BTC-consortium in Georgia. A delegation of the NCEIA visited Georgia from 10-17 November 2004.

I would like to ask your attention specifically for the following issues:

- The Government of Georgia and BP have agreed that the risk of oil spills in the Borjomi area should have a risk as close to zero as possible. A zero risk on oil spills is impossible. In the Borjomi area additional measures have been applied to reduce the risk of oil spills. However, there are two sites where there is still a significant risk of geo hazards that could have a significant impact on the integrity of the oil pipeline. The risks of oil spills should and can be further reduced by implementation of additional mitigating measures, specified in this advice and installation of an effective monitoring system.
- The present capacity of the oil pipeline is designed to transport 1 million barrels per day. Expectations are that the flow will be increased after a couple of years. The present capacity is likely to be doubled to 2 million barrels per day by adding more pump stations and improve pipeline capacity by adding (chemical) condensates to boost flow rates. In the conditions of the environmental permit for the BTC-project (dd. 2 December 2002) no reference is made to the capacity of the oil pipeline and the amount of oil to be transported. For any extension of the present capacity of 1 million barrels per day a new EIA report and a new environmental permit will be required. In that case re-routing of the pipeline for the most sensitive areas, e.g. to avoid the Borjomi area November 2002) becomes a serious option that could be considered and assessed in the required EIA report (see our advisory report of dd. 22 November 2002). The oil pipeline crossing Borjomi could then be used for transporting gas.

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I hereby send you the Advisory Review on the monitoring of the Baku-Tbilisi-Ceyhan Oil Pipeline and the South Caucasus Gas Pipeline project in Georgia.

With warm regards,



Dick de Zeeuw,
Chairman of the Working Group