

Panorama CPC



JSC Caspian
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Caspian Pipeline Consortium Corporate Edition

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*Congratulations
on the 15 years
anniversary
from the loading
of the first tanker!*

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A Job That Inspires

THE EMPLOYEES OF CPC CELEBRATED THE OIL AND GAS INDUSTRY WORKERS DAY UNDER THE SIGN OF THE ANNIVERSARY: 15 YEARS OF THE OPERATIONAL ACTIVITY OF CPC



"Nowadays, our company is a perfect example of international cooperation among the shareholders from different countries, an example of successful interaction between Russia and Kazakhstan," proudly pointed out Nikolai Gorban, General Director of CPC, in his welcome speech to the employees who have come to the festive event. "The Transnational Consortium pursues the task of developing an efficient and reliable oil transportation route to the global markets."

The past oil year has been tough but nevertheless quite successful for us. We have completed Phase 1 of the Expansion Project and commissioned 19 new facilities. As we are implementing the Project, the throughput capacity of our system is increasing – today, we are able to pump down 52 mln tons. In fact, we all are creating such a capacity surplus that will allow us to increase the field potential," said Nikolai Gorban.

He specially focused on the Consortium's achievements in Health, Safety and Environment. "Being an international company, we apply only the best practices in these spheres." We face the two main tasks – to

successfully complete the Expansion Project and integrate new facilities into the existing system.

Nikolai Gorban thanked all the employees for their active and fruitful work. "Your work is worthy of the deepest respect!" he said.

Dennis Fahy, CPC First Deputy General Director, who has celebrated the Oil Workers' Day with the Consortium's team for the 11th time already, gave a really inspiring speech. He read out an extract from the international audit report received a day before which had been conducted at CPC by the representatives of the global oil companies during two weeks.

"The audit was conducted in order to assess whether we are able to transfer the increased volume of oil," explained Dennis Fahy. "The auditors described our team as follows: "CPC has a very experienced and professional team. The employees are open, honest, and energetic. All the staff, both in the offices and in the field, looks responsible and proud of their Company and they are happy to share information about the work processes with the audit group. The team of CPC proved to be able

and willing to make the Expansion Project successful."

Dennis Fahy asked the employees to maintain such enthusiasm and positive thinking for achievement of the Consortium's targets.

There also was an awarding ceremony for the CPC employees at the event. Valentina Kutuzova, Senior Payroll Accountant, Igor Florovsky, Marine Operations Deputy Regional Manager, Andrey Grigoriev, Senior Supply Control and Maximo Specialist, and Andrey Proskurnin, Linear Maintenance Manager, received Certificates of Acknowledgement from the Ministry of Energy of the Russian Federation.

Aleksey Belogorodtsev, Senior PS Instrument & Controls Engineer, a representative of the Projects and Engineering Department of the Expansion Project, was awarded with a Diploma of Merit from the Ministry of Energy of the Russian Federation. Tatiana Eppel, Financial Reporting and Analysis Deputy Manager of the Finance Department, received a high industry title – "Honorary Oil Industry Worker". ■

Ekaterina Suvorova

Nikolai Tokarev:

“CPC is a Good Example of International Cooperation”

SHORTLY BEFORE THE CELEBRATION OF 15 YEARS FROM THE LOADING OF THE FIRST TANKER, THE CPC PANORAMA MAGAZINE ADDRESSED NIKOLAI TOKAREV, PRESIDENT OF TRANSNEFT, PUBLIC JOINT-STOCK COMPANY AND CPC GOVERNMENT SHAREHOLDER, WITH A REQUEST TO GIVE HIS OPINION ON THE IMPORTANCE OF THE TENGIZ-NOVOROSSIYSK OIL PIPELINE CAPACITY EXPANSION PROJECT TO THE MEMBER COUNTRIES.



Today CPC is a good example of the international cooperation among the shareholders of different countries. The way the cooperation among 11 shareholders, between the Russian state and transnational Consortium is organized is an excellent example of constructiveness and solving common problems. As everyone is united by one goal – to make the route of high performance, exploit it to the advantage of each member, what in fact is happening.

Nowadays CPC system transports around 56 % of oil produced in the Republic of Kazakhstan. And in the short term – just within months the CPC Expansion Project will be completed – 67 mln tons of oil annually transported over the Tengiz-Novorossiysk oil pipeline will come up in the market. It is a great volume. This alone shows how this route is

For instance, in 2015 alone 1 bln 200 mln rubles were paid out to the federal budget, and more than 1.5 bln rubles to the regional budgets. Besides, there are work places. 1,500 people are currently working in CPC. Given that the last six years considerable human resources have been involved in the process of the route expansion, it is 3,000 additional work places.

Moreover, CPC is a platform, on which innovative solutions, new technologies are implemented that are highly sought after in Russia nowadays. They are attractive to our oil workers, and there is an opportunity to check them out, try them at work and, perhaps, take them onboard thanks to CPC.

Furthermore, CPC means the development of infrastructure of the southern regions of our coun-

“It is unlikely that in 1996, while signing the first legally binding documents on the Consortium establishment, the members and shareholders expected that this undertaking would rapidly turn into a competitor of the largest international oil pipeline routes,” Mr. Tokarev pointed out. “But that was exactly what had happened because everyone was interested in development of new fields in the Caspian Sea Region in the Western Kazakhstan and in employing the CPC capacity to the full extent.

CPC is a platform, on which innovative solutions and new technologies are implemented that are highly sought after in Russia nowadays

important for all members of this Consortium.

Speaking about CPC’s importance for Russia, it is first of all a great source of revenue both for the federal and regional budgets.

try because a pipeline cannot stay alone, on its own; roads should run next to it, power and social facilities should be built.

And since I’ve brought up the Consortium’s social

responsibility issue, only last year around 400 mln rubles were allocated to charity and sponsor support to the regions where CPC operates, that were spent on health care, education, culture sectors, and municipal services of the cities and rural communities. It is an important aspect as well.

In terms of strengthening Russia's positions on the global stage, CPC proves, by its overall performance, that Russia is a reliable transit country of energy resources and plays a significant part as a participant in the process. Whichever issue you take, everything gives evidence of a high value of CPC and, of course, of its bright prospects.

“Speaking about the CPC project prospects, which part will it play in transporting energy resources of the countries in the Caspian-Sea Region?”

“In the immediate future, there will be several large oilfields operated in Kazakhstan. A part of them has been already developed and operated; some will be put on production in the nearest future, such as, for instance, Karachaganak and Kashagan. They are the largest fields; their outputs will be rapidly growing. That is why it was actually necessary to increase the capacity of the pipeline transportation system of the Caspian Pipeline Consortium. It is the most important route for Kazakhstan; it is competitive with Baku – Tbilisi – Ceyhan, and it is the shortest and most reliable route both to the Black-Sea Terminals and other regions.

Therefore, I believe that CPC will retain its significance in the foreseeable future. As well as the volume of the oil produced in Kazakhstan will increase, the Russian companies will also produce their volumes, in particular, LUKOIL, that is planning to produce oil on Filanovsky field.”

“Could you also share with us how did you manage to achieve the synergy in the work of the



At the end of June as part of the business trip to Novorossiysk, Nikolai Tokarev, President of Transneft, PJSC, visited process facilities of the Caspian Pipeline Consortium. The Marine Terminal Tank Farm and PS-8 were inspected.

TN delegation was comprised of: Maksim Grishanin, Senior Vice-President, and Boris Korol, Vladimir Rushailo and Alexei Sapsai, Vice-Presidents.

shareholders from different states? How is the joint policy pursued?”

“As far as I see it, the founding shareholders made a right approach in due time to determine a format of relations that had been specified in sufficient detail and defined at the time of the Consortium establishment. It was necessary to balance the interests of all groups of shareholders so that neither of them had a prevailing voting right when considering some issues of principle.

Moreover, tools have been created that allow preparing questions in advance and agreeing on them. All CPC documents are worked out by joint work groups, and only after the material has been carefully specified

and supported by all shareholders, it is presented for consideration to the Board of Directors or General Meeting for the final decision to be made.

But the primary reason, for which we succeed in achieving the understanding, is that we are all joined by one common goal – to establish an effective oil pipeline route that ensures respecting interests of all its shareholders, all participants. In my opinion, the Caspian Pipeline Consortium is meeting this challenge to the full extent. Evolution of its growth supports these conclusions!” ■

*Recorded by Irina Brichkalevich
Pictures by Transneft Media*

Andrew McGrahan:

“We are Proud of the CPC Team!”

AS WE APPROACH A MILESTONE – 15 YEARS FROM THE LOADING OF THE FIRST CPC TANKER – WE ARE HOLDING A CONVERSATION WITH ANDREW MCGRAHAN, CHAIRMAN OF THE BOARD OF CPC-R, JSC, AND PRESIDENT OF CHEVRON NEFTEGAS INC.



“Mr. McGrahan, what are the main features of the Caspian Pipeline Consortium (CPC) to your mind? What is the uniqueness of CPC as compared with other similar projects in the world?”

“The Caspian Pipeline Consortium was established to transport the Kazakh and Russian crude oil to the Marine Terminal in the Black Sea for onward transportation to the world markets. The project has united a great number of the parties concerned, including

11 Shareholders that represent the world’s largest oil and gas companies, among which there are Russian, Kazakh, and international companies. The professionals from CPC, Transneft, KazMunayGaz, Chevron, LUKOIL, Rosneft, Shell, ExxonMobil and Eni have worked as a cohesive team on common goals and achieved outstanding results at all times. That is where the Consortium uniqueness is. Having started the oil transportation in 2001, CPC became an important player in the world oil and gas industry. Since then, the significance of

the Consortium has been increasing. A progressive implementation of the Expansion Project has broken new grounds for the Company. Last year we transported more than 42 million tons; this year we are planning to go beyond this value. All shareholders are proud of our high standards on Health, Safety and Environment issues. And our Shippers are very satisfied with the reliability of CPC’s transportation. The CPC team closed 2015 without serious injuries and accidents and continues to maintain these performance

First Tanker

FIFTEEN YEARS AGO ON SATURDAY, OCTOBER 13, 2001, THE CASPIAN PIPELINE CONSORTIUM LOADED THE FIRST TANKER AT THE MARINE TERMINAL NEAR NOVOROSSISK. THIS EVENT BECAME A MILESTONE NOT ONLY FOR THE CPC TEAM, BUT FOR THE ENTIRE GLOBAL OIL TRANSPORTATION SECTOR: NEW OIL ROUTE WAS OPEN.



The first tanker loading process was widely covered by mass media. It was closely followed by the offices of all eleven shareholders of the international Consortium.

For the trial loading of the first tanker, TengizChevroil chartered

crude oil tanker MINERVA ALEXANDRA. It was not an accidental choice. MINERVA ALEXANDRA is one of the newest tankers that was manufactured using state-of-the-art technologies and met the highest standards of industrial and environmental safety.

At 11:30 a.m. the vessel flying the Greek flag and having SYUZ call signal moored to the Single-Point Mooring at the CPC Marine Terminal.

DGPS and RTK positioning systems were used during mooring that were

standards in 2016, all while maintaining operating factors in excess of 95 %”

“What can you tell us about the leading practices that are applied by CPC in the course of its production activities?”

“CPC is an international company. We scrutinize and adopt the best practices of all our partners throughout the world. For instance, CPC’s single-point mooring (SPM) facilities at the Marine Terminal, located more than 5 km offshore, are designed taking into consideration the most severe environmental conditions. Vessel loading operations are continuously monitored using the most advanced controls to ensure against any type of serious incident. There are few terminals in the world which can compete with CPC in terms of technical resources. This is also confirmed by the results of the international competitions. In 2015, the CPC Marine Terminal was awarded the Grand-Prix of the International Competition “Oil Terminal” held on November 26–27 in Saint-Petersburg. This was

the fourth prize for the Terminal during the time of CPC’s participation in the competition. In the past, CPC was awarded international “Oil Terminal” prize in the categories “Best Process Equipment”, “Reliable Partner”, and “Sustainability.” As with the advanced technology used by CPC for its loading operation, CPC likewise has the same level of technology throughout its 1500 kilometers of pipeline and at all 15 pump stations and Tank Farm facilities. CPC’s Supervisory Control and Data Acquisition system allows for continuous monitoring and control over technical parameters across the entire pipeline system with real time data available to pipeline dispatchers at the Operations Control Center in Novorossiysk as well as operations personnel at each facility.

“How does CPC manage to successfully develop such a large international project that involves the participants from different countries?”

“We are very proud that all members of the Consortium contribute their personal skills to

the management team. Since CPC was formed, it was recognized by all Shareholders that the success of this project would be accomplished with the balanced participation of Shareholders in every aspect of CPC’s business. This concept continues today. I think the result of this approach to the management of CPC is evident by many key performance indicators. CPC’s HSE and reliability metrics are amongst the best in the world for such a large oil pipeline system. I look forward to the continued development of CPC as we approach the completion of the Expansion Project and realize the full potential of this project which has been almost twenty years in the making. Through common objectives and continued communications, both amongst the Shareholders and within the Company, I am very confident in the long term future of the CPC Pipeline. I would like to thank the whole CPC team, its management, staff and contractors for their hard work and professionalism and wish them all the best as we approach 15 years since the first CPC tanker load.” ■

Recorded by Pavel Kretov

identifying and controlling the position and different response data of the tanker with pinpoint accuracy: course, speed, rate of turn, heading and forward and aft rate of movement. All these data were displayed on the screen of the pilot’s PC in the form of vectors and numerical data with superposition onto the electronic navigation chart with the help of which the mooring master was on-line controlling the process of the tanker approaching the SPM.

The first oil was pumped into the tanks at about 11:00 p.m. The loading was completed on Sunday, October 14 – at 2:30 a.m. the hoses were disconnected from the tanker.

“The first loading was performed without any incident; no drop of oil was spilt into the sea. We reached such performance thanks to the efforts of each person involved in the CPC Project,” reported Peter Dickson, CPC Facilities Chief Operation Manager.

Sergey Gnatchenko, CPC General Director, shared this opinion. “A trial loading of the tanker is an extremely important stage in the CPC Project implementation,” he said during the interview to the Prikaspiyskaya Komunna newspaper. “It is an outcome of the hard work by several thousand construction, engineering and operation specialists of our international team.”

Starting from the trial loading of the first tanker, the oil began to be transported over the pipeline as scheduled.

On November 6, 2002, the “anniversary” hundredth tanker left the Marine Terminal.

Oil volume shipped to the Tengiz – Novorossiysk pipeline had been annually increasing; therefore the number of loaded tankers had been constantly increasing as well.

On October 4, 2011, 2,500th tanker set sail from the Marine Terminal. And in February 2016 this number exceeded 4,000 crude oil tankers. ■

Pavel Kretov

Nikolai Gorban:

“We are Boosting Development of the Most Important Oil Production Sites”

IN 2016, IT WILL BE 15 YEARS FROM THE DATE OF LOADING OF THE FIRST TANKER. WHICH PERFORMANCE INDICATORS DOES CPC REACH THIS ANNIVERSARY WITH? WE ADDRESSED THIS QUESTION TO NIKOLAI GORBAN, GENERAL DIRECTOR OF THE CASPIAN PIPELINE CONSORTIUM.



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the area of energy resources transportation with the participation of foreign capital in Russia and Kazakhstan. Suffice to say that nowadays, CPC is shipping two thirds of all export oil of Kazakhstan.

CPC meets the anniversary with commendable performance indicators. Currently, the CPC overall throughput capacity has been increased up to 52 mln tons of oil per year. It has become possible due to putting in operation the new facilities constructed under the Expansion Project Phase 1. Nineteen facilities have been put in operation: among them, 16 in Russia and 3 in Kazakhstan. An 88 km pipeline section has been replaced with a larger diameter pipe; five pump stations have been upgraded; construction of ten new pump stations is coming to an end as well as expansion of the Marine Terminal tank capacity to one million tons.

“What is the CPC performance in financial terms?”

“A considerable growth in throughput volume has positive effect on the Consortium’s revenue and debt repayment to the shareholders. In 2015, CPC paid out \$1.5 bln. In 2016, the Consortium has already paid \$500 mln. Thus, at the moment the debt to the shareholders amounts to \$5 bln.

In 2016, we are planning to continue paying off loans in case of cash assets availability.

It is worth mentioning that the implementation of the CPC Expansion Project will not exceed the approved budget that amounts to \$5.4 bln, and we expect even certain cost saving.

The Consortium’s progress in improving environmental safety is also evident. Let me refer to the following fact: despite the considerable increase in oil pipeline throughput, the specific environmental charges are constantly decreasing. Last year once again CPC completed the re-certification of the Environmental Management System for compliance with the ISO 14001:2004 Standard requirements.”

“What are the new operating oil pipeline facilities that will appear in the CPC system in the nearest time?”

“The Consortium schedules to reach the overall design capacity in the second half of 2017. By early next year in Russia it is scheduled to complete the comprehensive testing and ensure readiness for launch into operation of A-PS-4A and A-PS-5A pumps stations (Astrakhan Region), PS-2 (Republic of Kalmykia), PS-5 (Stavropol Krai), PS-8 (Krasnodar Krai). Construction of two stations in Kazakhstan is nearing completion: A-PS-4 will be put in operation in November 2016; as far as A-PS-3A is concerned, its comprehensive testing is scheduled for December 2016, that will allow putting the station in operation in the first half of 2017.”

“This year is indeed a special one for the Company,” Mr. Gorban pointed out. “15 years ago, in the autumn of 2001, the Caspian Pipeline Consortium loaded the first tanker at its Marine Terminal near Novorossiysk. Within one and a half decades of operation of the CPC pipeline system, the Consortium worked a really impressive way of development. It became one of the most significant international investment projects in

“What are the primary objectives that the CPC team is facing today?”

“We are completing Phases 1 and 2 of the Expansion Project, this being our primary objective. It requires that every participant should put the most effort.

Secondly, one by one we are integrating new facilities in the CPC existing pipeline transportation system. And thirdly, we are systematically working on improving the CPC primary activities. Even now we can simultaneously load two (three in prospect) oil tankers with capacity of 24 thousand tons per hour.

Using all three Single-Point Moorings has allowed shortening

the tanker mooring time by six hours that is becoming especially well-timed in severe autumn and winter weather conditions.”

“How will the Consortium’s significance grow after completion of the Expansion Project?”

“Even today, CPC is one of the most cost efficient and reliable oil transportation routes from the Caspian Region to the world markets. The result of the Expansion Projects will be that of increasing the volume of oil transported from the Kazakhstan oilfields Tengiz, Kashagan, Karachaganak, and from Filanovsky field in Russia. Basically, we are creating such capacity surplus that is required to increase oil production at

these fields; we are boosting development of the most important oil production sites.”

“What would you like to wish to your colleagues on the occasion of the Oil Workers’ Day in September?”

“Congratulations to the CPC international united team on the professional holiday. I thank you for your good performance and fulfillment of the objectives set forth by the Operations and Expansion Project. I am sure that we will show no sign of letting up and will be fast moving to new targets. Best wishes of luck, health, prosperity to your families, and new professional achievements!” ■

Recorded by Pavel Kretov

Accomplishing the Expansion Project

During the final stage of the Expansion Project, General Director and key personnel of the Consortium are busy with visiting the facilities under construction in Russia and Kazakhstan, holding the Taskforce Group meetings, meeting the regional authorities, management of the relevant agencies, representatives of the federal and regional supervisory and regulatory authorities.

For instance, on July 27, 2016 there was a meeting held in Atyrau between Nikolai Gorban, CPC General Director, and Ted Etchison, Director of Tengizchevroil LLP, the largest oil production company in Kazakhstan and oil supplier to the CPC pipeline system.



Visit to the facilities under construction in Kazakhstan

The parties have defined further steps for development of the cooperation.

At the end of July Nikolai Gorban, Andrew McGrahan and Timur Rakhanov, Chairmen of the Boards of Directors of CPC-R JSC, and CPC-K JSC, went on a business trip to pump stations A-PS-3A and A-PS-4 that are being constructed in Kazakhstan under the Expansion Project. At the construction sites, they discussed current construction issues with the contractors, checked out the actual readiness of the stations and camps. Based on the findings of the trip, a meeting was held in the CPC Expansion Project office in Atyrau with the executives of the Kazakhstan Pipeline Ventures Management Company, and KazStroyService, General Contractor. During the meeting, the major aspects of the works in progress were reviewed in detail.

On August 3, a meeting between Nikolai Gorban and KazTransOil JSC management was held in Astana. Timur Rakhanov, the Chairman of the Board of Directors of CPC-K JSC, Mellyat Karabalin, Executive Director of CPC-K JSC, and Alibek Zhilbaev, the representative of the General Business Department of CPC-R JSC, participated in the negotiations.



Work Group meeting at PS-2 in Kalmykia

It was noted that the parties were taking all necessary measures to put the pump stations in Kazakhstan in operation in due time and to increase the throughput capacity of the CPC oil pipeline system.

In August, the Work Group meetings were held on the issues of the Expansion Project implementation in Astrakhan Region, Kalmykia, Stavropol Krai, as well as in Yuzhnaya Ozereevka near Novorossiysk. The events were chaired by the heads of the regions and administrators of the municipalities. They welcomed the further development of the cooperation with CPC both in the industrial sector and within the scope of the social partnership. ■

"Lots of Oil Should be Expected Here"

AT THE END OF ITS 1,500-KILOMETER ROUTE, HAVING CONQUERED THE KAZAKH AND RUSSIAN STEPPES AND PLAINS, IN THE AREA OF THE TOWN OF KRYMSK THE CPC OIL PIPELINE IS COMING TO THE CAUCASUS MOUNTAINS. LESS THAN 40 KM ARE LEFT TO THE MARINE TERMINAL, BUT EXACTLY DUE TO THE MOUNTAIN RELIEF OF THE REGION THIS SECTION IS ONE OF THE MOST DIFFICULT IN THE ENTIRE PIPELINE SYSTEM.

THE UNIQUE EIGHT

As per the Expansion Project for the purposes of increasing the capacity of the oil pipeline to 67 mln tons, the construction of PS-8, the last downstream pipeline route station outside of Krymsk, is coming to an end. The mere fact that PS-8 is located along the hill predetermined many peculiarities of its layout. The station is located at several levels as per the cascade design, and its area is smaller than that of other similar installations. PS facilities are designed to endure 9-magnitude seismic activity, whereas in the flat bottom land magnitude 7 is considered sufficient.

By the time of CPC Panorama correspondent arrival (the end of June 2016), the construction of the station had been completed by 94 %. Velsstroy, the general contractor, had completed installation of the process equipment; precommissioning tests were close to an end and commissioning was ongoing.

"The station construction has been carried out from March 2015 at a record pace, even though about 2 thousand small modifications had to be introduced in the construction project. For instance, ramping, the road between the station and DRA injection unit and pipe culvert system were subject to modification,"

Alexei Dmitryukov, Construction Coordinator of PS-8 (Head of Construction office) said.

Delivery of the heavy and large-size equipment, such as pumps, electric motors, various steel structures, to the station presented another challenge. 60-ton crane was always operating at the construction site. A 100-ton crane was engaged a few times when necessary.

"Nowadays construction and installation works have been almost completed, that is why there is half as much of the workers as there were in the forefront. Today we have about 230 workers," Alexei Dmitryukov continues.



Pavel Moskatov and Alexei Dmitryukov

TIME TO OPERATE

While some workers, having accomplished their mission, have been leaving the site, the others, on the contrary, have been arriving to the pump station. Of course, we speak about the representatives of the operating departments and maintenance organizations. 30 persons will maintain the station directly from CPC on the shift basis. They represent very well trained specialists that have gone through the training on the other Consortium stations.

Their manager is Pavel Moskatov, a skilled oil pipeline operator. He has been managing the plant since the first peg; he has been transferred here from the position of



Sergei Bryukhovetsky



Ivan Andreev

PS "Kropotkinskaya" Deputy Manager, Consortium largest Russian station.

Pavel has spent 15 years in total in the CPC system, participated in filling the pipeline with the process oil. He has started as instrumentation technician, worked as a shift manager at PS "Kropotkinskaya", and after that as a line pipe dispatcher in the Main Control Room near Novorossiysk. And now he has become PS-8 Manager.

OIL-FIELD WORKERS' TOWN

It is interesting to note that Pavel Moskatov did not have to move anywhere to work on the PS-8. He is local; he was born and grew up here.

Sergei Bryukhovetsky and Ivan Andreev are also from Crimea.

"I joined CPC in 2001. They have called me in for a year. I thought that I would help them to put PS "Kropotkinskaya" in operation and then I would get back. But it appeared that I had left Krymsk for 15 years and only now I am coming back," Sergei Bruykhovetsky recalls. "But, on the second thought, Krymsk is a real oil-field workers' town. Someone works in CPC; someone in Transneft; and some work on rotation and fly to the large oil production centers in the North of Russia."

INSIGHT INTO THE HISTORY

It is hardly surprising that Krymsk is a town of oil-field workers. Based on

the opinion of the chronologists, it was here that the Russian oil industry had arisen in 1864. That year Ardalion Novosiltsev, a retired colonel, farmed the oil springs in the Kudako river valley and started drilling the first oil wells in our country. On February 3, 1866, the oil gushed from well No. 1 at the Kudako oil field.

It should be noted that the Emperor Alexander II kept an eye on the changes in the Kuban region. For example, in the day book of Peter Valuev, the Minister of Internal Affairs, there was a record that during a report on March 31, 1867, the Tsar charged him to take care of colonel Novosiltsev's undertaking in Taman and Caucasus oil fields.

In the summer of 1880, Dmitry Mendelev visited the oil fields near the Krymskaya village by the Kudako river. His letter to the appointed hetman of the Cuban Cossack Army is kept in the archives. In the letter Mendelev wrote, "Lots of oil shall be expected here."

On the way to the station checkpoint I am picking up small, sharp shaped, rusty iron chips.

"They are shell and mine fragments left after the Great Patriotic War. Prior to the station construction, the sappers had really a lot of work to do here," Pavel Moskatov says.

In 1943, near Krymsk, there was a Blue line of defense of the Hitler's

forces. Having gained a foothold of the Taman Peninsula, the German command, on the one hand, was covering up approaches to the Crimean Peninsula, on the other hand, reserved an opportunity for active hostilities in the Caucasus region. In the spring of 1943, the Red Army made a first shot to shoot the aggressors downhill; however, Luftwaffe active hostilities prevented the breakthrough from succeeding. In the summer air battle between the 4th air army of General Vershinin and 4th air fleet of Field-Marshal Richthofen, the Soviet pilots succeeded in putting an end to the German command of the air. In the autumn of 1943, the Red Army reopened an offensive, broke the Blue line through and cleared the Taman Peninsula completely from the Nazi. ■

Pavel Kretov



Shell fragment left since the Great Patriotic War

Triumph of Safety

AT THE END OF AUGUST IN ASTRAKHAN, THERE WAS THE CPC EXPANSION PROJECT SAFETY DAY HELD FOR THE FIFTH YEAR IN A ROW THAT HAD ALREADY BECOME TRADITIONAL. IT WAS AN OUTSTANDING EVENT FOR ALL PARTICIPANTS THAT CLEARLY DEMONSTRATED AN EXCELLENT COMPETENCE AND HIGH LEVEL OF INDUSTRIAL SAFETY KNOWLEDGE.



SUCCESS MEANS EVERYONE'S EFFORT

For all these years Igor Lisin, Pump Station Construction Coordinator (Russia) and his staff have been the organizers of the Safety Day. As per visitors and participants of the festival, each year the level of organization and execution of this event is raised higher and higher.

The CPC management, shareholders and representatives of the regional authorities spoke to the participants.

Nikolai Gorban, CPC General Director underscored that the Consortium

always maintained the highest standards and used the best practices applicable to the industrial safety. "We succeed in working without accidents, to a large extent, thanks to a responsible and diligent safety attitude towards observance of the safety standards by all specialists involved in the Expansion Project, without exception," he said.

"For the residents of the regions crossed by the CPC oil pipeline such approach of the Company is a guarantee of environment conservation," pointed out Rustam Khalitov, First Deputy Minister for Industry, Transport, and Natural Resources of the Astrakhan Region.

Andrew MacGraham, the Chairman of CPC-R, Board of Directors and President of Chevron Neftegaz Inc. of the Chevron Eurasian Division, addressed the participants: "Today, at the final stage of the Expansion Project, we must pay still more attention to industrial safety compliance. It is very important for us that each of you should go home after work in the evening safe and sound!"

Fons Claessen, Shell Vice-President for Safety and Environment, confessed that he hoped to learn something new there so that he could bring this experience home and share it with his colleagues.



Nikolai Gorban



Dennis Fahy



Rustam Khalitov



EVGENY DYACHENKO,
Category 6
Arc Welder at
Transneftstroy,
LLC

"It is my first participation in the Safety

Day. I am an arc welder; we are always overloaded with work and it is not easy to find time to come to such festival. I can say that this year the fortune smiled at me! I have gained a useful experience at the event! The organizers have created a festive atmosphere, many thanks them for it!"



Igor Lisin and Andrew MacGraham

"I am curious to know which tools and techniques you use to ensure the CPC work without accidents!" he said.

Jeroen Herpels, CPC Assets Manager (ExxonMobil Kazakhstan Inc.), congratulated the audience on the excellent safety performance. He wished everyone success in completion of the Expansion Project.

Christopher Bowen, Consultant, Project and Engineering, CPC, reminded that each employee at their work places had to be aware that it was them who ensure their own safety and safety of their colleagues.

SAFETY IS A DELICATE MATTER!

The CPC Operations Department team and Expansion Project contractors' teams (Transneftstroy, LLC, Velesstroy, LLC, StroyNovatsiya, LLC, Contact-S, LLC, CS&C Group (Control Systems & Communications), Trust Koksokhimmontazh, CJSC) took part in the contests and competitions. Once again, the competitors proved that they were perfectly well aware of the HSE matters. A fire and medical contest and a contest during which the teams showed their skills and knowledge on working at height and confined space safety were especially impressive. The participants were contending for knowing traffic safety rules and construction machinery, answering questions on environment...

The audience admired the amateur performance competition during which the teams presented funny acts and sketches concerning on/off-the-job safety. A part of this contest was done in the form of videos, in which the safety topic and Expansion Project were wittily presented. Contact-S, LLC video in the form of a science fiction block-buster that presented the Expansion Project in the space – "CPC 2035" was

considered to be the undisputed leader.

Even such serious issues as safety standards and rules can be discussed with a humorous undertone that certainly helps to learn better and solidify knowledge in this respect.

The competitors were assessed by the judges consisting of the CPC management and shareholders. During the award ceremony, the winners received valuable prizes. »



ALEXANDER ZHDANOV,
HSE Engineer
of CPC-R,
JSC, Western
Region

"In 2012, I was an organizer of the competition programme for

the first Safety Day that was held here in Astrakhan, as well as the following Safety Days. The standard of the event has been increasing from year to year; over the last five years the contests have never been repeated! The specialists of the CPC Expansion Project and contractors invent the contests themselves. Such safety summits contribute to corporate team building and distribute a safe work concept among the employees of different organizations.

None of the Safety Day participants is left without a present because the employees that have come to this event are already the best, having shown their commitment to safety.

The CPC Operations Department team participated in the Safety Day for the first time. The Consortium's employees are excited about taking part in the competition programme. It is a useful experience for us that will be applied to arrange the Safety Days that will be organized by our Department in the nearest future!"



Let Christopher Bowen and Scott Fons Claessen speak



EVGENY OLKHOV,
Environment
Service Manager
of Trust Kok-
sokhimmontazh

"I have been working on the Expansion Project

since the very beginning – over 5 years.

We have been participating in the CPC Safety Days for three year in a row now and it has to be said that previously we did not make a good showing in the talent contests, but we succeeded with the help of our professionalism and occupational safety skills (*smiling*). This year we were well prepared exactly for the talent contest. We will be giving an interesting play and I hope that we will produce a proper image of our company!"

SEE YOU AT THE SAFETY DAYS!

Fons Claessen shared his impressions on the Safety Day from the stage,

"Fantastic energy, breath-taking fun! What exceptional talents and thirst for winning! It is a spectacular event that shows the CPC achievements."

At the end of the program, Nikolai Gorban, CPC General Director, thanked all the participants for their commitment to the CPC policy and for maintaining the high level of safety on sites and the event organizers for a grand festival they had presented. He shared the news with everyone on the decision made by the shareholders to continue the Safety Day tradition even after completion of the Expansion Project. The CPC Director also expressed hope that a list of the future teams would expand due to participation



of the foreign Consortium shareholding companies, for CPC is an international consortium. ■

Irina Brichkalevich



ELENA BONDARENKO,
HSE Manager of
Velesstroy

"It is my second participation in the CPC Safety Day and I am leading our

team. Everything is well organized; the impressions are the best!

We are working for the Expansion Project completing A-PS-4A construction. Two to three times a month we hold training sessions, during which we make an in-depth study of the working-at-height safety rules, fire response basics and first aid techniques. All these issues are not unknown to us; still here everything is presented as a game, and that is why we participate in the contests with great pleasure and solidify our knowledge."



Numerous competitions were entertaining both for the participants and supporters

The “Threat” was Neutralized

AT THE END OF AUGUST IN THE KRASNOYARSK DISTRICT OF THE ASTRAKHAN REGION, THE EMERCOM COMPREHENSIVE EMERGENCY TRAINING EXERCISES WERE ACCOMPLISHED. THEY TOOK PLACE AT THE TENGIZ – NOVOROSIYSK OIL PIPELINE RUN INVOLVING ALMOST 450 PEOPLE OF THE MANPOWER AND OVER 100 PIECES OF EQUIPMENT.

As per the emergency exercise scenario, there was an oil spill on the Bolshoi Ashuluk River. There was a risk of contamination of the agricultural intakes and coastal strip near Komsomolsky and Vishnyovy settlements. To prevent oil from spreading over the water area, the floating booms were set up. The so-called oil-in-water emulsion

was collected in special-purpose tanks, after that it was shipped for processing.

During the spill, there was a simulated ignition of the spilled oil products that was put out by the EMERCOM emergency response fire-fighters and representatives of the Astrakhan Regional Division

of the Voluntary Fire Organization. Apart from the rescue organizations, there were other entities involved in the exercises, among them police and medical staff. The general assessment by the organizers of the comprehensive emergency training exercises is definitely positive: the Astrakhan units are prepared for potential man-made emergencies. ■



On a “Crystal” Wave

MARINE OPERATIONS IS THE CRUCIAL PART OF CPC SYSTEM END POINT OPERATIONS. THEY REQUIRE PARTICULAR ATTENTION TO ENVIRONMENTAL AND INDUSTRIAL SAFETY.



Alexander Zhdanov

participates in unmooring, it brings mooring masters, workers who specialise in mooring and loading from the tanker. Tow-boats have other functions, too. They are involved in spill containment and carry fire-fighting equipment to handle fires on tankers and SPM.”

The tanker before us will be loaded with 135 000 tons of oil. As this giant is filled, it sinks deeper into the water. After it is filled, only a narrow strip of the board above the waterline will remain. The loading will take 16 hours, and all this time the tow-boats and the crew of the tanker itself will be busy.

finished examining equipment at one of them. Their small motorboat makes a U-turn and skims away toward the shore.

“Divers carefully check SPM before every loading,” explains Alexander Zhdanov. “They go into the water, examine all of the hoses, check the SPM systems and report to the CPC dispatchers. The state of the buoy is also checked after loading.”

So how does oil cross the distance from the shore facilities to the tankers? Three underwater pipes, one for each SPM, lead

We set out to sea to find out how a tanker is loaded. For guides and consultants we had Alexander Zhdanov, a sea operations specialist, and Andrei Korokhtenkov, a sea object maintenance and repair engineer. The scene was really worth a thousand words...

FIVE AND A HALF KILOMETERS FROM SHORE

The tow-boat Lamnalco Berkut (belonging to the contractor, LLC Lamnalco) with us on board goes around the single point mooring (SPM) five and a half kilometers from shore. It is through this structure that the tanker is filled. We are eager for a closer look, but unfortunately, security rules prevent us from coming within a kilometer of the SPM.

“Another tow-boat like this one is helping the tanker dock and then holds it on a tight link so it does not hit the SPM,” explains Alexander Zhdanov. “The tow-boat also



We observe a great flock of seagulls on the hoses that run to SPM-2. It is a convenient perch as they hunt fish, which are plentiful near the terminal – another sign that environmental defences are in place.

ABOVE THE WATER AND BELOW THE WATER

SPM-1 and SPM-3 are unused at the moment. Divers have just



from the Sea terminal. Reaching the buoy, the pipe connects to an underwater manifold and rises to the SPM as two hoses. From the SPM two lines of floating hoses are attached to the moored tanker’s manifolds. This is the oil delivery line.

Andrei Korokhtenkov stresses that SPM are among the most important end structures of the CTC system.

In the distance we see SPM-3, commissioned under the Expansion Project. It loaded its first tanker on the 4th of February, 2014. As people in the Marine Terminal applauded, oil rushed at 500 m³ per hour to the tanks of the Energy Skier with a deadweight of 160 000 tons. Maximum loading speed exceeded 12 000 m³ per hour.

The new SPM-3, built to order at a UAE shipyard, as even more advanced and safe than its two “brothers,” SPM-1 and SPM-2. It is larger, has a convenient maintenance

checked and the results reported to the Novorossiysk harbormaster and agencies such as the Federal Service for Supervision of Transport (Ros-transnadzor).

“Three of the structures are SPM 1, 2 and 3, the fourth is the shore fortification made of concrete hexabits, the fifth is the wave trap to protect the dock from the sea and storms,” says Korokhtenkov. “The sixth is the dock itself with the drive-in scaffold, the seventh is the hose-raising slip, it is used during SPM maintenance (these

they have time to notice the beauty of the place?

The seascape constantly changes with the light, the wind direction and strength. From the boat we see now closer, now farther away Terminal structures on the shore, harmoniously blending in with the geometry of the misty mountains.

The three SPM are the most important end structures of the Tengiz-Novorossiysk line. After 1500 kilometers in the pipeline the oil leaves the responsibility of CPC, and the consortium's obligations to shippers are complete

turret and a reliable multi-stage leak prevention system. With the commissioning of the third SPM two tankers can be loaded simultaneously, with one SPM under maintenance.

SAFETY IS OUR TOP PRIORITY

Altogether the shore and the sea sections of the Sea Terminal include eight hydrotechnic structures, each with its own passport. All of them are regularly examined and

flexible hoses are replaced every year, because in sea operations safety is our priority). The eighth is the interior of the harbourage area, inside the dock and the shore fortification. It hosts small boats, including tow-boats.”

“And we service all these different objects!” proudly adds Zhdanov.

FINAL WORDS

What a romantic job our colleagues at the Sea Terminal have! But do



Andrei Korokhtenkov

No words can describe the deep, enchanting color and the crystal transparency of the waves our quick Berkut boat is ploughing up. Advanced technologies and exceptional professionalism will preserve its pristine state for future generations. CPC has both. ■

Irina Britchkalevich,
Ekaterina Suvorova



At Renovated "Komsomolskaya"

AS SOON AS MY COLLEAGUE AND I HAD ARRIVED AT "KOMсомOLSKAYA", VITALY MESHCHERYAKOV, DEPUTY HEAD OF THE PUMP STATION, TOOK PERSONAL CARE OF OUR INDUCTION ON SAFETY VISIT TO THE FACILITY.



Vitaly Meshcheryakov

SAFETY OASIS

On the way from the check point to the control room, Vitaly Meshcheryakov has repeatedly come back to the safety topic: such strict rules are here! In conclusion he gives a notice that seems strange at first sight,

"If you see a fox or a hair, by no means try to pick up the animal in your arms!"

It turns out that due to an excellent environment at the station the animals are frequent guests here. Hairs just adore flossy Canada green of the well-groomed lawns – one will not find such treat in the steppe scorched by the sun. Whatever the heat is, there is own microclimate here with nice coolness under the trees' crowns. Besides, the oil pipeline operators treat the wild animal with sympathy, for what reason they are not at all afraid of humans.

IN GROWTH CONDITIONS

In the control room I am asking Andrei Saprykin, Shift Supervisor, about the changes in his work after refurbishment of the pump station within the scope of the Expansion Project.

"The amount of work has increased because a lot of new equipment has been put in operation, throughput has significantly increased," he explains. "We have increased the capacity maximum to 6,800 m³/h, but the works on the Expansion Project are still ongoing within CPC, additional stations are under construction; it means that higher capacity should have to be expected. We are waiting for the oil from Lukoil; all necessary equipment has been installed for this purpose."

"If tomorrow there is oil coming from Filanovsky oilfield, are you ready to take it onboard?"



Andrei Saprykin

"Yes, we are!" our companion says it definitely.

At parting I am asking a question to Andrei, "When was it especially hard to work?"



Alexander Falchikov

"During the construction period, of course!" he replies. "In addition to the process operations, I had to supervise numerous contractors as well, to ensure work safety at the facility in operation."

TIME OF CHANGES

With Alexander Falchikov, Andrei's colleague, we are making our further walk about the station focusing attention on the installations that have appeared as a result of modernization – new lease automatic custody transfer unit, booster pump station, additional mud strainers



and, of course, Surge Relief System that made oil pumping process even safer.

At the main pumps skid I have asked for some time to take pictures – it is impossible to look away from the steel giants with silver glints under the open sky!

“Now we have two new pumps and two refurbished,” Alexander stresses. “The impellers of the old ones have been replaced to increase capacity; besides, the turbine has been modernized. So now all four pumps have the same characteristics and operate without failures. There are two pumps constantly in service, and two in standby.”

In the course of the Expansion Project implementation, two additional tanks with capacity of 4,800 t each have been erected at the station. They defined a fresh improved appearance of the station with such a fresh name “Komsomolskaya”. Indeed, there are changes – anything but minor!..

We have also stopped by the new roomy laboratory, in which life shall be in full swing upon the Lukoil oil coming to the station. At some distance behind the fence one can clearly see the Lukoil production site specially built to transport the oil into the CPC system.

AFTER WORK

“We live in a camp, in which there are all conditions for comfortable rest. Everyone has their own room, shower, TV. There are sports

grounds to play volleyball, basketball. One can work out in the gym, go to the sauna.”

By the way, Alexander is a real long-term resident at “Komsomolskaya”; he has been working here since December 2007. He started working in the CPC system as contractor Starstroy employee: he has been servicing equipment having a degree of the engineer on facilities designing and gas and oil line operation. And now for five years already he has been PS Operator. Thorough knowledge of the station’s internals helps a lot at work.

AS IF AT HOME

There are tasty and home-style meals for the rotation workers – the CPC and contractors’ employees – in the local canteen. Good food is an important factor that provides for high performance of the personnel at the station.

Irina Popova, chief cook from Master-Service is sharing trade secrets.

“Our team comprising 10 people is doing its best! The work day for the cooks begins at 4 a.m. The girls

bake bread themselves, they cook with care. There are European, Russian, Georgian, Uzbek, Caucasian cuisines on the menu...”

They also take into account religious traditions – Islamic, Christian... They cook special meals for those who fast, and they bake Easter cakes, paint eggs for the Easter. The public holiday, like the New Year, February 23, March 8 and Oil Workers’ Day are celebrated with special meals.

“Among our diners, there are those that need to stick to a definite diet due to medical reasons or simply people that have an individual opinion about eating. Someone substitutes meat with fish, someone is a vegan. There is even one rawatarian. We meet the needs of everyone!” Irina Popova smiles. “Such approach brings cultures together and unites people. A person of any nationality finds something own here and feels as if being at home.” ■

Ekaterina Suvorova



“Feeding the rotation workers as if at home is our credo!”

Ulyumdzhi Chidzhiev:

“We Must be Clearly Understood in the Region Area”

MANY PEOPLE KNOW THAT THE CASPIAN PIPELINE CONSORTIUM IS CONDUCTING AN ACTIVE CHARITABLE AND SOCIAL POLICY IN THE REGIONS WHERE IT OPERATES. DUE TO A HIGH LEVEL OF IMPLEMENTED PROJECTS AND PROGRAMS IN THIS SPHERE, THE COMPANY ENJOYS THE CONFIDENCE OF THE AUTHORITIES AND IS HELD IN RESPECT BY THE PEOPLE. THE EXAMPLE OF IT IS INTERACTION OF CPC REPRESENTATIVES IN THE CENTRAL REGION AND THE AUTHORITIES OF THE REPUBLIC OF KALMYKIA.



Ulyumdzhi Chidzhiev, Government Relations Representative for the Republic of Kalmykia, told us about the business-authorities relationship building in the Central Region territory. We had a talk with him after visiting CPC social facilities in the Chernozemelsky district.

BE A REFERENCE STANDARD

“The Consortium has done a lot to have currently an eye-catching image in the region. You could see yourselves how we had been

welcomed by the Chernozemelsky district administration and how its management recognized our contribution in the Chernozemelie social infrastructure development. Even though there are other big oil companies in this region, CPC experience still serves as a reference standard while working and preparing projects with other companies. The Republic's and district authorities value a high credibility and productive collaboration between the Company and Republic. It is a result of a hard long-term work with Russian Government Relations Department responsible for coherent interaction with governmental authorities in all regions where CPC operates. It is pleasant that during working process we are able to maintain constructive working and simply human relationship with the representative of the ministries, governmental departments and administration of the districts, on the territory of which the oil pipeline route is running. And it is highly valuable in our onrush sophisticated time. CPC is indeed a socially conscious business, and it is simply impossible to emotionally keep away from the work flow while implementing charitable projects. Both the authorities and us take personally each social development project being aware of its public significance and relevance. It is of a high importance for the region inhabitants, and it

can resolve many problems. And what a pleasure each implemented program brings!”

LIVE A REGION'S LIFE

“The rules are that we work on a request basis. Incoming requests are processed, scrutinized by the Russian Government Relations Department and approved by the Company Management. After that, corresponding documents are signed with the region's top figure, in our case with Alexei Orlov, the head of the Republic of Kalmykia, who approves distribution of the charitable assistance scheduled by the Company for the year to come. I would like to note that in 2016, the amount of the request for the region's social needs is over 50 mln rubles.

Working with the requests is a difficult and very important process because it depends on its results which areas will be in priority in the coming year. The Department representatives in every region, in which the Company operates, analyze each application, its urgency, and verify the number of the potential charity recipients that the social project can cover, the compliance of the proposed program with the shareholders' charity philosophy, with high CPC requirements to public disclosure and transparency of the appropriate procedures.

In Kalmykia, a special attention is historically given to health care. Only in the last few years, due to the mutual work of CPC and the regional management, the amount of the charity support to the health care centers on the part of the Company exceeded 70 mln rubles. All the projects are focused on resolving specific issues that require a fast response. These are the most up-to-date X-ray diagnostic complexes, high-quality furniture and motor transport both for adults and for the smallest patients. Educational, cultural and sports institutions are also our focus. On an annual basis CPC allocates funds for developing and improving environment for learning and physical education of the younger generation. In 2014, with the help of the Consortium, rebuilding of the Palace of Sports in Elista was completed. A sports ground was constructed in 2015 in the village of Iki-Burul, various equipment, furniture, and vehicles were purchased.

And the time-honored charity programs, which are widely known in the Republic, should certainly be mentioned. These activities help involve and give support to a great amount of children; they are fostering development of their talents, interest in artwork and devotion to the native shore. All the programs



Ulyumdzhi Chidzhiev is welcoming the participant of the CPC to the Gifted Children project in the Chernozemelsky district

are scrutinized by the Department specialists. We track their efficiency and provide feedback.

For example, in addition to the old time-honored programs, there are new ones: in 2014, in Chernozemelsky district of Kalmykia a Let Us Preserve the Nature of the Native Shore pilot environmental project was implemented; it focused on protection of saigas population in

the region. Thanks to the success of the pilot project, this program was continued in 2015, now in the area of Iki-Burul district. This time the project was also devoted to protection of the endangered species of the flora and fauna of the Republic of Kalmykia – tulip, demoiselle crane listed in the Red Book.

And we are planning to move forward with the CPC to Gifted Children program. It is a public and culture event of importance that's been on top of its relevancy for 15 years! What is more, it is different from all sorts of competitions for the young gifted people. I mean that a competition presupposes that awards are given to the winners, but we give prizes to all participants. Participation in our program always brings positive emotions; it is a real festival for the children and their parents! The parents know that even if the participant does not pass to the final, a child will be rewarded in the try-out stage, and it is always a pleasure."

With the help of this program, we encourage development of the artistic education of the rising generation »



Victor Kosolapov, Russian Government Relations Department Manager, is giving out prizes to the Let Us Preserve the Nature of the Native Shore project winners



Ulyumdzhi Chidzhiev and Victor Kosolapov are examining the children's entries



*Visit to the sponsored school
in Iki-Burul*

in our districts. The authorities focus on the CPC program, and it helps maintain children's artistic teams and outside-the-classroom

All the programs are scrutinized by the Department specialists. We track their efficiency, and provide feedback

interest groups in the region. It makes me happy that the CPC to the Gifted Children project has become an integral part of the cultural life of the region! I would even say our brand.

More and more children take part in the program, and a favourable image of the large company, an illustration of its successful development encourage them to improve and acquire knowledge. The grateful participants of the program have even composed a CPC Hymn!

In my opinion, and I think that many of my colleagues would agree, it is one of the most successful social and cultural programs by CPC. The fact that it has been already implemented for more than 15 years just proves it. The Republic's life became dearer to the Company; it is not only

a region in which it operates, but a place where we work, collaborate and live a region's life, no matter how fancy it may sound.

One more example of the successful collaboration with the region is implementation of the CPC to the First-Grade Pupils program. From 2011, the Company has been congratulating the children on this big day – start of the school time – and presents each first-grade pupil with new school bags with notebooks, modelling clay, felt-tip pens, paints, drawing books, and other school supplies. Figuratively speaking, this program helps the Company to come into all families on September 1. As if a kind magician comes to the first-grade pupils this day and becomes a member of their families.

Every summer, facing the school year, parents ask us, "Will CPC help this year? Will it present our child with a school bag?" And it is always

a pleasure to reply, "Of course, the Company will cover these expenses!" It means that the program works and helps people. And the image of the Consortium conducting a smart social policy in the region emphasizes a high status of the undertaking."

TRUST IS THE FIRST

"As a result of the CPC's policy, we managed to build relationship with people and authorities of the Republic on the principles of mutual trust and respect. Over the last years the Consortium has become recognizable, and its business activities are welcomed as the Company's prosperity is connected with improvement of the people's social life. This important indicator fits in the best standards of the "business-society" and "business-authorities" concepts. It is like a plane locator perceives "friend-or-foe" concept. In this case, the indicator points to the friend reference. I would not even stop this word in this case. The CPC business is clear for the people. There is trust and confidence that these relationships will go on." ■

Recorded by Irina Brichkalevich



*The Golden Abode of Buddha
Shakyamuni in Elista*

Doing Good

PLEASE MEET IRINA OCHIROVA, ADMINISTRATOR OF THE CPC CHARITABLE PROJECTS IN KALMYKIA! IT WAS SOMETHING FAMILIAR IN THE GUILILESS SMILE OF THE OFFICE HOLDER!..



FAMILIAR FACES

We met Irina Ochirova for the first time in 2012 in the Komsomolsky settlement on the day before the opening of the Children's Activity Center (CAC) refurbished within the scope of the CPC Expansion Project. Almost the whole night we

had been packaging the presents together so that every small participant of the celebration could get a pack with the artwork supplies. Irina Ochirova promptly selected, purchased and delivered from Elista everything that was required. It was a great event; Alexei Orlov, the head of the Republic of Kalmykia, came to the housewarming party.

"I have been collaborating with CPC since 2009. Honestly speaking, I was a bit afraid accepting a proposal to be occupied with charitable and educational and awareness-raising work in the Republic's regions where the Consortium's pipeline is running: I could not imagine in which manner a work with such a big company would be developing," Irina confesses.

Irina Ochirova is a director of the Republic's Children's Activity Center, renowned educator in Kalmykia and Honored Worker of Education of the Russian Federation. In 2011, at the premises of the center she is in charge of, a social action organization was established to

implement the CPC charitable projects in the territory of Kalmykia.

PROJECT BY PROJECT

"At the beginning it took us quite a while to discuss and decide on the best possible ways to kick off the CPC projects," Irina recollects. "In 2009, the CPC to Gifted Children Program was successfully fulfilled; after that – New Year and Christmas Holidays Together with CPC. In 2010, the Great Victory anniversary year, the locals gratefully welcomed the CPC to Veterans Program. In 2011, the CPC to the First-Grade Pupils Program came up that is eagerly awaited both by parents and their children on the eve of September 1.

In 2014, in the Chernozemelsky district, the program on preservation of saigas population was implemented. And in 2015, upon experience of this environmental project, we carried out a great educational and awareness-raising work in the Iki-Burul district within the scope of the project on protection of the steppe tulip and demoiselle crane. »



Alexei Orlov is present during the opening of the Children's Activity Center in the Komsomolsky settlement



The Let Us Preserve the Nature of the Native Shore Program evoked great enthusiasm among school children





The CPC to Gifted Children Program sparks the “stars” in the steppe back country

IN ONLINE MODE

“In which manner is your cooperation with the Consortium organized?” we are wondering.

“It is very enjoyable working with CPC as you have to deal with businessmen and very competent people,” Irina mentions. “We jointly discuss new ideas and decide on the best ways to bring them to life. For instance, when the work on the first CPC to Gifted Children program had started, Dmitry Gerasimuk, CPC-R Chief Public and Local Relation Specialist helped us greatly. Every day we online solved all the issues with him while the program preparation was ongoing. Finally, it worked out!”

THE TALENTS FROM THE BACK COUNTRY

Being the Consortium’s charitable Projects Administrator, Irina Ochirova works a lot with the Republic’s and local executive authorities, departments of education in Elista, Iki-Burul and Chernozemelsky districts where the CPC oil pipeline is running.

“We work in close cooperation with the cultural sector,” she emphasizes.

“People are willingly responsive to our requests; they try to support, help in implementing the CPC programs in all possible ways because everyone can see their advantages and elation that the younger participants get. Pardon my language, but children really fight to be accepted for the CPC to Gifted Children project!..”

“In which way is this event performed?”

“In several phases. At a district level, the specialists examine all children that have filed applications. There can be even 150 children from each district – our back country is rich in talents! The district commission selects 30–40 performances that makes about 60–70 people.

After that, our contest committee comes to the Iki-Burul and Chernozemelsky districts. These are highly competent people, professionals that know their job – honored artists, singers and group leaders. They select artists for the gala concert as per three nominations: instrumental music, vocal singing, and choreography. Having viewed the young talents from the two districts, we define the gala concert program and

invite the participants to the final phase in Elista.

The final concert is a mega-event! Participation in the CPC to Gifted Children program provides for worthy prizes. We try to keep up with the times, purchase modern gadgets, this being a very important motivation for the children.

Given that the children start very early from home and arrive from the farthest settlements, we make sure to arrange hot meals for them. After the concert, a final festal dinner is waiting for them, during which contest games and quizzes are held, the children keenly communicate with each other and again get prizes.

Parents and friends give warm encouragement to the young performers. The CPC to Gifted Children Program draws a great audience; the concerts are held to full house. I am very glad that at the territory of our region, the Consortium is fulfilling this remarkable program to which even communities from abroad have shown interest. For instance, in autumn of 2015, a prospective administrator of the similar program from Kazakhstan came to us to adopt experience.



*CPC to the First-Grade Pupils:
Ulyumdzhii Chidzhiev, Republic of
Kalmykia Government Relations
Representative, is handing over the
school bags to the first grade pupils
of the Iki-Burul district*

He expressed his delight about our project.

"I am pleased to mention that many children taking part in our festivals from year to year choose professions of art," Irina Ochirova emphasizes.

THEORY AND PRACTICE

Young environmental specialists are also growing up in the regions where CPC operates. Thanks to the Let Us Preserve the Nature of the Native Shore Program being implemented, they delved with all their hearts into the problem of protection of the endangered species of the steppe flora and fauna. Irina Ochirova told us about the influence this project had on the minds and hearts of the young steppe dwellers.

"It was an outburst of the children's creativity! Having organized a big picture exhibition and literature contest concerning preservation of the population of saigas, demoiselle crane and steppe tulip, we received very heartfelt and touching artworks that were then used for illustrations to the books handed over to the Republic's schools. These editions decorated with the children's pictures, poems, fairy-tales and essays contain valuable information on rare species of the flora and fauna that need to be protected.

In the course of the program implementation, we visited the areas in which we saw a great enthusiasm

of its participants – both children and adults. For instance, within the scope of the tulip protection project, there were topic-based classroom sessions held in 13 schools of the Iki-Burul district. The teachers were very scrupulous in approaching this subject; lots of guidance materials were developed. There were games, crosswords, in English as well, choreography lessons... Our teachers are indeed great ground-breakers and inventors!.. We held a competition among them for the best video-lesson.

The practice part of the project was presented by planting conifers on the territory of the school in Iki-Burul.

"It was not simply singing, dancing, clapping and scattering away. Having purchased the planting material – arborvitae, blue spruce and pine trees – the whole school together has set about work!.." Irina Ochirova comments with a smile.

Within the scope of the Let Us Preserve the Nature of the Native Shore Project, there was a family competition held for the best handicraft and composition dedicated to tulips and »



The final of the Let Us Preserve the Nature of the Native Shore Program is an outstanding event for its organizers and participants

cranes. All this wide-ranging material was included in the final colorful art book. Not only the qualified judges, but the parents and public reviewed the artworks as well.

"We try to do everything as clear as possible because these are children!" our companion emphasized and expressed confidence that this high-profile and such humane environmental education project by CPC will be properly continued in the Republic..

EVERY NATIONAL THING

Talking with Mrs. Ochirova we have noticed one fairly unusual article, a weapon of the nomads of steppe – a real bow! We could not help expressing our surprise on it.

"In 2015, in support of the national sport, we opened an archery group in our center. There is a vast number of people willing to join it!"

"To understand all the peculiarities, I decided to master this skill myself. And there are a lot of peculiarities. This skill should be learnt and learnt!.."

Having requested Irina to show bow handling techniques, we are watching with a surprise how gracefully and easily, taken a classic archer's position, this tiny woman is stretching a tight bow and aiming an arrow at the supposed target. Of course, we have failed to repeat it – one needs to practice. We are wondering,

"In the historic past, did the Kalmyk women have to pick up weapons?"

"Since the old days, the Kalmyks were nomadic people; they bred camels, sheep, cows, and horses. Women were historically occupied with housekeeping, but in case of raids they had to be always able to defend themselves!"

The Republic's Children's Activity Center where an ethnic school has been opened is expanding every national thing, in particular, decorative and ornamental art.

"There is old Kalmyk national embroidery – traditional relief dimensional patterns embroidered with a golden thread using a laying method. We teach the children to emboss and carve wood, and last year we started courses on bone carving."

In the Center, the children are taught to perform Kalmyk drawling song "ut dun", traditional, but not stylized folk dancing. Here the art of dzhangarchi narrators with overtone singing elements is

Let the CPC programs implemented by Irina Ochirova continue dead-on hitting targets set forth by the Consortium!



Irina Ochirova and Baichkha Mantyeva, Secretary of the Russian Government Relations Department (Elista). Since 2009, a variety of the CPC good projects has been implemented

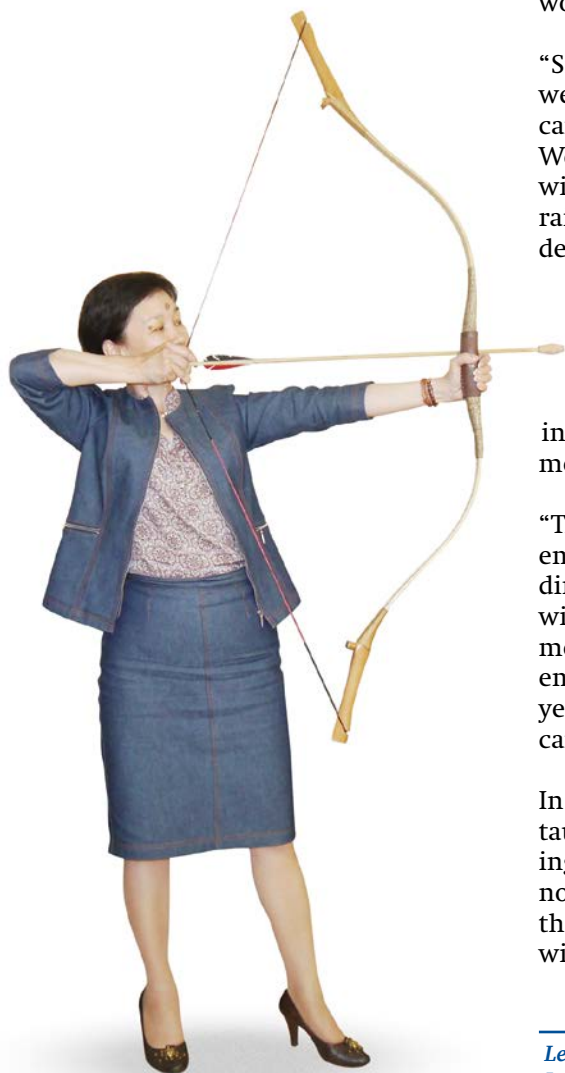
revived, the national instruments are played and the Kalmyk language is in-depth studied.

"Nowadays we are working on organizing a national children's orchestra. We are very close to it, and I hope that we will win the grant. After that we will be able to purchase everything we need," Irina Ochirova shared her plans.

The CPC charitable programs naturally complement the cultural educational issues that are being solved by the Center. Mrs. Ochirova is showing the albums to us with the photographs of the events and various newspaper publications.

"All CPC programs hit the headlines in the Republic's and local mass media. The Consortium's image in the areas where it operates is entirely favorable as this Company is doing good!" ■

*Nadezhda Cherednikova
Ekaterina Suvorova*





The School Bus Fleet Enlarged

ON THE EVE OF THE NEW ACADEMIC YEAR, THE CASPIAN PIPELINE CONSORTIUM PRESENTED 24 MODERN BUSES TO THE SCHOOLCHILDREN OF KRASNODAR KRAI.

The buses were presented under the charity program of CPC and handed over at the official ceremony of granting the vehicles to the educational institutions of Kuban in front of the Teachers' Council of Krasnodar Krai.

Veniamin Kondratiev, Governor of Krasnodar Krai, Mikhail Grishankov, Deputy General Director of CPC-R, responsible for Relations with the Government of the Russian Federation, and the heads of the educational institutions, which received the new transport, took part in the ceremony.

The school buses that have been purchased by the Consortium for an amount of more than 53 mln rubles were dispatched to Kavkazsky, Dinskoy, and Krymsky districts.

Each vehicle is designed for 21 passengers and is equipped with all the necessary means for comfort and safe transportation. All the seats in the buses have individual seat belts and devices for communication with the driver; there is also anti-slip flooring and a safety interlock system which prevents motor from starting if the doors are not completely closed. In addition, the vehicles are equipped with GLONASS Global Navigation Satellite System, air conditioners, and other modern transport technical means.

“The management of the Consortium fully supports the efforts of the Administration of Stavropol Krai to ensure the most comfortable conditions for Kuban schoolchildren”, noted Mikhail Grishankov, Deputy General Director of CPC-R, responsible for Relations with the Government of the Russian Federation. “Now, the children can be mobile and active in their school life as much as possible – they will participate in the educational and sports events both in their native region and outside it. I hope that, during their trips, they will be able to acquire not just new pieces of knowledge and experience but new friends as well.”

In the course of cooperation between the Company and Krasnodar



Mikhail Grishankov

Krai, CPC-R has invested more than 1.2 billion rubles into the social programs of the region. It is planned to invest more than 160 mln rubles in the implementation of the regional social projects this year; additional 290 mln rubles will be invested under the Expansion Project. ■

Ekaterina Krapivko



For the Rural Areas to Live

IN XIX CENTURY, THE FEDOROVSKOYE SETTLEMENT WAS CALLED KOLENO (ENG.: KNEE). THE LOCALS DID NOT MUCH LIKE THIS NAME; THEY WANTED TO RAISE THE PROFILE OF THEIR COMMUNITY TO VOLOST. FOR THAT TO HAPPEN, A CHURCH WAS REQUIRED TO BE BUILT. FEDOR KOROVYANSKY, THE LOCAL DWELLER, ALLOCATED THE BIGGEST AMOUNT FOR THIS PURPOSE. IN RETURN, THE GRATEFUL RURAL PEOPLE NAMED THE VOLOST AFTER HIM.

RURAL DEVELOPMENT, LEISURE TIME, CULTURE...

Such touching attitude of the local people to their small motherland has been maintained to the present day. One will never see the Fedorovskoye's inhabitants wasting their time in indolence. That is why it is no wonder that the Fedorovskoye settlement has been recently recognized the best not only in the Abinsk District, but in the entire Krasnodar Krai. All 53 km of the settlement streets are well-lit, equipped with water supply system and almost completely supplied with gas.

Ilya Biushkin, the head of the Fedorovskoye settlement, has indeed a lot to be taken care of. His work day starts at 8 a.m. and finishes by midnight.

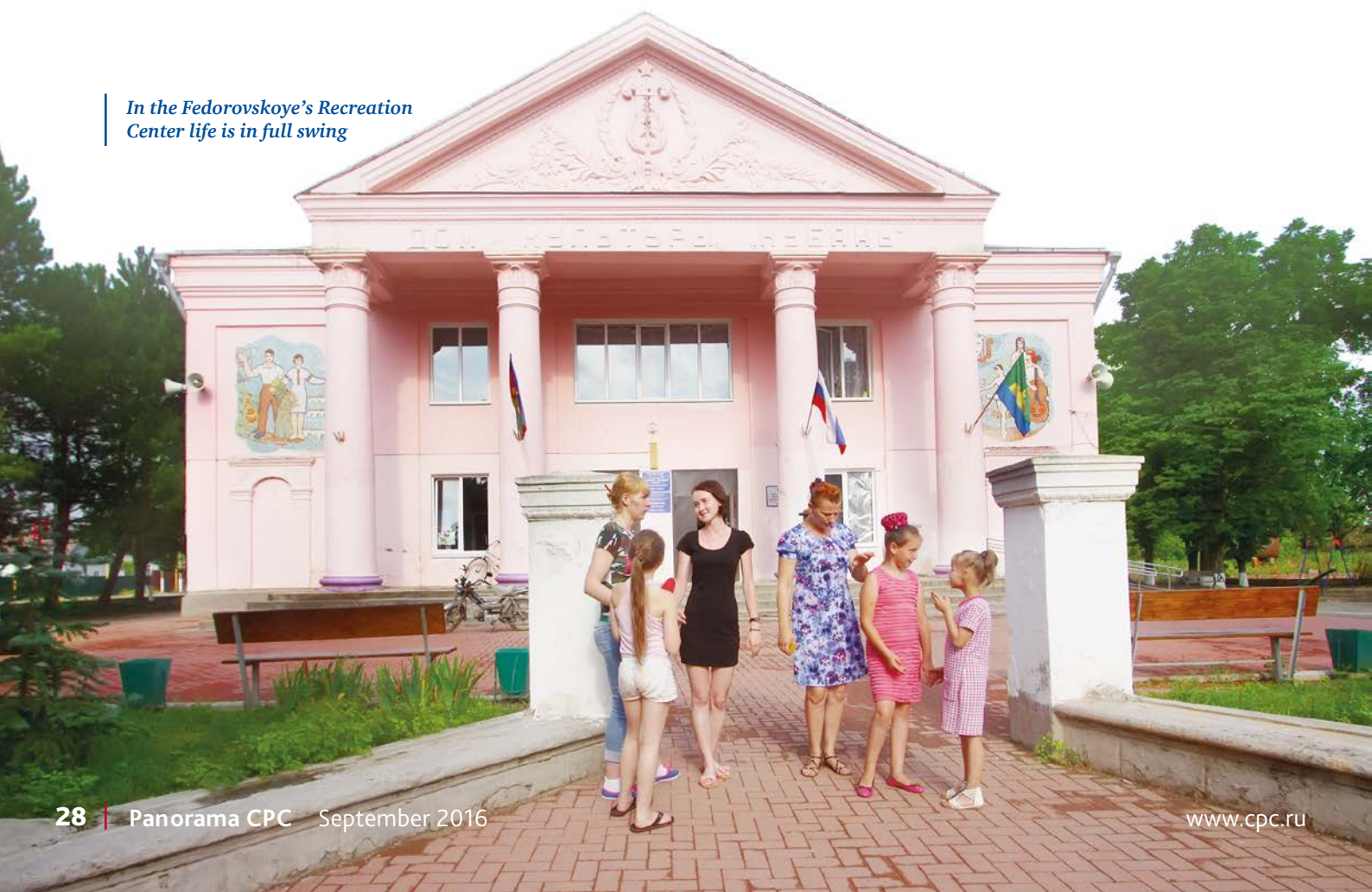
"If before all our attention was focused on putting utilities, housing and public services in order, then nowadays we are dealing with such nice scopes as settlement development, leisure time and culture," he says.

"At the end of the last year, the settlement administration refurbished the Fedorovskoye's recreation center; the Caspian Pipeline Consortium

replaced windows and doors and also purchased a new lighting fixture for the hall. The building was constructed back in 1969 under the first head of the local collective farm, and, of course, it required a considerable alteration. At once, the refurbished Recreation Center took a decent place in the settlement's cultural life. We have a lot of young people, therefore, a singing group, sound-recording and dancing workshops and guitar playing class are actively working," Ilya Biushkin is listing.

Lyubava, the children's group of Cossack songs rehearsing in the Recreation Center, has achieved

In the Fedorovskoye's Recreation Center life is in full swing





Ilya Biushkin

significant results. It performs successfully during the regional contests.

Lyubava group has been recently granted a title of people's group by the order of the Krai Ministry for Culture.

The Fedorovskoye's Recreation Center also welcomes leading performance groups from other cities of the Krai. A circus comes on tour, the Krasnodar Philharmonic gives concerts. Films are also demonstrated here, graduate proms are taken place, CPC long established programs for the first-grade pupils and New Year's parties are conducted.

The employees of the Fedorovskoye's library located inside the Recreation Center are also happy with the refurbishment of the building. It has become lighter and warmer in the rooms thanks to the new windows. It means that the library collection is safer here and the visitors feel more comfortable.

"The number of the readers, especially children, is increasing. We have recorded the increase of up to 24 thousand visits per year!" Natalya



Natalya Kushnerenko

Kushnerenko, the chief of the library, says.

NEXT TO OUR HOUSE

We have been also speaking about children with Lyudmila Bogoslavets, the head of the Platnirovskoye rural settlement in the Korenovsk District. Platnirovskoye is rapidly developing; 10 thousand square meters of housing come into use and up to a hundred of new jobs are created on an annual basis. Demography is one of the key development indicators as well. Families with two children are now a normal thing for those living in Platnirovskoye, and more than 200 families have a long family grade. The following fact is significant as well: one in four of the settlement inhabitants is under the age of 18. Child day care centers do not stay empty; schools are full. If 10 years ago there were 70 first-grade pupils, this year there are already 250!

"Our young generation is lavished with care and love. But even with our self-sufficient solid budget it was not that easy to find funds for such big playground structures. And we are grateful to CPC for

the generous gift," Lyudmila Bogoslavets says.

CPC has allocated more than a million rubles for purchasing the playground structures. "We will complete landscaping in autumn and it will be very beautiful," Lyudmila Bogoslavets is sure. »



Lyudmila Bogoslavets



Marina Skoropelova

Despite the sweltering day, the playground is full of children. The children like it – no one can force them to go home. A tiny tot has slid down to my feet.

“I am four years old,” the child briefly revealed the most important information about him.

I got to know that his name was Ivan from his mother, the native village dweller Galina Nesterova.

“We often come here. It is important for us that the playground is next to our house – you can reach it without effort,” she says.

Exactly the same playground was built by CPC in the Proletarskoye rural settlement of the Korenovsk District. The best place for it, i.e. park area with pine-trees, birch-trees around, had been chosen together with the administration.

“Both children and their parents are very happy,” Marina Skoropelova, the head of the Proletarskoye rural settlement, says.

Totally the Caspian Pipeline Consortium has allocated money for purchase of five playgrounds for the inhabitants of the Korenovsk District of the Krasnodar Krai.

Nowadays, there is a clear trend in Russia: people, and, above all, the younger generation, are coming

back to rural settlements. Excellent conditions are provided for them here – both to live and work. And the Caspian Pipeline Consortium actively participates in this process by its charity support. ■

Pavel Kretov



Playgrounds from CPC are favorite recreation areas for the village kids



Fire Conquerors

SUMMER IN ASTRAKHAN IS FAMOUS BY ITS FIERCE HEAT. THAT IS WHY THE CONDITIONS IN WHICH FIRE FIGHTERS' COMPETITIONS WERE CARRIED OUT AT THE END OF JUNE COULD BE FOUND ESPECIALLY TOUGH.



“Ready, steady, go!”

A shot goes off. Ladders like booms are rising up, the fighters flying up higher and higher. If you hook the ladder in the wrong way, end of story – your opponents are high above the ground and you are in outsiders.

The atmosphere on the stadium is hot not only due to the Astrakhan sun. The young sportsmen are supporting their teams, responding strongly to the mistakes of their team-mates and following fervidly the competitors' performances.

From June 28 to June 30, there were held All-Russia interregional competitions of the EMERCOM XXV Championship and All-Russian Voluntary Fire Organization competition on firefighting games, in which 6 teams from the Southern Federal District took part. The Caspian Pipeline

Consortium had given support to the representatives of the Astrakhan Region, Republic of Kalmykia and Krasnodar Krai in purchasing sports uniform and footwear, as well as prizes dedicated to the best competitors. By the way, the Kalmykia's team took part in the competition for the first time.

During three days, under the boiling sun, young men and girls in three age divisions have been competing in obstacle races, climbing up the hook ladder, fire relay and rescue deployment.

Following the results of the competitions, the young men of the Krasnodar Krai became the best in the rescue deployment. The team from the Astrakhan Region turned out to be one of the leaders in the team rating winning the honorable second prize. The Rostov Region team came first.

It should be mentioned that the team from the Stavropol Krai that, with the Consortium support, was participating these days in the Championship of the North-Caucasian Regional Center of the EMERCOM of Russia, captured gold.

Since 2003, the Caspian Pipeline Consortium has been giving support in preparation and participation of the team members in the firefighting games. During this period, assistance to the sportsmen from the regions in which the oil pipeline route is running, was equal to 10 mln rub. This long-time support promotes development of the material and technical basis of the teams and professional advancement of their members.

The purpose of the competitions is to promote firefighting games in Russia. ■

Ekaterina Krapivko



A Rescue in the Water

WHILE OPERATING CPC MARINE TERMINAL IN YUZHNYAYA OZEREVKA, THE CONSORTIUM HAS INCORPORATED THE BEST PRACTICES OF THE RUSSIAN AND FOREIGN PIPELINE TRANSPORT COMPANIES. NOT ONLY THE MOST UP-TO-DATE TECHNOLOGIES ARE BEING USED HERE, BUT ALSO A SYSTEMATIC WORK ON REINFORCEMENT OF THE WORKFORCE CAPACITY IS BEING CARRIED OUT, RECURRENT TRAINING, INCLUDING THOSE FOR READINESS TO VARIOUS EMERGENCY SITUATIONS.

During the entire service life of CPC Marine Terminal, no accidents have been allowed to happen; that is why personnel use their different emergency equipment in the drill periods only. During normal working time they work as usual. Nevertheless, the exceptions still happen.

On July 27 in the evening, CPC Marine Terminal security watch officer received a message about a sailing catamaran with the passengers on board in distress near Shirokaya Balka. The ship had lost control, and was wafting to the open sea by the action of the north-east wind.

In 15 minutes after receiving the message CPC security service motor patrol boat was the first on the accident scene.

“We found the catamaran with a woman and her daughter onboard; one more 12-year old child was in the water holding a rope. They were all frightened; they were especially worried about the future of the ship captain that had fallen overboard in an attempt to pick up a paddle,” Evgeny Kolesnik, the patrol boat captain-operator recalls.

Evgeny Kolesnik and his partner Sergei Kukhta, a shooter of the Extra-departmental Security Service of the Ministry of Transportation of the Russian Federation, picked up the distressed on the boat board and towed the catamaran to the small boat harbour of the Caspian Pipeline Consortium, in which the injured were examined by CPC medical staff.

At that time Sokol and Faeton, the ships providing service for

the Consortium Marine Terminal, and a pilot boat were searching for the catamaran captain, moving in converging directions. After 10 minutes, the man was found and lifted onboard.

It has to be noted that it is not the first experience for CPC personnel participating in the rescue missions on the water. In the autumn of 2010, assistance was given to a yacht-catamaran in distress when its mast had broken down in the course of the nearby sailing race. That time the ship was towed in-shore by Chaika, the most powerful tug boat of CPC Marine Terminal equipped with a diving system, fire-fighting system, oil skimmers, and floating booms. ■

Pavel Kretov



The boat involved in the rescue mission

Safety up to the Mark

ANATOLY SHATALOV HAS WORKED IN SUPERVISORY POSITIONS WITHIN THE RUSSIAN OIL INDUSTRY FOR MORE THAN 40 YEARS. "THE LONGEST PART OF MY SERVICE HAS BEEN CONNECTED WITH THE CPC PROJECT," HE COMMENTED. "I TOOK PART IN ITS INCEPTION, THEN IN PUTTING THE FACILITIES INTO OPERATION, AND NOW I'M IN CHARGE OF THE PIPELINE'S MAINTENANCE. IT'S A RARE OCCASION WHEN ONE PERSON HAS BEEN THROUGH ALL THE PHASES OF A PROJECT THIS MAJOR."



In the mid-1990s, when the decision was being made to construct the CPC pipeline, the project's environmental component was among the most important issues. While everybody understood that the project meant more major investors coming to Russia and more tax revenues flowing into the government budget, the questions was raised about any possible negative impact that so large an oil transportation structure might have on the environment. We had to find a way to convince the regional administrations and local residents that the project was of no danger for the environment.

"There was a moment when all these acute issues came to a deadlock. At that time, as first deputy minister of fuel and energy of the Russian Federation, I had just finished reviewing the Sakhalin projects, and the government asked

me to proceed with the CPC project," Anatoly Shatalov recalls.

In order to convince the governors of the regions and territories along the projected pipeline's route that the Consortium's undertaking was safe, they were invited to inspect similar facilities in the Gulf of Mexico and in Alaska.

Traveling across the ocean, the governors saw how single point moorings (SPM) work – a technology not employed in Russia back then. SPMs are much safer than coastal moorings as they ensure the maximally convenient navigation of large-sized vessels and minimize the risk of accidents in the harborage area. Winds and currents do not cause a moored tanker to recline against a SPM, only to revolve around it, which allows loading operations to be performed in more severe weather conditions,

makes these operations less labor-intensive, and reduces mooring time.

Before CPC, nobody in Russia had ever built oil tanks at a volume of 100,000 t. Most oil tanks used in Russia's pipeline system were no larger than 20,000 t.

"An VFRT-100000 is 90 m in diameter. The wall thickness in the tank's lower section is 19 mm. Russian and American standards for such facilities are different. Just imagine the size and scale of the work performed by Russian research institutes to verify everything to prove that such tanks were reliable," Shatalov stressed. "As an international project employing innovative technologies, the CPC project helped to substantially raise the professional level of Russian specialists. Now they are themselves teaching a new generation of pipeliners." »



With the completion of construction work, the pipeline emerged in all its magnificence. The pipeline's control system embodied all the best international practices. The entire pipeline is monitored from the Operations Control Center located at the Marine Terminal. The Operations Control Center is in charge of all the CPC pipeline system's facilities from Tengiz to the single point moorings at the Marine Terminal in Yuzhnaya Ozereyevka, as well as tanker loading operations and the safety monitoring of the entire CPC infrastructure. There are doubling fiber-optic, satellite and radio channels ensuring communication and data transfer between the Marine Terminal and all facilities along the pipeline's route, as well as with the CPC regional offices. If any operational parameters exceed their set levels, an alarm signal is generated and the relevant section is inspected to investigate the cause of the alarm.

Fire safety is viewed by the CPC team as top priority. Permanent fire crews equipped with modern fire engines and foam extinguishers are present at all CPC facilities. All facilities have foaming agent reserves three times their anticipated need. The main fire hazardous CPC facilities are equipped with automatic fire alarms and extinguishers. The Tank farms and pump stations are equipped with foam-extinguishing systems.

One of the most important elements of the comprehensive safety system is the permanent emergency response readiness of both CPC



PS "Astrakhanskaya" – an oasis in the thirsty steppe

personnel and contractors. There are nine emergency response centers (ERCs) along the CPC pipeline route, with those locations chosen to minimize the arrival time of emergency teams at any point of the pipeline system.

ERCs are staffed with specially trained personnel and furnished with all equipment necessary for detecting potential emergencies, including onshore and offshore oil spills, and taking the appropriate remedial action. Their equipment includes special facilities, such as swamp buggies, booms, oil skimmers, vacuum machines, boom-laying boats, etc.

In addition, ERCs are also equipped with mobile sustainability systems ensuring their lengthy self-contained operation.

Apart from emergency response, ERCs provide technical maintenance, diagnostics and repairs of the main pipeline, for which purpose they are equipped with



CPC is a pioneer in Russia in using the innovative method of tanker loading from single point moorings

the necessary test benches, tools and equipment.

Every year CPC holds some 10 large-scale drills focused on fighting oil spills and fires together with contractors and local Emercom divisions. Personnel training in emergency response is held monthly under relevant schedules. In addition to operating emergency equipment and systems, these drills are aimed at perfecting the skills of CPC and contractor personnel.

"From the very moment of its creation, CPC has devoted major attention to issues of industrial and environmental safety. In fact, environmental protection and remediation measures account for around 12 % of the Consortium's total costs," Anatoly Shatalov noted at the end of the interview. ■



Environmental protection is top priority at PS "Atyrau"...



...as well as at PS "Tengiz"

Pavel Kretov
Irina Brichkalevich

Innovation Platform

KIOGE 2016, THE 24TH KAZAKHSTAN OIL AND GAS INTERNATIONAL EXHIBITION AND CONFERENCE WILL TAKE PLACE ON OCTOBER 5–7 IN ALMATY. THE CASPIAN PIPELINE CONSORTIUM WILL AS USUAL TAKE PART IN THE FORUM.

KIOGE is an established platform for presentation of the innovative technologies and main tendencies of development of the oil and gas industry. Being the most significant industry event, the forum promotes development of the relevant economic tendencies and making specific decisions for the oil and gas sector.



At the Caspian Pipeline Consortium stand

“The last economic changes have become a real challenge for the oil and gas industry. However, using the long-term experience we managed to maintain stability of its development. Nowadays, we are open for adoption of the innovative technologies, raising investments and building up international collaboration in the oil and gas industry. Therefore, hosting such events as KIOGE is becoming particularly topical. For a friendly environment is created here for presentation, promotion of the goods, services, searching for prospective suppliers and investors, analyzing competitors and obtaining firsthand up-to-date

information on the recent achievements in the industry,” Kanat Bozumbaev, Minister of Energy of Kazakhstan, evaluated the event.

The largest industrial players from Kazakhstan, CIS and non-CIS countries will actively participate in the work of the KIOGE 2016 Oil and Gas Exhibition and Conference – more than 500 participants from 20 countries worldwide are expected.

This year KIOGE Conference will be held in a new format with the focus on the practice: a workshop on personnel policy in a down economy, round tables dedicated to the development of oil and gas fields and associated infrastructure, modern technologies in oil and gas exploration, problems of investment agreements, sessions dedicated to oilfield services will be held. One of the most expected discussions is a Mutually Beneficial Cooperation as Part of Development of Kazakhstan’s Content round table, during which a focus will be put on an issue related to observance of Kazakhstan national interests in the oil and gas industry.

The KIOGE exhibition will present recent technological, engineering and software solutions for oil and gas producers from the leading industrial supplies, such as KAZPRO-MAVTOMATIKA, Caspian Marine Services, Niashimi Producer & Trading Co, Panam Engineers Ltd, RHI Dinaris GmbH, BONO ENERGIA, Valco Group (SNRI SAS), Zhengzhou Sapwells Petroleum Machinery Manufacturing Co., Ltd.



KIOGE 2016 is carried out supported officially by the Ministry of Energy of the Republic of Kazakhstan, Local Administration of Almaty, National Company “KazMunayGas” JSC, European Business Association of Kazakhstan, Association of Service Companies of Kazakhstan, and diplomatic missions of participating countries.

Partner support will be provided by permanent KIOGE participants – VELAN, OJSC, Karachaganak Petroleum Operating B.V., Tengizchevroil, LLP, Center for Sets Completion TECHINVEST LTD. ■



KIOGE always evokes a response in the oil and gas community

From the “Sky” Sport

THE CPC OIL PIPELINE IS SECURELY PROTECTED ALONG ITS ENTIRE LENGTH. LINE SECTION FACILITIES ARE EQUIPPED WITH CLOSED CIRCUIT TELEVISION SYSTEMS; HELICOPTER INSPECTIONS AND FOOT PATROLLING ARE CARRIED OUT AT REGULAR INTERVALS. IN THE PROBLEMATIC CAUCASUS MOUNTAINOUS AREA, ACTIONS OF THE MAINLINE PATROLLING PERSONNEL ARE MONITORED BY ALEXANDER KHARCHENKO, NEFTEGAZOKHRANA SECURITY GUARD.



Before jumping

Alexander Kharchenko started safeguarding of the CPC facilities coming from sky-jumping. He was a head of team; many times he became a winner and runner-up of the Airborne Forces' and the South of Russia's championships, the USSR and CIS Cups. It is interesting that as a child Alexander hesitated whether to choose boxing or ship- and aeromodelling. One day he came to the Voluntary Society for Assisting Army, Air

Force, and Navy in his hometown Kumertau and understood that his vocation was that of sky-jumping.

But Alexander has no recollection of his first jump.

“I got into the plane and there were only girls. I did not want to show a lack of determination in front of them. The door was open, I closed my eyes and went for it,” Kharchenko laughs.

Then there was a compulsory military service in the Airborne Forces, trainer experience in the Voluntary Society for Assisting Army, Air Force, and Navy, and after that performances with a non-professional parachute team of the 7th Airborne Forces' Brigade. Aerobatics, touchdown speed and accuracy competitions. Training and performances on formation skydiving were especially tough: Alexander was



Alexander Kharchenko, “The mainline protection is a critical job!”





"What will a new flight bring?..."

the lightest in the team, but in order to make a successful formation all team members should have an approximately equal weight. So, he had to hang extra weights on him.

There were six parachute failures out of six thousand jumps done by Alexander.

"It is not a big deal. Each time I made a safe touchdown with

the reserve. In general, I did not have any injury throughout my sky-jumping activities. I got my leg fractured only once in my life while simply strolling around my house," Alexander says and adds up, "It was just sport, I do not think it was somehow unusual."

Kharchenko considers the export oil pipeline protection to be important and necessary. Highly professional personnel are involved in



A leap to the free space

it: there are lots of military veterans and former law enforcement officers among Alexander's colleagues. They are all very responsible fulfilling their duties. The representatives of the local administrations even mentioned many times that there were no wild fires and yield thefts, the amount of crimes was always lower where the CPC security guards served. ■

Pavel Kretov



A team of fearless sky-divers. It will stay with you forever...

A Travel to the Past Times

THIS YEAR IS MARKED WITH A WOEFUL DATE – 75 YEARS HAVE PASSED SINCE THE START OF THE GREAT PATRIOTIC WAR. MAY THE MEMORY OF EVERYONE WHO GAVE THEIR LIVES FOR US LIVING IN A FREE COUNTRY UNDER THE PEACEFUL SKIES LIVE FOREVER.

I would like to tell you about nice people from the city of Atyrau, Republic of Kazakhstan. The purpose of their travel was participation in a historic reenactment of the heroic defense of the Brest Fortress. There were students, Akimat representatives, sponsors and journalists on the delegation. Their way to the hero-city Brest was via Moscow.

Gumar Dyusembaev, the first deputy of Akim of the Atyrau region, asked Alibek Zhilbaev, CPC General Consultant, to assist in organizing a meeting of the patriotic expedition participants. I satisfied this request with great pleasure. It is a great honor to take part in the patriotic expedition, bring its participants together, arrange excursions and present our capital...

After a successful completion of the expedition, we had a talk with

its leader Talgat Ilyasov, a famous explorer, director of Atyrau Oil and Gas Institute museum.

“Talgat, please tell us how an idea to organize Atyrau-Brest expedition has come up?”

“The first Atyrau-Kerch military-patriotic expedition took place in 2014 within the framework of the events dedicated to the 71st anniversary of the Kerch-Eltigen amphibious operation,” he started his narration. “In 1943, a small foothold in Crimea named “Ognennaya Zemlya” (Fiery Land) was heroically defended by the Soviet soldiers, among which there was our compatriot Kairgali Smagulov, the Hero of the Soviet Union. Step by step, an idea to travel to Belarus for the 75th anniversary of the start of the Great Patriotic War has turned out. Every year on June 22 Belarus citizens commemorate



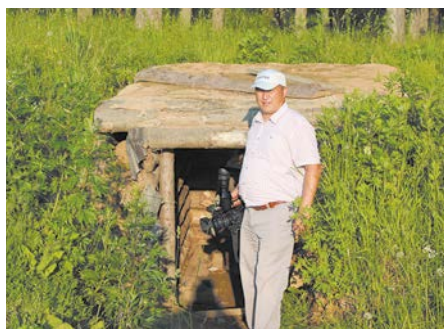
Talgat Ilyasov

this day as the Day of Remembrance and Mourning for the victims of the Great Patriotic War.

Here, starting from 2011, military-patriotic clubs from different countries have been carrying out reenactments of the first days of war – the defense of the Brest Fortress. The defense lasted for more than a month, detached from the world without external

“There is silence on the Mamay Mound...”





*On the scenes of the fighting
in the vicinities of Moscow*

support. An unprecedented heroism of its defenders became known in the country only years later after the war's end thanks to the Brest Fortress book written by Sergei Smirnov and published in 1957. In Brest we got acquainted with Rostislav Aliev, an author of the book Brest Fortress. Recollections and Documents. He calls 125th rifle regiment "Kazakh" because this unit was in half composed of the Red Army soldiers called up from the Kazakh Soviet Socialist Republic.

I was acquainted with many organizers of the military-historic reenactment without seeing them, by e-mail; I was thinking how I could support them and I decided to write an e-mail

directly to the site of the President of the Republic of Belarus. And when I had received an official invitation from the Brest city committee of the Belarusian National Youth Association, non-governmental organization, I started seeking support at home. Assistance was rendered by a number of enterprises and organizations, Akimat of the Atyrau region, diplomatic apparatus officials of the Republic of Kazakhstan in the Russian Federation.

"Which requirements were set up for the participants of the reenactment?"

"Very strong! Even the girls' hair should have been of the original color without any dye. The girls played roles of the non-combatants and service personnel of the Workers' and Peasants' Red Army," Talgat mentioned. "It was necessary to observe discipline; the uniform had to match the sample. The participants were coming to the historic reenactment with their full families, with children, because seeing once how your grandfather or great grandfather was fighting is better than to listen to a hundred of lecturers on patriotism. Year by year, a number of volunteers is increasing. This year there are more than five hundred



people from 13 countries, not to mention thousands of spectators. Everyone was similarly attuned, and the guys from the former USSR republics quickly found a common language."

"How were the rehearsals going on?"

"The reenactment was prepared in a very responsible manner. The organizers conducted rehearsals; we even got the cartridges, blank of course.

We had a feeling as if we were the characters in the movie We are from the Future. Fortress barracks, tents; someone cleaning »



*The reenactment of the Brest Fortress defense
became a full immersion into the events of that war*

their ammunition, others singing songs, still others dancing, someone watching movies in the outdoor cinema, political instructors reading newspapers to the soldiers, military patrol checking documents. Wakeup is at 3 a.m., it is cold, vapor from the mouth. Fog, grass wet with dew... It was very interesting! By the way, following the results of the international festival, a debut of our third troop was declared the best."

"What can you say about the main reenactment day?"

"A requiem meeting started at 4 a.m., 20 thousand spectators, mainly young people. Adults were not ashamed to cry; the Brest Fortress is indeed a holy place. The reenactment began at 5 a.m.; our 125th rifle regiment took part in it as well. Major part of our delegation was presented by young people; one of them is Yury Polynin. A street in Atyrau is named after Evgeny Polynin, his great grandfather, Full Cavalier of the Order of Glory. A memorial stone in the Victory Park is dedicated to his memory. Participation in the expedition became for Yury a tribute to the memory of his great grandfather and others fought in the Great Patriotic War."

... Volgograd – Moscow – Minsk – Brest. As our companion mentioned, the delegation from Atyrau was welcomed, supported, accompanied in each city. The members of the patriotic project visited the Mamay Mound and Pavlov's house in Volgograd; they visited the Panfilov's



In the Panfilov's Heroes Museum

Heroes Museum and Poklonnaya Gora (Worshipful Submission Hill) in Moscow. In Belarus, the guys from Kazakhstan laid flowers at Khatyn and Brest Hero Fortress memorial complexes, they visited battle places of the 125th rifle regiment, a large part of which was composed of their compatriots.

At the end of the journey a military-patriotic song was written and videos published in the Internet.

"Participation in the Brest battle reenactment is not a trip to a museum, nor a view of a movie. It is rather a transfer with the help of the time machine, after which one cannot watch Brest Fortress movie with dry eyes," Talgat Ilyasov says. "I am proud that we were able to arrange the expedition. Thanks a lot to all those who supported us! We have already been invited to similar festivals near Moscow and in Sevastopol. There is still something to strive for and to work on!"

It only remains to thank Talgat for his work, for uniting people of different ages and nationalities for the sake of the remembrance for those who defended the country against the enemies. ■

Nadezhda Cherednikova



"Nothing has been forgotten; nobody has been forgotten..."

A Book Being Written by the People

WORK ON THE HISTORY NARRATED BY THE PEOPLE EDITORIAL PROJECT IS ONGOING.



Marina Prokopyuk

There is probably no family in our country that was not scathed by that war. Even today, the families cherish the memory of the hard times, retelling the stories of the Great Patriotic War. It was frightful being in the lines; it was hard being in the rear. Nevertheless, the older generation stood it out, and the years of war had left deep scars in the hearts of the survived, frozen in the old letters and fading photographs.

One must not forget this! Currently the Russian Military Historical Society (RMHS), Economic Strategy Institute (ESI), and Center for Economic Development and Certification (ESI CEDC) are preparing for publishing a book tentatively entitled as the History Narrated by the People. It will present biographic material about those who fought in the Great Patriotic War and about war workers, based on the family-archive documents – photographs, biographic information, copies of letters, and documents.

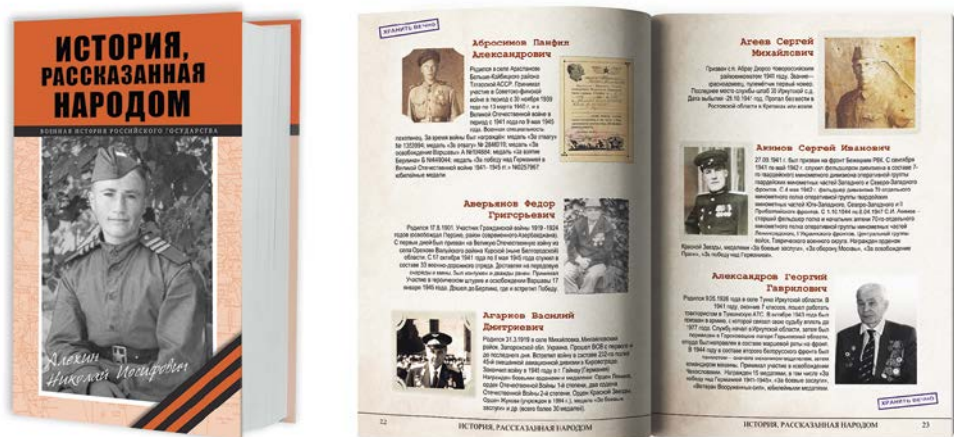
This book will be issued within the framework of the Military History of the Russian State series, under which books on history of the Patriotic War of 1812, First World War, and Russo-Japanese war have been previously published. Like all the other books of the series, the History Narrated by the People book will be published owing to the support by the project partners – individuals, companies, and organizations.

“The idea to prepare this book came up on May 9, 2015. This day the world had an opportunity to see an epic performance: millions of people took part in the Immortal

the course of the book preparation to make no distinction between generals and common soldiers, between those died in the battlefields and those survived to nowadays.”

“We are proud to be a part of the campaign on recollection,” Roland Sharifov, ESI CEDC Director confides, “These books will remain forever; they will be read keeping memory about our valiant forefathers.”

Through our magazine people on the project are addressing to CPC employees with a call to participate in the book preparation – to share



Anyone of us can take part in writing this book

Regiment campaign and went out with the portraits of their relatives. Great grandfathers and great grandchildren were marching together under the same banner,” Marina Prokopyuk, Project Team Leader said, “Anyone interested may provide information on their relatives and copies of the documents to be published in the History Narrated by the People book. The importance of the contribution of any participant of war and war worker cannot be overemphasized; that is why we made an essential decision: in

their stories, the most valued family archives. One can get the full information on the project and conditions of participation from ESI CEDC website profiok.com or by e-mail history@profiok.com.

The large part of the print run will be freely distributed during different public events as gifts to veterans, children, and youth organizations. The books will also be sent to educational institutions and libraries. ■

Ekaterina Suvorova

"Inching" towards Victory

BEFORE THE SECOND WORLD WAR NEARLY ALL OIL FOR THE INDUSTRIES ON THE EAST COAST OF AMERICA CAME FROM TEXAS AND LOUISIANA. IT WAS DELIVERED TO CONSUMERS MOSTLY BY SEA TANKERS. A SMALL PROPORTION OF THE "BLACK GOLD" WAS TRANSPORTED BY RAIL AND RIVER BOATS, WHILE ONLY 4 % REACHED THE NORTHEAST BY PIPELINE.



As early as spring 1941, the war had started to change this system. Great Britain had asked the USA to provide it with 80 tankers to make up for those lost to German submarines. Taking so many oil carriers away from domestic routes soon affected energy supply to the East Coast. Not even increasing the volume transported by rail by a factor of 30 could make up for the resulting losses. The American oil refineries were being seriously undersupplied. By May 1941 gas stations had introduced rationing. Banners calling on citizens to save fuel appeared in cities. One of them featured a silhouette of the Fuhrer sitting next to a driver happily wasting gas. Its slogan was clear: "When you drive alone, you're riding along with Hitler!"

But the worst was still to come. The fuel situation had become critical by the end of 1941, when Germany declared war on the United States a few days after the Japanese strike in Pearl Harbor.

The very first U-boats of Admiral Denitz's fleet to reach to the shores of America started their pursuit of merchant marine ships without interference. They managed to seriously endanger sea transport routes, especially those affecting hydrocarbons. In January-February 1942 alone the German submarines sunk nearly 100 tankers. "At this rate a third of all U.S. tankers will be destroyed by the end of the year," the War Production Board Department of the Interior calculated.

The Germans preferred to attack at night, when the tankers were clearly visible against the lights of the shore. "Our submarines are active near the U.S. itself so that swimmers and entire towns become witnesses to the unfolding drama of war," Denitz reported to Hitler.

The U.S. Navy was caught off guard by this sudden development. Much of its forces had been diverted to protection of the trans-Atlantic convoys, and the American Department of the Navy had only about 20 obsolete ships on hand to defend 1,500 km of coastline. All that Navy command could do was to forbid tankers from going north of Florida.





Such alarming developments at sea proved how correct the Secretary of the Interior, Harold Ickes, had been in the report to President Roosevelt that he had written in mid-1940: "Construction of an oil pipeline from Texas to the East Coast today not only looks economically rational but might become essential in an emergency."

Ickes had championed the project several times, but was only able to bring it to reality after May 1941, when he was made coordinator for petroleum delivery for national defense.

In March 1942 a meeting of American oil producers in Tulsa agreed on the "Big Inch" pipeline. The project involved laying 1,200 km of new pipeline, as well as integrating more than 1,000 km of existing pipeline that was owned by different oil companies. The pipeline's diameter was set at 600 mm – bigger than any other pipeline at the time, hence its name "Big Inch".

At 2,400 km it would become the world's longest pipeline, too. Entire U.S. industries were mobilized in its construction. The Longview-Phoenixville section crossed 10 states, the Allegheny Mountains, 33 rivers, about 200 streams and lakes, as well as highways and railroads.

16,000 people were employed in its construction. Assembly work on the pipeline began in August 1942. Their daily construction target was 9 km, but soon the contractors increased that to 15 km. The swamps of Northeast Texas and Southern Arkansas were a challenge, as the freshly dug trenches soon filled with water. The Mississippi River also gave the builders a lot of trouble. They had spent 11 weeks preparing an under-river trench and were about to drag the siphon beneath it, when heavy rains followed by flooding destroyed the underwater crossing. Work had to be started from scratch using a heavier pipe.

Construction of the pump stations began in November 1942. They were placed at different intervals, from 125 km on the plains to 50 km in the mountains. At first they were meant to be built from metal, but that was in short supply, so wood and asbestos were used instead. A control center



was built in Cincinnati. It was connected to the pump stations by a specially laid phone line linked to nearby cities.

In February 1943 the Longview-Norris City section of the "Big Inch" went live. From there onwards the Texan oil was offloaded to cisterns and transported onwards by train. And on 19 July – 350 days after the start of construction – the pipeline reached its final destination in Phoenixville, Pennsylvania. By November 1943, when all the stations had been assembled, the "Big Inch" achieved its maximum capacity – 300,000 barrels a day, several times greater than the output of any other U.S. pipeline. Despite this influx of pipeline oil to the East Coast, the Secretary of the Interior Harold Ickes continued to exhort citizens to go on saving fuel, since it was badly needed by the army. Almost two years remained to the Allied victory... ■

Pavel Kretov

At the Junction Between Europe and Asia

CPC OIL PIPELINE ROUTE IS PARTIALLY IN LINE WITH THE NORTHERN ROUTE OF THE SILK ROAD. WHERE THE OIL IS FLOWING IN THE PIPELINES NOWADAYS, THERE WERE CARAVANS MOVING IN THE ENDLESS FLOWS CENTURIES AGO.



50 km from Atyrau there was an ancient city of Saraychyq – a large center at the intersection of the trade routes between Europe and Asia. Nowadays there is a Saraychyq memorial complex, which CPC Panorama correspondents visited by invitation of the Kazakhstan colleagues – Marzhan Diarova, Senior Translator of CPC-K, Joint-Stock Company office in Atyrau, and Lyubov Evstifeeva, Key Public Relation Specialist. They are familiarly acquainted with Moldash Berdymuratov, the museum director, who agreed to conduct a personal excursion.

“Saraychyq, one of the largest cities of the Golden Horde, a capital of the Nogai Horde, was well-known in the world; a lot of famous travelers visited it; Ibn Battuta, an Arab geographer and author of the Journey to Desht-i Kypchak memoirs, noted, describing his stay at Saraychyq in 1334, that the size of the city was second only to that of Bagdad,” Moldash Berdymuratov said.

As per one of the stories, the city was founded by Batu Khan himself. This center was at the key junction

of Europe and Asia and it ensured safety of the section of the transcontinental caravan route from the European countries and the Golden Horde capital on the Volga to the cities of Khoresm, Iran, India, and China.

The city had a well-developed layout with straight wide streets and squares. Availability of the clay pipe water supply system indicates a high level of urban culture progress. Basically every building was connected to the centralized water supply system. The capital of



The Ural waters are merciless to the ancient city



A duplicate of the khan's headquarters



A model of the city

the Nogai Horde housed a splendid khan's palace, four mosques, madrasah, bath-houses, a variety of hotels – caravanserais. Anthony Jenkinson, a British traveler who visited Saraychyq in the second half of the 16th century, noticed that about 700 caravans had passed through the city within a month.

Copper coins of different denominations were minted here; crafts were developed – metallurgical and pottery production.

“In 1999, during excavations, the archeologists found a two-storey 45-room caravanserai, a 13th century bath-house next to it, in which the floor paint was perfectly well preserved; they found even wash-basins of that time and a well, in which a tea bowl and a jar were dropped centuries ago. The jar is anything but simple: it has one color in the morning, another one in the afternoon, and still another in the evening. Such potters we had!” the museum director admires.

The numerous artifacts indicate that Saraychyq indeed played a big part in the world trade. Here, there was found a great number of articles made of China porcelain, Irani and Syrian glass jars, lamps with multicolored enamel and golden paintings, necklaces made of glass, cornealian and crystal beads, vases from the Black Sea region, multicolored tea bowls with religious and philosophic inscriptions, and other articles of luxury.

Unfortunately, this ancient settlement is vanishing from the scene nowadays. The process is related to the diversion of the Ural river bed. The intense water flow is washing out the settlement ground. The area remained from Saraychyq that had more than 10 km lengthwise some time ago is now only some hundred meters. ■

Pavel Kretov



Moldash Berdymuratov is conducting the excursion



The Museum exhibits

Bowling Balls, Pins, and Good Mood

CPC HAS A LOT OF ACTIVE, ENERGETIC AND ENTHUSIASTIC EMPLOYEES. THERE ARE LEADERS AMONG THEM WHO TRY TO UNITE THE STAFF OUTSIDE THE OFFICE AND MAKE EVERYONE TO BE IN A GOOD MOOD.



Egor Shpichak

In July, the corporate bowling tournament took place which was initiated by Egor Shpichak, the senior strategy and planning analyst. We talked to our colleague and found out how he came up with such an interesting idea which helped to gather the employees from the different departments and divisions of CPC. This is what he told us:

“The bowling tournament which took place has a prehistory. I came up with an idea of corporate team building events as soon as I got employed with CPC. I joined the Company about one month before the Oil Worker’s Day. At the celebrating party, I noticed that many people tended to stick to the teams of their departments and many of them were not even familiar with each other. Then we had a New Year celebration where the situation was the same. So, I thought that it was necessary to organize some events aimed at development of horizontal connections among the employees.

Similar events were held at our department some years ago, but as the time passed by, they came to naught and I decided to revive them. In order to study this topic, first of all, I talked to my colleagues and the Training Department and I would like especially thank them for their support. The management of CPC supported us, too, which resulted in an extra-mural event which consisted of a special team building training and a trip to the production sites of CPC in order to get acquainted with them. It did not take long to see the result – the employees got more united.”

“Did it improve the team work?”

“Oh, yes, indeed! It has become much easier to find solutions to the routine tasks; people have started talking to each other and have become more sympathetic. Now, they are more willing to compromise and try to help each other when a problem arises.

Then we decided to gather together for a non-official event and to go bowling after work. Many of our colleagues were on their summer vacations and the number of players which we had initially planned

was reducing drastically, so, we decided to invite the employees from the related departments. That is how the event came to the level of the whole Company and turned into a full-featured corporate competition – we gathered around 40 people. We eliminated every possibility for them to stick to “their own” colleagues only as we formed the teams by a random draw. The tournament was filled with the spirit of competitiveness, people got acquainted with each other, and the event was very cheerful and animated!”

“Was the winning team awarded somehow?”

“Yes, the winning team was awarded with the corporate souvenirs which were provided by the Administration Department of Moscow office. Everybody was happy with their prizes.

After the bowling tournament, people started smiling and saying hello to each other more often when they meet in the corridors of CPC. They have found common interests, for example, some of them who are fond of sailing have even formed a movement of their own.”



"What are your plans for the future?"

"Well, we plan to continue this tradition and to hold such events at least once a quarter. Some of our colleagues have already followed our example and take the initiative in organizing similar events.

Thanks to bowling, we met with Svetlana Larina. She took up this initiative and organized amateur regattas for the employees of CPC. I hope that, in the course of time, we will have more and more initiatives. Perhaps, we will organize some cultural events like going to the theatre or visiting some exhibitions.

I wish our colleagues from the regional departments would adopt these examples because it is really important to come to work in a good mood. As practice shows, we spend for about 40 % of our time for work which can be up to 10 hours a day. Therefore, the environment should be healthy and positive to make the work to be the place which people come to with joy and where they can share their experience. I believe that such events help to develop the corporate spirit which is an important element of the modern corporate culture. We should always remember that we are all in the same boat though we work in different departments and divisions. Development of the horizontal connections helps to unite the employees and foster the efforts to achieve common goals of the Company." ■

*Prepared by
Nadezhda Cherednikova*



What impressions about the bowling tournament do its participants have?



DENIS GRABOVSKY,
lead contract
management
specialist:

"Taking into account that my team won the competition, I have only

positive impressions. It was such a pleasure to see people from different departments communicating freely and joyfully with each other, and it is nice to realize that while we are serious professionals at work, we are cheerful and venturesome people outside it. I would like to note that such events help to take away or even destroy the constraints, which may arise during the communication at work. You begin to realize that your colleague is a live person like yourself who you can communicate with easily and informally both at work and outside the office hours.

I would like to wish the employees who decided not to take part in that event due to any reason to be a little bit more active and decisive in the future and to participate in any other events with the similar spirit and nature. I believe they will join us by all means next time!"



IRINA SHAMBA,
assistant with
the Finance Group
of the Expansion
Project:

"The event was organized perfectly. The

organizers tried to create a very friendly and venturous atmosphere, and they managed to do that!

There was no feeling of competitiveness, on the contrary, everybody communicated with each other and cheered everyone up."



TATIANA RUSOL,
lead document
management
specialist of the
Expansion Project:

"When I was invited to go bowling, it

was my pleasure to say: "Yes!". It was interesting for me not just to take part in a competition but to learn more about my colleagues who I work with in one Company.

The team I played with became the leader from the very beginning and finally won the tournament. The sports was very exciting and emotional, we all cheered up and encouraged each other. As a result, I have found new friends. If I have an opportunity to take part in such an event once more, I will definitely accept it with great pleasure!"



MIKHAIL TRUKHIN,
senior administrator
of Maximo:

"First of all, I would like to thank the organizers of the event: Masha Polupanova and Egor

Shpichak one more time. Everything was done fast and in a seamless manner. They managed to organize not just a collective trip to a bowling alley but gave us positive emotions that evening; moreover, they inspired some other colleagues with their drive in such a way that they have already proposed new team building events. Now, many employees have a new hobby called "The Sailing Regatta". Secondly, such events are essential for maintaining positive and healthy work environment. We are all different, we have different interests and different temperaments but, nevertheless, we have to do a common thing – to do our jobs in a good manner while working alongside each other. Events like that specifically help to find the areas of common interest, to look at the colleagues from a new angle, and to learn more about each other in order to make communication at work even more efficient."

A Sense of Beauty

IN OUR NEW YEAR ISSUE WE TALKED ABOUT THE PHOTOGRAPHERS WHO TOOK PART IN DESIGNING THE CORPORATE WALL CALENDAR CALLED "THE SEASONS THROUGH THE EYES OF CPC EMPLOYEES". THE PHOTOGRAPHER OF THE WINTER PICTURE SERGEY AFANASYEV, A DRIVER FROM THE MARINE TERMINAL, WENT "BEHIND THE SCENES".



Sergey Afanasyev

That is why my colleague and I decided to meet that wonderful photographer during a Press Service Novorossiysk business trip.

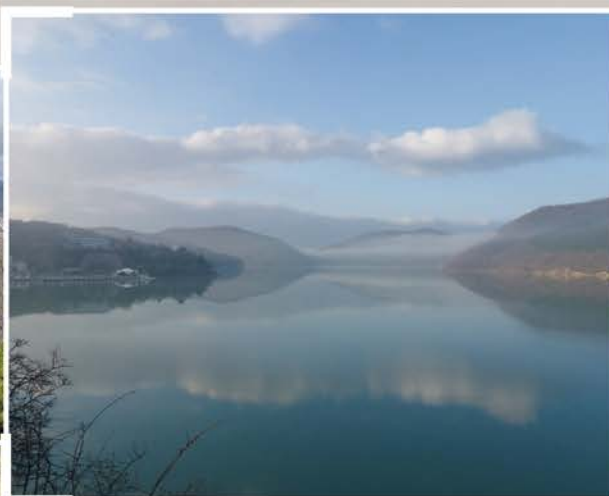
Our first question was how long he had been practising photography.

The answer came as a surprise. "I'm not practising it at all. It's not even a hobby, I've been doing it along with my day job," said Sergey.

"But then how do you manage to get such professional shots? You must have a great camera?"

"Not really, it's an ordinary digital camera, things just happen naturally," Sergey shrugged.

Well, we doubt that! Sergey is simply being modest when talking about his abilities. To be able to take an artistic shot that captures the viewer one needs a special perception of the world, to be in tune with the surrounding beauty, feel the play of colour and light, and have some knowledge of composition to create a harmonious shot.





"I don't even process my photographs, the most I can do is crop or cut them," confesses Sergey. "I leave things as they are when shooting from nature."

We found out that Sergey prefers spending his free time outdoors. Every weekend he goes out to the woods, mountains or to the seaside. He never plans his trips in advance and just wanders out. Of course, he always takes his camera along – it doesn't take up much space and weighs hardly anything. A lot of interesting things get into

the frame and some beautiful, unique moments get captured forever. The camera must be the most wonderful invention ever made. As time goes by, photographs help you to remember the things you saw and the places you've been to, and you can share your discoveries with other people.

It should be noted that Sergey is an expert driver with vast experience. When we started talking about his profession, his face lit up: "It is a hard job, especially in such a serious company as CPC. Observing

the speed limits and all the security requirements is already in our muscle memory, not just at work, but also at home, in everyday life".

About a year ago a new employee joined the Marine Terminal drivers' team. His name is... Sergey Afanasyev.

"A namesake?" we suggested.

"My son!" Sergey was glowing with pride. ■

Ekaterina Suworova



Taking Care of the Future Today

A QUESTION OF MAKING PROVISIONS FOR ONESELF IN OLD AGE OFTEN ARISES ONLY WHEN SEVERAL YEARS REMAIN PRIOR TO RETIREMENT. BUT ONE CAN START TAKING ACTIONS ABOUT ONE'S PENSION MUCH EARLIER! HOWEVER, BEFORE SEEKING THE WAYS TO SAVE FOR PENSION, ONE NEEDS TO UNDERSTAND HOW THE RUSSIAN PENSION SYSTEM WORKS. WITH THIS ARTICLE, WE ARE OPENING A SERIES OF MATERIALS IN WHICH WE WILL BE SPEAKING ABOUT OPPORTUNITIES TO PROVIDE FOR OLD AGE.



Evgeny Yakushev, "One should think ahead of one's own secured old age"

Evgeny Yakushev, Executive Director of Non-State Pension Fund SAFMAR, Joint-Stock Company (NPF SAFMAR, JSC), is answering the CPC Panorama magazine's questions.

"Evgeny, let us start with understanding of the so-called basics. What is an insured pension?"

"An insured pension is the pension that you will receive after taking a well-deserved rest having reached a retirement age. The insured

pension is generated as follows: every month an employer pays insurance contributions equal to 22 % of your wage rate to the Pension Fund of Russia (PFR).

contributions are allocated by PFR for paying existing pensions. This is the way the redistributive part of the Russian pension system works. When you retire, the insured pen-

When you retire, the insured pension will be paid to you from those funds that will be received from people working in future years

In addition, these funds are not taken out of your monthly income, but out of the wage fund (i.e. basically, the employer pays them for you). PFR sends them to your individual retirement account, not in the form of money, but scores. Scoring depends on the wage rate and insurance contributions to PFR, employment period and retirement age.

In order to gain the right for granting of the insured old-age pension, it is necessary to gain 30 and more of such scores over the entire employment period. Let us give an example: in order to gain a sufficient number of scores, one needs to earn an official monthly income within 15 years that should be equal at least to two minimum wages."

"In which form will a person receive the insured pension and where the rubles are sent if there are scores that are credited?"

"Those funds that are received in the form of the insurance

sion will be paid to you from those funds that will be received from people working in future years.

The Caspian Pipeline Consortium works with NPF SAFMAR, JSC (www.npfsafmar.ru, previously called NPF Raiffeisen) as per the non-state pension scheme. This fund is amongst the Russian fastest growing NPF; it works as per compulsory pension insurance and non-state pension schemes. In 2016, three more NPF will be affiliated with the fund; after that it will take the lead in TOP-5 of the largest NPF in Russia. NPF SAFMAR is a part of Safmar Financial Group. The fund participates in the insured right guarantee system. Reliability of NPF SAFMAR, JSC was rated by Expert RA rating agency at A++ level (exceptionally high (the highest) reliability).

Of course, you will receive the insured pension in rubles, not in scores.

Each year the government fixes a certain retiring coefficient by which the final amount of scores is multiplied upon retirement. No one can forecast the value of this parameter upon retirement.”

“What kind of provisions are there to save for pension in rubles under the compulsory pension insurance system?”

“Apart from the insured pension, there is also a funded pension in the compulsory pension insurance system. Till 31/12/2015 every person born in 1967 and earlier had a right to choose one of two options of the pension scheme. Nowadays only young specialists have such right; they are given 5 years from the date of their first employment to make a relevant decision. The first option: to arrange for the insured pension only. We have described it above. The second option: in addition to the insured pension, to arrange for the funded as well. In this case, the insurance contributions are divided as follows: only 16 % are aimed for the insured pension, and the remaining 6 % are sent to the funded part. What is more, in rubles, not in scores.

The funded pension can be built up in non-state pension funds (NPF) or management companies (MC) that invest savings in various securities and gain a return on investment for their clients. This option presupposes that an application on selecting either NPF or MC should have been filed to PFR till the end of 2015.

It is important to mention that the rights of those people who have selected the funded pension are ensured not only by the pension funds themselves, but additionally by the insured right guarantee system that works similar to the deposit guarantee system in the banking sector.”



According to the inquiries, **28 %** of Russians are afraid to get old, **64 %** not. Only **15 %** try to prepare to it in advance being in the pride of years.

The older the respondents are, the more often they say that they are preparing for their future pension life with their eyes open. But in the senior groups (a question was asked to people from 50 to 60 years old), some sort of unconcern was observed as well: only one fifth of people coming near to retirement fully realizes a challenge on living on a small state pension.

17 % of the respondents share an opinion that a sufficient attention is given to the senior citizens in our society, **72 %** are sure of the contrary. It is a strong reason to start thinking about one's future now. As great Leonardo da Vinci said, “Learning acquired in youth arrests the evil of old age.”

“What if a person did not file such application?”

“For the employed people who have not selected the option of further funded pension build-up covered by the employer (the so-called “dumb dogs”), it is impossible to do it now. However, they can transfer their pension savings already made in

2002–2013 to NPF. Investments of these savings by the funds may bring an additional income.

In the following issue we will tell you about the non-state pension scheme.” ■

*Material prepared
by NPF SAFMAR*

Caspian Pipeline Consortium: a time-tested international project



CPC-R, MOSCOW OFFICE

Business Complex "Legion-1",
4th floor, B. Ordynka Str., 40, building 4,
Moscow, 119017, Russia
tel: +7 (495) 745-87-70
fax: +7 (495) 745-87-72
e-mail: Moscow.reception@cpcpipe.ru

CPC-K, ASTANA

10th floor, Kunayev Str., 2,
Astana,
010000, Kazakhstan
tel: (7172) 79-92-71
fax: (7172) 79-92-72
e-mail: Astana.reception@cpcpipe.ru

CPC-K, EASTERN REGION

Business center "Seven Stars",
Satpaeva Str., 34A,
Atyrau,
060011, Kazakhstan
tel: (7122) 76-15-00, 76-15-35, 76-15-99
fax: (7122) 76-15-91
e-mail: Atyrau.reception@cpcpipe.ru

CPC-R, CENTRAL REGION

Kirova / Krasnogo znameni Str., 24A/10,
Astrakhan,
414000, Russia
tel: +7 (8512) 31-14-00, 31-14-99
fax: +7 (8512) 31-14-91
e-mail: Astrakhan.reception@cpcpipe.ru

CPC-R, REPUBLIC OF KALMYKIYA

Suite 608, V.I. Lenina Str., 255A,
Elista, 358000, Russia
tel: +7(84722) 4-13-89
e-mail: Elista.reception@cpcpipe.ru

CPC-R, WESTERN REGION

Budennogo Str., 117/2,
Krasnodar, 350000, Russia
tel: +7 (861) 216-60-00
fax: +7 (861) 216-60-90
e-mail: Krasnodar.Reception@cpcpipe.ru

CPC-R, STAVROPOL TERRITORY

Suite 208, Ryleeva Str., 7,
Stavropol,
355000, Russia

CPC-R MARINE TERMINAL

Marine Terminal, Primorskiy okrug,
Novorossiysk, 353900, Russia
tel: +7 (8617) 64-25-52
fax: +7 (8617) 64-25-51
e-mail: MarineTerminal.reception@cpcpipe.ru

CPC-R, NOVOROSSIIYSK

Vidova Str., 1A, Novorossiysk,
Krasnodar Krai,
353900, Russia
tel: +7 (8617) 61-15-64
fax: +7 (8617) 61-26-90
e-mail: Novorossiysk.reception@cpcpipe.ru



During the Day of Knowledge, in the framework of implementation of the CPC to the First-Grade Pupils Charitable Program, over 9,300 children living in the regions, in which the oil pipeline route is running, were presented with the school bags complete with all required school supplies for a total amount of over 24.2 mln rubles