

MONEY

Oil surpassing submarines in Murmansk

Arctic port struggling to survive sees economic future in shipping oil to United States, elsewhere

By Natalia Andreassen
Reuters

MURMANSK — Russia's Arctic port of Murmansk, a Soviet-era bastion of the Cold War, is becoming a symbol of a new partnership with the U.S., in which oil is set to overshadow nuclear submarines.

Last week, Russia's largest private oil firms agreed to build here by 2007 a multi-billion dollar oil export terminal, designed to open up new markets for their booming oil output and help the United States cut its dependency on the Middle East.

And Murmansk, halfway between Moscow and the North Pole, a place where the sun does not rise for two months of the year, is welcoming the idea as a last hope to escape poverty and unemployment, endemic in this once-thriving Red Army naval base since the collapse of the Soviet Union more than a decade ago.

"We are living in oblivion. Today no one wants to be a naval officer. And because so far there has been nothing else to do in Murmansk, oil is probably a solution. Not for us but for future generations," said Yelena, 46, the wife of a naval officer.

For many in Murmansk, where in Soviet times the city's residents received privileges for enduring a harsh climate to defend the motherland, pride is all they have left.

"Some people believe Russia's north has no chance of surviving and Arctic towns will sim-



AGING NUCLEAR submarines docked at the Kola peninsula, near Murmansk. The subs pose a threat to the Murmansk's port's hopes of becoming a major site of oil shipments to the United States and other international markets.

ply gradually die. I think this is totally wrong," said Vyacheslav Popov, who represents Murmansk in Russia's upper chamber of parliament.

"This oil project will boost Russia's economic security and help to restore our previous glory."

Popov knows all about how quickly glory can turn to shame. A career admiral, he was commander of Russia's Northern Fleet when the nuclear-powered submarine Kursk crashed to the bottom of the Barents Sea with the loss of the entire 118 crew, the worst disaster in modern Russian naval history.

Murmansk, near the frontier with Finland and Norway, is a unique port in Russia's north with

a vast bay which never ices over even when temperatures plummet to minus 30 degrees Celsius.

Ideal location

"I'm so pleased that our natural advantages are finally recognized," Murmansk's regional governor Yuri Yevdokimov told oil executives.

Four Russian majors, LUKoil, Yukos, Tyumen Oil Co. (TNK) and Sibneft, which together account for more than half of Russia's eight million barrels per day (bpd) output, promised their project would create more jobs.

It will also serve further the rapprochement of Russia and the United States. The two countries have cozied up to each other, par-

ticularly since last year's Sept. 11 attacks on the U.S.

"It is extremely important that the Russia-U.S. relationship is developing in a constructive way. It convinces us that we will secure access to the U.S. oil market and U.S. oil firms will gradually join our production projects," Mikhail Khodorkovsky, CEO of Russia's second-largest oil firm Yukos, told reporters.

Russia, the world's second-largest oil exporter, ships the bulk of its crude to Europe and needs deep water ports to load super-tankers and make trans-Atlantic shipments profitable.

Murmansk, the deepest northern port in Russia, is emerging just as the country's output is booming for the fourth straight year and

Russia wants to supply more than 10 percent of U.S. crude oil imports, currently dominated by more traditional but politically turbulent Middle East suppliers.

Oil majors say the new port's advantages will be ideal as the sea route to U.S. east coast from Murmansk will be just 9,334 km, compared to 20,600 km from the Gulf.

Ecological worries

The exact location of the new terminal is to be announced.

"We don't want profiteers rushing to buy land near Murmansk. There is more than 60 km of coast, which perfectly meets our needs, so the terminal can be built anywhere," said the head of LUKoil Vagit Alekperov.

Yevdokimov says the energy-starved region is eagerly awaiting just a tiny portion of fuel from the export pipeline.

"Unlike [the] other Russian European regions, Murmansk does not have natural gas supplies nor even a tiny refinery. So it could become a colossal project for us," he said.

The project's image is clouded only by the concerns of environmentalists, who say any leaks from a vast oil terminal or the tankers it serves could further damage the ecology of Murmansk. The port is already home to an estimated two thirds of Russia's 122 decommissioned nuclear submarines, the reactors of which have never been removed, and radiation reports are frequently read out on the radio station along with the weather forecast.

"When you have an oil spill from a supertanker in the Arctic it takes you decades to restore nature as oil decomposes very slowly," said Oganess Targulyan from Greenpeace in Moscow. ■

Smuggled monkeys, bear parts all in a day's work

As a hub for flights to Russia and the Far East, Alaska's largest airport has seen it all

By Mary Pemberton
The Associated Press

ANCHORAGE, Alaska — Wildlife inspectors at Alaska's largest airport have seen it all, from the traveler who tried to hide a monkey under her big hat to the woman who had a bear gall bladder in her bra.

"I've almost become numb," said Chris Andrews, one of Alaska's three U.S. Fish and Wildlife inspection officers assigned to Ted Stevens Anchorage International Airport.

"When I see a monkey-skull ashtray I say, 'Oh, another monkey-skull ashtray.'"

The Anchorage airport, a hub for flights to Russia and the Far East, is the biggest cargo airport in the United States and ranks sixth nationwide for wildlife shipments, processing 6,648 of them in the last fiscal year.

Andrews and his two colleagues

typically check about 65 shipments each day and make about one seizure — probably a small fraction of the illegal wildlife that is getting through. Many of the contraband items are folk remedies and other exotica from Asia.

The items seized are illegal outright or require permits to possess. Andrews said most travelers do not realize they are breaking the law, but plenty of other violators know it.

Penalties range from confiscation of the illegal item to a \$100,000 fine and a year in jail.

Some of the airport contraband is on display in a glass case outside Andrews' office. Among the curiosities: a woman's leopard coat from Taiwan, a crocodile-head purse from Southeast Asia and a guitar from Mexico made from the shell of a sea turtle.

Andrews pulls a cardboard box from under his desk and holds up two bottles filled with a pale yellow liquid. One has a cobra coiled in the bottom, from Vietnam. The other has two decomposing iguanas and is from China. The "wine" is a popular novelty item with tourists.

"The tequila worm I can handle, but this is awful," customs



U.S. FISH AND WILDLIFE Inspector Chris Andrews holds an ash tray made from the skull of a monkey confiscated from a passenger at the Anchorage airport.

officer Sue Gadomski said as she shrank from the bottles on Andrews' desk. Gadomski works closely with Andrews and his colleagues.

Inspection officer Mike Kiehn pulls a stuffed cobra, poised as if ready to strike, off a top shelf. The item was taken from a tourist coming from Thailand. "When the animal is killed, the venom becomes solidified, but

if you punctured yourself it could be lethal," Kiehn said.

Inspectors have also confiscated monkey-skull ashtrays from Thailand, dried dog penises, boxes of sea coral, pool cues with inlaid ivory from African elephants, and vials of bear gall bladder extract, which is believed by some to relieve high blood pressure, impotence and rheumatism.

Wildlife inspectors must be famil-

iar with numerous laws and treaties protecting threatened or endangered species of flora and fauna. They receive a five-week training course at a federal installation in Glynn, Georgia, to help them identify what is legal and what isn't.

They take a two-hour course just to help identify the five types of ivory. Inspectors use an ultraviolet lamp to distinguish between ivory and plastic. Ivory reflects light; plastic absorbs it.

Inspectors also look for false compartments and holes drilled in carry-on luggage. People have been known to drug birds with alcohol to keep them quiet and place them in the hidden compartments.

The compartments are also a popular way of smuggling live reptiles from Southeast Asia. An airport custodian once found a hummingbird stuffed in a pack of cigarettes.

Kiehn said one of his favorite seizures was in 1995, when a woman traveling from Korea passed through customs wearing a very large hat.

"The hat kind of went up and down and we looked," Kiehn said.

There was a monkey underneath it. The animal found a home at a Southern California zoo. ■