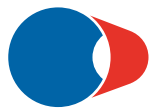
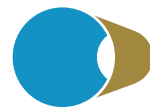


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Caspian Pipeline Consortium Corporate Edition

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***In Focus:
Safety***

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QUOTE OF THE ISSUE

"Think good thoughts and good deeds will ripe."

Leo Tolstoy

5000th Tanker Loaded!

ON FEBRUARY 27, 2018, THE CASPIAN PIPELINE CONSORTIUM PASSED A CRUCIAL MILESTONE IN ITS HISTORY. 5000TH MARINE TANKER WAS LOADED AT THE CPC MARINE TERMINAL. THE TANKER CALLED NAUTILUS OWNED BY TENGIZCHEVROIL BECAME MILESTONE.

The Company management monitored the loading operation during the video conference call from the Moscow office. Nikolay Gorban, CPC General Director, Dennis Fahy, CPC First Deputy General Director, Kaigeldy Kabyldin and Mikhail Grishankov, Deputy General Directors, and Serikkali Murinov, Consultant, Oil Movements and Commerce, participated in the video conference with Novorossiysk.

A great moment. On the screen, there are Oleg Ivanishchev, Regional Marine Terminal Manager, and Igor Mishchenko, CPC Head Dispatcher. The monitor displays the actual data of the SCADA system, among which there is figure 4999 – the number of tankers processed at the Consortium's oil port since October 2001.

Before the loading operation, Nikolay Gorban congratulated every member of the video conference call and highlighted the loading of the 5000th tanker as a notable

event. "Think about this figure: over 530 million tonnes of crude oil has been shipped at the Marine Terminal so far, with everything done to the highest industrial and environmental safety standards and with the strictest observance of occupational safety rules. It is a significant achievement, all our close-knit and highly professional team, both in Kazakhstan and in Russia, can be justifiably proud of it," said Nikolay Gorban.

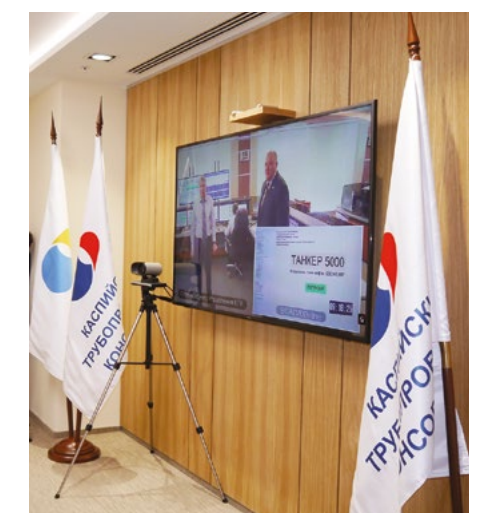
The General Director of CPC accepted the report of the Regional Marine Terminal Manager and gave the command to commence the loading.

Handshakes and joyful mutual congratulations of those present remain left off-screen. CPC has new milestones ahead.

It is worth noting that over 17 years have passed since loading of the 1st and the 5000th tanker.

About 100 tankers were shipped during the first year of the CPC pipeline system operation. In 2008, the 1500th tanker was handled, and in 2013 – the 3000th. In February 2016, the 4000th tanker was handled at the Marine Terminal, and in a short time, CPC surpassed the mark of 5000 oil tankers. The Consortium increases efficiency of its pipeline system onward and upward. ■

CPC Press-Service



The Most Prosperous Year

IN FEBRUARY, IN MISTRAL MOSCOW HOTEL, CPC OPERATIONS DEPARTMENT REVIEWED THE RESULTS OF 2017 – THE MOST PROSPEROUS YEAR IN THE CONSORTIUM'S HISTORY. OVER THE REPORTING PERIOD, THE MAIN CPC PERFORMANCE FACTOR HAS GROWN UP BY UNPRECEDENTED 24 %.



Dennis Fahy



Alexey Mingareev



Igor Lisin



Oleg Ivanishchev



Sarsembay Murinov



Ivan Sharay



Vladimir Shmakov



Awarding Sergey Potryasov,
Western Region Manager

"The company always shoots for the stars and achieves meaningful results in its operations," noted CPC First Deputy General Director Dennis Fahy at the meeting opening.

In 2017, the Consortium completed the Tengiz–Novorossiysk Pipeline

Capacity Expansion Project and commissioned six new pump stations: A-PS-4A and A-PS-5A in the Astrakhan Region, PS-8 in the Krasnodar Krai, PS-5 in the Stavropol Krai, A-PS-3A in Kazakhstan, and PS-2 in Kalmykia, which successfully passed the stage of comprehensive testing and was put into pilot operation.

To operate the constructed facilities, the CPC team was enlarged with hundreds of new highly skilled professionals.

"More experienced employees should always and in all ways set an example for newcomers in the field of corporate culture, occupational and industrial safety standards. The Consortium has developed all necessary policies and regulations; however, personal example is no less important.

The collective success is a combination of success at every station and at every workplace," Mr. Fahy reminded.

According to Vladimir Shmakov, General Manager for Operations, one of the key factors for increasing efficiency of the pipeline system operation was further development of interaction among various structural units of the Company. In 2017, integration of occupational health and safety management system with the environmental monitoring system was accomplished, which significantly strengthened the interaction among all divisions.

Alexey Mingareev, Deputy HSE General Manager, stated that the commissioning of numerous new facilities produced no additional impact on the environment.

"The new process facilities are high-tech and environmentally friendly, so that their operation did not affect pollutant emission dynamics," said Alexey Mingareev.

Efforts by the management, Shareholders and Consortium personnel were duly appreciated by experts. In 2017, for the first time ever, CPC was included in the environmental responsibility rating of oil and gas companies in Russia, and immediately made the top three companies in terms of environmental impact.

49.6 million tonnes of oil out of 55.1 million tonnes pumped in 2017 through the Consortium pipeline system came from Kazakhstan. As CPC Eastern Region Manager Sarsembay Murinov noted, this figure was 8.8 million tonnes or 21.6 % up year-on-year. PS Tengiz received about 28.7 million tonnes (an increase of 4 %). PS Atyrau pipeline system received 20.8 million tonnes, 57.8 % higher than in 2016. In general, if we take the figures of 2013 as a basis, the efficiency of the Expansion Project and new facilities commissioning in 2017 in the Kazakh section was 73 %.

"In the area of responsibility of the CPC Central Region, oil transportation in 2017 was 53 million tonnes. The commissioning of new facilities led to the expansion of the region's staff by 59 specialists who were properly trained and certified in the field of occupational, industrial and fire safety," reported Regional Manager Ivan Sharay. Emergency drills and training were

conducted as scheduled. In August 2017, the largest comprehensive emergency response drills were conducted with forces of CPC-R Central Region and the Chief Directorate of the Ministry for Civil Defence, Emergency Management and Natural Disasters Response of Russia for the Republic of Kalmykia. Over 200 people and 45 pieces of equipment were involved in this event.

Sergey Potryasov, Western Region Manager, said that the main achievement of CPC Western Region was incident and injury free work. In 2017, CPC Western and Eastern Regions closely reached the milestone of 18 million incident-free hours. During the year, 132 fire drills were conducted in the Western Region, which involved fire crews and volunteer firefighters.

PS-5 and PS-8 commissioning allowed increasing oil transportation volumes in the area of responsibility of the Western Region by 25 % up to over 55 million tonnes.

Furthermore, the number of tankers loaded at the Marine Terminal increased by a quarter in 2017. As Marine Terminal Regional Manager Oleg Ivanishchev reported, 524 oil tankers set sails from the Single Point Mooring, 89 tanks more than in 2016.

During the meeting of the Operations Department, the results of the Consortium's regions performance efficiency were summed up.

Equipment reliability, compliance with the occupational and fire safety standards, functioning of the management system, etc. were taken into account. On the basis of all factors, the team of the Western Region was best performing in 2017.

First Deputy General Director Dennis Fahy presented Sergey



The meeting attendees evaluated
specimen of PPE clothes for CPC
employees

Potryasov, Regional Manager, with a Certificate of Appreciation.

It remains to be added that all questions and proposals submitted by the meeting attendees have been thoroughly and comprehensively studied by the Department heads and specialists, which will allow increasing the production performance and work efficiency of the CPC team. ■

by Pavel Kretov



Global Reach of Shell Oil and Gas Projects

LAST YEAR, SHELL GROUP, ONE OF THE CPC SHAREHOLDERS, CELEBRATED 125 YEARS OF ITS OPERATION IN RUSSIA. COOPERATION BETWEEN RUSSIAN COMPANIES AND SHELL THAT BEGAN AT THE CLOSE OF THE 19TH CENTURY IS SUCCESSFULLY CONTINUING TODAY.

IN COLLABORATION WITH RUSSIA

In August 1892, Marcus Samuel Jr., a future founder of the Shell Group, organized supply of kerosene from Batum, a part of the Russian Empire then, through the Suez Canal to the Southeast Asia. The Murex high-capacity tanker built specifically for this purpose was not only distinguished in terms of technical innovations,

but was also one of the safest carrier ships of that time.

Since then, the fates of Russia and Shell have got closely intertwined. Thanks largely to the Russian oil, at the beginning of the 20th century, the company turned into the largest oil group of companies. During the World War II, Shell's tankers, as part of the maritime convoys of the Allied countries, delivered fuel and oil products to the Soviet ports

on lend-lease. In the new millennium, with Shell involved, Russia opened the Asian energy market, mastered innovative technologies of drilling, and oil and gas extraction.

WITH SHELL INVOLVED

The Group became a shareholder of the Caspian Pipeline Consortium in the 90s of the last century. The total share of Shell in CPC is 5.5 % (including 3.75 % in the joint venture with Rosneft Oil Company and 1.75 % of direct participation).

Other major oil and gas projects of Shell in Russia are the joint development together with Gazprom Neft, PJSC of the Salym oil deposits in the Khanty-Mansi Autonomous



Sakhalin-2 production facilities



Okrug in Western Siberia, and Sakhalin-2, a joint integrated oil and gas project.

Sakhalin-2 is the largest private investment project in Russia.

For hydrocarbon extraction, international partners installed three offshore platforms, laid 300 km of offshore and another 1,600 km of onshore pipelines.

The oil and gas pipelines are installed from the Piltun-Astokhs-koye field in the north of Sakhalin through the Onshore Processing Facility (OPF) to the south of the island, where the Liquefied Natural Gas (LNG) Plant and Oil Export Terminal are located. The maximum diameters of pipelines come to 610 and 1,220 mm for oil and gas pipelines, respectively.

Routes of steel arteries pass along one channel. Each pipeline is laid in its trench (with backfilling of at least 0.8–1 m over the pipe). The external surface of the pipelines has a three-layer polyethylene coating for external corrosion protection. Where pipelines cross active tectonic zones, special routing methods are used in case of seismic activity.

Control is performed using a modern leak detection system. Along the pipeline route, there are six emergency response centers and 104 block valve stations installed.

The central part of the Sakhalin-2 project is the first LNG plant in Russia forming part of the Prigorodnoye Production Complex in the south of the island, on the Aniva Bay coast.

Natural gas is processed in two identical production lines, or runs, as they are called in the oil and gas industry, producing over 9.6 million tonnes of LNG per year. The Production Complex also includes oil and LNG storage tanks, 480-MW power plant, LNG loading jetty and Single Point Buoy for loading oil to tankers.

OFFSHORE...

Shell Group is a shareholder of the important oil transportation projects of the Old World. For example, the company participates in the operation of the Transalpine oil pipeline (TAL). The starting point of this mainline is the sea oil port of Trieste, the largest one in the Adriatic Sea. The marine terminal facilities include two jetties with two berths in each. Jetty No. 2 can

operate – pressurized air constantly fed into perforated pipes laid all round the ship on the seabed creates bubble protection of the surrounding aquatic environment from oil leakage.

... AND ONSHORE

A Tank Farm consisting of 32 floating-roof storage tanks with aggregate capacity of more than 2 mln m³ is located 5 km away from



Transalpine oil pipeline

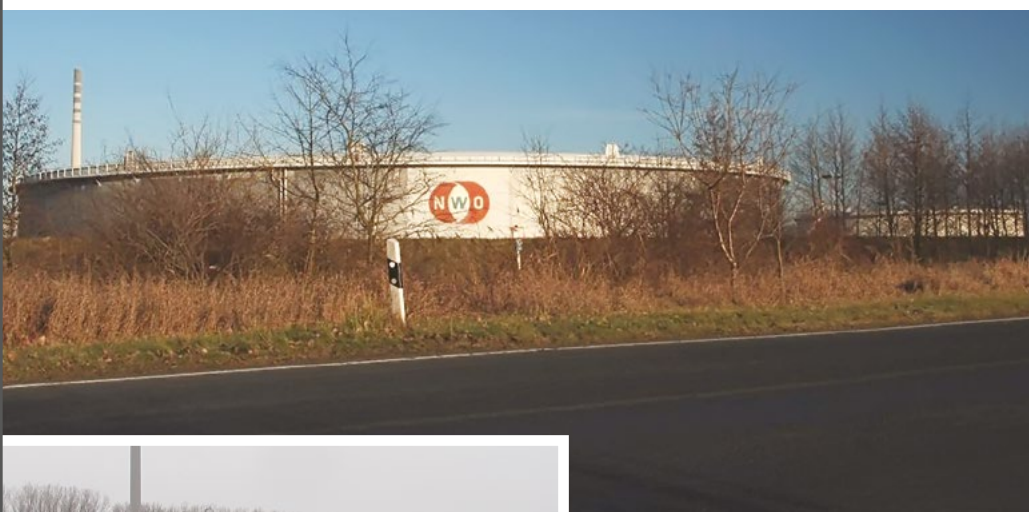
receive tankers with deadweight of over 200 thousand tonnes.

The port is equipped with a reliable oil spill detection, prevention and response system. In the maritime zone, a whole range of monitoring devices is used, including an infrared surveillance system that continuously monitors the port waters. If there is an oil spill, it will be detected due to temperature change.

During unloading in Trieste, tankers are not surrounded by booms, as in Russian ports. When a signal is received about an offshore emergency, the so-called bubble protection system automatically

the port. Due to particularly dense development and lack of free areas, the Italian regulatory requirements differ from the Russian ones.

Since it is not the mixture that is pumped through the Transalpine pipeline, but crude batches with different characteristics, they are distributed among groups of tanks in the Tank Farm. »



Northwest pipeline

land proprietors are registered along the pipeline route). Therefore, the oil from the section under repair is displaced by nitrogen to the nearest block valve station, and thus they do without temporary oil storage, i.e. oil pits used in Russia.

Having passed 465 km through the territory of three European

Republic of Germany capable of receiving tankers with tonnage of 250 thousand tonnes and draft of 20 m. Oil carriers pump crude oil into the pipeline system using their own pumps. The unloading speed is up to 16 thousand m³ per hour, while, as a rule, even the largest tankers complete this operation in a day.

The total capacity of the Tank Farm consisting of 35 tanks is up to 1.6 million tonnes of oil. Throughout the year, up to 30 different grades of oil can be stored here. All tanks are equipped with floating roofs, which have primary and secondary seals for sealing. Each of them is surrounded by an earth bank of heavy clay soil of sufficient height to receive and pump out the entire amount of oil in the tank.

There are two oil pipelines laid from Wilhelmshaven within the NWO pipeline system. The first 391 km long pipeline (including branches to the refinery) ends near Cologne and supplies several large refineries with oil. In total, three pump stations

At the same time, they try to immediately duct sulfur impregnated oil with a strong odor to the pipeline.

The total TAL length is 753 km, 21.5 km of which pass through five tunnels.

The pipeline route runs from Trieste through the province of Udine to the north. In the area of the Plöcken Pass, surmounting the Carnic Alps, TAL crosses the Italian-Austrian border. Then the mainline passes through the Gail Valley and reaches its highest point, 1,572 m above the sea level, in the area of East Tyrol. At this point, the pipeline runs in the specially constructed seven-kilometer tunnel of Felbertauern.

The oil pipeline repair in the tunnel of Felbertauern is carried out by replacing spools during scheduled mainline shutdowns. During repair it is taken into account that land allocation in the European Union is extremely expensive (about 10,000

countries, the Transalpine oil pipeline reaches Ingolstadt (Germany).

From there, two pipelines with a length of 266 km and 22 km run to the end points: German cities of Karlsruhe and Neustadt, respectively. It should be noted that TAL's capacity is 37 mln tonnes of oil per year.

THE QUINTESSENCE OF ADVANCED TECHNOLOGIES

Shell also participates in the Northwest Pipeline operation (NWO) located in Germany. The head structure of the mainline is the Marine Terminal Wilhelmshaven – the only large deep-water port in the Federal

pump about 15 million tonnes of oil per year. The second oil pipeline with a length of 144 km and capacity of about 4.5 million tonnes delivers crude oil to the refinery near Hamburg.

For many decades of work in different parts of the planet, Shell has accumulated a rich production and organizational experience in participating in oil and gas projects. Many advanced practices of this large and successful company have been adopted by CPC, in the operation of which the Group is actively involved. ■

by Pavel Kretov



On February 15–16, 2018, CPC General Director Nikolay Gorban took part in the 2018 Russian Investment Forum. In the course of the event, Mr. Gorban had meetings with Alexander Zhilkin, Governor of the Astrakhan Region, Alexey Orlov, Head of the Republic of Kalmykia, Vladimir Vladimirov, Governor of the Stavropol Krai, and Igor Dyachenko, Mayor of Novorossiysk. The parties discussed the progress of large-scale charity programs implementation with the Company's financial support.

On February 27–28, CPC-R Board of Directors and CPC-K Extraordinary General Meeting of Shareholders were held in Moscow. Reports were given on the Company's business and operations and HSE performance, and results of the Expansion Project implementation were finalized.

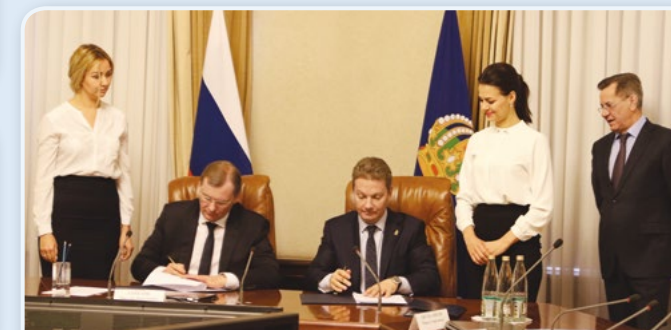
On March 12, the Consortium handed over the LAZURIT laser surgery system to municipal hospital No. 1 of Novorossiysk priced at RUB 7.4 mln. This equipment will help significantly expand opportunities of the doctors in treatment of complex urologic diseases.



On March 12, five school buses were handed over to the village schools of municipal education of the city of Novorossiysk. The cost of the vehicles purchased with CPC charity funds totaled almost RUB 22 mln.



On March 13–14, Nikolay Gorban made working visits to PS Kropotkinskaya and PS Astrakhanskaya where he inspected the PS's equipments, held meetings with the Western Region and contractors, and launched an unscheduled check of personnel and contractors emergency preparedness.



On March 15, Nikolay Gorban and Alexander Zhilkin signed a charity agreement for the purchase of an angiographic X-ray unit priced at approximately RUB 45 mln for the Aleksandro-Mariinsky Regional Clinical Hospital. The delivery of the angiograph is expected in June.



On March 15, the Consortium officially handed over a comfortable Scania Irizar K440EB bus to the Astrakhan State Ensemble of Singing and Dancing. The cost of the bus is RUB 25 mln.

Half Century in the Oil Industry

THE NAME OF VIKTOR MENSHENIN IS WELL KNOWN NOT ONLY IN CPC, BUT ALSO AMONG THE SPECIALIST – OIL PIPELINERS IN RUSSIA AND KAZAKHSTAN. OVER HALF CENTURY OF EXEMPLARY WORK IN THE INDUSTRY, HE MADE A GREAT CONTRIBUTION TO THE DEVELOPMENT OF THE OIL TRANSPORT SYSTEM OF BOTH COUNTRIES.



Alexander Zhilkin, Governor of the Astrakhan Region, is giving award to Viktor Menshenin. May 2017

At the end of December 2017, Alexander Novak, the Minister of Energy of the Russian Federation, signed a decree on awarding Viktor Menshenin with the highest departmental labor insignia: Fuel and Energy Complex Honorable Employee.

The whole work history of Mr. Menshenin is connected with work at the main oil pipeline facilities. In 1971, after graduating from the Ufa Petroleum Institute, he joined the Balykshi District Oil Pipeline Agency of the Trunk Pipeline Directorate Glavtransneft (now Transneft, PJSC) in Guriev. The young engineer of the operations department

quickly showed outstanding managerial skills and leadership potential. At the end of the 1980s, he was entrusted with managing construction and commissioning of the Astrakhan-Mangyshlak water line. This large engineering construction with a capacity of 91 million tonnes per year provided water to the most important oil producing regions of Western Kazakhstan. Mr. Menshenin introduced and improved technologies to prevent internal pipeline corrosion, thanks to which this steel artery still functions efficiently, maintaining performance characteristics and excellent reliability.

In 1988, Mr. Menshenin headed the construction supervision service for the Tengiz-Astrakhan-Grozny main oil pipeline designed for oil delivery from Western Kazakhstan to the North Caucasus (a part of this pipeline was later included in the CPC pipeline system). Work carried out in the late Soviet period was connected with real challenges. Mr. Menshenin showed his executive talent and ability at all times find a way out of the most difficult situations. In 1992, the main oil pipeline was commissioned.

At the cusp between the nineties – noughties, Viktor Menshenin worked at CPC. First, he was in charge of construction and upgrading of the Tengiz-Novorossiysk oil pipeline facilities, and after commissioning, he became the manager for operations and maintenance

of the linear part of the pipeline, with an area of responsibility from 452 to 952 km of the mainline. It is a complicated area with an underwater line crossing the Volga and at first with two pump stations: PS Astrakhanskaya and PS Komsomolskaya. At that time, in-line inspection was successfully carried out on the main oil pipeline, a program was prepared and systematically implemented to eliminate



At PS Astrakhanskaya



revealed defects, improve equipment reliability, and the territory of the oil pipeline route was landscaped.

In the first years of CPC oil pipeline operation, the priority objectives of the Operations Groups were preventing equipment downtime, reducing the time required for repair, and using properly drag reducing agents. Being a close-knit team, the CPC staff achieved annual pumping of up to 32.6 million tonnes of black gold with the phase 1 designed capacity of 28 million tonnes of oil per year. A significant contribution to achievement of these targets was made by Viktor Menshenin, Operations Manager, CPC Central Region.

From the beginning of the CPC Pipeline Capacity Expansion Project, Mr. Menshenin was again in the thick of things. In June 2012, he headed a start-up group for the facilities of the Consortium Central Region. He supervised refurbishment of PS Astrakhanskaya and PS Komsomolskaya during the first phase of the Project. In that period, four electric motors were replaced, new custody metering unit, surge relief system and auxiliary facilities were built at PS Astrakhanskaya. At PS Komsomolskaya, the contractors installed two additional gas turbine pumps, two floating-roof storage tanks, a custody metering unit and other

constructions. It is noteworthy that all this work was carried out with existing facilities in operation, without interruption in oil transfer. Viktor Menshenin supervised construction and installation, installation of sophisticated equipment, individual tests, filling with oil and equipment start-up with oil.

Colleagues recall that the major difficulties were faced when starting up turbo pumps at PS Komsomolskaya. During the tests, installation errors were revealed. Using the experience and knowledge gained over many years of work with CPC, Viktor Menshenin was able to promptly solve all the problems acting jointly with the specialists of the Consortium Operations Department, Control and Communication Systems Group, construction contractor, representatives of the design institute and equipment supplier.

The implementation of the second and third phases of the Expansion Project also required a responsible attitude from everyone involved in the construction. Viktor Menshenin controlled start-up and commissioning of PS-3 and PS-2 in the Republic of Kalmykia, A-PS-4A and A-PS-5A in the Astrakhan Region. Mr. Menshenin effectively organized follow-up control of construction and installation: punch lists were prepared on time,

and non-compliances removed. He also participated in the development and adjustment of PS control system philosophies, in circuit testing from field devices to control system equipment. He supervised the tests of main electric motors, and preparation of operational documentation (operation manuals,



Viktor Menshenin, Oleg Sadovsky and Viktor Sutyagin

process flow diagrams, regulations) for start-up of mainline pumps in compliance with the integrated testing program for equipment and systems of new pump stations in the Central Region of CPC.

In the recommendation for promotion to the distinguished title of Fuel and Energy Complex Honorable Employee of the Ministry of Energy of the Russian Federation, it is said as follows:

“Viktor Menshenin made an invaluable contribution to the preparation for the commissioning of pump stations located in the Republic of Kalmykia and the Astrakhan Region, which is of great importance not only for the regions, but for the entire country.” ■

by Pavel Kretov



With colleagues at the CPC Expansion Project facility



At drills of the CPC Central Region staff

Mission: A Corporate Trainer

AT THE END OF 2017, THERE WAS HONORING OF THE CONSORTIUM'S REGIONAL SPECIALISTS IN A FUNCTION RATHER STRANGE FOR THEM – EDUCATORS. THE BEST CORPORATE TRAINERS WERE PRESENTED WITH LETTERS OF GRATITUDE AND DEAREST FIGURINES.



The Training Group, that has put forward the idea of organizing in-company training and supervises corporate trainers, decided to reward the best of them. Based on the results of the training held over the past five years, nominations were singled out, in which the winners were the trainers who trained the biggest number of employees, organized the maximum number of events, prepared their own training courses from scratch, had more training hours than the rest, and received the greatest feedback from their colleagues.

WE CAN DO IT OURSELVES

The in-company training was formally approved in April 2015,

but had appeared much earlier. It allowed the Company to train its own highly professional technical experts capable of not only training other specialists in a short time and with saving to the budget, but also helping in case of force majeure on the production site.

At the opening stage of the Expansion Project, there was a need to hire a big number of personnel who were to be quickly introduced to the equipment and production processes of CPC. It was then that the Training Group decided to entrust the Company's engineers with this mission because they could act as technical experts in the process of

developing training courses, and as real trainers.

"When we received the complete matrix of the required training, I referred to our specialists: chief mechanic, chief electrician, and manager for instrumentation operation and maintenance with a question about the complexity of new equipment and whether it was critical that we trained on equipment handling not in training centers, but with the help of corporate trainers", recalls Alexandra Utrobina, Head of the CPC Training Group. "They told me: 'Our engineers are able to cope with this and that equipment, and they will first be trained in manufacturer's training centers.' So, it became customary. As a result, we defined the topics to be introduced in the form of in-company or cascade training: we send an engineer for training at the equipment or technology manufacturer, and then this engineer trains the operating staff."

KILL TWO BIRDS WITH ONE STONE

A course program prepared by a technical specialist of the Consortium is normally agreed upon between the training manager and the main internal customer: a head of personnel to be trained. However, before entrusting corporate trainers with giving classes, they are preliminarily trained. Moreover, in 2018, the Training



Alexandra Utrobina: "We train good technical specialists, who, in turn, train their colleagues"

Group plans to introduce methodological training of corporate trainers that will allow them to improve their "teaching" qualification.

With regard to topic-based training, there are possible options: a Consortium specialist goes to an equipment manufacturer, gets knowledge himself/herself, and then prepares a course program based on modification of the on-site equipment, or, having completed training in his/her region, trains colleagues, including those from other regions.

"Since engineers who supervise the station operation often act as corporate trainers, they are also directly interested in proficiency of employees to avoid emergencies", remarks Alexandra

system. It is quite natural that such an experienced employee was entrusted with the initial training of newly employed shift supervisors and with giving support to intern dispatchers for the linear part. As a trainer, he is entrusted with familiarizing employees with the latest regulatory documents, training instructions, flow charts, new pipeline operation modes, equipment behavior, as well as organization of interaction between the dispatcher and shift supervisor.

"Alexander is always ready to fill the gaps in knowledge. He acts as a trainer not only for other departments, but also for the department he works at", says Alexandra Utrobina about Alexander Nosov. "He was involved as a researcher, participated in factory tests, and

We defined the topics to be taught in the form of internal cascade training

Utrobina. "The better they teach their employees in the beginning, the fewer problems they will have in future as engineers."

An engineer trained at a more advanced level already knows not only how to operate the equipment, but can also do maintenance and repairs. We kill two birds with one stone – we train good technical specialists and our own trainers.

In addition, corporate trainers mean great support for the Training Group: they can help in tests development, and, if necessary, they can act as experts."

EXPERIENCED TRAINER

Alexander Nosov, the lead dispatcher for the linepipe and the winner in three nominations, was employed in 2001 – before the first oil was delivered to the Tengiz – Novorossiysk pipeline

checked the SCADA system operation as an internal customer. He is the main technical expert giving support to dispatchers."

Those who had luck to interact with Alexander can confirm that he is not only a competent technician, but also an eloquent narrator – when you listen to him talking about the oil pipeline control system, dispatching service, and work of his colleagues you can't help but experience his religion.

"I began to get involved in the process of in-company training and checking knowledge of shift supervisors as part of the annual training even before the start of the Expansion Project", says Alexander Nosov. "Why did I decide to get involved? Because I am convinced that dispatching links operation groups of all regions. In addition, people who come to us from different companies have their own invaluable experience. That is why

for me it is also a mutual knowledge sharing".

DO NOT WAIT BY THE SEA FOR THE WEATHER

Sometimes there are situations when cascade training is impossible. This was the case, for example, when PS Kropotkinskaya received new process equipment under the Expansion Project, but because of the refusal of its



Alexander Nosov

supplier, the training provided for in the supply and start-up contract was not performed.

"Alexey Lubimov is the very person who did not wait by the sea for the weather and developed himself an electronic course called 'Specifics of Operation and Maintenance of Surge Relief Systems'", Alexandra Utrobina proudly says about the senior mechanical engineer of the Western Region. "As a result, colleagues from other regions came to him to study, and then to teach this course at their stations."

Alexey, a winner in five nominations at once, not only proved himself a real researcher, having thoroughly studied the principles of working with this equipment »

during installation and start-up, but also responded with pleasure to the proposal of Viktoriya Shishkina, regional training specialist, to try himself in the role of a corporate trainer educating personnel of newly commissioned oil pump stations on Surge Relief Systems.

“I prepared a presentation, conducted training”, Alexey shares his experience. “Later on, I began to give a new course on operation

asked, the answers to which were then included in the program of subsequent courses.”

By the way, all corporate trainers try to have creative approach to the process of their colleagues teaching, so that complicated technical information is perceived easily and to the maximum extent possible. At the same time, they act as real teachers with their own methodological base and training package: a course program,

Our target is to shorten the time for a specialist to reach 100 % performance

of booster pumps and cooling systems for electric motors of mainline pumps.”

At the same time, Alexey always tries to structure the learning process in such a way as to allow for a dialogue, which, according to him, allows a person to progress and get a deeper insight into the subject. “With each course, thanks to the audience, there were new interesting questions

compendium of lectures, presentations, etc., as in any higher educational institution.

GOOD MOTIVATION

“In production, there is such term: ‘reaching 100 % performance’, when a person starts working as efficiently as possible, fully unlocking his/her potential. So, our goal is to shorten the time for a specialist to reach



Alexey Lubimov and Sergey Potryasov

one-hundred percent performance”, concludes Alexandra Utrobina.

This is the main difference between internal training and mentoring, which has long been used in companies as a method of staff developing and introducing into the profession. A mentor introduces into the profession those people who do not have experience and sufficient skills, as a rule, fresh graduates of specialized universities. The in-company training is meant for skilled, professional people who are not yet familiar with the specifics of certain equipment. Perhaps, such specialists could master it themselves, but it would take much time.

This format of training is a good motivation for the trainers themselves. As a rule, they all show high performance, constantly improve their level of knowledge and gladly share their experience with colleagues. Moreover, it is always pleasing to know that your work is appreciated, they have confidence in you as a professional, colleagues give ear to you, and there is now one more award in your collection. ■



A corporate trainer is conducting a training course

by Ekaterina Krapivko

An Alarm at the Pump Station

ON MARCH 15, 2018, NIKOLAY GORBAN, CPC GENERAL DIRECTOR, CARRIED OUT AN INSPECTION VISIT TO PS ASTRAKHANSKAYA, DURING WHICH HE MADE AN UNSCHEDULED CHECK OF PERSONNEL AND CONTRACTORS PREPAREDNESS TO POSSIBLE EMERGENCIES.



There are no trifles when it comes to facilities safety! Everything is important: from people's preparedness and equipment readiness to required documentation availability

due to leaking from a pig launcher/receiver. Having received the drill scenario, the PS Astrakhanskaya Shift Supervisor gave an accident report to the CPC Operations Control Center in Novorossiysk, CPC-R Central Region officials, and Starstroj, LLC contractor dispatcher.

The PS shift personnel took all necessary actions to isolate the damaged area, drain oil from the pig launcher to the drainage tank and contain the oil spill.

In addition, a fire drill was conducted under the scenario that there was a fire on the drainage tank in the mainline pump room. The PS was deemed shut down, personnel not involved in extinguishing the “fire” were evacuated, and the fire station with a crew

was deployed. During the fire, the proper performance of the PS shift personnel, fire crew and voluntary fire brigade, operation of the fire equipment and PS fire fighting system were checked.

On arrival of the main forces of the Astrakhan Emergency Response Station (ERS), Nikolay Gorban selectively checked the technical condition of vehicles and emergency equipment, availability of accompanying documentation and permits.

Following the drill, CPC General Director noted the reliable operation of the equipment, high professional skills of PS Astrakhanskaya personnel and contractors' representatives. ■

by Pavel Kretov



Evgeny Malyshev:

«Our Goal is to Protect the CPC Offshore Facilities from External and Internal Threats»

THOUGH WE CELEBRATE THE OILMAN'S DAY AS OUR PROFESSIONAL HOLIDAY, CPC IS A TRANSPORTATION COMPANY. THEREFORE, EACH EMPLOYEE SHOULD HAVE AN IDEA OF TRANSPORTATION SECURITY. WE ASKED EVGENY MALYSHEV, TRANSPORTATION SECURITY MANAGER, CPC-R SECURITY SERVICE, TO PROVIDE US WITH DETAILS ON THE ISSUE.



Evgeny Malyshev

“Mr. Malyshev, could you please explain what transport security means?”

“The issue of marine transport security enhancing was first raised by the International Maritime Organization (IMO) in December 2002 in connection with the terrorist attack of September 11, 2001 in New York. The statistics of the terrorist attacks implemented and analysis of facility vulnerability in various spheres of

human activities have shown that seaports and their elements, as well as sea craft are the most vulnerable to the terrorist threat.

The result of reviewing this problem was the publication by IMO of additional chapter XI-2 of the International Convention for the Safety of Life at Sea, 1974, and the International Ship and Port Facility Security Code. The new chapter defined a number of measures that marine terminal operators and shipping companies had to implement.

In 2007, the Federal Law on Transport Security was published in the Russian Federation, which

expanded the range of transport facilities subject to requirements for anti-terrorist security, tightened and defined in more detail requirements to ships and marine terminals, defined the criteria applicable to the personnel responsible for securing safety of ships and marine terminals.

Thus, the semantic content of the term “transportation security” is as follows: a set of organizational and technical measures (including preventive measures) aimed at preventing development of conditions for successful implementation of acts of unlawful interference, including acts of terrorism.



The requirements for ensuring transportation security are governed by Federal Law of the Russian Federation No. 16-FZ dated February 9, 2007 “On Transport Security”, as well as by a number of Decrees of the Russian Government and departmental statutory acts of the Ministry of Transportation of Russia.

As for the facilities operated by CPC-R, the transportation security requirements apply only to the transportation facility Marine Terminal – Onshore Facilities.”

“What are the specifics of arrangement of work on transportation security at the CPC Marine Terminal?”

“The arrangement of work to ensure transportation security of any transportation facility is primarily related to its structure and transshipment of cargo.

The CPC-R transportation facility includes a water area section and coastline. If implementation of transportation security requirements at the coastline does not imply any non-standard solutions, the situation is quite different with the water area section.

This is due to the following. First, there are Single-Point Moorings (SPMs) in the water area, which

cannot be equipped with any engineering enclosures that, on the one hand, allow protecting SPM, and, on the other hand, providing an acceptable mooring time for tankers and thereby reducing financial costs.

Secondly, when a small intruder vessel appears, it is impossible to rapidly intercept it without taking measures together with the crew of the tanker moored to the SPM. Thirdly, a large distance from the shore to the SPB makes it difficult to visually

Therefore, our transportation facility is equipped with special technical means, which allow monitoring the water area owned by the Consortium 24 hours a day in all weather conditions. Without revealing the specifics of the technical means, I will note that the mentioned means allow detecting small vessels in the whole section of the water area.

Intruders are detained and subsequently handed over to the territorial

The CPC-R transportation facility includes a water area section and coastline

inspect the water area, especially at night or in bad weather conditions. Another factor is that in the immediate vicinity of the SPB, there are recreational areas (resort villages of Shirokaya Balka and Yuzhnaya Ozereevka). They have a common area status and there is a large number of holiday-makers especially in summer. Some of them, mainly due to the lack of knowledge of the transportation security legislation requirements, are potential intruders who try to enter the transportation facility security zone from time to time.

units of federal executive bodies by the maritime patrol, which is a part of a duty shift of the transportation security unit.”

“Could you please tell us, if possible, about the Security Service specialists involved in the transportation security issues? What is their qualification, what kind of experience do they have?”

“The majority of the Service specialists, directly or indirectly, deal with development of measures to ensure the transportation facility security, »



The International Maritime Organization is a specialized agency within the UN system in the field of maritime security and marine environmental protection. In February 1948, the UN Conference on the Law of the Sea adopted the Convention on the International Maritime Consultative Organization (IMCO), which was transformed into the International Maritime Organization (IMO) in 1982. The Convention entered into force on March 17, 1958. In January 1959, the first session of the Assembly was held, and from that moment Russia participates in the work of IMO. The UN Convention on the Law of the Sea of 1982 prescribes the States, directly or through competent international organizations, to promote the establishment of generally accepted guidelines, criteria and standards in the sphere of marine technology (Article 271).





the Moscow office and at the Marine Terminal?”

“Transportation security of the transportation facility Marine Terminal – Onshore Facilities is ensured by the duty shift of Min-trans of Russia Extradepartmental Protection Directorate, Federal State Unitary Enterprise. The top-priority goals of the duty shift within the boundaries of the transportation facility security zone are ensuring access and internal security regimes, detecting preconditions of commitment and preventing implementation of acts of unlawful interference, responding to a committed act of unlawful interference with the purpose to minimize losses, primarily losses in manpower.

The powers of the transportation security unit are quite large. According to the laws of the Russian Federation, they include inspection of individuals (including personal search) and vehicles, detention of violators, and use of firearms.”

“What are the external threats for the transportation facility in this difficult time from the point of view of terrorist threat? What are the internal threats?”

“Small vessels that can be used to commit acts of unlawful interference against a tanker moored at the SPB for loading should be classified as the most dangerous external threats.

since this area of activity is inseparable from physical protection of facilities, safety of CPC personnel, implementation of access and internal security policy, and so on.

Interaction with the Federal Agency for Marine and River Transport on key aspects related to the transportation facility classification, coordination and approval of the documents developed in our company, personnel certification is performed by your humble narrator.

CPC-R specialists directly related to the day-to-day implementation of the above-mentioned measures are Marine Terminal Security Manager, Lead Security Specialist, Marine Transportation Security Specialist, and Pass Bureau Inspector.

As for the experience of the Service specialists, I can say that all of them have served for a long time in divisions and units of the Ministry of Defense, Federal Security Service and Interior Ministry of Russia. Moreover, each of them underwent additional training in their areas of focus.

Confirmation of their qualifications and ability to perform their official duties in relation to the provision of transportation facility security was successful certification of all employees in the Federal Agency for Marine and River Transport.”

“What are the objectives and powers of the transportation security unit in CPC? What issues are solved in

Simultaneous loading of two tankers at the CPC Marine Terminal requires tightened transportation security

High speed and maneuverability of modern small vessels tighten the response time of transportation security units.

To internal potential threats, only actions of the Company’s personnel can be referred. If direct intervention in the transportation facility operation (intrusion or open attack) is unlikely to happen, actions of personnel who can collude with an external intruder and provide it with an unimpeded passage or access to the transportation security zone, as well as give information on the most important elements of the transportation facility, security system structure and functioning are classified as the most dangerous.

In this case, the quality of personnel selection, including those on duty shifts of the transportation security unit, becomes the bottom line in preventing acts of unlawful interference at the transportation facility.”

“How is the interaction of the CPC Security Service with the territorial units of the Interior Ministry, Federal Security Service, and EMERCOM of Russia effected in the sphere of transportation security?”

“There are basically two areas of focus: exchange of information on protection of our facilities, and joint exercises and training. The exercises and training are held quarterly. Based on their results, the existing security system is analyzed and

directions of its improvement are developed.”

“What is the way to ensure enhancing of the transportation facility security?”

“There are several ways. They include the work with personnel aimed at preventing penetration of potential intruders into CPC-R, and work related to personal data processing, which, of course, is

conducting drills with CPC-R personnel and training with the transportation security unit duty shifts, as well as improving engineering and technical systems and transportation security tools are important.”

“What can and should each CPC employee do to enhance security of the Consortium’s facilities?”

“Observe transportation security requirements applicable to their job



performed in accordance with the applicable laws of the Russian Federation; it is the development of new and improvement of the existing procedures for implementing access and internal security regimes. Organization of training,

duties, and, of course, be vigilant. After all, security of the Consortium’s facilities also means security of the team; therefore, it is in everybody’s interests.” ■

Interviewed by Ekaterina Suvorova

A Conscious Choice of Life

IN 2011, THE CONSORTIUM PROCEEDED TO EXPAND THE CAPACITY OF THE OIL PIPELINE SYSTEM UP TO 67 MILLION TONNES OF OIL PER YEAR. THIS WAS A NEW STAGE IN THE COMPANY'S HISTORY: NEWCOMERS, NEW TARGETS, NEW CHALLENGES. ONE OF THE CHALLENGES WAS A ZERO-ACCIDENT TARGET.

LARGE-SCALE PROJECT

During the Expansion Project implementation, it was planned to upgrade 5 existing pump stations and construct 10 new stations, erect 6 tanks with a volume of 100,000 m³ each, lay the 88 km long main oil pipeline in Kazakhstan and build the third Single Point Mooring at the Marine Terminal, and these are hundreds of thousands tonnes of structural steel, thousands kilometers of pipelines and utilities, hundreds of thousands cubic meters of concrete and over 80 km of transportation facilities.

During the active construction phase, over 8,000 people and 1,000 pieces of equipment were engaged at the Expansion Project facilities.

HUMAN FACTOR

Prior to the implementation of the large-scale Project, CPC

management and Shareholders set up a target of making it unparalleled project in terms of safety in Russia.

An analysis of the injury rate in various sectors over the past 50 years has shown that 9 out of 10 accidents occur in developed countries with available regulatory documents, modern equipment, and high-quality collective and personal protective equipment. The production sector had experienced a growth spurt in occupational safety, but there still happened work-related fatalities at production sites. Based on the findings of investigations of many incidents, accidents and injuries, it was found that one of the main causes of these incidents was a human factor, that is, employee behavior.

Given that CPC had excellent HSE regulatory base at that time, it was necessary to focus on minimizing risks associated with the behavioral

factor. Therefore, the Shareholders proposed implementing the best global practices in behavioral risk management under the Project.

LEARNING EXPERIENCE

To understand how the program to minimize risks associated with the human factor works in practice, CPC representatives visited Pearl GTL, the world's largest Shell synthetic fuel plant in Qatar. For 77 million man-hours in the plant, there was not a single case of injuries that would lead to a lost workday. In 2010, it was a world record.

In 2011, the Shareholders approved implementation of a program called Incident and Injury Free (IIF) aimed at creating a conscious attitude to personal safety among all participants of the Expansion Project. CPC management faced a challenge to involve every employee in the process of developing safe environment



at the Company's facilities. "Do your job safely, or do not do it at all!" every participant of the Project had to realize this rule.

IIF program provided for the introduction of a whole set of tools aimed at creating not only high responsibility of employees to their personal safety, but also to the safety of their colleagues, relatives and friends.

SAFETY TOOLING

CPC started large-scale work on preparation of new tools to develop the Work Safety Culture, which totaled approximately 60 tools, 16 out of which will be discussed below.

Tool No. 1. At each construction site, the **Leadership Groups for Work Safety Culture** Introduction were established. They comprised work safety officers, managers, specialists and workers of CPC business units, as well as representatives of organizations involved in the Project.

In CPC Moscow office, there was also a Leadership Group organized to introduce Work Safety Culture, which included the Company's senior management, Expansion Project management, contractors' top management and specialists in various disciplines. Visiting the construction sites, the Company and the Project managers showed by personal example what safety meant for them; they gave all-round support in IIF Program implementation. The agenda of the Leadership Group meetings at the Moscow office resulted from real-life communication with participants of construction, discussion of problems and positive aspects. The Group was to determine the principal directions of Work Safety Culture development, taking into account analysis of data obtained at the construction site.

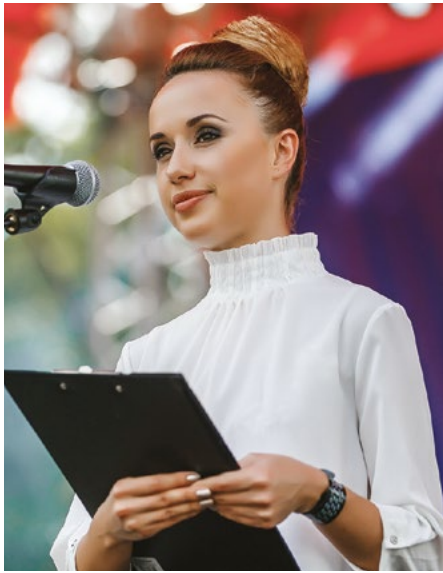
The Expansion Project management and specialists in various disciplines engaged in the Moscow office and on sites successfully completed

training and certification at the National Examination Board in Occupational Safety and Health of Great Britain (NEBOSH) and obtained HSE international certificates. In addition to the primary specialty, they gained qualifications of mentors, field instructors, and began to hold seminars aimed at developing the Work Safety Culture.

Tool No. 2. Under the Expansion Project, "12+1 Life-Saving Rules" were introduced. It is a list of basic requirements from the world practice, compliance with which can significantly minimize the injury risk.

Plus 1 Rule stands out with good reason. It reminds of the need to recognize and encourage safe behavior. After all, a "disciplinary action" means not only punishment of an employee, but also employee encouragement, which, as practice shows, is much more efficient in the context of the Work Safety Culture. »

The range of work performed under the Expansion Project is amazing!



Elena Belichenko

Tool No. 3. At the Expansion Project facilities, the **Stop Work Authority** was introduced.

According to Article 379 of the Labor Code of the Russian Federation, “For self-protection of their rights, an employee, having notified in writing the employer or line manager, or other employer’s representative, can refuse to perform work unspecified in the employment agreement, and refuse to perform work that directly threatens his/her life and health...” To exercise the employee’s right specified in this Article, there was a full course on Right to Suspend Work held at the CPC Expansion Project.

Every employee knows that no one will be rendered liable to disciplinary action, moreover, he/she will be rewarded for timely exercise of his/her Right in case of refusal to perform work in unsafe conditions or for exercise of the Right to Suspend Work.

Tool No. 4. Introductory Course. Every employee coming to the CPC Expansion Project started his/her work not only with HSE induction, but also with a four-hour introductory seminar, in which he/she got to know the fundamental concepts of the Work Safety Culture in a form

of a dialogue with the trainers. In doing so, safety became everyone’s business, and this resulted in further choice of an employee in favor of safe work.

Tool No. 5. The Expansion Project introduced a **Short-Service Employee Program** in addition to the obligatory internship. All newcomers, irrespective of their professional experience, were considered inexperienced during the first six months of work on the Project. During this adaptation period, they passed all required internal trainings, and were allocated to mentors who watched out for mentees’ behavior and introduced them to the Work Safety Culture. Each newcomer was visible at the construction site thanks to special distinctive marks.



Tool No. 6. Work Planning and Risk Assessment. Carrying out safety toolbox talks in most cases does not allow taking into account all the dangers and risks. Therefore, there was a Total Safety Task Instruction developed. This tool was actually a pre-job briefing, which was conducted in a form of group discussion of tasks assigned between workers and work responsible persons in order to identify

hazardous factors and minimize risks. Such team work gave everyone their own sense of worth, and made them understand their contribution to the safe implementation of the Project.

After training, all participants of the Expansion Project could competently use the concepts of Hazard and Risk, assess risks and apply measures to control hazards, which fact reduced probability of incidents and injuries.

Tool No. 7. Field Coaching involved support provided to workers by occupational safety engineers, line and top managers. There was a constant dialogue, and joint discussions of current work safety concerns. This helped increase the level of workers’ trust in management.

Tool No. 8. Observation of Unsafe Behavior and Unsafe Working Conditions. Presentation of results of such observations is generally acknowledged world practice. However, only engineers and technicians are usually involved in this process. By means of preparation of safety hazard observation cards, there was a mode of additional communication between workers and administrative personnel



CPC management and Shareholders are regular participants of Safety Days

introduced at the CPC Expansion Project. Any employee, regardless of their position and experience, could formalize either negative or positive observation regarding behavior of their colleagues, working or living conditions.

Each issued observation card was analyzed at line management meetings, and if necessary, a plan of preventive measures was developed.

Observations made at the Expansion Project facilities were consolidated in a single database, which was analyzed to identify topics requiring increased focus.

Tool No. 9. For the entire Expansion Project, there were **Safety Campaigns** conducted every month on the most topical issues. Among them, for example, Dangers of High Temperatures in summer period, Work on Public Holidays and Winter Driving Dangers in winter period. There were regular refreshers carried out on the following topics: Prohibition to Use Phone While Driving, Speed Limits, Work at Height, First Aid, Stop Work Authority, etc.

The purpose of such campaigns is not to teach employees something new, but to remind them of the need to make the right choice

in favor of safety. Classes were held in the form of presentation–discussion–joint summing up; all participants of the seminars were involved in the topic discussion.

Tool No. 10. Recognition, Incentive and Safety Days. The Safe Work Culture could not be kept at a high level without implementing the Rewards and Recognition Programs. Incentives motivate personnel to actively participate in the Culture development.

Assessment of contribution to work safety, whether it is a simple handshake at a construction site or presenting a gift at an official ceremony, is very important! The awarding of employees was held at the construction sites on a monthly basis. Moreover, there was the Expansion Project Safety Day annually held with the invitation of representatives of all contractors; 500 to 800 people took part in it. Such large-scale forums are an excellent indicator of the Consortium’s management commitment to occupational safety issues.

In addition to the official part, during which the Shareholders and CPC management reaffirmed their support for high occupational safety standards, there was a competition

held for the workforce. Competition quests were related to safety issues. All this held the team together and contributed to the spread of the Safety Work Culture concept outside CPC. We know examples when people who worked on the Expansion Project implemented our safe work approach on other projects.

Tool No. 11. Defensive Driving Program. The Expansion Project involved about 1,000 pieces of automotive and construction machinery. Given that the monthly mileage of vehicles amounted to about 2 million kilometers, the risks associated with vehicles were among the highest.

All vehicles were equipped with an in-vehicle monitoring system that allowed tracking not only the vehicle location and speed, but also driving behavior, observance of road sign regulations, and whether seat belts were fastened.

For all trips, in addition to a trip ticket and driver’s certificate on pre-trip and post-trip check-up, a trip management plan was prepared, in which the route, driver’s rest points, black spots, contact details of the driver, passengers, dispatcher and emergency services were reflected. »



Igor Lisin

The Defensive Driving Program involved not only drivers of vehicles, but also passengers and even pedestrians, which are all road users.

Tool No. 12. Safety Flag. The official handover of the Flag from one site manager to another was held on a quarterly basis. The Flag was given to a contractor who showed higher achievements in the Work Safety Culture implementation at the facility. This created competitiveness among construction sites in providing safe conditions.

Tool No. 13. The Work Safety Culture periodical distributed at construction sites regularly informed about the Culture introduction, significant events of the Project in terms of safety, the use of Culture by the Project participants in everyday life, and published statistics of indicators from the construction sites.

Tool No. 14. Internal Investigation of Accidents and Incidents. This system implemented at the CPC Project covered not only negative consequence incidents, but also considered potential hazardous cases. Internal investigations were conducted to identify the causes of incidents and insufficiency of safety measures. Following

the investigations, corrective measures were developed and implemented to prevent similar incidents.

The aim of the system was also to disseminate information about incidents and lessons learnt so that measures to prevent such incidents were taken not only at the site where the incident had occurred, but at other sites of the Company as well.

Tool No. 15. Producing Own Training Video Materials. As part of experience exchange and visualization of the implemented Work Safety Culture Program, overview and educational films were shot. All the Expansion Project personnel actively acted as actors, scriptwriters and cameramen.

Tool No. 16. Team Spirit Development. For this purpose, football, volleyball and tennis competitions were held at the construction sites. Winners were given challenge cups and prizes.

THE TASK OF EACH AND EVERY ONE

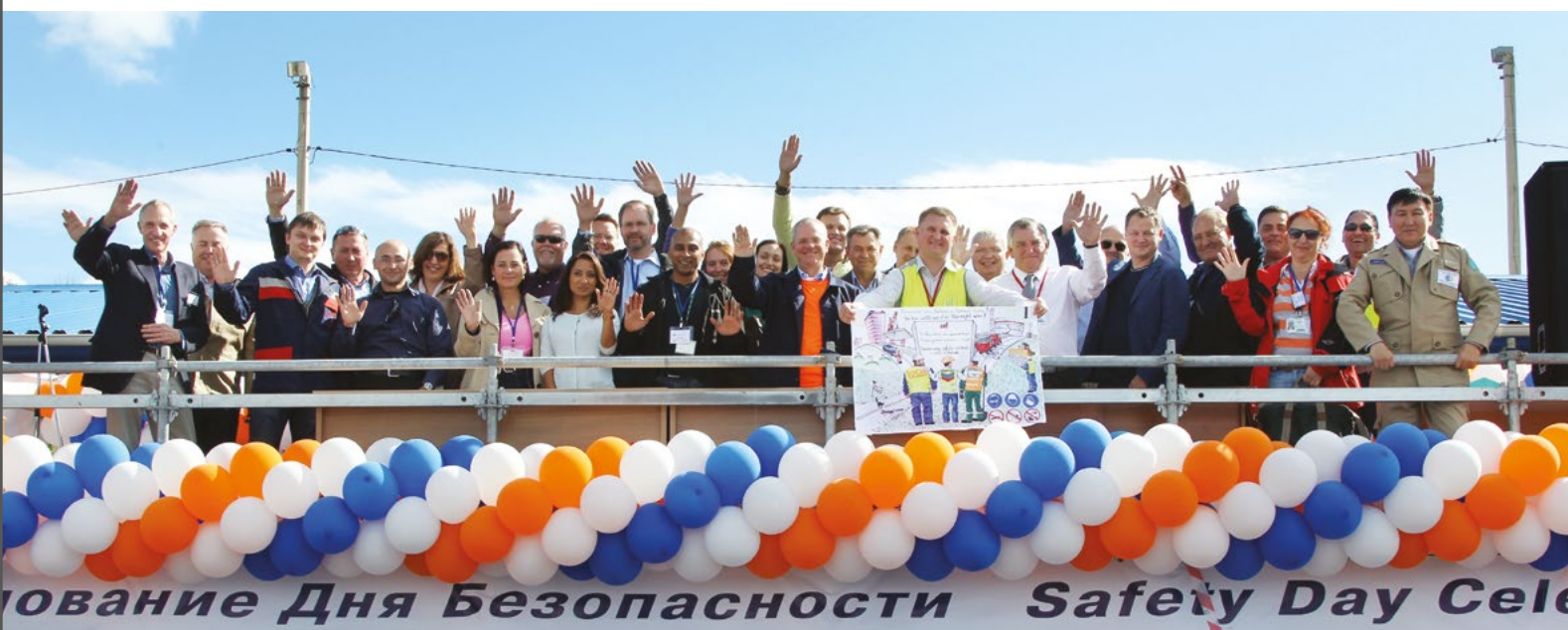
In every strong company, there are departments that work to ensure that the business process

is established in accordance with prescribed rules and procedures, regulations and policies. However, it is impossible to save life only by knowing procedures or passing induction in time. A private conversation with personnel, joint solution of problems, focus on seemingly trivial matters is the way to the Safety Culture.

The Safety Work Culture is not a development of human natural instincts aimed at self-protection, but a program that makes it possible to make a conscious, natural choice in favor of conscious safety behavior.

Introduction of the Safety Work Culture at the CPC Expansion Project showed its worth: it is impossible to imagine how many lives we managed to save, how many people we helped avoid injuries! Consider that due to the established Culture, during the Expansion Project implementation, over 100,000 unsafe actions and conditions (statistics as per observation cards) were recorded and prevented by the workers themselves. ■

*The article prepared by:
Igor Lisin,
Elena Belichenko,
Ruslan Kapkaev*



Thirty-Three Good Deeds

IN 2017, THE CASPIAN PIPELINE CONSORTIUM-K INVESTED OVER KZT 692 MILLION AS PART OF ITS BUSINESS ACTIVITIES TO IMPLEMENT SOCIAL AND CHARITY PROJECTS IN THE ATYRAU REGION OF THE REPUBLIC OF KAZAKHSTAN.



Successful production activities of CPC-K, JSC go hand in hand with the development of the Atyrau Region. The Consortium strives to make the life of the regional residents as comfortable as possible, to create favorable conditions for education of children.

In 2017, with the sponsorship of the Company, a secondary school for 100 children was built in the village of Kurylys in the Inder District. The ceremonial opening of the educational institution was timed to the Day of the First President celebrated on December 1. The ceremony was attended by village authorities, teachers and, of course, schoolchildren with their parents. The building of the old school was dilapidated. The residents of the village looked forward to opening of a new school that would meet all modern standards and education requirements.

There is a laundry and sauna commissioned for foster children of a special needs boarding school in the Makhambet District. KZT 39 million were invested in

the construction of the social facility; the complex was erected just within six months.

Upon request of the City Department of Education, CPC-K carried out total overhaul in the building of kindergarten No. 16, and three city schools Nos. 17, 16, and 5 received sports grounds from the Consortium.

In 2017, the implementation of the Expansion Project social program was completed. Under this program, a kindergarten for 160 children was commissioned in the village of Ganyushkino, Kurmangazy District, the total cost of which is KZT 605 million. The construction of two kindergartens for 290 children has started in the village of Akkol in the Kurmangazy District and in the village of Akkistau in the Isatay District.

In October 2017, the construction of a school for 80 children in the village of Zhastalap, Kurmangazy District, and a kindergarten for 290 children in Samal Micro-District of Atyrau started.

Supporting socially important spheres of life of the regions, CPC-K gives annual support to vulnerable groups in the Atyrau Region. For example, under the traditional "New Year's Holidays with CPC" program, over 400 children received winter clothes, shoes and sweets as gifts from the Consortium.

Since 2017, CPC-K has been financing a subscription to the world-famous National Geographic Kazakhstan magazine in the Kazakh language for 219 schools and universities in the Atyrau Region. In 2018, CPC-K continued this initiative.

Support of environmental programs in the amount of KZT 49.6 mln includes the implementation of the Environmental Project aimed at preserving and restoring biological diversity of the Republic of Kazakhstan. CPC-K financed the acquisition of satellite collars for saigas in order to monitor the state of animals, improve organization of their protection and obtain new scholarly knowledge about their environment. The Company invested in activities on catching and satellite tracking of saigas, conducting field research, as well as organizing a summer field educational camp for schoolchildren and environmental awareness-raising among people. Under the project called Kieli Kiik, which is translated as Sacred Saiga, there is a PR campaign launched to inform the residents about the problems of saiga preservation, the number of which has fallen by 90 % over the past five years. ■

by Aina Zhetpisbaeva



Welcome to New Home, Malyshok!

AT THE END OF JANUARY 2018, A NEW 70-PERSON KINDERGARTEN WAS OFFICIALLY OPENED IN THE TOWN OF KHARABALI, ASTRAKHAN REGION. AS GOVERNOR ALEXANDER ZHILKIN NOTED AT THE CEREMONY, THIS KINDERGARTEN HAS ALREADY BECOME THE THIRD COMMISSIONED WITHIN SIX MONTHS IN THE REGION WITH CPC FINANCIAL SUPPORT.



In August 2017, a new kindergarten was commissioned in the village of Baibek; in December, in the village of Starokucherganovka. And now, young dwellers of Kharabali received a ceremonial key to the new pre-school institution.

Together with the Governor, the opening ceremony was attended by Mikhail Grishankov, CPC Deputy General Director, Russian Government Relations, Vitaly Gutman, Minister of Education and Science of the Astrakhan Region, Alexey Shtonda, Head of the Kharabalinsky District.

CPC contribution to the social development of the Kharabalinsky District made it possible to completely clear up the waiting lists

for pre-school organizations for children from three to seven. New kindergarten No. 2 Malyshok is opened in the new micro-district of the town. And this is also a remarkable thing: it is expected that large families and other welfare beneficiaries will live in this area. To provide for the most comfortable relocation, all conditions are created here: utilities are being installed, and social infrastructure facilities are being massively built.

In particular, the Head of the Region also noted that the construction of a new school would be started after the kindergarten completion.

Alexander Zhilkin thanked CPC for the significant contribution to the social development of the region.

"Benefactors deserve the highest appreciation: even in the regional center, there is no kindergarten of the same level as in Kharabali," he said.

Alexey Shtonda, Head of the District, also conveyed sincere thanks to CPC management. He recalled how scrupulous the Consortium's representatives were in monitoring the progress and quality of the construction work.

"Thank you very much from all locals for such support and such gift," said Mr. Shtonda. "Let the new kindergarten bring joy to all its indwellers!"

Mikhail Grishankov, CPC Deputy General Director, Russian Government Relations, in his turn,



Mikhail Grishankov and Alexander Zhilkin



Lidia Gerber



New happy tenants

recalled that support to education and children in the regions where the Company operates is an important component of CPC social policy.

"Today the kindergartners make their first discoveries, gain new knowledge, skills and friends in comfortable and homelike atmosphere. We hope that in future they will become the Company employees," he emphasized.

Lidia Gerber, Director of Kindergarten No. 2 Malyshok, was pleased to show the kindergarten premises and equipment to the guests.

The two-storey building occupies almost one and a half thousand square meters. The Consortium equipped the kindergarten with all

necessary modern equipment and furniture. The project provides for fully functional play areas, gym and event hall.

For nursery teachers, CPC purchased automated workstations, including a computer, printer, and video projector.

"Many of our teachers have higher education, and everyone masters state-of-the-art information and communication technologies. The equipment received from the Consortium will be actively used for educating and developing children," said Lidia Gerber.

The kindergarten's cooking room is also equipped with the state-of-the-art equipment, so that highly

qualified cooks can cook tasty dishes for children as per 10-day circular menu.

"Thanks to a specially sized diet, our kindergartners will receive all vitamins, proteins, fats and carbohydrates that a child needs. No semi-finished products – only natural meat, curd, vegetables and fruit," summarized Lidia Gerber.

The pre-school institutions built with CPC charitable support in the Astrakhan Region will be able to receive up to 200 children in total. In 2017, the Consortium implemented 11 charity projects and programs for the total amount of 272 million rubles in the Astrakhan Region. ■

by Pavel Kretov



A Gift to Gubkin University

CPC GENERAL DIRECTOR MR. NIKOLAY GORBAN AND RECTOR OF GUBKIN RUSSIAN STATE UNIVERSITY OF OIL AND GAS MR. VIKTOR MARTYNOV OFFICIALLY OPENED THE LARGE ACADEMIC AUDITORIUM OF THE UNIVERSITY AFTER REPAIR ON THE FIRST SPRING DAY.



Consortium Shareholders, representing the world leading oil and gas companies, took part in the ceremony.

Speaking to lecturers and students of the university, Mr. Nikolay Gorban stated that CPC was proud to be involved in that project.

"Gubkin University is not only a sanctuary of sciences and a world renowned research centre, but it is also an Alma Mater of many outstanding Soviet and Russian oil experts who laid the foundation of the national oil and gas industry. "Today, a lot of Gubkin graduates are employed in CPC, ensuring efficient operation of all the facilities from Tengiz to Novorossiysk," said the head of the Consortium.

Rector of Gubkin University Mr. Viktor Martynov expressed gratitude to CPC management, Shareholders and personnel.

"Caspian Pipeline Consortium is a good example of cooperation, and we hope our interaction will continue and our university will prepare skilful resources for CPC," he added.

Senior Vice President of KazMunaiGaz for oil transportation Mr. Nurtas Shmanov, representing the CPC Shareholder, went up to the rostrum with a special feeling. His father Nuribek Shmanov, a prominent oil expert, was the first representative of Kazakh SSR who entered I. M. Gubkin Moscow Oil and Gas Institute in 1947.

"I am very pleased to be here today. Let me congratulate you on behalf of national company KazMunaiGaz and Ministry of Energy of the Republic of Kazakhstan on opening of the large academic auditorium. The Gubkin University is a talent pool for the Kazakh oil and gas industry. I wish students and professors great success", said Nurtas Shmanov. He awarded Rector Mr. Viktor Martynov

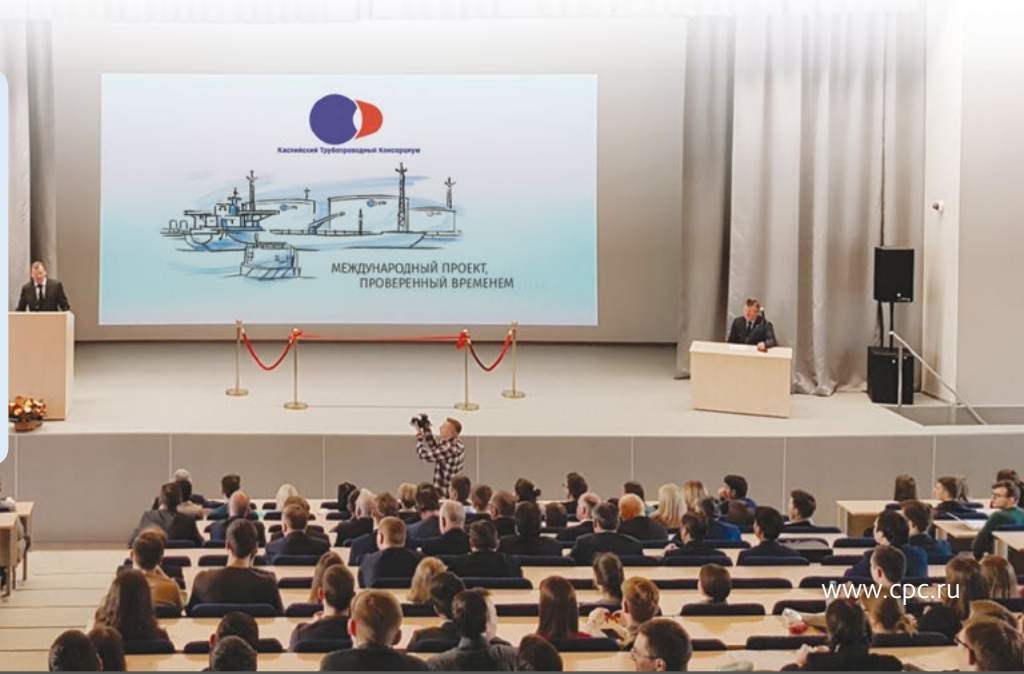
with the medal "For contribution into the oil and gas industry development" on behalf of Minister of Energy of Kazakhstan Mr. Kanat Bozumbaev.

The large academic auditorium was repaired using charitable funds of CPC. The Consortium allocated almost 32 million rubles for repair and equipment of the auditorium with multimedia devices. During the repair, natural lighting of the auditorium was restored in accordance with the initial design concept of famous Soviet architect Boris Iofan, who developed the design of the university building.

The large academic auditorium is one of basic classrooms of the university. Its repair and equipment as per the modern standards allows making the educational process more efficient, provides new opportunities to teachers and improved comfort to professors and students. ■

by Pavel Kretov

Caspian Pipeline Consortium and Gubkin Russian State Oil and Gas University entered into cooperation agreement in 2015. That very year CPC repaired the roof of three buildings in the campus for the amount of over 9 million rubles. CPC General Director Mr. Nikolay Gorban is a member of the University Board of Trustees.



A Company of Opportunities

A NEW YEAR CONCERT WITH THE INVOLVEMENT OF CPC PERSONNEL WAS A REAL SURPRISE FOR THE TEAM OF THE MOSCOW OFFICE. PERFORMANCES BY COLLEAGUES TOOK BREATH AWAY, AND THIS EVENT BECAME AN UNFORGETTABLE CHAPTER IN THE CORPORATE HISTORY.



PILOT RUN

For many artists, the entrance upon a big stage was a result of tremendous work on self-cultivation and personal achievement. They had this wonderful opportunity thanks to the organizers of the corporate event who were ready for an experiment and even for particular risk...

The organizers of the New Year's party make no secret of the fact that, having agreed to the contractor's proposal to change the usual format of the event, they themselves doubted it until the very end: will the team like this idea?..

We questioned Elena Kitina, Lead HR Specialist, and Nadezhda

Gavrilova, HR Specialist, on the details of the preparation to this outstanding performance.

"We are striving to ensure that corporate events in CPC are held at a high organizational level, so that these events are fancy, exquisite and entertaining. And this time we did not want to lower the bar. There are lots of talents in the Moscow office. Nevertheless, sending an e-mail invitation to come to the casting, we were not sure that our colleagues are ready to enter the "big stage". However, they showed enthusiasm, and we quickly selected the artists," Elena recalls.

"The show was made by professionals," says Nadezhda. "It was

very interesting to see the transformation of the program while working on concerted numbers. Some of the performers immediately decided on the song, someone changed the number several times. In addition to implementing ideas of the director, it was important for us that our artists felt comfortable, because performing in front of the colleagues and company management is a huge responsibility. We tried to support our colleagues and attended rehearsals. It was particularly interesting to watch the process of staging performances from within, because I, myself, became a participant in one of the numbers. At the combined rehearsals, one could feel a real corporate spirit – it was nice to understand what a friendly and creative team we had, what a cool team was put together!"

ADMIRATION AND PRIDE

On stage, our colleagues were second to none of professional artists. Sincere admiration of the well produced numbers was accompanied by a sense of pride in the talented people working side by side with us. Both perfectly selected repertoire and each separate performance were duly appreciated. But when the complete staff of the Security Service came to the scene with the song having the words "The team of our green years, the team we cannot live without!" everyone was simply overwhelmed! »



Alexander Berezhanov, Elena Kitina and Nadezhda Gavrilova



**OLGA REVISHVILI,
Senior Management
of Change Coordinator,
Projects & Planning:**

"After learning about recruiting talents, I decided to participate in the casting, although there were doubts. I heard different opinions from the colleagues: 'What an amateur performance will it be?', 'Forget it, to entertain someone!' Someone, on the contrary, said: 'It would be great to try my hand; it would be interesting, but scary!'"

I was scared as well. But the desire to sing was stronger. Besides I wanted to push my way out of the comfort zone and create challenge to myself.

After the first rehearsal, I had mixed feelings – joy, excitement, and a thought: why did I start all that? But when I realized how much work we had to do, when I first saw the performances of my colleagues, I was enthused.

A team of true professionals trained us: a stage director with assistants, a sound engineer, a choreographer, a costume designer... These people put their hearts into their work, supported and motivated us, I am very grateful to them, and I recall the rehearsals with good cheer. I am also grateful to our Company for giving us such opportunity to perform on a big stage, and work with a professional team.

On the day of the performance, it was heart-pounding, but we all understood that there was no turning back. And I really wanted to make it all the way! If there is another concert prepared for the next New Year's party by the staff, I would be happy to take part in it!"

"How did you manage to involve such a serious and rather closed-door division in the concert?" I asked the event organizers.

"I do not agree on the closed nature of this division: on the contrary, the Security Service employees are open to the Company's employees and, as it turned out, to creative experiments. However, it took some time to convince the Security Service staff to participate in the New Year's performance," admits Nadezhda Gavrilova. "After all, this division faces a challenge of, no less, ensuring the Company's security on all fronts. It turned out that the employees of our Security Service were creative, artistic, and quick off the mark. So when Mr. Evgeny Petrushin made a decision 'We are in!' the whole team joined in without any objection. Disciplined and precise, they attended all rehearsals and tried very hard. They themselves chose the song, and this was the best repertoire for them to choose, because our Security Service is a team indeed!"



Unforgettable moments of the feast

The song Pyat Minut (Five Minutes), which brought together all the participants of the concert, put a New Year's mood in the audience. On the second balconies, in the rays projected from the stage with the help of mirrors, the troll performers flickered in turns. It was a fantastic idea of the director! It seemed unreal to coordinate so accurately this performance with the mirrors in the hands of the dancers directing the rays."

FROM IDEA TO THE FEAST

Where did this New Year's miracle begin with? Of course, with the tender! By the way, since 2009, Elena Kitina has been holding tenders for selecting contractors to conduct festive parties. Nadezhda Gavrilova already accounts for 8 corporate events. The organization of corporate parties is only a part of their work, but the responsibility in this field, particularly sensitive for the whole team, is very high!

Each corporate event is a whole project, including selection of the contractor, event location, artists, preparation of a concert program, menu, festive decoration of a venue, supporting music, etc.

After the event, the HR Department traditionally conducts a detailed analysis of the implemented project. Employees of the Press Service were permitted to attend a joint meeting of our HR officers with Nikolay and Viktor – representatives of the contractor who prepared the past New Year's corporate party.

"We have been in many companies, but have never seen such a corporate spirit as here in CPC," Nikolay said. "It was evident even by the way the audience gave warm encouragement to their colleagues on the stage!"

"Minimum attrition of participants, which occurred only due to business trips or going away on vacation, was a pleasant surprise for us. People came to rehearsals twice a week, and this is a complicated, all-consuming process, and you have seen the result yourself," Viktor noted. "However, it was not an easy thing to become a CPC contractor! Very stringent requirements, overstrict selection. At the same time, no one can say that it is difficult working with you: the rules of the game are easy-to-understand, everything is crystal clear. From the very beginning, the Company targeted the level it expected from the project, and we strove to reach it."

HIGH APPRECIATION

Alexander Berezhanov, HR Manager, summarized the conversation:

"The format of the New Year's party with the involvement of CPC employees was a kind of a dummy run for us. I must admit that when they proposed this option, I doubted it very much. But finally we decided to see what good it could do. This contractor was successful in organizing



**NATALIA TIMOSHINA,
Lead Specialist in Financial Systems:**

"For me, participating in a New Year's concert is an opportunity to experience an adventure in humdrum life, to stay in a creative environment! I went to the casting without fear, as I could neither sing nor dance, and was not going to hide it. But I was ready to do my best!"

There was a friendly atmosphere at the casting. Everyone was asked to sing. Those who could sing and were artistic were chosen as principal performers. And those who were eager to participate in any role were included in a "dance band", me included.

Before the first rehearsal, I was worried because I was afraid that I could not manage the choreography. But the movements were quite simple, and I even wanted to make them a little more complex. However, the main thing was to maintain the pattern of a dance, make every movement meaningful, and convey emotions – our choreographer Alyona and director Andrey who trained us insisted on it.

I was glad that professional dancers performed with us, they energized us and fed us with enthusiasm. One of the pleasant moments was that they gave us costumes and did our faces. During the performance, we were provided with food and hot drinks. I tried to rehearse all the time even at the backstage. Then our director made an inspiring speech and made a ritual to unify all performers in one team. He said that now we are like sappers: there is only one chance to perform in this show, after that it will be impossible to fix anything. And he asked us to give it our all. The feeling that it was not only your personal performance, the desire for the whole team to succeed – all these gave confidence to us.

During the performance, I felt the support of colleagues, I am very grateful for the kind words that I heard afterwards... However, I would most probably not participate in such "venture" the second time. For there are many employees in the Company, and it would be logical that others would perform as well and experience this joyance. This is a great opportunity to plunge into this emotive power and express your feelings, which is very good for an office worker. It is a chance to feel like a part of the creative team. Therefore, I would advise everyone to participate!"

the Oilmen Day for us, so, in general, we already understood that we could put ourselves in its hands. And we got our money's worth.

The CPC management highly appreciated this event; therefore it is possible that we will continue to make practice of it.

Moreover, after the New Year's corporate party, employees started asking us on how to participate in the concert next year, including people who, for production reasons, did not have chance to take part in the first round." ■

by Ekaterina Suvorova

Raisa Bulkina:

"It was Interesting for us to Start from Scratch"

20 YEARS BACK, ON MARCH 1, 1998, CPC-R AND CPC-K STARTED THEIR ACTUAL OPERATIONS. THIS BECAME POSSIBLE THANKS TO THE OFFICIAL TRANSFER OF KAZAKHSTAN ASSETS TO CPC-K THAT HAD HAPPENED THE DAY BEFORE, ON FEBRUARY 28.



Raisa Bulkina

Raisa Bulkina, CPC General Director's Audit Consultant, pertains directly to this landmark event that took place in Almaty. We asked her to share her memories.

"Ms. Bulkina, you came to CPC at the dawn of the Company's formation. How did this happen? First-hand information is especially valuable, as it allows us to tune in to the spirit that prevailed then within the team..."

"I'll start off with the background. On July 23, 1992, the CPC-Bermuda (CPC-B) international company was registered for implementation of the CPC Project. There was its branch operating in Moscow. In 1994,

the Russian section of the Tengiz – Guriev – Astrakhan – Grozny pipeline was transferred to CPC-B in order to develop the Consortium's pipeline system on its basis. The oil pipeline was on the balance of CPC-B as capital investment in-progress and was not operated. Chernomortransneft and Svyaztransneft maintained the pipeline at the expense of the Consortium.

There was a parallel project for the CPC Tengiz – Novorossiysk crude pipeline system under development, for the implementation of which, in accordance with the Shareholders Agreement, it was decided to establish CPC-R and CPC-K in Russia and Kazakhstan: two ventures that were meant to become successors of CPC-B. The basic requirement for CPC-R to begin its official operations was the transfer to CPC-K of Kazakhstan assets that were then on the balance of KazTransOil. After that, it was planned to close down CPC-B with delegation of all powers of this company to CPC-R."

"How did they accomplish this task?"

"When we came to work with CPC-B, the employment contracts with each of us were signed only for one month, and then they were extended for another 30 days. Since the Shareholders then decided that if the assets in Kazakhstan would not be transferred, the funding of the Consortium might be fully cut off. I was employed as the CPC-R chief accountant in late 1997, and

by March 1, 1998 already, it was required to ensure the transfer of assets. Our small-numbered team faced quite an ambitious task; we worked passionately and in defiance of time.

There was a huge amount of preparatory work carried out on Kazakhstan assets: it was required to accept them and enter them in CPC-K books. Their cost, about 232 million dollars, including land rights, was specified in the Asset Transfer Agreement. This amount was assessed some time ago by an independent appraisal company based on worldwide average prices, and it formed the basis for entering into the Asset Transfer Agreement. However, these assets were recognized at a completely different historical value in tenge on the KazTransOil's balance sheet. It should be noted that communication systems and power transmission line laid along the pipeline route were on the books of other organizations at that time. The cost of the communication system, as per the terms and conditions of the Agreement, was negative – minus 12 million dollars. Moreover, asset profile and description specified in the Asset Transfer Agreement, and the actual list of fixed asset items that were on the books of KazTransOil were hardly commensurable.

Therefore, it was very important to develop the most efficient format of the acceptance documents, which would satisfy the both parties, and we coped with the task."

"You participated in the transfer of the Kazakhstan assets. How did it go?"

"There were two persons from CPC-R delegated from Moscow to Alma-Ata to transfer assets and sign certificates: General Operations Manager Ron Meadows and me, being Chief Accountant. I must admit that I was prone to anxiety – the responsibility to represent the Consortium at the Kazakhstan management level was really high! I have never visited these regions in wintertime, so I called Lyazzat Kiinov, Deputy General Director for Relations with Kazakhstan Government, and asked him about the weather in Alma-Ata in order to understand how to clothe myself. "Do you have a mink coat?" he asked. "Yes, I do." – "So, put it on and come!" – "Won't it be hot?" – "The CPC's chief accountant should be in the mink coat ex officio!" my colleague from Kazakhstan strongly insisted. That trip to Kazakhstan really turned out to be hot, but by no means due to the fur coat!..." our interlocutress joked, and then she recalled, seriously and with sincere warmth in her voice, "In Kazakhstan, Mr. Kiinov rendered us invaluable assistance in solving all organizational issues; thanks largely to him our mission was a success.

On Wednesday, we flew to Alma-Ata where there was KazTransOil headquarters at that time. And already on Saturday, February 28, the signing of the certificates was scheduled. The matter was that a couple of months before that the Government of the Republic of Kazakhstan had moved to Astana, and high officials that we required were to come to Alma-Ata at the weekend.

Over three days, we had to do a huge amount of preparatory work, resolve a lot of issues with an entire team of specialists involved in the transfer of KazTransOil's assets, and arrange for the issue of powers of attorney by the Government of the Republic of Kazakhstan in the name of signatories of the certificates on the part of Kazakhstan."

"What challenges did you encounter?"

"An unexpected issue came up regarding the communication system, which had a negative cost: KazTransOil informed us that the company would not transfer these facilities to the Consortium. For that reason, the value of assets automatically increased by 12 million dollars, but the contract price could no longer be changed. A number of difficulties arose due to the fact that a part of



Lyazzat Kiinov

KazTransOil's facilities to be transferred was controlled by other organizations. Hence, it was required to execute powers of attorney so that these facilities could be transferred to us. It was almost a round-the-clock work; our Moscow lawyers were constantly available. Finally, our team managed to agree on all the issues and form of the certificate. So, on the set date, on February 28, 1998, at 23:59, the actual transfer of the Kazakhstan assets to CPC-K was accomplished.

We were all so tired then, so exhausted by negotiating, approvals »



The first staff of the CPC's Finance Department



Raisa Bulkina: "It was not customary to take pictures at work. Therefore, pictures were mainly taken at corporate celebrations. We worked hard, and got along well with each other"

obtaining and signing documents, that we even left the pre-readied champagne uncorked. That night, we had a flight to Moscow, and we carried originals of the signed documents with us."

"What was the priority task for the financial specialists after the transfer of assets to CPC-K?"

"We proceeded with preparations for the closure of the CPC-B Moscow Branch and transfer of all the property (including Russian assets) and obligations to CPC-R as of March 1, 1998. It was rather complicated process of winding-up CPC-B and

carrying out associated tax inspections, preparation of a huge number of documents: closing balance sheet of CPC-B, opening balance sheet of CPC-R, transfer of all rights and obligations, estimates and funds to CPC-R, various audits.

That was hectic time for our small team then, which was administering two new legal entities: there were material transactions conducted by CPC-R, and CPC-K had already received assets... It was, of course, preceded by a large amount of preparatory work done in late 1997 to ensure that records were kept in compliance with Russian, Kazakhstani and international accounting standards. At that

time, it was virtually unparalleled project in Russia, so there was no relative experience we could rely on. Moreover, there were few financial specialists in the country who knew English. We all studied English in the Soviet Union, but it was well-forgotten since we did not have practical communication skills. After beginning my work in CPC, I got such practical experience to the full and resumed studying English. We were all very fortunate that Adrian Cobb, Shell representative, was the Consortium Financial Director at that time. He was fluent in Russian. Communication with no middlemen facilitated our cooperation, made it more efficient, open and easier; discussion of various nuances accelerated decision-making process.

One of the problems we faced was the following: what system to use for bookkeeping and reporting? The then existing Russian 1C system carried little credibility with our Western colleagues. "It's just Excel, no protection, it's no good!" they inferred. At the same time, the IDeaS Accounting System for the DOS version, which had been used in CPC-B, was poorly adapted to the Russian and Kazakhstani standards of that time.

MS-DOS is the predecessor of Microsoft Windows. We managed to combine these two systems: IDeaS (DOS version) and 1C; primary accounting setup was performed in the American IDeaS system, and

then all information was transposed into 1C program, in which we prepared accounting reports. It was a compromise, but the only acceptable solution at that time, which allowed us to meet all the requirements for accounting record-keeping in an international company that operated in two countries."

"How was bookkeeping arranged in CPC-K?"

"The regular staff of financial specialists headquartered in Moscow

serious violations revealed. However, during the audit, no violations were found either in the accounting record-keeping rules or in tax computations. The auditors confessed to me, "You know, we are simply astonished! We expected that you maintained documentation not in the system required by the laws of Kazakhstan. That is why we engaged the police officer so that he could assess onsite what measures should be taken against the enterprise in connection with the violations discovered." In Kazakhstan at that

Kazakhstan to work in accordance with the requirements that we put forward and that were new to them. Sometimes we took for granted some things that were unusual for our managing company Fluor Daniel: they applied other approaches, and we needed to constantly interact, so that they understood our demands. You know that at the end of the last century, we did not yet have the tax code in Russia, but there was the Decree on cost structure, which included very tight restrictions.

There were also integration processes ongoing in the Consortium itself; managers from different companies, different countries, with different approaches, mindsets, management culture were gathered together. General corporate culture that CPC has today had not yet been developed by then. Perhaps, therefore the very first CPC General Director appointed by Lukoil and his Deputy for Projects from Chevron failed to find a common ground. »

The Consortium incorporated management teams from different countries, with different mindsets

where we performed accounting operations for CPC-K as well. We kept all documentation. There was only one accountant in Atyrau. I remember that in 2000, there was the first tax audit of CPC-K scheduled. When we received the notification, it became clear that the audit needed to be carried out in Moscow – our team of accountants with the entire archive of documents could not move to Atyrau! This issue was negotiated at the level of the Ministry of Taxation of Kazakhstan. As a result, we welcomed specialists from the tax office of the Atyrau Region, and a tax police officer with them: the tax officers were sure that, since accounting was conducted in Moscow, there would definitely be

time, many companies still continued to use the chart of accounts that had been used in the USSR, and outdated accounting rules, which posed a big problem when conducting tax audits."

"Despite all the challenges that the first team of CPC financial specialists faced, we can only look on you, the path breakers, with admiring envy!"

"Indeed, starting from scratch is always interesting. However, to master the entire accounting and reporting system in three standards and maintain it on a real-time basis was only a part of the challenge. It was also necessary to convince CPC contractors in Russia and



Their interaction was rather complex, and the project was stuck. I remember that in May 1998, the Shareholders, tired of these conflicts, simultaneously recalled these managers and appointed others. Viktor Fedotov became the new General Director, his Deputy for Projects was Frederic Nelson. They were entrusted with a task to speed up the project implementation. This time, good cooperation was established, and the project went ahead."

"What were the tasks that the CPC financial unit faced during the initial construction phase of the pipeline system?"

"The financial unit with a small number of employees had to tackle all the problems: organization of

The task that we faced was to prevent increase in the construction cost, and we coped with it

the accounting system, reporting preparation, budgeting. We were busy with taxes; we prepared statistics reports taking into account the requirements of Russia and Kazakhstan. Much time was consumed by treasury transactions: to timely implement the project it was very

important to ensure timely payment to suppliers and contractors.

If, initially, financing from oil producing companies that were project members was effected via CPC-B, later, this financing and loans for construction were provided by CPC-R and CPC-K. Under the rules then accepted, funds were allocated quarterly as per the loan agreement. This required us to work with pinpoint accuracy; we had to be meticulous about all the costs in order not to take excessive funds. We issued the so-called cash-calls generated based on the data from our Board of Treasury about the financial obligations that the Company had, how much funds we would require for employees' wages, which contractor to pay and when to pay

based on payment schedules, and so on. There was an ironclad rule: at the end of each month, there had to be no available balance on the CPC account. It was necessary to calculate exactly how much we needed, so as not to raise borrowed funds ahead of time since interests



At training

on loans were very high – 12 %. The Shareholders scrutinized it during audits. And, indeed, we were not allowed to have any debts to suppliers and contractors, this was also closely monitored.

Finally, there was the task to prevent increase in the construction cost. For that purpose, CPC implemented the principle of construction using give-and-take raw materials, since there was a turnover tax at that time. If contractors had purchased equipment and materials for construction themselves, it would have resulted in increase of cost of the pipeline system construction by at least two percent. Given the total cost of the project, this was a huge amount. Therefore, we had to purchase and enter into the books all materials and equipment, and then give them to building contractors for use in work. It made the accounting and control more sophisticated, but allowed saving significant amounts due to reduction in the turnover tax."

"It seems like CPC was an island of stability in Russia and Kazakhstan at those hard times..."

"It was indeed. Many wanted to cooperate with CPC; we were required to select contractors in a most competent manner. It is interesting that during the initial construction the CPC Tender Board



First anniversary of CPC

Secretary was Finance Director, and the Deputy was Chief Accountant.

We had to organize the work of the Tender Board. There were many challenges, and it was possible to successfully accomplish them only thanks to the well-coordinated work of the whole team, high level of interaction among all divisions, units, and specialists."

"How was the CPC Moscow personnel work organized in those days?"

"The key personnel – all managers, HR, Finance Department, Administrative Group, translators – were headquartered in the business center of Radisson-Slavyanskaya Hotel. There was a Project office as well, which was in Aerostar Hotel on the Leningradsky Avenue. There were 40 CPC employees, and specialists from managing company Flour Daniel and Giprovostokneft that managed the Project. All in all, there were 350 persons, we shuttled back and forth – either they came to us for a meeting, or we came to the Project office. This disunity was rather uncomfortable; we had to carry a whole bunch of documents with us, including tender ones. Imagine huge contracts, in which only a technical part was made as a separate sizable volume! Bid opening was always held in Radisson-Slavyanskaya; the copies were sent to Aerostar,

the bid evaluation was performed thereupon, and we archived and kept all originals. From 2006 on, the Tender Board was placed under the command of the Legal Department."

"Are there any financial specialists from the first team who are still working in the Company?"

"None of the foreign specialists, but many of the Russian ones: they still constitute the backbone of the Finance Department. They are Nina Vladimirova, Olga Belozerova, Tatyana Eppel, Maya Kotashevskaya, Margarita Molchanova, Lyudmila Shatalova, Natalia Matveeva, Tatiana Myznikova, and Iren Nikiforova."

"How do you evaluate the role of the first team of financial specialists in the CPC formation?"

"With a team of 26 persons, we shaped the accounting policy of the Company, and established key accounting procedures. In fact, we laid the foundation for the financial unit activities, which still exists. Yet, life does not stand still! It makes its own allowances.

Since our team was relatively small, I must say that many issues were resolved due to the team spirit and friendly atmosphere of trust and mutual understanding. It was interesting for us to start from



Celebration in Radisson-Slavyanskaya Hotel

scratch. Accounting, reporting – all from scratch. The Tender Board and internal audit, which actually started in 2002 – everything from scratch.

We tried to focus on a common goal and never said, "It is impossible". We tried to find ways to make it possible. I believe that the Finance Department has something to be proud of!"

"Was there anything other than work?"

"In the early stages of CPC life, when the diversity of national cultures and mindsets was still very perceptible within the young Consortium team, we tried to get to know each other better, to overcome the language barrier. We talked a lot at work, and organized joint celebrations as well. At that time, together we celebrated not only Oilman Day and New Year's Day, but the most important state holidays of Russia and the USA. Our Western colleagues talked about their country, about themselves, and we introduced them to Russian culture and traditions. There were football matches, and team going out into nature. All this helped us understand each other better and rallied the team." ■

*Interviewed by Ekaterina Suvorova
Photos from personal files of Raisa Bulkina*



The cathedral church of the Holy Great Prince Vladimir, Equal-to-the-Apostles, perhaps, is one of the most magnificent cathedrals of Astrakhan. Its life is anything but simple. This memorial church was built in 1902 in honor of the 900th anniversary of the Christianization of Russia. In the Soviet period, the church was not used for intended purpose: from 1967 to 1999 it housed a bus station. In 1999, the church restoration began. The CPC management decided to purchase and donate the Christ Pantocrator icon to the church. In April 2000, all the members of the CPC management flew to Astrakhan to hand over the icon to the church.

Vladimir Domokurov:

"We Are Working for a Unique Company"

ADMINISTRATIVE MANAGER OF THE ADMINISTRATIVE DIRECTORATE OF THE GENERAL BUSINESS DEPARTMENT OF MOSCOW OFFICE VLADIMIR DOMOKUROV IS A COMPANY'S OLD RESIDENT. HE REMEMBERS A LOT OF INTERESTING THINGS CONNECTED WITH THE EARLY STAGE OF CPC OPERATION. BESIDES, VLADIMIR IS A GREAT CONVERSATIONALIST AND HE WAS PLEASED TO ANSWER THE QUESTIONS OF PANORAMA CPC.



Vladimir Domokurov

"Mr. Domokurov, you have been working for the Company for a long time. How did you start at CPC?"

"CPC (it was called Oman Oil Company Services Limited that time, abbreviated as OOC) engaged me in mid-1995 for handling cargo delivery with customs clearance. There were 11 employees in OOC then, and the head was Mr. Evgeniy Davydov.

After a while, I began to deal with customs matters, lease agreements in Moscow Office and in regions, telephony and computer network,

vehicle hire. I remember we used Macintosh computers then.

The total headcount in our office did not exceed 40 until 1997. There was also Houston office but it was beyond my competence."

"Are you the only one who have been working for CPC since then?"

"No, I'm not. Mr. Yuriy Shatskiy, eternal head of CPC translation service, came even earlier, in 1992. He attended many internal and foreign meetings, in particular, he worked as a translator at negotiations with the participation of V. Chernomyrdin and N. Nazarbaev.

Since 1997, such real professionals as Mrs. Raisa Bulkina, CPC General Director consultant, who was Chief Accountant then, Ms. Margarita Molchanova, Deputy Chief Accountant, Ms. Tatyana Eppel, Financial Report and Analysis Deputy Manager, Ms. Olga Belozerova, Payroll Group Head, have been working with us. Mr. Evgeniy Popov, Deputy General Director for Legal Affairs, has been working for CPC for a long time, too."

"What can you say about the specifics of work in the international Company in that period? What was your mindset?"

"Our mindset was to work hard! One of our offices was located in

the USA, that's why key negotiations started at 4.00 p.m., Moscow time, and continued sometimes until 10.00 p.m., but usually finished few hours earlier. However, our work day began at 10.00 a.m."

"What significant events of that period could you remember?"

"There were a lot of events. One of them was an attempt to move our office to Oil House, a 25-storey tower at the South West, where we planned to rent two floors, in 1996. Our General Director was Edward McKeon Smith that time. We even executed an economically advantageous lease contract but our Shareholders refused moving and we stayed in Radisson Slavyanskaya Hotel.

Another important event was re-organization of the Shareholders' structure. Let me remind you a pre-history. The Sultanate of Oman assumed financial liabilities, enabling Kazakhstan and Russia to construct an oil pipeline. A feasibility study was made in Houston, specialists of Moscow Office outlined necessary directions. I think there were some external causes that prevented financing the project on the initial terms and conditions, with participation of three founding parties. So, in 1996, a decision on introduction of other oil companies as project participant was made and implemented later. On April 15, 1997, a Agreement for CPC-R/K



Foundation stone ceremony at CPC Marine Terminal on May 12, 1999

Foundation was signed in President-Hotel, Moscow. Mr. Vladimir Stanev was appointed Consortium General Director.

I would also mention as a milestone the fifth anniversary of CPC foundation agreement signing in Maskat, Oman, which we celebrated on June 17, 1997."

"Have you ever travelled to CPC regional business units?"

"In 1996, the problem of weld joint quality control at PS Astrakhanskaya arose. In view of my experience of work at Nondestructive Testing Research Institute and lack of other

personnel, I was sent to undertake this job in the Central Region, where I met Mr. Viktor Arkanyuk, CR First Regional Manager. He was just appointed and occupied together with his secretary one small room on the 6th floor in Meliovodkhoz office in Astrakhan, Shaumyana Str., 47. It was my first business trip.

I was lucky to meet many interesting people, leaders of oil and gas industry. They are Kadyr Baykenov, Lyazzat Kiinov, Viktor Ott, Kaigeldy Kabyldin, Nurtas Shmanov. I used to perform accompanying and organizational functions. That's why Mr. Zinon Abdrakhmanov, First

Regional Manager of the Eastern Region, and Mr. Mellyat Karabalin, CPC-K Executive Director, know me well. In 2017, at the meeting held in Astana in connection with opening of CPC-K new office, we could to recollect the events of the past years with Mr. Kaigeldy Kabyldin."

"Who of the first foreign employees of the Consortium do you remember best of all?"

"They are Mr. Fred Nelson, Mr. Tim Sails, Mr. Adrian Cobb and, of course, Ms. Patricia Moor, who was Chief Legal Counsel, Deputy General Director for Legal Affairs. She worked in the office from early in the morning until late at night. The culture of management based on CPC shareholders' agreement was just being established, and Patricia argued with the board over many issues, including procedural ones. Little by little a decision making chain satisfying all the parties has been established and is used until now. By the way, Patricia had a hobby: when she was leaving, she bought and exported from Russia GAZ-21 Volga 1958 year made. And as far as I know, her car is successful at annual retro car fair in Texas."

"Who of Russian leaders of CPC early stage would you like to remember today?"

"Each head was remarkable in his own way and contributed to CPC ➤





CPC pipeline: the best route to transport oil from the North Caspian deposits

growth. For example, Mr. Sergey Gnatchenko, General Director in 2000–2002, knew the shareholders' agreement virtually by heart. He never left Fred Nelson cabinet until he obtained permission; he resolved any issues, demonstrating his leadership skills. Each General Director faced his own difficulties, and now we have one of the flagship oil transportation companies in the world."

"Complete the sentence, please: 'CPC is...'"

"Is a unique international project, in my opinion, unparalleled in Russia. In terms of management, CPC uniqueness is that we use a single-level line structure, procedures for countersigning and delegation of managers' authorities in accordance with the shareholders' agreement, and final decision making by the Board and Shareholders' Meeting by means of voting. Openness at discussion of strategies is a key factor of achieving its goals by the Company.

Specialists have always showed their great interest in CPC experience. Thus, in 2003, I defended my thesis on control functions through the example of CPC in the Academy of National Economy of Russia, and for 40 minutes I had to answer

board's questions, which evidenced uncommonness of our Company in terms of generally accepted business practices."

"And what can you say about the period of CPC Expansion Project implementation?"

"That period was difficult and rather cost-intensive. After system commissioning of the first stage of oil pipeline, CPC General Director Mr. Sergey Gnatchenko gathered the key managers to congratulate us with resounding success and said that the second stage of expansion would be started a year after pilot operation. It lasted for almost



Initial phase construction of CPC facilities under Novorossiysk

9 years. And you should understand how difficult it was to obtain approvals, permissions, and how many sudden vortexes of project arose. They all caused significant delays. Now the period is over, and I'm proud that I, together with my colleagues, were part of such important and extensive work."

"Please tell us about your department."

"The Administrative Department is a part of General Business Department. Since 2004, the Department has been headed by the Shareholder's representative of KazMunaiGaz (KMG). Previously, Deputy General Director for General Business was appointed upon approval of Rosimushchestvo. After the position was transferred to KMG, prominent people, Kazakh oil experts, were engaged in Department management. We were lucky to work under the leadership of Mr. Nurtas Shmanov, Mr. Bakhytzan Namaev, Mr. Amandyk Kultumiev, Mr. Ferdinat Mamonov. Today, our Department is headed by Mr. Alibek Zhilbaev. He is a unique manager: he speaks 5 languages, including English, worked for Chevron, TCO, is an excellent expert in servicing and transportation, diplomat at negotiations.

The basic activities of the Administrative Department are connected with the translation services, document and data management service (DDMS) and administrative group;

total of 56 employees, and more than a half of them are translators.

By the way, DDMS was established not so long ago, in 2016, although it has already achieved some successful results that were appraised by our colleagues in CPC. In particular, they are module EDMS Correspondence and a library of internal regulations, which are absolutely new own share point-based products.

Services and products provided by the Administrative Department are quite remarkable for colleagues, so there is a relevant response to them. We are also responsible for catering and cleaning at pump stations along the whole pipeline and at the Marine Terminal. All issues are resolved collectively in our department: we discuss strategies, approaches, risks, pressing points. Our regional colleagues apply the same approach."

"In what way is interaction between the Administrative Department and CPC regional business units effected?"

"We have good working relationship. In challenging cases I directly address regional managers but usually we resolve problems in the ordinary course of business. The fact is that regional managers' are responsible for operation of facilities, pumping, timely maintenance, personnel, schedules, commissions and audits. And our task is to render services not taking the managers off their current business, and ensuring high quality of such services. By the way, I'd like to note that the oldest regional manager is Mr. Sarsembay Murinov: he heads the Eastern Region since June 1, 2004. He is well-known honoured Kazakh oil expert, PhD in technical sciences. All project work and commissioning of new PS in Kazakhstan was completed under his leadership."

"What are the current projects of the Administrative Department?"

"Nowadays, we have a couple of new projects related to Moscow Office modernization, plans regarding new



Informal communication of colleagues, mid-1990's

CPC offices in Atyrau and Astrakhan, serious elaboration of several new DDMS modules, in particular, Business Trips module. Selection of a single contractor for catering and servicing of all CPC facilities in the Eastern Region is forthcoming."

"The Expansion Project has been completed. What will be the logic of further growth of CPC in your opinion?"

"This is a very interesting question! I believe any essential changes may be possible only after a relevant discussion.

I dare assume that CPC conceptual scheme implemented in the form of line structure and intended for fulfilment of certain functions subject to the shareholders' agreement may be revised after completion of the Expansion Project and pilot operation. The following argues for this: about 75 % of large West companies have a division management pattern, for example, Shell, Chevron, Exxon Mobil. The same pattern providing economic sustainability and planned development is used by Russian oil and gas companies, such as Gazprom, Transneft, Rosneft.

In order to improve the situation even now we could apply

the pattern of the Expansion Project: to create an economic directorate in the Financial Department to centralize the work of economists, and a contract directorate in the Legal Department to ensure more professional and efficient preparation of tenders. I always wondered: why an engineer or a manager in a Region or in Moscow has to be an expert in tender procedures and contracting too if the Company has trained specialists in this field.

The year 2018 is a year of pilot operation of CPC expanded system. CPC shareholders and managers expect that we make efforts for optimization and cost reduction in all directions of the Company operation. This is normal for the final of large projects. At this stage, each employee, whether an old resident of the Company or a novice, should not simply fulfil their obligations mechanically but demonstrate relevant creative approach to the business, strong corporate patriotism.

On this occasion I would like to wish my colleagues health and well-being, every success, safe and reliable operation of the pipeline, with no injuries and accidents!" ■

Interviewed by Ekaterina Suvorova

For the Sake of World Peace

THE WAR LEFT TRAILS IN LIVES OF MANY PEOPLE. IT DID NOT LEAVE OUT MY FAMILY AND ME.



The Victory Day is a sacred day for our veterans, their children, grandchildren and great-grandchildren

DEFENDING MOSCOW

In September 1941, my father Vasily Domokurov, a 17-year-old volunteer, was called up to the Red Army by the Kominternovskiy District Draft Office of Moscow – only three months after his two elder brothers and father. He was drafted into the Army on the second try when enemy approached the capital, and any help was needed at the battle-field.

Untrained draftees did what they could like mad: they dug trenches, brought ammunition, erected anti-tank barriers. In December 1941, my father was sent to the mortar school, and after a short training he got to the front line, obtained the rank of Lance Corporal, a detachment of 10 people and two vehicles with mortar munition. From February 1942, in obedience to orders, the mortar men drove to the defense lines, attacked the selected targets with fire in short bursts, moved around, received fire, and lost their friends. It was during this period that my father learned about the death of his relatives in battles at the approaches to Moscow.

In June, he was promoted to Junior Sergeant. In October 1942, he unexpectedly received an order to arrive to the regimental headquarters, and after a short interview, he was sent to the Primary Flying Training School at the station of Kueda, Molotov Region (Molotov is now renamed Perm). There, within half a year, they trained pilots of the U-2 biplane, low-observable and agile aircraft, which was a thorn in the enemy's side when equipped with small bombs.

The regiment where my father served suffered appalling losses. Pilots perished, planes burnt. Each flight was done on one's chinstrap, but combat missions were always accomplished.

ON THE JAPANESE FRONT LINE

In mid-1944, the regiment received an order for redeployment to the Far East. During this period, the situation in the Far Eastern theater of military operations was complicated for the Allies. In the spring of 1944, the Japanese command began the largest offensive over the course of combat actions in China. The Japanese managed to defeat several Kuomintang armies. Serious damage

was caused to the allied aviation infrastructure: during the advance, Japanese troops captured 10 major air bases and 36 airfields.

My father and his comrades were assigned with a task to master new equipment in order to strengthen the Pacific Fleet. My father, already in the rank of Sergeant, successfully mastered English flying boat PBY-6A Catalina and Beriev MBR-2 bombing flying boat.

In early 1945, the crews of flying boats covered by fighters were already on alert in the waters of the Pacific Ocean dropping heavy bombs and torpedoes onto enemy submarines and ships. The crew of the father's aircraft consisted of a radio operator gunner in the rank of Sergeant, and Navigator who was a graduate of a military school in the rank of Lieutenant. To avoid an awkward situation with the junior giving orders to the senior, and also for ability to command in battle, my father was promoted to Junior Lieutenant by the order of the front commander, and in 6 months to Lieutenant of the Air Force of the Pacific Navy.

In early August, the 54th Regiment took an active part in



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He went through two wars so that future generations could live under peaceful skies. Vasily Domokurov on the cover of Dialogue magazine.

military operations against Japan on the Korean peninsula.

On September 16, after successful bombing of the enemy's warships and coastal fortifications, my father's plane was attacked by a Japanese fighter at an altitude of 450 meters. My father's leg was wounded; the right motor of the flying boat ignited because of the enemy's string of burst, and the crew was ordered to leave the plane. When jumping out of the uncontrolled aircraft, my father hit his back against the plane tail because of the airflow. Nevertheless, the crew successfully landed on water. The crew members helped



www.cpc.ru

my father to get into the rubberized boat with automatic charge; in half an hour, the pilots were picked up by the crew of the battleship commanded by V. N. Leonov, twice Hero of the Soviet Union.

SKY GRAVITY

Upon arrival at the port, my father was taken to the field hospital, and then to the Vladivostok hospital. In early 1946, he appeared before the medical commission. The doctors arrived at verdict: the back injury was very serious; flying is no more possible, further service is possible only on the ground. But my father did not like it; he associated his post-war life with the sky, and therefore raised an objection to the superior in rank. Then the chairman of the commission proposed

examinations without attending lectures at the I. V. Stalin Naval Aviation School in Eysk, and then served in various capacities and in different regions. The main sphere of his activity was training of young people in paratrooping. He made 1,051 parachute jumps, 6 catapult launches from two-seat combat training jet aircraft. On July 21, 1967, he was awarded the title of Master of Sports in parachuting, and on December 3, 1968, the title of judge of the republican parachuting category.

LIFE GOES ON!

Having passed through the fire of two wars, my father, Vasily Domokurov, was awarded the Order of the Patriotic War, 1st class, two Orders of the Red Star, Medal for Bravery, and he has 21 medals more.



V. V. Domokurov is an active chorist of the Moscow Committee of War Veterans

that my father, standing on a stool, would reach his feet with his fingers without bending his knees.

"If you do it, you will fly!" Having taking a deep breath, my father stretched his arms up and energetically put them down bending sharply and reaching his feet with his fingers. Despite a very pale face of my father after this exercise, the chairman of the medical commission kept his word, and the cherished "able-bodied" appeared in the test person's medical chart.

At that time, army and naval combat pilots – graduates of aviation schools – were assigned to flight schools for advanced training. In 1950, my father passed final

He has served in the USSR Army for 28 calendar years, retired in the rank of Lieutenant Colonel in 1969 for health reasons and returned to Moscow where he began active public activities.

Age cannot break his spirit. For 15 years already, my father has been a member of the choir of the Moscow Committee of War Veterans under the leadership of G. I. Novikov, Honored Arts Worker. On April 22, 2018, he is planning to commemorate his 94th birthday in the bosom of his loving family: he has two sons, three grandsons and two great-grandsons. ■

*by Vladimir Domokurov,
Administration Manager,
Moscow office*

Publishing of the People's Book About the Great Patriotic War is Ongoing

IT IS KNOWN THAT PEOPLE WHO WENT THROUGH THE WARTIME SCANTLY AND RELUCTANTLY TALKED AND TALK ABOUT IT. TOO DEAR WAS THE PRICE OF THE VICTORY, TOO MUCH PAIN, SUFFERING, HARDSHIPS AND LOSSES THEY HAD TO GO THROUGH. HOWEVER, IT IS VERY IMPORTANT TO REMEMBER IT.



dedicate its issue to the 75th anniversary of the victory at the Kursk Bulge, which will be celebrated in 2018.

No one knows the final amount of the book parts. However, the project team explained to us that The History Narrated by the People would keep being published as long as materials were submitted to the editorial board and partners were ready to support the project.

Thanks to the support of the partners and friends of the project, The History Narrated by the People is distributed free of charge: the books is given to veterans at various events, handed over to children's and youth organizations, to educational institutions and libraries. For example, a large batch of books was handed over to the Social and Cultural Initiatives Foundation to be distributed in child centers Artek and Orlenok. ■

Our offspring should understand that the victory over fascism is not the work of hypothetical "people", but of each and every one: soldiers who trampled on foe on the battlefield, those who worked in the rear supplying the front with everything required, those who treated casualties, developed new weapons, transported goods, made strategic decisions... All this is our great undefeated nation, the destiny of which is formed of millions of fates of each and every one. A story of all these people is important and priceless.

The History Narrated by the People is the project of the Economic Strategy Institute (ESI) and the Center for Economic Development and Certification (ESI CEDS). We announced the project launch in Panorama CPC in September 2016.

"We know about marshals and heroes, there are a lot of books written and films made about them, but information about heroic deeds of common soldiers is kept only in the family," explains Roland Sharifov, Director of the Center for Economic Development and Certification. "Therefore, an idea leaped into our minds to make a book based on family archives, to publish memoirs of war participants – mostly, by now, as narrated by their offspring. When we spread the word about collection of materials, it was first a dribble. Now, it is a large full-flowing river."

It is clear that it is simply impossible to publish all the materials in one printed volume. Therefore, the book is published in parts. Currently, work is in progress on the fourth part of the book. The organizers

Each of us can take part in this project by telling about their soldier of the Great Patriotic War. Information about your relatives, photos, recollections, and copies of documents can be sent to the editorial board by email: history@profiok.com.

For more details related to participation in the project please visit profiok.com.

CPC Press-Service

Preserving Nature

ON MARCH 14, 2018, CPC MANAGEMENT AND STAVROPOL REGION ADMINISTRATION REFLECTED ON THE REGIONAL PROJECT ON PROTECTION AND RECOVERY OF AXIS AND RED DEER POPULATION WITHIN THE CPC ENVIRONMENTAL AWARENESS-RAISING PROGRAM CALLED "LET US PRESERVE THE NATURE OF THE NATIVE SHORE"

Nikolay Gorban, Consortium General Director, Nikolay Velikdan, First Deputy Chairman of the Stavropol Region Government, and Andrei Khlopyanov, Minister of Natural Resources and Environment Protection of the Stavropol Region, awarded schoolchildren who had won prizes in ecological creativity competitions. Straight after the awarding ceremony, the winners participated in deer release to the natural habitat.

Implementation of the environmental project "Let Us Preserve the Nature of the Native Shore" was funded by CPC with support from the Stavropol State Agrarian University.

CPC program "Let Us Preserve the Nature of the Native Shore" has been implemented in the regions where the CPC oil pipeline has been running for 5 years already. Besides deer in the Stavropol Region, threatened sturgeon species in the Astrakhan Region, saigas, demoiselle cranes and steppe tulips in Kalmykia became the objects to protect in this period. The Consortium spent over 20 million rubles in total for environmental awareness-raising and zootechnical activities.

The project was supported by the Regional Ministry of Natural Resources and Environment Protection and Ministry of Education and Youth Policy. All activities were administered by the Regional Branch of Public Environmental Control of Russia, All-Russian Environmental Protection Organization.

The main objective of the project estimated at 5 million rubles is to increase the population of red and axis deer in nature reserves Lesnaya Dacha, Russky Les, and Buguntinsky, as well as to organize environmental awareness-raising activities with the coming generation. ■

by Pavel Kretev



Flag of the Consortium in the South Pole of the Earth!

IN JANUARY 2018, THE FLAG OF THE CASPIAN PIPELINE CONSORTIUM FLAUNTED IN THE ANTARCTICA. IT WAS MIKHAIL GRISHANKOV, DEPUTY GENERAL DIRECTOR FOR RUSSIAN GOVERNMENT RELATIONS, WHO BROUGHT THE FLAG THERE AS A MEMBER OF THE INTERNATIONAL EXPEDITION TO THE SOUTHERN POLE OF THE PLANET.



This trip was not the first such trip for Mr. Grishankov: he had already participated in many expeditions both to the North Pole and Antarctica together with famous polar explorer Artur Chilingarov, Hero of the Soviet Union and Hero of Russia.

AHEAD TO THE FUTURE!

This time, the expedition reached the South Pole, where the American Amundsen-Scott South Pole Station is located. To prove that the CPC flag actually visited the Pole, the staff of

the station stamped it with the date “January 16, 2018”.

“In fact, we reached it on January 15, because the base camp, from where we got to the South Pole, used the Chile time. But due to the fact that they use the New Zealand time at the Amundsen-Scott Station, after less than a kilometer we made a time slip to the future – 16 hours forward,” said Mr. Grishankov.

At the Station, the expedition members were told many interesting

things about the research conducted at the South Pole by scientists from around the globe. Significant research findings allow the international community to study the ice cap, which makes it possible to learn about the climate of the Earth as it was hundreds of thousands years ago. The level of solar activity over many centuries is determined by the chemical composition of various ice sheets. The Antarctic stations carry out research on the seismic activity of the planet, climatic and meteorological processes, and study



the space impact and processes in the Earth crust.

“The Antarctica is an amazing continent where there are no borders, where different countries of the world efficiently cooperate for a long time under the Antarctic Treaty, conduct joint research, and share the findings with colleagues from other states. Unfortunately, there have not been many examples of such fruitful international cooperation recently as we would like it to be. And it is pleasant to note that

other vivid example is the Caspian Pipeline Consortium – an ambitious project that has become the basis for international cooperation and productive interaction among top oil producers from different countries,” concluded Mikhail Grishankov.

JOURNEY INTO THE HISTORY

The Amundsen-Scott station is named after the leaders of the two expeditions, which were the first to reach the South Pole. On December 14, 1911, this geographical point

was conquered by the crew of Roald Amundsen.

The expedition returned safely to their base on January 26, 1912, having covered almost 3 thousand km for 99 days. On its route to the Pole, the storm troopers marched through the Ross Ice Shelf, then the glacial valleys of the Transantarctic Mountains and further on across the plains of the South Polar Plateau. The ascent to the top of it and crossing the mountains were the greatest challenge for the expedition. »



Having conceded 34 days of the Antarctic race to the Norwegians, the British expedition of Robert Scott reached the South Pole on January 17, 1912.

Having spent 144 days on the glacier, the frostbitten and exhausted British crew perished during the journey back, having 264 km left to reach the base. On November 12, 1912, the members of Scott's expedition who were not directly involved in the march to the Pole discovered a place of the last stop of the Scott's team. In particular, photographic plates and diaries of the expedition members were found, which revealed the details of the tragedy to the whole world.

Nearly one hundred years, there continued debates about the causes of Scott's team death. For a long time it was believed that the expedition failure was associated with more severe weather conditions, which were on return after the South Pole conquest by



the British. The experiment carried in 2006 by the BBC channel brought the debates to a close.

Two groups were formed: British and Norwegian, consisting of specially trained sportsmen and military. They were challenged to make the same way, in the same conditions and with the same equipment as Amundsen and Scott's crews. Where the Norwegian crew successfully passed all the way and returned to the starting point 100 years after their famous predecessors, their British colleagues had to be sidelined on the 91st day of the expedition due to critical loss of weight and breakdown in health.

This simulation showed that wrong equipment and movement tactics of the British accounted for the tragedy. Moving too slowly, they spent too much time in extreme conditions overestimating the human body strength. Another

fatal mistake was undersaturation of Scott's crew nutrition with calories and vitamins.

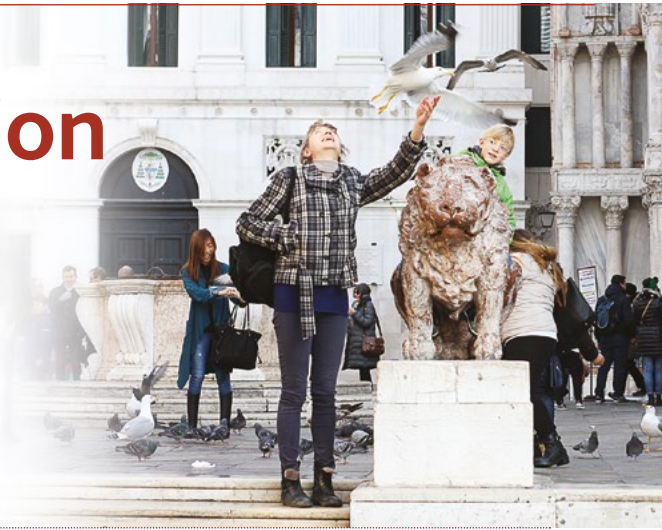
Interestingly, among the members of the both Antarctic expeditions there were nationals of the Russian Empire, although they were not directly involved in the ascent to the South Pole. For example, the only foreigner in the Norwegian expedition was Alexander Kuchin, navigator and oceanographer. In the Scott's crew, there were two Russians: the groom Anton Omelchenko and musher (dog sled driver) Dmitry Girev. Girev accompanied Scott's expedition to 84° south latitude, and then he remained in Antarctica with the greater part of the expedition and took part in the search for Scott's group. In recognition of his services, the British government awarded him with a silver medal. ■

by Pavel Kretov



A City of a Winged Lion

"WHAT ARE THEY IF THEY AREN'T REAL SKYSCRAPERS!", SO DELIGHTED I WAS NOT NEAR SOME MOSCOW CITY'S HIGH-RISE BUILDINGS, BUT ON THE ANCIENT NARROW STREETS OF VENICE. THE BUILDINGS THAT WERE RISING ABOVE US HAD NO MORE THAN FIVE FLOORS. BUT ON THE STREETS ABOUT ONE METER WIDE, IT WAS ENOUGH TO ALMOST FULLY HIDE THE SKY. "THIS CITY IS NOT FOR CLAUSTROPHOBES!" I THOUGHT.



VENICE AND THE SEA

The entire history of Venice says that the locals have never suffered from any phobias. In the 5th century, when northern Italy became a public thoroughfare for various conquerors, ancestors of the nowadays Venetians moved to lagoon

islands and made them unassailable fortresses. It was in the 9th century that the Venetians most tellingly demonstrated to Pepin, King of the Franks, that he was not welcome there. The militant son of Charlemagne retreated, leaving a large part of his army in the lagoon fens.

Hardworking Venetians gradually expanded their domain: they dewatered lakes, filled up swamps, made mounds. Having developed the island territory, they set the sails. The fleet of the Venetian Republic began to dominate first in the Adriatic, and then across the eastern Mediterranean driving out all competitors, including other famous seamen – the Normans.

THE VERY FIRST ARSENAL

Hundreds of combat ships, thousands of merchant vessels quickly made Venice into the leader of global trade. All of them were built

on the famous, survived to this day Venetian Arsenal, which was a forerunner for all other arsenals on the planet. Having gathered many workshops under one roof (the "workshop" is the translation of the Arabic word "arsenal"), the Venetians created something like a conveyor. If necessary, local craftsmen could build a fully equipped and armed combat ship in just one day, while in other countries it took weeks or even months.

Today, near the Arsenal, there is a marina for beautiful yachts and fuel station for motor boats. It looks like an ordinary fuel filling station, only that the fuel nozzle hose should be put into the fuel tank of a vessel sailed up to the quay, but not of a car.

THE GOLDEN BASILICA

Finding the city's patron saint, St. Mark (the winged lion »





symbolizing the Saint was placed on the Coat of Arms of the Republic), is also associated with the maritime history of Venice.

Local merchants secretly carried out the relics of the Evangelist from Africa having hidden them under canvas on their ship. Today, one of the main attractions of the city – St. Mark's Cathedral – reminds of this undercover operation. Untold wealth of the maritime Republic was lavishly reflected in the opulent decoration of the cathedral church. No wonder its second name is the Golden Basilica.

In addition to the walls dazzling with gold, our attention was attracted by unique inlaid marble floors with inserts of mosaic images created in the 12–15th centuries.

CAUTION: SEA GULLS!

I would advise be on the alert admiring the sights in San Marco, the main square of the city. The fact is that many tourists feed pigeons and gulls light-heartedly, but flesh birds do not always have patience to wait until a person voluntarily offers them food.

Then the birds proceed to an active phase: quietly take off, fetch a circuit above the square and nose down gliding towards the chosen victim from the back and trying to snatch food from his/her arms. Believe me, this sudden attack of a large seabird sized as a well-fed farm goose produces a mouth-dropping effect: bags and packs are all on the ground, and all



the scattered food becomes prey of the predators.

BARKING AT DEATH

Thanks to the navigators from Venice, the world got to know such word as “quarantine” derived from the Italian word “quaranta” meaning “forty”. The vessels arrived from the countries where there was a rage of plague were to remain off the harbor for exactly forty days. Only in case no one of the crew got sick within that period, the sailors received permission to come ashore.

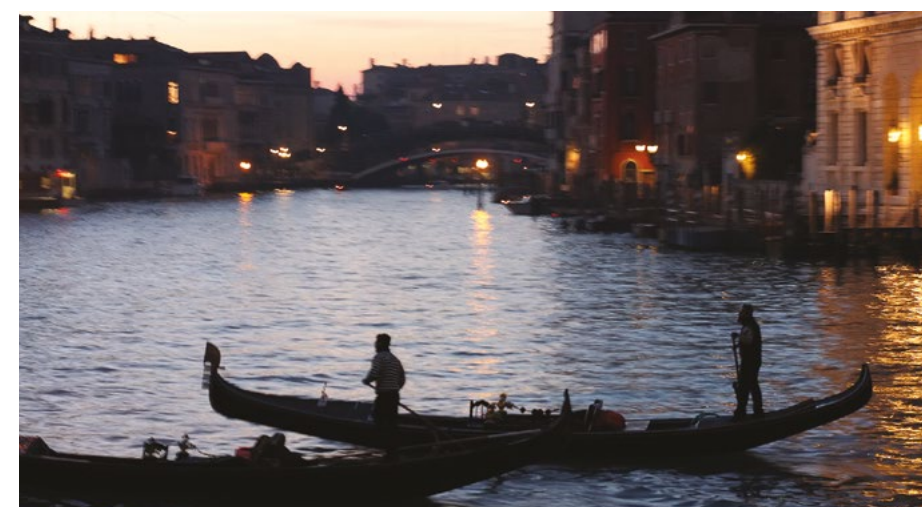
High density of population and confined spaces of the islands made Venice particularly vulnerable to the Black Death. When in other countries of Europe they built

the so-called plague columns in thanksgiving for the deliverance from the pestilence, the Venetians erected one of the largest and most luxuriously decorated cathedrals of the city – Santa Maria della Salute (Our Lady of Health). Being in Venice in the second half of November, we accidentally found ourselves at the traditional celebrations dedicated to the city's deliverance from the plague in the 17th century.

The pestilence left the city on November 21, 1631, and for almost 400 years the Venetians have been celebrating this day with a mass pilgrimage to the cathedral, feast mass, and costume processions. When seeing the procession with the Death sitting enthroned, passers-by and children, with a special vigor, loudly bark at it expelling it from Venice. My family also did not miss this unique opportunity to bark at actors without any risk of being numbered with the insane. As we understood, while doing so it was important to bewilder the evil forces and make them believe you were not a human being, because it were people that they hunted for.

GIFTS OF THE BOSOM OF THE SEA

The facade of the Cathedral of Santa Maria della Salute overlooks the Grand Canal that is the major traffic artery of Venice. Motor boats and cabin cruiser, small cargo



barges, waterbuses “vaporetto”, pompous gondolas and their budget-friendly analogue, “traghet-ti” boats, which allow sailing to the other shore, bustle in and out over the Canal.

Having debarked from the traghet-ti, we found ourselves at the most famous market of Venice – the fish market. Merchants' rows were heaped with the freshest seafood caught in the Adriatic: prawns slapping their tails, crabs clicking their claws, and trout flapping their gills. You should definitely stop by it, especially if you have not checked into a hotel, but stay in apartments, and there is a kitchen at your disposal.

By the way, the full name of the market is the Rialto Fish Market

named after the quarter and bridge built across the Grand Canal in the 16th century. The bridge depicted on numerous souvenir gifts became one of the main landmarks of Venice, but I personally disliked it very much. Having carried the pram over the steps of the bridge for several times and maneuvering in the crowd of tourists, I began to carefully choose the ways to bypass this tourist attraction.

We spent almost a week in Venice, and I can say that the more time passes after the trip, the stronger become the impressions of the city. We will definitely come back there again. ■

by Pavel Kretov

Caspian Pipeline Consortium: a time-tested international project



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Panorama CPC celebrates its fifth anniversary!

How quickly time flies! It seems that only yesterday the team chose the name of the future periodical by a majority vote. In May 2013, the premiere 20-page edition was issued in Russian and English. Very soon, the Consortium's eventful life required that the magazine be extended to 48 pages. Since December 2016, Panorama CPC has been published in the Kazakh language. It is safe to say that the magazine has succeeded thanks to caring readers and authors of the articles – CPC personnel. It is ready to keep changing.

We are looking forward to your ideas and suggestions!