



Ministry of Environment and Forests
GOVERNMENT OF INDIA

POSCO:

Final Order and Other Relevant Documents

31st January 2011

- I. Final Order of MoS (I/C) E&F*
 - II. Copy of Environmental Clearance for Steel-cum-Captive Power Plant*
 - III. Copy of Environmental Clearance for Captive Minor Port*
 - IV. Copy of Communications from Orissa State Government on FRA, 2006 in POSCO Project area*
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Ministry of Environment and Forests
GOVERNMENT OF INDIA

I. FINAL ORDER OF MOS (I/C) E&F



Subject: POSCO

I. Background

1. The Government of Orissa and Pohang Steel Company (POSCO) signed a MoU on June 22, 2005 for setting up an integrated steel plant with the total capacity of 12 million tonnes per annum (with 4 million tonnes in the first phase) at Paradip in Jagatsinghpur district. The integrated steel plant includes a captive power plant and a captive minor port. The entire project complex requires about 1621 hectares of land of which about 1253 hectares is forest land.
2. The application for environmental clearance for the captive minor port was received in the MoE&F on September 14th, 2006. The environmental clearance was granted by the MoE&F on May 15th, 2007.
3. The application for environmental clearance for the captive power-cum-steel plant was received in the MoE&F on April 27th, 2007. The environmental clearance for the captive power-cum-steel plant was granted by the MoE&F on July 19th, 2007.
4. On June 26th, 2007, Government of Orissa sought approval from the MoE&F for diversion of about 1253 hectares of forest land. On September 28th, 2008, Stage-I clearance for diversion of forest land was granted by the MoE&F. Final clearance for diversion of forest land was granted by the MoE&F on December 29th, 2009.
5. On January 8th, 2010, MoE&F clarified to the Government of Orissa that the final approval of diversion of forest land in favour of POSCO is conditional on the settlement of rights under the Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 also known as Forest Rights Act (FRA), 2006.
6. On March 16th, 2010, the Forest and Environment Department of Government of Orissa wrote to the MoE&F conveying that there are no tribal people or traditional forest dwellers residing in the forest area being acquired by POSCO.



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7. On June 29th, 2010, the Forest and Environment Department of Government of Orissa sent copies of translated versions of entire proceedings of the settlement of Rights under the Forest Rights Act, 2006 as requested by the MoE&F in its letter of April 15th, 2010.
8. On April 13th, 2010 the MoE&F and Ministry of Tribal Affairs jointly constituted a Committee under the Chairmanship of Dr. N.C.Saxena and Dr. Devendra Pandey to study the implementation of the Forest Rights Act, 2006, particularly from the point of view of sustainable forest management. On August 4th, 2010 a report was received in the MoE&F submitted by a sub-committee of this joint committee which said that there was non-compliance of the required processes under the Forest Rights Act, 2006.
9. On August 5th, 2010, MoE&F based on sub-committee's report asked the Government of Orissa to stop transferring forest land till all the processes under the FRA 2006 had been satisfactorily completed.
10. Meanwhile, on July 25th, 2010 a four-member committee had been constituted by the MoE&F based on a recommendation made by the Forest Advisory Committee (FAC) to examine all issues relating to diversion of forest land for the POSCO project. This was done considering the substantial amount of forest land being diverted and in view of the representations that the FAC had received.
11. The report of the four-member Committee was submitted on October 18th, 2010. The Committee was not unanimous in its recommendations, with one member submitting one set of findings and recommendations and three others taking a different view both in terms of findings and recommendations.
12. The reports of this four-member committee were considered by three statutory bodies of the MoE&F—(i) the Forest Advisory Committee (for diversion of forest land); (ii) the Expert Appraisal Committee for Industry (for the captive power-cum-steel plant); and (iii) the Expert Appraisal Committee for Infrastructure (for the captive minor port).



13. I have (i) carefully considered the recommendations of these three committees; (ii) carefully considered the representation made by the state government to the FAC; and (iii) had detailed discussions with the state government, Union Ministry of Tribal Affairs and various other stakeholders. The following are my decisions.

II. Environmental Clearance for Steel-cum-Captive Power Plant

14. ***Environmental clearance for the steel-cum-captive power plant is being accorded with 28 additional conditions over and above that stipulated in the original environmental clearance of July 19th, 2007.*** Of these the most significant are the following:

- The National Ambient Air Quality Standards issued by the MoE&F on November 16th, 2009 will be followed.
- Sustainability study of water requirement (for the ultimate steel production capacity of 12 million tonnes per year) will be carried out by an institute of repute. Should there be a shortfall of water at the Jobra Barrage for irrigation purposes, the company will voluntarily sacrifice water intake for facilitating irrigation.
- The total green area within the plant will be 25% of its area as per the guidelines of the Central Pollution Control Board (CPCB).
- Risk and disaster management plans due to plant operation and natural hazards such as floods, cyclones and earthquakes along with mitigation measures shall be prepared and submitted to the MoE&F.
- In addition to fulfilling the R&R obligations mandated by the state government's package and while also implementing CSR-related programmes in the construction phase, 2% of net annual profit should be devoted to corporate social responsibility in the region where the project is located¹.

¹ This is in keeping with the "Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises" brought out by the Department of Public Enterprises, Government of India, March 2010.



III. Environmental Clearance for Captive Minor Port

15. Over the last few weeks, the MoE&F has received the results of the shoreline study being carried out in different states by the Institute of Ocean Management, Anna University, Chennai. This study is based on satellite imagery for 1972, 1990, 2000 and 2010. ***The study for Orissa and more particularly for that 3.48 km stretch of the Orissa coast from Gopalpur to Paradip where POSCO's captive port is proposed reveals the following:***

<i>Erosion Characteristics</i>	<i>Distance (m)</i>
High erosion ²	200
Medium erosion	2000
Low erosion	940
Stable coast	340
Low accretion	Nil
Medium accretion	Nil
High accretion	Nil
<u>Total</u>	<u>3480</u>

16. In view of this finding and also keeping in mind concerns raised on impacts on the marine environment raised by many civil society groups, ***the environmental clearance for the captive minor port is being accorded with 32 additional conditions over and above***

² High Erosion means that the shoreline is moving towards the landward side by more than 5 metres/year; medium erosion movement is between 2 and 5 metres per year and low erosion movement is between 0.5 and 2 metres per year. Accretion is when the shoreline is moving towards the seaward side. Erosion is the issue.



stipulated in the original environmental clearance of May 15th, 2007. The most significant of these are:

- No construction shall be undertaken in the “high erosion” zone identified by the Institute of Ocean Management.
- Shoreline protection measures to counter erosion on the northern side of north breakwater shall be undertaken.
- The shoreline shall be protected to ensure that no further erosion occurs on the northern side of the Northern Breakwater up to Paradip port
- A MOU shall be signed between NIO and POSCO which will include works relating to monitoring of the shoreline, sand bypass system, beach nourishment and any other activity that has an impact along the coast/coastal waters. The Institute for Ocean Management will monitor the progress periodically on behalf of the MoE&F.
- POSCO shall ensure that no industrial activity shall be carried out within CRZ area other than those permissible under the Notification.
- POSCO shall submit detailed Marine Environment Conservation Plan (including mangrove regeneration and conservation of turtles and horse shoe crabs). The implementation of conservation plan should start before commencing of construction of port.
- The location and size of the fishing jetty intended to compensate the loss of fishing activity arising out of development of the port at JMC shall be carried by POSCO in consultation with the local people to their satisfaction and requirement. Separate clearance under Coastal Regulation Zone Notification, 2011 for the proposed fishing jetty shall be obtained.
- POSCO shall made a detailed assessment of the impacts on fishing communities and resultant economic losses covered in R&R package – along with requirement of fishing jetty and identified beneficiaries, location identified for the jetty (and alternative options considered).



IV. Forest Clearance for Project Complex

17. In a communication to the Ministry of Tribal Affairs, Government of India dated August 24th, 2010, the SC&ST Development Department of the Government of Orissa stated that:

"There are no tribals in occupation nor residing within the POSCO project area and no traditional forest dwellers are also there in occupation more than 75 years".

In this communication the state government has also stated that some claims submitted by the POSCO Prathirodha Sangram Samiti on June 1st, 2010 were, upon enquiry, found to be forged.

18. A communication from the Forest and Environment Department of the Government of Orissa to the MoE&F dated October 21st, 2010 stated that:

"...no claims were received were received from any of the villages (Dhinkia, Gobindpur, Nuagaon, Polanga, Nolia Sahi and Bhuyanpal)...nor has a single person claimed redressal under the definition of "other traditional forest dwellers".

19. It is clear that the POSCO project site is not a part of a Fifth Schedule Area and is, in fact, far away from the nearest Fifth Schedule Area. However, according to the Forest Rights Act, 2006 non-tribals have to fulfill three conditions before their claims as other traditional forest dwellers (OTFDs) for rights under FRA, 2006 can be recognized. These are:

- They should have primarily resided in the forest for 75 years prior to the 13th day of December, 2005. (Section 2(o))
- They should be, at present, dependent on the forest or forest land for bona fide livelihood needs. (Section 2(o))
- They should have been in occupation of the forest land before the 13th day of December, 2005. (Section 4(3))



20. Non-tribals who meet the above three conditions constitute OTFDs regardless of whether they file any individual claim for land or not. All these three conditions have to be fulfilled for the recognition and vesting of forest rights for the OTFDs. Even if one of them is not fulfilled, then the applicants will not be eligible as OTFDs (individually or as a community) for the recognition and vesting of forest rights under the FRA, 2006.

21. Furthermore, regarding what constitutes “primarily residing in”, the Union Ministry of Tribal Affairs in its circular of June 9th, 2008 has clarified that the interpretation of the phrase “primarily resided in and who depend on” includes persons “who are not necessarily residing in the forest but are depending on the forest for their bona fide livelihood needs” or “who are working on such patches of land in such areas irrespective of whether their dwelling houses are outside the forest or forest land”.

22. As regards the phrase “bona fide livelihood needs”, Rule 2(b) of the Rules made under FRA, 2006 implies that a person either living in or cultivating a parcel of forest land or a person collecting firewood, fodder, non-timber forest produce, fish, etc from forest lands qualifies as a bona fide user.

23. Against this background and in view of the observations of the FAC and of the four-member committee (paras 11 and 12), ***before a final decision can be taken on diversion of forest land, since the state government has the primary responsibility for ensuring and guaranteeing compliance with the Forest Rights Act, 2006, I would like the Orissa government to***

- ♦ ***give a categorical assurance to the MoE&F that at least one of the above three conditions is not fulfilled in the case of those claiming to be dependent on or cultivating land in the POSCO project area³.***

³ This would make it clear that there are no legally-tenable claims of non-tribals wanting recognition as OTFDs under the Forest Rights Act, 2006.



Final approval for diversion of 1253 hectares of forest land for the POSCO project would be granted as soon as this assurance of the state government is received by the MoE&F.

V. A Final Word

24. Undoubtedly, projects such as that of POSCO have considerable economic, technological and strategic significance for the country. At the same time, laws on environment and forests must be implemented seriously. Every such case presents its own unique set of circumstances and requires a distinctive solution. ***In this case,***

(i) the 28 additional conditions imposed as part of the environmental clearance for the steel-cum-captive power plant;

(ii) the 32 additional conditions imposed as a part of the environmental clearance for the captive minor port; and

(iii) the pointed assurance sought from the state government in keeping with its obligations under the Forest Rights Act, 2006

do provide a comprehensive package of measures to ensure that this project will not be detrimental from an ecological and local livelihood perspective. In any case, the conditions imposed are going to be closely monitored.

25. Projects like POSCO also raise broader issues of our capacity to conduct comprehensive, coordinated and combined environmental and forestry-related impact assessments and appraisals for mega projects and for projects that cut across a number of sectors, traditionally defined. The MoE&F has taken up this issue for review and improvement.



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26. Finally, in keeping with the MoE&F's steadfast commitment to transparency and accountability, all documents referred to in this note and not already in the public domain are being made available on www.moef.nic.in.

Jairam Ramesh
MOS (I/C), E&F
31/1/11



Ministry of Environment and Forests
GOVERNMENT OF INDIA

II. COPY OF ENVIRONMENTAL CLEARANCE FOR STEEL-CUM-CAPTIVE POWER PLANT

F. No. J-11011/285/2007- IA II (I)
Government of India
Ministry of Environment and Forests
(I.A. Division)

Paryavaran Bhawan
CGO Complex, Lodhi Road
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E-mail: plahujarai@yahoo.com
Tele/fax: 011- 2436 3973
Dated: 31st January, 2011

To.

M/s POSCO – India Pvt. Ltd
Room No. 445, Ashok Hotel
50 B, Chankayapuri
New Delhi – 110 034

E-mail: vikashsharan@gmail.com

Subject: Integrated Iron & Steel Plant (4.0 MTPA) with Captive Power Plant (4x100 MW) at Kujang, Near Paradip, Jagatsinghpur in Orissa by M/s POSCO - India Pvt. Ltd. – Environmental clearance reg.

Sir,

This has reference to this Ministry's letter of even no. dated 19.07.2007 according environmental clearance to the above project under the provisions of EIA Notification, 2006.

2. As you are aware that the Ministry of Environment and Forests, vide its Order dated 28.07.2010 constituted a four member Committee to investigate into the proposal of POSCO-India Private Limited for establishment of an Integrated Steel Plant and Captive Port. The Committee submitted its two reports on 18th October, 2010, one by Ms Meena Gupta and another by Dr. Urmila Pingle, Dr. Devendra Pandey & Dr. V. Suresh on 18th October, 2010. The above reports were posted on the Ministry's website (www.envfor.nic.in).

3. The reports of the Committee were placed before the Expert Appraisal Committee (Industry) in its 15th Meeting held on 27th October, 2010 to discuss the issues regarding the integrated steel plant and captive power plant. The Committee decided that the matter would be further examined in the next meeting and the State Environment Secretary, Govt. of Orissa, Member Secretary, State Pollution Control Board and Senior Scientist of the Regional Office of the Ministry should also be invited to the meeting. The proposal was considered by the Committee in its meeting held on 23rd November, 2010 and a presentation was made by M/s POSCO- India Limited and their consultant. The Committee in its meeting held on 14th December, 2010 after consideration of the proposal decided to prescribe additional environmental safeguards for compliance by the project proponent.

4. The Ministry of Environment and Forests accepts the recommendations of the Expert Appraisal Committee (Industry). Following additional conditions are stipulated for compliance by M/s PSOCO - India Pvt. Limited.

- i. On-line ambient air quality monitoring and continuous stack monitoring for all the stacks shall be done. Requisite air pollution control devices - Electrostatic Precipitator (ESP), Gas Cleaning Plant, Bag Filters -shall be provided to contain emission below 50 mg/Nm^3
- ii. National Ambient Air Quality Standards issued by the Ministry in G.S.R. No. 826(E) of 16th November, 2009 shall be followed.
- iii. Vehicular pollution due to transportation of raw material and finished products shall be controlled as well as dust emission during loading and unloading. Raw material shall be stacked at earmarked sites in sheds/stockyards with wind breakers/shields and secure of fire hazard.
- iv. The proponent shall upload the status of compliance of the stipulated environment clearance conditions and results of monitored data on their website and update these periodically. Information shall be simultaneously sent to the Regional Office of MOEF, concerned Zonal Office of CPCB and SPCB. The criteria pollutant levels, that is, of RSPM, SO_2 , NO_x (ambient levels as well as stack emissions) and of critical sectoral parameters of the plant shall be monitored and displayed at a prominent location near the main gate of the company in public domain.
- v. Rain water shall be harvested and used and the capacity of the reservoir enhanced to minimum two months requirement if need be for the purpose.
- vi. The proponent shall consider installing a desalination plant to cater drinking water to the neighbourhood.
- vii. Source sustainability study of water requirement shall be carried out by an institute of repute. The study shall also specify the source of water for meeting the requirement during lean season. The report shall be submitted to the Regional Office of the Ministry within six months. No ground water shall be extracted for operating the plant. Hydro geological study of the area shall be reviewed annually and a report submitted to the Ministry.
- viii. No water bodies or natural drains in the area shall be disturbed.
- ix. COC of 5.0 shall be adopted in the Captive Power Plant. The treated effluent conforming to the prescribed standards only shall be re-circulated and reused within the plant.
- x. The proponent shall implement energy efficient technologies / equipment to save the energy. For utilities, use of solar energy shall be explored.
- xi. Action plan for solid waste management, its conveyance outside the plant so as to ensure unfettered development of greenery within and disposal of the waste shall be submitted before completion of construction of the plant and commencement of production.

- xii. There shall be a green belt around the plant of minimum 15 -20 metres width and the total green area within the plant shall be 25% of its area as per the CPCB guidelines. The greenery will be raised in consultation with the DFO. Action on this behalf will commence simultaneously with construction of the plant.
 - xiii. Noise level in the work zone shall be limited to 75 dB. For personnel working in the high noise area, requisite protective equipment like earplugs/ear muffs etc. shall be provided. Personnel so deployed shall be periodically examined and audiometric records maintained.
 - xiv. The proponent shall prepare detailed Occupational Health Surveillance Programme for implementation from start of the construction and operation of the plant for workers health and safety.
 - xv. Risk and Disaster Management Plans due to plant operation and natural hazards such as flood, cyclone and earthquake along with mitigation measures shall be prepared and submitted to the Ministry's Regional Office at Bhubaneswar, SPCB and CPCB. Storage facilities for auxiliary liquid fuel such as LDO and/ HFO/LSHS shall be made in the plant area in consultation with Department of Explosives, Nagpur. Disaster Management Plan shall be prepared to meet any eventuality arising from storage/ leakage of oil and gas.
 - xvi. While also implementing CSR- related programmes during the construction phase, the company shall earmarked 2% of the net profit as CSR budget towards corporate social responsibilities. Item-wise details of expenditure proposed on specific need based programmes identified towards this end with time bound execution schedules shall be prepared and submitted to the Ministry's Regional Office at Bhubaneswar.
 - xvii. The environmental statement for each financial year ending 31st March in Form-V as is mandated to be submitted by the project proponent to the concerned State Pollution Control Board as prescribed under the Environment (Protection) Rules, 1986, as amended subsequently, shall also be put on the website of the company along with the status of compliance of environmental conditions and shall also be sent to the respective Regional Offices of the MOEF by e-mail.
 - xviii. Provision shall be made for housing for construction labour (as applicable) within the site with all necessary infrastructure and facilities such as fuel for cooking, mobile toilets, mobile STP, safe drinking water, medical health care, crèche etc. The housing may be in the form of temporary structures to be removed after the completion of the project.
5. M/s POSCO - India Pvt. Limited shall comply with all the conditions stipulated vide Ministry's letter of even no. dated 19.07.2007. This letter should be read in tandem and kept attached with the letter dated 19.07.2007.

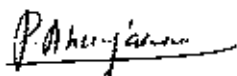
6. In case of change in the scope of the project the company shall apply for fresh environmental clearance as per the procedure laid in the EIA Notification, 2006

7. This issues with the approval of the Competent Authority.


(Dr. P. L. Ahujara)
Director

Copy to:-

1. The Secretary, State Department of Environment, Govt. of Orissa, Bhubaneswar, Orissa.
2. The Chairman, Central Pollution Control Board, Parivesh Bhavan, CBD-cum-Office Complex, East Arjun Nagar, New Delhi – 110 032.
3. The Chairman, Orissa Bengal Pollution Control Board, Parivesh Bhavan, A/118, Neelkanthhanagar, Unit-8, Bhubaneswar - 751 012, Orissa.
4. The Chief Conservator of Forests (Eastern), Regional Office (EZ), A/3, Chandrasekharapur, Bhubaneswar - 751 023, Orissa.
5. The Joint Secretary (CCI-I), Ministry of Environment and Forests, Paryavaran Bhavan, CGO Complex, New Delhi.
6. Monitoring Cell, Ministry of Environment and Forests, Paryavaran Bhavan, CGO Complex, New Delhi.
7. Guard File / Record File.
8. Website, MoEF.


(Dr. P. L. Ahujara)
Director

F. No. J-11011/285/2007- IA II (I)
Government of India
Ministry of Environment and Forests
(I.A. Division)

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Dated 19th July, 2007

To,

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Subject : Integrated Iron & Steel Plant (4.0 MTPA) with Captive Power Plant (4x100 MW) at Kujang, Near Paradip, Jagatsinghpur, Orissa by M/s POSCO India – Orissa Pvt. Ltd. – Environmental clearance reg.

Sir,

This has reference to your letter no. PI/CON/0803/07 dated 27th April, 2007 alongwith Application, Questionnaire, Feasibility Report and EIA/EMP and subsequent information submitted vide letter dated 20th June, 2007 for environmental clearance on the above mentioned project. The Ministry of Environment and Forests has examined your application. It is noted that M/s POSCO, India – Orissa Pvt. Ltd. propose to construct an Integrated Iron & Steel Plant of initial capacity 4.0 MTPA (Final capacity, 12 MTPA) at Kujang, Near Paradeep, Jagatsinghpur, Orissa. The initial output will consist of Slabs (1.5 MTPA), HR Coils (2.5 MTPA) and Pig Iron (20,000 TPA). The plant will also have a Captive Port. Total project area will be 4,004 acres. The company has applied for transfer of 3,097 acres (1,253.225 ha) forest land. 907 acres of private land is to be acquired. 471 families in the villages of Dhinkia, Gobindapur, Nuagaon, Polanga, Bhuyanpal, Bayanal Kandah, Noliasahi, and Jatadhar, will be re-located and rehabilitated in accordance with the R & R policy of Orissa Government. No national park, wild life sanctuary, elephant reserve is located within 7 km.

2.0 State of art technology viz. 'FINEX' (from POSCO-Korea and VAI-Austria) will be used. Steel melting will be done by the Basic Oxygen Furnace (BOF) route.

3.0 Electrostatic Precipitators (ESP) will be installed in the BOF shop. Bag houses will be provided at all critical points. Dust and fugitive emissions from stockpiles, material transfer points etc. will be abated by water sprinkling and dry-fogging units. SO₂ emission will be contained within limit by fixing Sulphur in the

slag. The Mahanadhi will supply 10 MGD of water for Phase I as per permission granted. Water consumption will not exceed 3.5 m³/tcs as compared with the standard of 7 m³/tcs. Independent facility for recovery, treatment and recycling of wastewater will be provided at each station. About 97-98% of treated wastewater will be recovered. Only 47 m³/hr treated wastewater will be discharged into the deep sea. Solid waste will be generated in the form of pig iron slag, steel slag, mill scale, dust and sludge. Half will be reused and remaining will be sold. 10% solid waste will be dumped in earmarked area (900 acres) in the plant. An incinerator of the rotary type with post-combustion facilities will be installed.

12.0 Public hearing meeting was held on 15th April, 2007. CRZ clearance for setting up of captive port has been accorded by the MoEF vide letter No. 0-9/2006-IA-III dated 15th May, 2007. 'Consent to Establish' has been accorded by the Orissa State Pollution Control Board (OSPCB) vide letter no. 14160/Ind-II-NOC-4461 dated 12th June, 2007. Total project cost is Rs. 17,113 00 Crores.

4.0. The Ministry of Environment and Forests hereby accords environmental clearance to the above project under the provisions of EIA Notification dated 14th September, 2006 subject to strict compliance of the following specific and general conditions:

A. SPECIFIC CONDITIONS :

i) The proposal is recommended for FINEX Process only and no sinter plant and coke oven shall be installed. Project proponent shall obtain fresh environmental clearance in case of any deviation/change in the process is proposed / adopted.

ii) The gaseous emissions from various process units shall conform to the load/mass based standards notified by this Ministry on 19th May, 1993 and standards prescribed from time to time. The state Board may specify more stringent standards for the relevant parameters keeping in view the nature of the industry and its size and location. At no time, the emission level shall go beyond the prescribed standards. On-line continuous monitoring system shall be installed in stacks to monitor SPM and interlocking facilities shall be provided so that process can be automatically stopped in case emission level exceeds the limit

iii) In-plant control measures for checking fugitive emissions from all the vulnerable sources shall be provided. Fugitive dust emission in stockpiles, material transfer points etc. shall be abated by water sprinkling and dry-fogging systems. Further, specific measures viz. dust and fume extraction system etc. shall also be provided to control the fugitive emissions. Centralized de-dusting system i.e. collection of fugitive emissions through suction hood and subsequent treatment through bag filter or any other device and finally emitted through a stack of appropriately designed and height conforming to the standards for induction furnaces in the industry shall be provided. Fugitive emissions shall be controlled, regularly monitored and records maintained.

xii) Occupational health surveillance of the workers shall be done on a regular basis and records maintained as per the Factories Act.

xiii) Recommendations made in the Corporate Responsibility for Environment Protection (CREP) guidelines issued for the steel plants shall be implemented.

xiv) Approval of the forestland shall be obtained under the Forest (Conservation) Act, 1980 prior to the commencement of the construction work at site.

xv) Rehabilitation and resettlement plan shall be implemented as per the policy of the State Govt. of Orissa as per the revised R & R policy in a time bound manner and report submitted to the Ministry, its Regional Office at Bhubaneswar and OPCB.

B. GENERAL CONDITIONS:

i. The project authorities must strictly adhere to the stipulations made by the Orissa Pollution Control Board (OPCB) and the State Government.

ii. No further expansion or modifications in the plant shall be carried out without prior approval of the Ministry of Environment and Forests

iii. At least four ambient air quality-monitoring stations shall be established in the downward direction as well as where maximum ground level concentration of SPM, SO₂ and NO_x are anticipated in consultation with the OPCB. Data on ambient air quality and stack emission shall be regularly submitted to this Ministry including its Regional Office at Bhopal and the OPCB/CPCB once in six months.

iv. Industrial wastewater shall be properly collected, treated so as to conform to the standards prescribed under GSR 422 (E) dated 19th May, 1993 and 31st December, 1993 or as amended from time to time. The treated wastewater shall be utilized for plantation purpose.

v. The overall noise levels in and around the plant area shall be kept well within the standards (85 dBA) by providing noise control measures including acoustic hoods, silencers, enclosures etc. on all sources of noise generation. The ambient noise levels should conform to the standards prescribed under EPA Rules, 1989 viz. 75 dBA (daytime) and 70 dBA (nighttime).

vi. The project proponent shall also comply with all the environmental protection measures and safeguards recommended in the EIA / EMP report. Further, the company must undertake socio-economic development activities in the surrounding villages like community

- iv) Electrostatic Precipitator (ESP) shall be provided to Basic Oxygen Furnace (BOF) shop to control secondary emissions as per the CPCB specification and particulate emissions shall not exceed 50 mg/Nm³. SO₂ emissions shall be contained within the stipulated limit by fixing Sulphur in the slag. NO_x shall be restricted by control of N₂ to the minimum. Bag houses shall be provided to stock house, coal briquetting, hot compaction etc. to control gaseous emissions.
- v) Gas released in primary stage of Hot Compacted Iron (HCI) production shall be cleaned, enriched and admixed with downstream gases emanating in steel making in the Basic Oxygen Furnace (BOF) and used as fuel in the Captive Power Plant (CPP).
- vi) Total requirement of the water from Mahanadhi river shall not exceed 10 MGD (45,480 m³/day) although permission for 16.5 MGD is obtained from the Department of Water Resources, Govt. of Orissa to draw water from Jobra barrage. Each production facility shall be provided with independent process wastewater treatment facility for the recovery of treated wastewater and recycling. 97-98% treated wastewater shall be recovered. Remaining treated wastewater not exceeding 1,200 m³/day shall be treated in a CETP and discharged to deep sea after conforming to the prescribed standards. The sanitary wastewater shall be treated in a modular sewage treatment plant and further in CETP and used for green belt development.
- vii) Ground water monitoring around the solid waste disposal site / secured landfill (SLF) shall be carried out regularly and report submitted to the Ministry's Regional Office at Bhuvaneshwar, CPCB and OPCB.
- viii) At least 50 % of the solid waste consisting of pig iron slag, steel slag, mill scale, dust and sludge shall be recycled and reused in the plant itself through cold bonded palletizing plant (CBP) and remaining shall be sold to availing industries like cement industry for construction purpose due to pozzolonic properties, in-plant railway ballast etc. 90-95% sludge shall be reused. Only 10% of the solid waste shall be dumped at the earmarked 900 acres area within the plant boundary in a suitably designed landfill as per CPCB guidelines to prevent leaching to the sub-soil and underground aquifer. As proposed, dumped area shall be reclaimed through plantation after 15 years when over heaped.
- ix) Incinerator shall be installed as per the latest CPCB guidelines.
- x) The company shall develop surface water harvesting structures to harvest the rain water for utilization in the lean season besides recharging the ground water table.
- xi) Green belt shall be developed in at least 25 % of total project area to mitigate the effects of the air emissions as per the CPCB guidelines in consultation with local DFO.

development programmes, educational programmes, drinking water supply and health care etc.

vii. The project authorities shall utilize Rs. 1,625.00 Crores earmarked for the environmental pollution control measures judiciously to implement the conditions stipulated by the Ministry of Environment and Forests as well as the State Government alongwith the implementation schedule for all the conditions stipulated herein. The funds so provided shall not be diverted for any other purpose.

viii. The Regional Office of this Ministry at Bhuvaneshwar/CPCB/OPCB will monitor the stipulated conditions. A six monthly compliance report and the monitored data along with statistical interpretation shall be submitted to them regularly.

ix. The Project Proponent shall inform the public that the project has been accorded environmental clearance by the Ministry and copies of the clearance letter are available with the OPCB/Committee and may also be seen at Website of the Ministry of Environment and Forests at <http://envfor.nic.in>. This shall be advertised within seven days from the date of issue of the clearance letter, at least in two local newspapers that are widely circulated in the region of which one shall be in the vernacular language of the locality concerned and a copy of the same shall be forwarded to the Regional office at Bhuvaneshwar.

x. Project authorities should inform the Regional Office as well as the Ministry, the date of financial closure and final approval of the project by the concerned authorities and the date of commencing the land development work.

5.0. The Ministry may revoke or suspend the clearance, if implementation of any of the above conditions is not satisfactory

6.0. The Ministry reserves the right to stipulate additional conditions if found necessary. The Company in a time bound manner will implement these conditions.

7.0. The above conditions will be enforced, inter-alia under the provisions of the Water (Prevention & Control of Pollution) Act, 1974, the Air (Prevention & Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986, Hazardous Wastes (Management and Handling) Rules, 2003 and the Public (Insurance) Liability Act, 1991 along with their amendments and rules

Sd/-
(Dr. P. B. Rastogi)
Additional Director

Copy to:-

1. The Secretary, State Department of Environment, Govt. of Orissa, Bhubaneswar, Orissa.
2. Chairman, Central Pollution Control Board, Parivesh Bhavan, CBD-cum-Office Complex, East Arjun Nagar, New Delhi – 110 032.
3. Chairman, Orissa Bengal Pollution Control Board, Parivesh Bhavan, A/118, Neelkanthhanagar, Unit-8, Bhubaneswar - 751 012, Orissa.
4. The Chief Conservator of Forests (Eastern), Regional Office (EZ), A/3, Chandrasekharpur, Bhubaneswar - 751 023, Orissa.
5. Joint Secretary (CCI-I), Ministry of Environment and Forests, Paryavaran Bhavan, CGO Complex, New Delhi.
6. Monitoring Cell, Ministry of Environment and Forests, Paryavaran Bhavan, CGO Complex, New Delhi.
7. Monitoring Cell.
8. Guard File.
9. Record File.

Sd/-

(Dr. P. B. Rastogi)
Additional Director



Ministry of Environment and Forests
GOVERNMENT OF INDIA

III. COPY OF ENVIRONMENTAL CLEARANCE FOR CAPTIVE MINOR PORT

F. No. 10-9/2006-IA-III
Government of India
Ministry of Environment & Forests
(IA-III Division)

Paryavaran Bhawan,
CGO Complex, Lodhi Road,
New Delhi - 110 003,

Dated: 31st January, 2011

To,
M/s Posco India Pvt.Ltd,
7th Floor, Fortune Tower,
Chandrashkharapur,
Bhubaneshwar-751 015
Orissa.

Subject: Amendment to the Environmental clearance issued for the Captive Port at Jagatsinghpur District, Orissa by M/s Posco India Pvt. Ltd. - Reg.

Reference is invited to this Ministry's environment clearance letter of even number dated 15.05.2007 issued for the construction of proposed captive port at Jatadhar Muhan Creek, Near Paradip, District Jagatsinghpur, Orissa by M/s Posco India Pvt. Ltd.

2. Based on the complaints and various representations against the project, the Ministry constituted a four member committee under the Chairmanship of Ms. Meena Gupta to review the Environment, CRZ and other clearances given by MoEF and State and local authorities in connection with POSCO project.

3. In the light of deliberations of Ms. Meena Gupta Committee related to the Port project, the EAC reviewed the clearance issued for Captive Port in its meetings held on 9th -10th November, 2010, 30th November, 2010 & 1st to 2nd December, 2010 and 25th January, 2011, wherein, the senior officers from State Government of Orissa, Orissa Coastal Zone Management Authority and State Pollution Control Board were attended the meeting on 30th November, 2010 & 1st to 2nd December, 2010. The shoreline study of the stretch from Gopalpur to Paradip carried out along the coast of the proposed Captive Port of M/s Posco India Pvt. Ltd. at Jagatsinghpur District, Orissa by the Institute for Ocean Management, Anna University were also considered.

3. The EAC, after due consideration of the relevant documents submitted by the project proponent and additional clarifications furnished in response to its observations, have recommended that the present proposal for which clearance granted on 15th May 2007 may continue to enforce subject to the additional conditions. Accordingly, the Ministry hereby accords amendment to the Environment Clearance dated



15.05.2007 of the above project as per the provisions of Environment Impact Assessment Notification, 2006 & its subsequent amendments and Coastal Regulation Zone Notification, 2011, subject to strict compliance of the terms and conditions as follows:

I - Shoreline protection

- (i) No construction shall be undertaken in the "high erosion" zone as indicated in the map produced by the Institute for Ocean Management, Anna University. Port limits as approved by the competent authority along with the coordinates shall also be supplied to the MoEF.
- (ii) Shoreline protection measures to counter erosion on the northern side of north breakwater shall be undertaken using appropriate technology including sand by-pass.
- (iii) The shoreline shall be protected to ensure that no further erosion occurs on the northern side of the Northern Breakwater up to Paradip.
- (iv) The initial shoreline protection shall be carried out through pumping of the good dredged material obtained from capital dredging, to the north of northern breakwater.
- (v) A permanent pipeline of a suitable diameter is to be laid below the channel (-23m and below) for sand by-pass system.
- (vi) The good dredged material obtained from maintenance dredging (at least about 3 million m³) shall be used for nourishing the northern shoreline in addition to the sand bypassing system.
- (vii) The dredging quantities indicated in the report must be updated in the light of dredging carried out for IOCL in the creek after 2007 and consequential likely reduction in the volume
- (viii) Nourishment of the coast shall cover not only the area which is likely to be affected due to construction of breakwater (about 5.5km as per model report of DHI-Fig 2 and 3) but also shall extend till the Paradip Port site.
- (ix) For the sand bypassing system an amount of at least Rs.6.0 crores shall be earmarked along with the sufficient budgetary provisions for maintenance including man-power.



I. I Monitoring of shoreline during construction and post construction phases of the project

- (i) A MOU shall be signed between NIO and Posco which shall include works relating to monitoring of the shoreline, sand bypass system, beach nourishment and any other activity that has an impact along the coast/coastal waters. National Center for sustainable Coastal Management shall monitor the progress periodically on behalf of the MoEF.
- (ii) Periodical study on shore line changes shall be conducted, mitigation measures taken and report submitted along with the six- monthly monitoring report.
- (iii) Posco shall ensure that no industrial activity shall be carried out within CRZ area other than those permissible under the Notification.

II- Site Selection Process

- (i) Posco shall submit a modified analysis giving main thrust on environmental issues (marine environment in particular) besides other parameters such as transport logistics, ease of operation etc and finally zeroing in on JMC for development of a captive port.
- (ii) To avoid the adverse impact of increased in ship movement (combined of existing and proposed ports), Posco shall assess the cumulative impacts of ship movement on the marine environment and shall submit to the Ministry a detailed EMP to address impacts of the same.
- (iii) To avoid the adverse impact of combined terrestrial activities (existing and proposed ports and industries), Posco shall assess the impacts and submit a detailed EMP to address the adverse impacts – if any, to the Ministry. The EMP so prepared should clearly list the role, responsibilities and liabilities including the action plan specifying commitments, role and responsibilities to avoid any adverse impact of terrestrial activities on the marine environment. The developer shall commit to full responsibility for liability and penalty (in case of any adverse impact) if any.

III – Marine Biological Activities - Sea turtle and Horse shoe crabs

- (i) Posco shall submit detailed Marine Environment Conservation Plan to promote nesting of Olive Ridley Turtle as well Mangrove Plantation. The implementation of conservation plan should start before commencing of construction of port. The plan



should clearly mention the role and responsibilities in implementation and monitoring the conservation plan along with dedicated funding provisions. The detailed compliance report for the conservation plan shall be submitted every six months.

- (ii) Similarly, in the case of horse shoe crabs, Posco shall submit the grain size analysis carried out at the site of development and documentary evidences to show that the animal would prefer a grain size of 0.18 to 0.20 mm only.
- (iii) Grain size distribution analysis shall be carried out scientifically by calculating the uniformity coefficient to confirm the sediment grain size that does not support nesting for horse shoe crabs.

IV - Fishing Jetty

- (i) The location and size of the fishing jetty intended to compensate the loss of fishing activity arising out of development of the port at JMC shall be carried by Posco in consultation with the local people to their satisfaction and requirement. Separate clearance under Coastal Regulation Zone Notification, 2011 for the proposed fishing jetty shall be obtained.
- (ii) Posco shall made a detailed assessment of the impacts on fishing communities and resultant economic losses covered in R&R package - along with requirement of fishing jetty and identified beneficiaries, location identified for of jetty (and alternative options considered).

V - Sea water Intake and Outfall

- (i) A Separate CRZ clearance with details like temperature change, location/site for discharge, conveyance (inlet/outlet), along with impact on marine environment - flora and fauna shall be obtained.
- (ii) As the total plant capacity is 12 MTPA, water balance shall be revised and provided for the entire ultimate capacity in the provision for intake and outfall structures. The details shall also include, both during rainy and non-rainy seasons.

VI - Other Conditions

- (i) Representative number of sediment samples from the sea bed as well as from the boreholes shall be collected and analysed at least for the metals listed from A1 to A9 under class 'A' of the



Schedule-II of the Hazardous Waste (Management, Handling, and Transboundary) Rules, 2008 (HW Rules 2008). The locations for collection of representative samples to be selected keeping in mind the wide variation in the concentration of lead, chromium and cadmium provided by the proponent. In case the concentration either or all these metals exceeds the limit of 50mg/kg specified in the HW Rules 2008 at any of the sampling location in the dredging area, the dredged material will be hazardous waste and not be used for any of the proposed activities. This shall also mean that the proposed use of this material (17,962,000 cubic meters) for reclamation for site preparation in the steel plant will have to be dropped. Even in case of its being non-hazardous as per the HW Rules 2008, the material is required to be tested for its leachability using the TCLP test, before starting any dredging activities.

- (ii) Material handling system and associated environmental issues in terms of fugitive emission, dust control system (dry fogging system for dust control at port areas particularly for iron ore, coal handling areas), conveyor system, spillage and prevention, type of vessels, wharf side operations, material flow system to the storage yard etc should be examined. Posco shall submit detailed plan for handling fugitive dust emission - including break up of large quantities - type of handling equipment for each category of material along with quantities to be handled. The fugitive dust plan and implementation shall be the responsibility of Posco.
- (iii) Posco shall submit details of dredged material (detailed map indicating the location) proposed for reclamation at Plant site in addition to reclamation plan for beach nourishment. 'Non - permissible/hazardous' dredged material shall not be used for reclamation. Fresh bathymetry survey shall be carried out before dredging operations and the report submitted to the Ministry.
- (iv) Mangrove plantation/shelters belts shall be provided wherever possible and a plan with budgetary provisions shall be submitted before the commencement of the port facility.
- (v) Posco shall submit final DPR including the estimation of number of berths during various stages of development and consequential environmental issues, along with implementation programme, for monitoring.
- (vi) R & R shall be provided to the affected people as per the norms of State/Central Government.



- (vii) Posco shall submit a comprehensive EIA report combining both the terrestrial environment on the land ward side (steel plant) and the marine environment on the seaward side (activities connected with captive port) so as to assess i) the cumulative effect of both impacts on the development process in its totality and ii) the appropriate mitigation measures required to be put in place to preserve the environment without undue irretrievable damages. Oil Spill Contingency Management Plan shall be prepared and facilities to deal with Oil spill in and around the port area shall be provided in the port along with the dedicated staff.
- (viii) Oil Spill Contingency Management Plan shall be prepared and facilities to deal with Oil spill in and around the port area shall be provided in the port along with the dedicated staff.
- (ix) A high level expert monitoring committee shall be set up by the Orissa Government comprising of conservation experts and NGOs representative to oversee- monitoring of shoreline (during construction and post construction) including dredging, disposal of dredged material and reclamation processes, Marine Environment Conservation Plan. The composition shall be submitted to the Ministry for approval before the commencement of the port operations.

The other conditions stipulated in the Environmental Clearance of even no. dated 15.05.2007 (copy enclosed) shall remain unchanged.



(Bharat Bhushan)
Director (IA-III)

31.01.2011

Copy to:

- (1) The Secretary, Department of Environment, Government of Orissa, Secretariat, Bhubaneswar-751023.
- (2) The Chairman, Central Pollution Control Board, Parivesh Bhawan, CBD-cum-Office Complex, East Arjun Nagar, Delhi - 110 032.
- (3) The Member Secretary, Orissa State Pollution Control Board, Bhubaneswar-751023
- (4) The CCF, Regional Office, Ministry of Environment & Forests RO (EZ), A/3, Chandrasekharpur, Bhubaneswar - 751023
- (5) IA - Division, Monitoring Cell, MOEF, New Delhi - 110003.
- (6) Guard file.



(Bharat Bhushan)
Director (IA)

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No.10-9/2006-IA-III
Government of India
Ministry of Environment and Forests
(IA-III Division)

Paryavaran Bhavan,
C.G.O. Complex, Lodi Road,
New Delhi-110003

Dated the 15th May, 2007

Subj: Environmental clearance for construction of a Captive Minor Port proposed by M/s POSCO-India Private Limited at Jatadhar Muhan Creek confluence near Paradeep, District Jagatsinghpur, Orissa - regarding.

Reference is invited to the letter No.EE-4/06/15596/F&E, dated 14.9.2006 from Forest and Environment Department, Government of Orissa regarding the subject mentioned. Further letters from M/s POSCO India received vide letter No.Nil, dated 20.12.2006, dated 18.4.2007, dated 23.4.2007, No.PI(CONS)0732/06, dated 19.3.2007 and No.PI(CON)0779/2007, dated 13.4.2007 have also been considered. The Orissa State Pollution Control Board has accorded No Objection Certificate for the project vide their Consent No.27466/Ind-II-NOC-4447, dated 9.11.2006. Public hearing for the project has been done on 15.4.2007.

The proposed "Jatadhar Port" is approximately 20°11.85' - 20°12.94' N and 86°32.66' - 86°34.84' E and is about 12 km south of Paradeep. The distance between the turning circles, of Jatadhar port and Paradeep port is 12.9 km. The proposed site is located mainly in Dhinkia, Gobindpur, Naganua and Trillochanpur villages in Jagatsinghpur district of Orissa. The steel plant will have a production capacity of 4 million tons per annum in phase 1 and will be expanded to 12 million tons per annum in three phases. The project layout has been planned to minimize the length of breakwater and dredging in front of berth. The raw material berth is allocated at the northeast, nearest to the production plants, in order to shorten cargo flow. The allocation of the product berth at the southwest allows for the berth line to easily extend to meet future expansion plan of the steel plant, if any. The planned bed levels at the berthing basin of the raw material berth and product berth are -20 and -12 m below the CD. The diameter of turning basins in front of the raw material north and the product berth are 630 and 410 m respectively. These satisfy the conditions for navigation and turning around for the design vessels (1,70,000 and 20,000 DWT). A breakwater is planned in the south side of the port to provide tranquil conditions at the raw material berth against the SW wave. The proposed length of the breakwater is 1600 m. Another breakwater is proposed in the north to provide tranquil condition inside the port area during the NE monsoon period and also to absorb diffracted wave from the SW. Proposed length of the north breakwater is 1070 m.

The direction of approach channel is almost same as that of the existing Paradeep Port, and the route is also to avoid interference with the proposed route of submarine pipeline of IOCL. The water depth of approach channel is designed to be 21 m below CD. The width is planned to be 250 m for one line, which seems to be sufficient at the phase 1 that does not cause excessive interaction between vessels in the approach channel. The approach channel is planned to be progressively widened to the entrance of harbour which will be finally 500 m wide enough to counter complicated wave actions such as breaking, warping and amplification of wave. Two types of revetments are proposed for the harbour. One type of revetment is exposed to sea and the other adjoined with the Jatadhar muhan creek. A sand mound type revetment with in-situ sand upto +7 m with respect to CD with an outer slope of 1:3 protected with filter mat and armour stone for the scour protection due to the river flow is planned inside the creek. The following are the features of the various components of the project -

Approach Channel:- An approach channel of 12.98 kms to the berth is proposed with the minimum depth of 21 m below CD so as to accommodate berthing of 1,70,000 DWT vessels.

Raw material berth :- The raw material berthing area between the wharf and the side edge of the inner channel will be dredged to 20 m below CD to allow berthing of 1,70,000 DWT vessels.

Product berth :- The product and future berthing area will be dredged to 12 m below CD to allow berthing of 30,000 DWT vessels whereas water depth for 50,000 DWT vessels should be 13.5m.

Dredging volume:- Based on the available hydrographic data and considering the following, the capital dredging volume is estimated:-

- Side slope of 1:3 for the approach channels, turning basin and berthing basins.
- Vertical tolerance of 0.9 m and horizontal tolerance of 5.5 m in both directions for channels and basins where 20 m water depth are required
- Vertical tolerance of 0.7 m and horizontal tolerance of 4.7 m in both directions for channels and basins where 20 m water depth are required.

Reclamation would be carried out using the dredged material and additional earth. It is estimated that 60,496 m³ X 1000 m³ of earth material would be required for reclamation. The quantity of sand for estimated sand fill from actual ground level to 6.5(+) CD has been calculated at 18,903,000 m³ for Phase 1 and 10,075,000m³ for phase 2 respectively. To protect the slope of dikes exposed to sea or river, a shore protection with sand cement bag would be used since it is a very cost efficient solution. For the construction of the containment dikes and access berms to 7m (+) CD, the soil at the existing ground will be utilized by dozer. Before any sand is discharged ashore, the areas to be reclaimed will be surrounded by primary retaining bunds. All surface water will be collected and routed down in a manner that erosion of the reclamation fill be controlled and routed to appropriate drainage disposal points. 3 dredgers with 12,000 HP capacity would be mobilized for 12 months into the dredging work of mooring and turning basin, and then, 2 of them would be transferred to the dredging work of the navigation channel for 18 months.

Accordingly, environmental clearance from Coastal Regulation Zone Notification, 1991 and Environment Impact Assessment Notification, 2006 as amended from time to time is hereby accorded to the project subject to effective implementation of the following conditions:-

(A) Specific Conditions:

- (i) The company must take up and earmark adequate funds for the socio-economic development and welfare measures in the area including drinking water supply, vocational training, fishery related development programmes (like cold storages), hospitals, schools etc. These should be taken up on priority
- (ii) The project proponent should implement all the measures that have been suggested by them in the clarification letter dated 20.12.2006 provided to the Ministry.
- (iii) All the issues raised in the public hearing report submitted to the Ministry vide letter dated 18.1.2007 should be addressed comprehensively. An action taken report should be submitted to Government of Orissa and Ministry of Environment and Forests within 6 months from the date of receipt of this letter
- (iv) The project proponent will not undertake any destruction of mangroves during construction and operation of the project.
- (v) Reclamation should be carried out within the port limits as per the Reclamation Plan submitted to Ministry of Environment and Forests.
- (vi) A programme for Mangrove Conservation and Development in the region may be taken by the Company through a scientific/public spirited body for evolving sustainable and long term

strategies. The implementation of the conservation plan shall be monitored by the Environmental Cell of the company and a periodic report shall be submitted to the Ministry's Regional Office.

- (vii) The fishing activities by the fishermen living in the settlement along the creek should not be hindered and a mechanism may be evolved for the movement of fishing boats *vis-a-vis* shipping activities.
- (viii) Company should take up green belt programme in the project area including an ecological park and a plan may be submitted to the Ministry within one year.
- (ix) The height of dumping in the dumping site should be restricted to 30 cm.
- (x) Sewage arising in the port area should be disposed off through septic tank - soak pit system or shall be treated along with the industrial effluents to conform to the standards stipulated by Orissa Pollution Control Board and should be utilized/re-cycled for gardening, plantation and irrigation.
- (xi) Project proponent should regularly update the Disaster Management Plan from time to time and ensure its implementation.
- (xii) There should be no withdrawal of ground water in CRZ area, for this project. The proponent shall ensure that as a result of the proposed constructions, ingress of saline water into ground water does not take place. Piezometers shall be installed for regular monitoring for this purpose at appropriate locations on the project site.
- (xiii) The project should not be commissioned till the requisite water supply and electricity to the project are provided by the PWD/Electricity Department.
- (xiv) Specific arrangements for rainwater harvesting should be made in the project design and the rain water so harvested should be optimally utilized. Details in this regard should be furnished to this Ministry's Regional Office at Bhubaneswar within 3 months.
- (xv) The facilities to be constructed in the CRZ area as part of this project should be strictly in conformity with the provisions of the CRZ Notification, 1991 as amended subsequently.
- (xvi) No product other than those permissible in the Coastal Regulation Zone Notification, 1991 shall be stored in the Coastal Regulation Zone area.
- (xvii) The project affected people should be rehabilitated as per the norms laid down by the concerned agency of the State/Central Government.

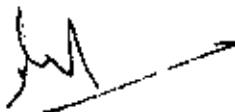
B. General Conditions:

- (i) Construction of the proposed structures should be undertaken meticulously conforming to the existing Central/local rules and regulations including Coastal Regulation Zone Notification 1991 & its amendments. All the construction designs / drawings relating to the proposed construction activities must have approvals of the concerned State Government Departments / Agencies.
- (ii) Adequate provisions for infrastructure facilities such as water supply, fuel, sanitation etc. should be ensured for construction workers during the construction phase of the project so as to avoid felling of trees/mangroves and pollution of water and the surroundings.
- (iii) The project authorities must make necessary arrangements for disposal of solid wastes and for the treatment of effluents by providing a proper wastewater treatment plant outside the CRZ area. The effluents must conform to the standards laid

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- (iv) The proponent shall obtain the requisite consents for discharge of effluents and emissions under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (prevention and Control of Pollution) Act, 1981 from the Orissa Pollution Control Board before commissioning of the project and a copy of each of these shall be sent to this Ministry.
- (v) The proponents shall provide for a regular monitoring mechanism so as to ensure that the treated effluents conform to the prescribed standards. The records of analysis reports must be properly maintained and made available for inspection to the concerned State/Central officials during their visits.
- (vi) In order to carry out the environmental monitoring during the operational phase of the project, the project authorities should provide an environmental laboratory well equipped with standard equipment and facilities and qualified manpower to carry out the testing of various environmental parameters.
- (vii) The sand dunes and mangroves, if any, on the site should not be disturbed in any way.
- (viii) A copy of the clearance letter will be marked to the concerned Panchayat/local NGO, if any, from whom any suggestion/representation has been received while processing the proposal.
- (ix) The Orissa Pollution Control Board should display a copy of the clearance letter at the Regional Office, District Industries Centre and Collector's Office/Tehsildar's Office for 30 days.
- (x) The funds earmarked for environment protection measures should be maintained, in a separate account and there should be no diversion of these funds for any other purpose. A year-wise expenditure on environmental safeguards should be reported to this Ministry's Regional Office at Bhubaneswar and the State Pollution Control Board.
- (xi) Full support should be extended to the officers of this Ministry's Regional Office at Bhubaneswar and the officers of the Central and State Pollution Control Boards by the project proponents during their inspection for monitoring purposes, by furnishing full details and action plans including the action taken reports in respect of mitigative measures and other environmental protection activities.
- (xii) In case of deviation or alteration in the project including the implementing agency, a fresh reference should be made to this Ministry for modification in the clearance conditions or imposition of new ones for ensuring environmental protection.
- (xiii) This Ministry reserve the right to revoke this clearance, if any of the conditions stipulated are not complied with to the satisfaction of this Ministry.
- (xiv) This Ministry or any other competent authority may stipulate any other additional conditions subsequently, if deemed necessary, for environmental protection, which shall be complied with.
- (xv) The project proponent should advertise in at least two local newspapers widely circulated in the region around the project, one of which shall be in the vernacular language of the locality concerned informing that the project has been accorded environmental clearance and copies of clearance letters are available with the State Pollution Control Board, and may also be seen at Website of the Ministry of Environment & Forests at <http://www.envfor.nic.in>. The advertisement should be made within 7 days from the date of issue of the clearance letter and a copy of the same should be forwarded to the Regional Office of this Ministry at Bhubaneswar.
- (xvi) The Project proponents should inform the Regional Office at Bhubaneswar as well as the Ministry the date of financial closure and final approval of the project by the concerned authorities and the date of start of Land Development Work.

The above mentioned stipulations will be enforced among others under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (protection) Act, 1986, the Hazardous Chemicals (Manufacture, Storage and Import) Rules, 1989, the Coastal Regulation Zone Notification, 1991 and its subsequent amendments and the Public Liability Insurance Act, 1991 and the Rules made thereunder from time to time. The project proponents should also ensure that the proposal complies with the provisions of the approved Coastal Zone Management Plan of Orissa State and the Supreme Court's order dated 18th April, 1996 in the Writ Petition No 664 of 1993 to the extent the same are applicable to this proposal.



(Dr. A. Senthil Vel)
Additional Director

To

Mr. Gee-Woong Sung,
Vice-President, Construction/Environment,
POSCO-India Limited, 7th Floor,
Fortune Tower, Chandrasekharpur,
Bhubaneswar-751015, Orissa

Copy to:

- (i) The Chairman, Central Pollution Control Board, Parivesh Bhavan, CBD-cum-Office Complex, East Arjun Nagar, Delhi - 110032
- (ii) The Chairman, Orissa State Pollution Control Board, (Department of Forest and Environment), Government of Orissa, Parivesh Bhawan, A/118, Nilakanthanagar, Unit-VIII, Bhubaneswar - 751012.
- (iii) The Chief Conservator of Forests (Central), Ministry of Environment & Forests, Government of India, Regional Office, (EZ), A/3, Chandra Shekar, Bhubaneswar - 751003.
- (iv) Director (EE)
- (v) The Regional Office Cell, MoEF.
- (vi) Guard File.
- (vii) Monitoring File



Ministry of Environment and Forests
GOVERNMENT OF INDIA

**IV. COPY OF COMMUNICATIONS RECEIVED
FROM THE ORISSA STATE GOVERNMENT
REGARDING FOREST RIGHTS ACT, 2006 IN
THE POSCO PROJECT AREA**

GOVERNMENT OF ORISSA
ST & SC DEVELOPMENT DEPARTMENT

No. 31857 /SSD, Bhubaneswar dated the, 24.8.10
TD-II-32/08

From

Sri Vinod Kumar, IFS
Special Secretary to Govt.

To

The Under Secretary,
Government of India
Ministry of Tribal Affairs, FRA Unit
Shastri Bhawan,
New Delhi-110001

Sub: Implementation of the STs and Other Tradition Forest Dwellers
(Recognition of Forest Rights) Act, 2006 in Orissa.

Ref:- No.17011/1/2008 FRA dt.09.08.2010 & No.17011/1/2008 FRA
dt.11.08.2010

Sir,

I am directed to invite references on the captioned subject and to
enclose the information on News Paper cutting published in the "Rastriya Sahara"
and "Dainik Bhasker" on POSCO project for your kind information and necessary
action.

Enclosure- As Stated

Yours faithfully,


Special Secretary to Govt.

Information on News Paper cutting published in the "Rastriya Sahara" and "Dainik Bhasker" on POSCO project

- There are no tribals in occupation nor residing within the POSCO project area and no traditional forest dwellers are also there in occupation more than 75 years.
- On a bare reading of the definition of "Other Traditional Forest Dwellers" U/s 2 (o) of the Forest Rights Act, 2006, it is transpired that it has got two ingredients- the requirement of residence and dependence on forest land for three generations i.e 75 years. The requirement of residence having been dispensed with by the Ministry of Tribal Affairs in their circular No.17014/02/2007-PC & V (Vol.III), dated 9 June 2008, the second ingredient i.e. dependence on forest land for 75 years prior to 13.12.2005 remains unchanged. Any person claiming semblance of rights as OTFD must establish with clear, cogent & convincing materials that he has been in possession of any forest land since three generations prior to 13th December 2005. This has not been done.
- As regards transfer of land for POSCO project, it is submitted that Ac.561.41 of non forest Govt. land has been leased out in favour of IDCO for the project. However, no forest land has yet been handed over to IDCO to carry out any construction activities thereon.
- The district administration has undertaken extensive measures to educate the public, PRI members and public officials at the district, block, village and hamlet level about individual rights and community rights of tribals and traditional forest dwellers over forest land under their occupation, formed FRCs in all villages and distributed Certificates of Title to 47 tribals where they are in possession. On the contrary, the members of the POSCO Pratirodha Sangram Samiti in their meeting dtd.01.06.2010 with the RDC (CD), Cuttack had submitted a series of documents to establish their possession over the forest land in the village Duinkia & Gobindapur. It was established on enquiry that those records were forged documents manufactured to create confusion in the process of land acquisition for POSCO project.

Government of Orissa
Forest & Environment Department

No.10 F (Cons) - 54/2007- 22782/F&E dated: 21-10-10

From

Dr Aurobindo Behera, IAS
Principal Secretary to Government

To

The Secretary,
Ministry of Environment & Forest,
Government of India,
New Delhi.

Sub: Report submitted by Ms Meena Gupta Committee dated 18.10.2010 on POSCO Project in Orissa - Submission of comments of the State Government regarding.

Sir,

I am directed to invite a reference to the letter dated 19.10.2010 of Hon'ble Minister of State, Environment & Forests, Government of India addressed to Hon'ble Chief Minister Orissa on the subject. The report dated 18.10.2010 submitted by Ms Meena Gupta Committee on POSCO Project in Orissa has been downloaded and perused from the Website of the MoEF. Though two separate reports have been submitted by the Members of the Committee, comments have been made basically over three issues, such as -

- (i) Implementation of Forest Rights Act in the POSCO Project area
- (ii) R&R Package for the project
- (iii) Adequacies of Environment and CRZ clearance accorded by MoEF for the Project.

Basing on the feedback received from the concerned Departments of the State Government, implementing the above aspects, the comments of the State Government is furnished as under:

Implementation of F.R.Act.

The District Administration of Jagatsinghpur have taken extensive steps for creating adequate awareness among the people at the District.

Block, Village and Hamlet Level and also for sensitization of the concerned Stakeholders. Besides, the F.R. Act and Rules of English version was translated in Oriya Language within a week's time of the issuance of the Rules and distributed among various kinds of stakeholders throughout the State including the Project Area to facilitate generation of awareness. Forest Rights Committees were formed on 23.3.2008 in Dinkia, Gobindpur, Nuagaon and Polanga villages and applications were invited from people having claims for settlement under the Forest Rights Act. Subsequently on 19.1.2009, Forest Right Committees were also constituted in Nolia Sahi and Bhuyanpal. Apart from the above efforts, advertisements in local/ regional news paper about the provisions of the FR Act have been brought out at regular interval. However, no claims were received from any of the villages mentioned above. Incidentally, of all the districts of the State, Jagatsinghpur district has the second highest literacy rate in the State as per 2001 census. In absence of any claims being made before the concerned Forest Rights Committee, it would not be proper to allege that the provisions of the Forest Rights Act have been violated. May it be mentioned that 47 claims have been settled under the FR Act in the same Block outside the Project area in the recent months. Hence it is not correct to assume that wide publicity was not given to the people about the FR Act.

It is also pertinent to mention here that not a single person has claimed redressal under the definition of "Other Traditional Forest Dwellers" under Section 2(o) of the Forest Rights Act. The prescribed eligibility as envisaged in the Act is dependence on the Forest Land for 75 years prior to 13.12.2005 as per records has not been claimed by a single person till the visit of the Committee and thereafter till date. Regarding the possible rights mentioned by some of the members of the Committee relating to Community Forest Rights, it will be worthwhile to point out that the entire land was recorded as Forest Land only in the year 1961 and therefore, the matter in respect of either individual claims or community

claims for a period of 75 years does not arise. It also further needs to be mentioned that as per the facts given by the district administration not a single tribal individual is a resident of the area under reference. As mentioned by the chairperson of the Committee, the project site is not a part of the 5th Schedule area and is in fact far away from the nearest schedule area.

Further, dependence on cashew trees for seasonal collection of fruits or on betel vine cannot be treated as a community claim. At best, it can be an individual claim. Cashew and betel vine being non-forestry activity (as per provisions of F.C.Act, 1980), dependence on such crop should not qualify to be treated as Forest Right.

Regarding the MoEF Circular dated 03.08.2009, it may be mentioned here that the Forest Rights Act does not specifically provide for obtaining certificate from concerned Gram Sabha regarding completion of the FRA. As per the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Rules, 2007, the Gram Sabha is supposed to recommend the considered cases to the Sub-divisional Level Committee after passing a resolution on claims on Forest Rights giving reasonable opportunity to interested persons. Thus, the recommendation of MoEF in their letter No.11-9/1998-FC(Pt) dated 03.08.2009 asking for letter of the Gram Sabha indicating that all formalities/ processes under the FRA have been carried out, seems more like an executive instruction rather than a statutory provision under FRA, 2006.

From the above, it is quite clear that the observation regarding the District Administration being unfair and undemocratic is uncharitable. Through a number of measures described above, the District Administration has taken adequate steps for creating the required awareness. The Constitution of the Forest Rights Committee in respective villages as well as conduct of Palli Sabhas has been done as per the provisions of the Forest Rights Act. The very fact that there was no credible

claim to prove 75 years of dependence on the Forest Resources has resulted in a single application not being filed before the FRC. In view of this, the recommendation to the FRA process afresh is not justified and given the facts and circumstances mentioned above, may not result in any new findings/ relief under the Forest Rights Act.

Rehabilitation & Resettlement Package:

Regarding observations made by the Committee that the Rehabilitation package should take into account the loss of livelihoods, provide land for land, compensation amount for vulnerable sections including women, labourers and old people etc., it may be stated that as per Orissa Resettlement & Rehabilitation Policy, 2006 as amended the Rehabilitation and Periphery Development Advisory Committee(RPDAC) which is chaired by the Revenue Divisional Commissioner is competent to take decision in these issues. Incidentally, the RPDAC has representations from various sections of project affected families including SC/ST, women, displaced families, local NGOs, women self-help groups, MP and Members of Legislative Assembly of the District, local Panchayati Raj Institution Members. In the instant case, the benefits for the project affected people have been decided in the meeting in a most transparent way. The district administration of Jagatsinghpur has discussed the packages with the project affected people on various occasions. There has been widespread acceptance of the project in as much as six out of seven affected villages which have no objection to it. Even in the seventh village (Dhinkia) where there is some opposition there is large section of people who are in favour of the project.

The RPDAC in its meeting on 8.7.2010 has discussed all the issues in detail and has taken suitable decisions on the packages which have been accepted by the people. The R&R package includes provision of a jetty and boats for fishermen. Similar safeguards have also been provided for landless

wage earners living in the project area in the shape of cash compensation and also jobs during the construction phase. They will be imparted necessary skills in Technical Training Institutes for greater employability. The details of the packages finalized by the RPDAC in its meeting dated 8.7.2010 relating to POSCO Project is enclosed (Annexure - A).

Environment & CRZ Clearances:

After Environmental Clearance has been granted based on an Environmental Impact Assessment Study duly conducted as per the laid down procedure, the only authority that may review the procedure adopted is vested on the National Environmental Appellate Authority. Similarly, CRZ clearance is given by the MoEF based on the recommendation of the State CRZ Authority. These two clearances have been given after following elaborate statutory procedures and the Committee did not have any technical competence to review these. Moreover, the process of establishment of Steel Plant and the captive minor port have not been initiated as yet, hence it may be premature to review any of its compliances at this stage.

POSCO India Ltd. has proposed to establish a 12 MTPY integrated steel plant in 3 phases of 4 MTPY each and so far EC for establishment of first phase of 4 MTPY steel plant has been granted. The project proponents are required to apply for EC before they take up further expansion. At that point of time, the State Govt. will meticulously review the compliance to the conditions stipulated while granting EC.

MoEF has prepared the Comprehensive Environmental Pollution Index (CEPI) for polluted industrial clusters and Paradeep with a score of 69.26 has been identified as a severely polluted area. For the Critically polluted areas having a CEPI score of more than 70, MoEF has defined the geographic boundaries and has advised the State Pollution Control Boards

to prepare Pollution Abatement Action Plan. Since Paradeep has not been identified as critically polluted its boundary has not been defined. The proposed POSCO Steel Plant and Port is about 12 Km south of Paradeep Industrial area and does not come within the Paradeep NAC. It is, therefore, unlikely to be a part of the severely polluted zone. Moreover, the EC was granted 3 years prior to preparation of CEPI, so the question of its re-evaluation in the light of CEPI is inappropriate.

'Consent to Establish' is granted on the basis of the recommendation of a Technical Committee constituted by the State Pollution Control Board. Each and every recommendation of the Technical Committee has been incorporated as conditions in the 'Consent to Establish' order. Therefore, the observation that the State Pollution Control Board has abdicated its responsibility is not correct.

Public Hearing has been strictly conducted as per the EIA notification 2006. The EIA reports were made available at the designated places as per the EIA notification 2006. Moreover, the State Pollution Control Board also ensured that all the stakeholders get access to the document. There is no provision for holding separate Public Hearing for specific Stakeholder groups such as traditional fishing community, farmers, etc. The venue for the public hearing was consciously selected at the block Headquarters of Kujanga to ensure that all the stakeholder groups have easy access to the venue. Police personnel were present to ensure that all the groups could participate in the deliberations without any fear or coercion.

The issue of severe erosion along the coast line near the Paradeep port area was discussed in detail in the meeting of Orissa State Coastal Zone Management Authority held on 7th August, 2006 and ameliorative measures to prevent the same have been recorded in the minutes. It is humbly submitted that the apprehension of 3 members of the committee has already been taken into consideration and if any adverse impact comes to the notice

of Govt. immediate corrective or preventive measures would be taken. Moreover, the proposed integrated steel plant is outside the CRZ and hence technically CRZ clearance is not required for this. The proposed captive minor port comes under CRZ and as per the Para 6(2) of CRZ Notification, 1991 storing of non-hazardous cargo within notified port area is permissible in CRZ-I, CRZ-II and CRZ-III areas.

Regarding observation of mismatch of CRZ map, the same was rectified and the super imposed map has been submitted to MoEF on 14th September, 2006 along with recommendations of the Orissa State Coastal Zone Management Authority for consideration of grant of FC under CRZ Notification.

As per the observation recorded in the meeting of Orissa State Coastal Zone Management Authority held on 7th August, 2006 the project proponent has prepared a comprehensive report on Marine Environmental Impact Assessment for setting up of a captive minor port at Jatadharmohan creek near Paradeep in Orissa through National Institute of Oceanography, Goa during July, 2007. Further, the project proponent had also prepared comprehensive environmental Impact Assessment for 4 MIPY integrated steel project to be set up near Paradeep in Orissa through M.N. Dastur & Co. during July, 2007.

Construction of ports and harbours in CRZ areas are permissible activities as per para 3(2)(ii) of CRZ Notification, 1991. The construction of port will be done by the project proponent as per their plan submitted along with application for consideration of grant of FC under CRZ notification, 1991.

In the above paragraphs, we have tried to present the factual position as it is found in records and obtains on the ground. The work on the plant and other ancillary infrastructure is yet to commence. The State

Government is committed to a balanced and inclusive development of the State and keeping this objective in view, investment proposals are being processed. While the State Government would like to see that the projects which contribute to the development of the State come up as early as possible, it would also like to ensure that adequate environmental safeguards are in place and every family directly or indirectly affected by the project has a better standard of living compared to the present one. To this end, if Government of India decides to impose any additional conditionality on the environment clearance already issued by them, the same would be complied with in course of implementation of the project. The State Government would also continue to monitor various parameters relating to the environment including the coastal zone ecosystem. Similarly, there is an institutional mechanism to address all relevant issues relating to Resettlement and Rehabilitation. This institutional mechanism would be sensitive enough to ensure that no deserving person is left out from the R&R framework.

It is, therefore, requested that Government of India may examine the matter in its proper perspective and allow the project work to continue.

Yours faithfully,

Anrobindu Suresh,
24.10.10
Principal Secretary to Government

ANNEXURE - A

A COMPARATIVE STATEMENT ON REHABILITATION PACKAGE FOR POSCO PROJECT

UNIT	GOVT. NORM	PACKAGE DECLARED BY POSCO EARLIER	PACKAGE APPROVED IN RPDAC
Land	Ac0.10	Ac 0.10	Ac 0.10
House/Building Ass Assistance	Rs. 1,66,000/-	3- Room House varandah, Kitchen, Bathroom & Toilet(682 sft) And cattle Shed (101 sft) or equivalent cost	3- Room House with varandah, Kitchen, Bathroom & Toilet(743 sft) and Cattle shed (203 sft) Only to the nucleus family.
Temporary Shed	Rs. 11,100/-	Directly to the Rehabilitation Colony	Not applicable.
Transport Allowance	Rs. 2,300/-	Rs. 2,300/-	Rs. 5,000/-
Maintenance Allowance	Rs. 2,300/- x 12 months	Rs. 2,300/- X 12 months	Rs. 2,300/- X 12 months
Self Relocation			
Land Cost	Rs. 56,000/-	Equivalent Cost	Equivalent Cost
House Building Asst.	Rs. 166,000/-	Equivalent Cost	Equivalent Cost.
Employment/ Self Employment	Employment in preferential order	Employment in preferential	Employment in preferential order
	Cash in lieu of Job	Cash in lieu of Job	Cash in lieu of job
	Training for Self employment	Training for Self Employment	Training for Self Employment
	Assistance for Setting up of Shops and Service units.	Assistance for Setting up of Shops and Service units	Assistance for Setting up of Shops and Service units
B) Displaced Family from Govt. land	Homestead-less person in possession of unobjectionable govt. land 10 years prior to 4(1) Notification will get ex-gratia equivalent to compensation upto 1/10 th of an acre admissible	As applicable To Displaced Families from Private Land.	As applicable To Displaced Families from Private Land.

	to private land owners under L.A. Act, 1894 inclusive of the Homestead Land owned by him.		
Encroachers of agricultural land	Landless Person in Possession of Unobjectionable Govt. land 10 years prior to 4(1) Notification Will get ex-gratia equal to compensation upto a maximum of one standard acre admissible to private land owner under L.A. Act inclusive of the land owned by him.	Rs. 75,000/- Irrespective of years of possession per acre.	Rs. 1,00,000/- Per acre.
C) 100% land loser	Employment in preferential order	Employment in preferential order	Employment in preferential order
	Employment Ability Training.	Employment Ability Training	Employment Ability Training
D) Partial land loser	Nil.	Employment Training	Employment Training
Betel vine	Rs. 6,000/- per dec.	Rs. 7,000/- per dec.	Rs. 11,500/- per dec.
Prawn pond	Nil.	Rs. 1,00,000/-	Rs. 2,00,000/- per acre
Labourers engaged in betel vines	Nil.	15% of the Compensation amount payable to betel vine owners is to be paid to the labourers. Un-employment Allowance of Rs. 1500/- per months to each labourer upto 1 year or till he is engaged by the company	20% of the Compensation amount payable to betel vine owners is to be paid to the labourers. Un-employment Allowance of Rs. 2,250/- per months to each labourer upto 1 year or till he is engaged by

		through contractors in the project or ancillary project.	the company through contractors in the project or ancillary project.
Compensation for private land	As per rate approved under L.A. Act	As per rate approved by the Govt.	Rs. 17,00,000/- per acre for all type or land including solatium & Interest.
Compensation For fruit bearing Trees on Govt. Land in private Occupation	As per Govt. norms.	As per Govt. Norms.	As per Govt. Norms.

It was also brought to the notice of the RPDAC that the people of Nuagaon, Noliyasi, Dinkia, Gobindapur, Polanga, Bhuyanpal & Gadakunjang have formed committees like 'Bana Surakshya Samiti' though not registered, in their own villages since long and have been guarding the casuarinas plants planted by the Forest Department and enjoying the usufructuary benefits thereof. The RPDAC appreciated their initiative in this matter and authorized the Collector to submit a proposal on proper enquiry as to how certain percentage of the sale proceeds of the standing trees of forest species within the POSCO project area shall be earmarked for the people of those villages who have been guarding the said plantation.
