

Report of the Committee Constituted to Investigate into
the proposal submitted by POSCO India Pvt. Limited for
establishment of an Integrated Steel Plant and Captive
Port in Jagatsinghpur District, Orissa

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Submitted to the
MINISTRY OF ENVIRONMENT AND FORESTS
Government of India
New Delhi

I. REPORT SUBMITTED BY MS. MEENA GUPTA

Executive Summary

Over the approximately two and a half months of the existence of the POSCO Enquiry Committee, the four members of the Committee spent a considerable amount of time studying documents and reports relevant to the POSCO enquiry, some obtained by us through our own efforts, some, papers submitted to us by various stakeholders and interested parties; meeting a large number of people, viz. persons belonging to the affected villages in Jagatsinghpur district, organisations and persons concerned about the environment, wildlife, livelihoods and displacement, officials of the State Govt of Orissa, members of political parties, representatives of POSCO, and sundry others; visiting several of the affected villages and the site of the proposed captive port of POSCO; and deliberating at length among themselves.

While the Committee was looking into various aspects of the POSCO issue, another committee headed by Mr. NC Saxena, set up to look into the implementation of the Forest Rights Act and several other issues connected with a proposed bauxite mine lease (linked to M/s Vedanta Alumina Ltd) in the Niyamgiri hills of Kalahandi district of Orissa, submitted its report. That report was a scathing indictment of the Govt of Orissa's poor implementation of the Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act in the area, its neglect of the rights of tribals belonging to the Primitive Tribal Groups, and its turning a blind eye to major violations of the Environment Protection Act and the Forest Conservation Act. Acting on this report, the Ministry of Environment and Forests rejected the application for forest clearance of the Orissa Mining Corporation which would have led to the mining of bauxite in the Niyamgiri hills. Since both the POSCO and the Vedanta projects are located in Orissa, both are mineral based industries, and both have a major chunk of forest land within its area, there was an immediate assumption that POSCO too would be treated similarly by the Committee and the MOEF.

It is important to point out that POSCO and Vedanta are very different projects and operate in different environs and circumstances. Vedanta's alumina plant (and the bauxite mine for which lease was applied for by the Orissa Mining Corporation), is located in the less developed western part of Orissa, in a Scheduled Area which is home to two Primitive Tribal Groups (PTGs). These tribes are forest dwellers whose livelihood and culture depend on the dense forests in the area; displacing them would destroy their lives. Scheduled Tribes enjoy an important Constitutional status, and disturbing or displacing them stands on a different footing from displacement of other people. POSCO's plant, on the other hand is to be located in a coastal district, in the more developed eastern part of Orissa; the area is not a Scheduled Area and has virtually no Scheduled Tribe people. The people to be displaced are mostly agricultural and fishermen families (about 700 families); several are Scheduled Castes. Though POSCO is also to be located on forest land (for which clearance under the Forest Conservation Act is necessary), the area recorded as forest is mainly sandy

waste, with some scrub forest, apart from the casuarina plantations in the area. A very important difference also is that while the construction of the Vedanta project is almost complete (including unauthorised construction of the expanded portion for which no environment clearance had been taken), construction on the POSCO project is yet to start, the land not having been handed over to the company by the State Government, so far.

It is indicative of the complex nature of the problem that the committee members during their examination of the project, formed very different impressions and came to very different conclusions. Despite efforts to arrive at a consensus, members of the Committee could not agree on the conclusions on several of the issues. On some of the issues there was agreement on what the conclusion should be, but not on the reasons leading to the conclusion. Basically, there were two divergent views, one held by three members (viz. Dr. Urmila Pingle, Dr. Devendra Pandey and Dr. V Suresh), and one held by a single member, myself. Attempts were made to combine both views in a single report, but no agreement could be reached on the best way to do that. Therefore it was finally decided to present the two different sets of findings in two separate reports – not a very happy solution, but in the circumstances, unavoidable. In this summary, which is of the findings of my report, I will, nevertheless, attempt to mention the few areas of agreement and of some areas of disagreement between the views held by me and those held by the other three members (which will be presented in a separate report).

On the issue of implementation of the Scheduled Tribe and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, (henceforth referred to as the Forest Rights Act or FRA), it was felt that the efforts made to implement the FRA in the POSCO project area, in 2008 and 2009, suffered from some shortcomings and inadequacies. This, as well as the circumstances prevailing in the area at the time, with many of the villages opposed to POSCO, might have resulted in the people of the area not submitting their claims for recognition of forest rights. To debar such people, permanently, from filing their claims and getting their forest rights recognised, seems to be a violation of natural justice. It is therefore recommended that the exercise of recognition of forest rights be undertaken in the project villages afresh: Gram Sabhas be convened again, the Forest Rights Committees of the Gram Sabhas/ Palli Sabhas be re-formed, claims be re-invited by them, and a resolution passed within the time limit specified under the rules. The Sub Divisional Level Committee (SDLC) and the District Level Committee (DLC) should thereafter meet and complete the exercise. Since this exercise is being done for the second time and also because the handing over of the forest land earmarked for the POSCO project cannot proceed until a final decision is taken on the claims, a time limit should be specified and adhered to. There was broad agreement in the Committee that the procedure to recognise forest rights should be re-done in the project villages.

As far as resettlement and rehabilitation is concerned, while nothing can compensate for the trauma of displacement, the finding is that the R and R package is a good one,

better than the norms laid down in the Orissa Govt's Resettlement and Rehabilitation Policy, and the villagers who are not opposed to the project are satisfied with it. The process of discussing the benefits and the list of displaced persons/ beneficiaries at the RPDAC meetings where representatives of the affected villages are present is a good one and ensures transparency. However landless labourers seem to have got very limited benefits even though their livelihoods will be affected, and this is worth looking into. It needs also to be ascertained whether fishermen, other than those of Nolia Sahi village, have fishing rights along the coast and in the area of the POSCO project, and if it is so, they need to be compensated. The other Committee members disagreed to some extent. They felt that higher compensation should be paid for the paan plots, but basically they felt that the forest land should not be diverted at all.

On the issue of compliance with the environment and CRZ clearances, it was found that the work to establish either POSCO's steel plant or the captive port had not yet started. In fact the required land had also not been handed over to the company as several essential statutory clearances had not yet been obtained by the State Government. Therefore the issue of assessing compliance at this point of time was premature. However while studying the EC and talking to various stakeholders several matters that cause concern emerged. Important among them is the issue of water supply to the plant from the Jobra barrage, and the stress and deprivation it could cause at the source; the issue of the Paradeep industrial area fast developing into a critically polluted area and the need to take mitigative action; the issue of having a captive port at Jatadhar Muhan, so close to Paradeep, causing environmental damage and affecting estuarine fauna and flora; the issue of several ports coming up on the Orissa coast causing changes to the shoreline and threatening endangered species; etc. There are thus a number of issues relating to EC and CRZ which need to be looked at afresh. The MOEF should consider doing this at the earliest by requiring a comprehensive EIA to be prepared both for the steel plant and for the port and asking the Expert Appraisal Committee concerned to examine various aspects, so that additional conditions, if required, can be imposed on the project before it construction starts. The other members of the Committee did not agree with this. Their view was that the EC granted for the steel plant and EC and CRZ clearance granted to the captive port should be cancelled forthwith, because of flaws in the studies, and shortcomings in the clearances granted.

**II. REPORT SUBMITTED BY DR. URMILA PINGLE, DR. DEVENDRA
PANDEY, DR. V. SURESH**

Executive Summary

1. The Government of Orissa and Pohang Steel Company (POSCO), Republic of Korea signed a Memorandum of Understanding (MOU) on June 22, 2005 for setting up an Integrated Steel Plant of a total capacity of 12 million tonnes per annum in Orissa at Paradeep, in Jagatsinghpur district. By establishing an Indian Company as POSCO- India, it would develop and operate the Steel Plant to produce a total of 12 MT starting 4MT in first Phase with a proposed investment of Rs 51,000 crores or 12 billion US\$. The integrated steel plant includes captive power plant and a captive minor port. The plant would be located on the northwestern bank of the Jatadharmohan river creek 12 km south of the Paradeep Port requiring a total of 1620.496 hectares of land of which 1253.225 hectares is forest land and would affect 8 villages of three Gram Panchayats of Erasama block, Kujang Tahsil. The MOU also envisaged that the company would develop and operate, (i) Mining Project in areas allocated by the government of Orissa / Government of India (ii) Transportation Project which includes a dedicated railway line, road and Port (iii) Integrated township and (iv) Water Supply infrastructure or the Water Project
2. After the MOU, POSCO-India commissioned studies on rapid environment impact assessment (REIA) of steel plant (only for 4 MT) along with captive power plant and separately for captive minor port. The studies were completed in two-three months along with survey for demarcating CRZ areas during August to November 2005 and got environment management plan (EMP) prepared through M/s M.N. Dastur & Company (P) ltd. The Ministry of Environment and Forests, Government of India gave CRZ and Environment Clearance for the Captive Minor Port on 15 may 2007 and that of Integrated Steel Plant with Captive Power Plant on 19 July 2007. The Ministry also granted in-principle (stage I) clearance for diverting 1253.225 ha forest land for the project on 19 September 2008 under Forest Conservation (FC) Act 1980 stipulating a set of conditions for compliance before final clearance.
3. In the mean time Forest Rights Act 2006 for the Scheduled Tribes (ST) and other Traditional Forest Dwellers (OTFD) became operational from January 2008. The Ministry of Environment and Forests (MoEF) issued circular on 3 Aug 2009 to all the States/UT mandating compliance with Forest Rights Act (FRA) 2006 where proposals for diverting forest land for non-forestry purpose are processed. State governments were asked to provide certificates about the completion of the FRA process in the concerned areas along with supporting letter from each Gram Sabha as well as letter of consent or rejection from the Gram Sabha about the proposed project. In the case of POSCO-India, after receiving the letter of compliance of conditions of stage I

clearance the MoEF issued final forest clearance under FC Act 1980 on 29 Dec 2009 with a condition that rights of the ST/OTFD should be settled before implementation of the project. Though Orissa government furnished a certificate to the MoEF about the completion of FRA process, there was no certificate from the Gram Sabha.

4. From the day the MOU was signed there has been large scale protests against the project by local inhabitants whose livelihood is going to be adversely affected due to displacement. The number of petitions to the Central Government increased after the approval of the project because besides livelihood, the Orissa government reportedly violated the FRA in the project area as mentioned by Mr. D. Raja, Member of Parliament and a large number of NGOs. In July, 2010 some members of the FRA monitoring committee jointly constituted by MoEF and Ministry of Tribal Affairs visited the villages to be affected by the project in Jagatsinghpur district, Orissa. They submitted a report dated 24th July, 2010 highlighting violations of the FRA in the POSCO project area.
5. The MoEF appointed this four member committee on 28 July 2010 to enquire into the status of implementation of FRA in and around forest land of the POSCO project and rehabilitation and resettlement provisions. Subsequently, the committee was asked to review the environment, CRZ and other clearances also given by MOEF and state and local authorities. In the mean time MoEF directed the Orissa government on 5 Aug 2010 to stop all the works undertaken in the project area.
6. This committee conducted intensive enquiry by consulting a large number of documents, field visits and meeting a large number of people (including officials of Orissa government, local affected inhabitants, NGOs and civil society and experts in concerned fields). The findings of the committee are mentioned in the following paragraphs.

A. Implementation of the Forest Rights Act 2006

7. As per the land cover analysis with high resolution satellite imagery of 2006/2007 by Orissa government about 70% area of the forest land is covered with various kinds of forest and trees and the remaining area is sandy, covered with betel vine, agriculture and other miscellaneous activities, as also water bodies. The areas under casuarina plantation which occupies the major portion of forests in the coastal areas were earlier covered with mangroves and were destroyed either during super cyclones or by illegal cutting.

8. A large number of documentary and oral evidences have been found to support the presence of forest dwelling STs and OTFDs in the proposed POSCO project area contrary to the claim made by the district administration and the Orissa government that there are none. The voter list of 2006 mentions 21 names of ST community living in one of the villages Polang, included in the project area. A number of non tribal people living in project affected villages have produced documents of 1920s showing their relationship, dependence on forests/forest land thereby clearly establishing the existence of OTFDs and STs in the project area.
9. The district administration of Jagatsinghpur has not been fair and democratic in implementing the FRA in the project affected villages perhaps for two reasons (i) a number of villagers, specially of Dinkia, have been opposing setting of POSCO steel plant from the day (June 2005) when MOU was signed between Orissa government and POSCO and (ii) the district administration wanted the project area to be free from such rights for smooth taking over.
10. There has been lack of adequate publicity, awareness campaign, training as required to the people and the Palli Sabha specially, in the project affected villages, about various provisions of the Forest Rights Act and the process which forms the first link of the FRA implementation.
11. When the Gram/ Palli Sabhas were called for the first time in these villages on 23 March 2008, the required quorum in many cases was not complete to constitute the Forest Rights Committee (FRC). The district administration also did not fulfill its obligations to assist, support and provide records as a part of the process. The government should have made more serious and genuine efforts to call for the Palli Sabha with proper quorum. This committee searched for panchayat registers, especially of Dinkia village, to verify the proceedings but the same was not made available. It is therefore not verified if the Palli Sabha called for claims after constitution of FRC and waited for claims for three months from date of calling of such claims as provided in Rule 11 of FRA.
12. The district administration imposed an artificial and arbitrary deadline in an attempt to prevent the filing of claims. In fact the power to extend the period of filing claims rests with Palli Sabha as per FRA Rule 11. Gram Sabha, if it considers necessary, may extend such period of three months after recording the reasons thereof in writing. This provision has not been followed by the district administration.

13. Recognizing the role of Gram Sabha in implementation of FRA as well as in diversion of forest land for non-forestry purpose the MoEF in its circular dated 3 Aug 2009 made it clear that a letter from each of the concerned **Gram Sabha** indicating completion of the process of the FRA and of prior informed consent for any diversion of the forest land is a pre-condition that must be satisfied before final forest clearance is granted. Instead of obtaining certificate from **Gram Sabhas**, Orissa government vide letter dated 16 March 2010 forwarded certificate of the Collector of Jagatsinghpur enclosing proceedings of the Sub-Divisional Level Committee of FRA. This is clearly not in compliance with but actually in violation of the conditions imposed by the MoEF.
14. The takeover of forest land from 96 betel vine cultivators in Gadkujang gram panchayat, amounting to 11.85 acres, in July 2010 by the Orissa government violated the Forest Rights Act, 2006.
15. **Recommendation: The committee therefore feels that the final forest clearance dated 29.12.2009 of the MoEF has overlooked serious violations of their own directions and the procedures prescribed by law. Imposing additional conditionalities as in the clarification given by MoEF in January, 2010 while allowing the clearance to stand does not remedy the illegalities. The Committee therefore strongly recommends that the final forest clearance referred above be revoked forthwith.**
16. **Recommendation: Orissa government must initiate implementation of the FRA process afresh in the project area in a transparent and democratic way and ensure settling of individual and community rights as per the provisions of the Forest Right Act and Rules made there in.**

B. Status of Rehabilitation and Resettlement Implementation

17. The rehabilitation and resettlement program has yet to take off fully. As on date only 11.85 acres of government / forest land has been taken from 96 betel vine growers. Ex-gratia compensation was paid as per the RPDAC package. The committee feels that mere land compensation however big it may be, will not compensate the loss of sustainable livelihoods and *the best way would be to genuinely give equivalent land for land compensation so that they continue eking a sustainable livelihood*. Of course this means the whole process should involve all PAFs and their people's representatives in a transparent, inclusive

and just negotiation. If the people feel it is a better option than what they already have, they will be willing to give it a chance. *There have been more failures than successes in R&R in the past.* People are displaced in a hurry even before the resettlement or rehabilitation process is in place. Many times the promises to the people are not kept and displaced people live in greater destitution than before displacement. The whole process of R&R implementation should also look at improving the lives of women and older people and provide them with suitable livelihood options.

18. It appears that a large number of fishing communities depend on fishing in the Jatadharmohan creek area in which the project is located. They have old and recognized customary rights of fishing in the area which have been overlooked and left out of the R & R scheme. The State Government needs to examine the rights of such communities and ensure that their livelihood rights are protected while covering them in the R & R scheme.
19. Landless agricultural and other labourers have not been included in the list of affected persons and no benefits have been given to them (except for those working in betel vine cultivation and those compensated for their homesteads on government land). Since landless workers constitute economically the most vulnerable social section, they need to be included in R & R scheme and compensated for their loss of livelihood.
20. Finally, as the socio economic survey of XIMB mentions, 'displacement amounts to uprooting them from their soil that belonged to them for generations, which can be psychologically a traumatic event'. This requires a lot of empathy while handling the process of shifting and relocation. We would like the State Government to bear this in mind and engage organizations (reputed NGOs) who have worked with people, to help in the process of relocation, so as to make the relocation less traumatic.
21. ***Recommendation: Though the R & R scheme has not yet started fully, the Committee feels that the rehabilitation package should take into account the loss of livelihoods, provide for land for land compensation, account for vulnerable sections including women, labourers and old people and decided upon through a transparent and democratic process.***

C. Environmental Clearance of Steel Plant and captive Port

22. It is important to stress that the EIA process is governed by the EIA Notification (first issued in 1994 and subsequently revised and issued anew in

2006) which has statutory status under the Environment Protection Act, 1986, the main legislation governing EIAs. Thus any infringement of the prescribed standards amount to a statutory violation. Central to the EIA process is therefore the quality of the data and information collected, presented and analysed in the EIA which are the essential substratum for the decision makers to decide over whether to grant environmental clearance to the project or not.

23. Considering the scale of the project (12 MTPY) which is almost equal to combined production capacity of 6 steel plants of India (Bhilai, Bokaro, Durgapur, Rourkela, Burnpur and Salem put together) there was a critical necessity of having a comprehensive environment impact analysis (EIA) for both the steel plant as well as the captive port. The MoEF ought to have insisted on a comprehensive EIA by collecting full year data which was also pointed out by various state agencies and the Regional Office of MoEF.

24. The MoEF should not have granted environment clearance on the basis of rapid EIA for port which was based on one season data. Even in case of the port, the data was collected during September to November 2005, which is the monsoon period. It should be noted that data collection during monsoon period is prohibited by EIA Notification.

25. The entire POSCO project is an integrated project encompassing different components like the township, pipeline, road and transportation etc. which have been left out of the scope of REIA and other baseline data. As a result of partial EIA, the full environmental impact of the entire project has been undermined.

On a clarification sought by one of the committee members (Dr Suresh), the Director of POSCO (Mr. Kim) confirmed that comprehensive EIA both for steel plant and captive port was completed by July, 2007. The Regional office of MoEF, Bhubaneswar as well as the Orissa Government informed that copies of the comprehensive EIA were delivered by hand only in October 2010 after the clarification from the member of this committee. Submitting such a basic and critical report three years after the clearances is only an empty formality.

26. The committee members are of the strong view that MoEF should not have given environment clearance for part of the project (4 MTPY) when all other components and infrastructure of the project such as land, displacement of people, ecological destruction, port construction etc have aimed for full project, that is, 12 million tons. This is especially so when the expansion plans

are not sometime in the distant future but contemplated at the rate of increase of 4 million tonnes every two years. POSCO should have been asked to apply for clearance of total capacity. Otherwise, the logical step would have been to restrict the requirement of land and the size of the port to the requirements of a 4 MTPY capacity plant. It puts a question mark on the scientific and technical prudence of the MoEF.

27. In a recent report the MoEF has come out with an environmental pollution index called as Comprehensive Environmental Pollution Index (CEPI) to help in categorising the industrial clusters in terms of priority of planning needs for interventions. Under this report Paradeep has a CEPI score of 69.26 which shows that it is a severely polluted area, just bordering on the CEPI of a critically polluted industrial cluster. The concern that the Paradip area is already polluted from existing industries was also raised during the public hearing but unfortunately it was never addressed by any of the decision making authorities.
28. The Technical Committee of the Orissa State Pollution Control Board raised many issues of substantial importance specially related to air pollution which curiously have not been followed up to its logical end. The records supplied to us do not reveal that these issues were ever addressed before the clearances were given. However, even before these queries have been satisfactorily answered by the project proponent, the company has been recommended for clearances and issue of Consent to Establish. This is a serious abdication of statutory responsibility by the Orissa State Pollution Control Board.
29. Concerns regarding the impact of the POSCO captive port on the existing Paradip Port have been repeatedly voiced by the authorities as well as by the public. The Ministry of Shipping, Road Transport and Highways, Government of India appears to have a different view. A question about adverse effect of this captive private port was raised in the Lok Sabha to the Ministry of Shipping, Road Transport and Highways during December 2005. The then Minister in charge had replied “ the proposed minor port for POSCO steel plant may lead to severe erosion along the coastline posing a threat to the port facilities at Paradeep”. The Minister also stated that the Orissa Government has been urged to undertake a detailed study regarding erosion if they decide to develop a minor port for POSCO and should associate Government of India and Paradeep port with such studies. Unfortunately the EAC and MoEF did not call for the study report before giving clearance in 2007.
30. The Committee is of the firm view that the Public Hearing held on 15.4.2007 was not in compliance with the rules. The authorities failed to provide copies

of the EIA to panchayats; all the project affected persons were not given opportunity to be heard. It was held in Kujanga about 15 km away from the affected villages. During the hearing, many people complained that because of the prohibitive distance, many villagers could not travel to participate in the Public Hearing. The committee was informed that there was presence of a strong police force at the venue of the public hearing a day prior to the hearing itself. This served as a deterrent to free participation by local villagers, who were opposing the project. Other project affected people like traditional fishing community and farmers were not covered by the public hearing. The social impact of the project was also not discussed. Project proponent has failed to answer all the objections raised during the public hearing. The EAC has failed to apply its mind to the objections raised by various authorities and the public and have also failed to consider the available material on record. The EAC has also failed to record any reasons in respect of accepting or rejecting the objections raised but instead gave clearance. Such mechanical clearance makes a mockery of rule of law and procedural safeguards.

31. The integrated steel plant has a huge water requirement. As per the Rapid EIA, the water requirement will be met from Jobra Barrage over the Mahanadi River by laying an 86 kilometer long pipeline. POSCO has already taken an approval from the Department of Water Resources, Government of Orissa, for withdrawal of 10 MGD water from the Jobra Barrage. The existing competing use of the water resources from the Jobra Barrage are drinking water for Cuttack and Bhubaneswar cities, irrigation water for agriculture in four districts (Cuttack, Jagatsinghpur, Khurda and Kendrapada) and several industries, and these have not been taken into account. The public representatives who met the committee members expressed concern about the existing scarcity of water due to use by the already established industries. In fact, the Water Resources Department has allocated additional water from Hansua nalla for construction purposes which has not been disclosed in the EIA amounting to suppression of the information. The REIA has not addressed the widespread impact that will adversely affect a large population spread in a number of big towns as well as districts.

32. ***Recommendation: The Committee strongly feels that there have been many serious lapses and illegalities in the EIA process. The EIA for such a megaproject is rapid, based on one-season data without taking into account all the components of the project like the township project, water project, railroad and transport facilities etc. Moreover it is limited only to Phase I of the project. There are serious violations in the public hearing process where many communities have been left out. The imposition of additional conditions to the existing ECs will not at all remedy the lapses and illegalities. The Committee therefore strongly recommends that the***

Environmental Clearance given by the MoEF dated 15.5.2007 for minor port and 19.7.2007 for the steel plant should be immediately revoked.

D. Compliance of Coastal Regulation Zone (CRZ)

33. The Coastal Zone Management Plan (CZMP) of Konark -Paradip stretch submitted by the Government of Orissa in 1995 to the MoEF includes the belt of Jatadharmohan creek. Because the area falls under estuary zone and is ecologically sensitive, barrier spits and channel bars occurring near the estuarine mouth has been categorized as CRZ-I. Only the areas studded with agriculture fields and settlements are to be categorized as CRZ-III near the Dthinkia village. The NIO report has not specifically indicated the extent of area/ length along the creek/shore line falling under CRZ I and CRZ III.
34. Further, the limits of the CRZ lines drawn on 1:5,000 scale maps by NIO at 500 m towards the northern portion of POSCO site and at 150 m on the creek side are not very clear. The limits and extent upto which these lines exists should have been well defined by the geo-coordinates in the maps as well as in the text. But it has not been mentioned in either of the documents. In the absence of such geo-coordinates it would be impossible to draw lines on the ground. The main worry is who is going to verify these lines and distances from the HTL on the ground? No permanent marking has been done on the ground. Orissa state government was not associated in the CRZ survey of the POSCO site and NIO depended on the land use map and geo-coordinates provided by POSCO.
35. Except for port, any activity relating to steel plant, be it storage of raw material, cannot be allowed within the CRZ (500 m from HTL) as per CRZ Regulations. On the other hand NIO has recommended for establishing coal/ore and slag yard which are parts of steel plant in the CRZ I (i) & CRZ III areas facing open coast in northern side (page 18 of the NIO-DCRZ Report). This amounts to violation of the CRZ regulations.
36. The State Coastal Management Zone Authority while discussing the port proposal of POSCO-India on 7 Aug 2006 found a mismatch between CRZ maps prepared by ORSAC and NIO. This was to be reconciled by the POSCO-India but no document for such reconciliation has been provided to the committee.
37. Dressing or altering of sand dunes, hills, natural features including landscape changes for beautification, recreational and other such purpose are

prohibited, except as permitted under the notification. During the visit of the committee on 21 Sep 2010, the representative of the POSCO-India Mr. S.N. Singh informed the members that the existing mouth of the Jatadharmohan creek will be used as an approach channel for one lane for vessels and will be progressively widened to 500 m. The map provided by POSCO, however, shows that existing mouth will be filled and sandy barrier spit at about 500 m away towards south will be cut to make the approach channel. Such a cutting and filling of sand bars amounts to change of the natural course of the creek and are in contravention of the CRZ notification. In a clarification sought from the POSCO it was replied that the mouth of the Jatadharmohan creek originally existed at the proposed site in 1998 and in last 10 years the Jatadhar Mouth has shifted towards north and has acquired the present form. The site of the old mouth has been therefore chosen for making approach channel. The committee did not find such explanation convincing. Further, in the common clearance/approval dated 15.05.2007 given for CRZ and EIA for the port Condition B(vii) stipulates that the sand dunes and mangroves, if any, on the site should not be disturbed in any way. It is not clear how it is possible to dredge through the sand pits and reclaim land for the port as well as steel plant without disturbing the sand dunes.

38. As per the REIA report for the steel plant, a common effluent treatment plant (CETP) will be set up to take care of untreated effluents from the production process and treated plant sanitary wastewater. After partial use of the treated water, the rest of the water will be let into the sea by a submarine pipeline at 18-20 meters depth by jet diffusion. POSCO-India has not applied for CRZ clearance for this pipeline which amounts to suppression of facts and is a serious violation.

39. ***Recommendation: In view of the above observations the committee feels that POSCO-India Pvt. Ltd has not been able to address all the issues relating to CRZ notification. There are a number of serious lapses and violations, including suppression of facts. The environment clearance given by the MoEF vide letter dated 15 May 2007 should therefore be revoked forthwith.***