

POSCO NIGHTMARE

## Destroying India's Coastline

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POSCO-India's project to build a steel plant yielding 12 million tonnes per year in Orissa, with a captive port and iron ore mines, is acclaimed as the single largest infusion of Foreign Direct Investment (FDI) since the Indian economy liberalized in 1991. Estimated at \$12 billion (Rs 52,000 crore), the project, said the Orissa government, would "bring prosperity and well-being" to its people through industrialization based upon exploitation of its natural resources. However, the project has faced strong resistance from a vigorous people's movement on the ground, comprising villagers apprehensive of losing land and livelihood. Consequently, five years after the project's launch, POSCO has yet to acquire a single acre of land and is embroiled in legal, logistical and procedural quagmires. Perhaps to rescue the company, Minister of State for Environment and Forests Jairam Ramesh appointed a four-member committee comprising Meena Gupta, former Secretary, MoEF, V Suresh, a civil liberties lawyer, and Devender Pande and Urmila Pingle, experts on forests and tribals, respectively, to go into all issues relating to the environmental and forest clearances granted to the project. Ironically, the committee's majority report (3 to 1) has further pushed the company into the slush by recommending revocation of the environmental, coastal and forest clearances granted. The finding is as damning as that of the N C Saxena Committee in the case of Vedanta: that these clearances were secured through suppression of relevant information by the project proponent, that regulatory agencies systematically overlooked critical concerns, and that key appraisal bodies of the MoEF and the Orissa government ignored experts' demands for comprehensive inquiry and rushed the clearances through regardless of the project's irreversible and widespread social, environmental and economic consequences. At the outset, the appointment of Gupta, who was Secretary of the Ministry when the clearances for POSCO were accorded, as the committee chairperson was a case of conflict of interest. There was obviously a hidden agenda which is revealed in her highly opinionated "minority" report starting with her objection to the Terms of Reference of the Committee to "review compliance with statutory provisions, approvals, clearances and permission under various statutes, rules, notifications, etc." She also castigated the other members when they wanted to assess not merely the compliance with the clearances granted, but the grant of the clearances per se. Her report recommends adoption of a "business as usual" approach i.e. the POSCO project should go ahead, while some more comprehensive studies could be under taken though they will have no bearing whatsoever on mitigating the project's massive environmental and social impact. She also didn't want anyone to even question the legitimacy of the clearances given when she was at the helm of affairs. GUPTA'S shenanigans appear to be not merely to cover up her own role but also the continued complicity of the MoEF. This is evident from the fraudulent manner in which POSCO obtained the Environmental and Coastal Regulation Zone (CRZ) clearances. To start with, this massive project was deliberately unbundled into its smaller parts and applications moved to secure their clearances as though they were independent projects (4 MTPA steel complexes, 400 MW power plants and captive "minor" port), even though they constituted one project and were situated within one complex and POSCO had clear intentions of romping up production to the full capacity of 12 MTPA in just six years (by 2011). These clearances were given on the strength of a single-season rapid EIA instead of full-year comprehensive EIA, as required. Gupta allegedly covers up her own and the MoEF's complicity. This is evident from the manner in which POSCO obtained the environmental and related clearances. The township project, requiring considerable additional land, as well as the huge water requirement for the project were suppressed.

Claiming the port to be a “minor” one is a major fraud. The port was designed for Capesize ships –170,000 DTW capacity, each approximately 280m in length, perhaps the largest built in Asia, to come into the ecologically sensitive Jatadhar creek. This would require 12-km channels and tranquil breathing facilities for which there would be massive sea walls built—one 2 km and another 1.6 km long. The devastation that such massive infrastructure facilities would cause is unimaginable, considering that the Jatadhar creek is an important nesting site for the critically endangered Olive Ridley turtles. This is the region of paan kethis (betel vine farms) where sand dunes provide sweet soil and water and also protection during cyclones. The people deserve an answer from Jairam Ramesh, the scholarly Minister striving to bridge the “cultural divide” between environment and development. POSCO also did not come clean on the fact that it would raise the entire base of the 4004—acre plant area by five metres by dumping millions of tonnes of sand dredged from the sea to protect the plant from a super cyclone like the one that slammed Orissa in 1999 (with wind speeds of 260 kmph, waves of 5.6 m height and 100 km length). It swept some 20 km into the hinterland and killed 15,000 people. The “majority report” is clear that there was comprehensive violation of the due processes of the Forests Rights Act by the Orissa government and suppression of critical concerns of environmental and social impacts of the project, raised in the Orissa State Pollution Control Board, Regional Office of MoEF (Bhubaneswar) and in initial meetings of the Environmental Appraisal Committees of the Ministry. Hence the recommendation for their immediate revocation. The majority report reveals from file notings that there were pressures—especially from the Union Finance Ministry, then headed by P Chidambaram, a former Director in Vedanta. It says : “The committee is constrained to comment that the proximity of dates between the letters from the Finance Ministry and the hasty processing of the approvals by the MoEF and the EAC despite the serious shortcomings and illegalities is more than a mere coincidence. It is very clear that not all is well with the functioning of the MoEF. We are also constrained to observe that the brazen interference by the Ministry of Finance into functioning of another Ministry is most unfortunate, highly improper and against public interest.” It has also been revealed that where there should be only one set of minutes of the final decisions of the Expert Appraisal Committee of the MoEF, there are actually two, the unofficial version amended by the chair to benefit POSCO. Efforts are on to bring about an image make over for the project. Certain media groups have joined this charade by calling the independent majority group a “kangaroo court”. Intense efforts are on to bring about an image make over for the POSCO project. The Vedanta and POSCO episodes raise a critical question. What is the mandate of the MoEF? Is it to protect and safeguard the environment and natural resources of the country, which is the common heritage of its 1.2 billion people? Or to function as a midwife chaperoning corporate investors and carpetbaggers in mindlessly exploiting the country’s natural heritage by will fully violating the laws of the land? There is another reason for concern. Recently, a new entity—a “road on stilts”, an euphemism for an 18-ft high and 80-ft wide concrete monstrosity on massive pylons—was smuggled into the CRZ draft notification to make it a permissible activity on India’s sandy beaches over the waves. Given the potential this has for devastation of the Indian coastline by opening it up to huge construction and commercial real-estate development, it is easy to guess who are behind this crude manipulation. The people deserve an answer from Jairam Ramesh. ○○○