

11.05.2007 № 1-70511

Regarding the support of the implementation of YACONTO Integrated Program for the construction of a «Commercial Black Sea port YACONTO» in the Tuapse region of Krasnodar Territory and an establishment of a Tuapse Naval Base (TNB) for the basing and repair of the Black Sea Fleet ships, both objects sharing an integrated infrastructure.

**Addendum to the Letter of YACONTO LLC
out. № 1-70416 of 16.04.2007**

**To the Chairman
of the Federation Council
of the Federal Assembly
of Russian Federation**

**S.M. MIRONOV
(personally)**

Dear Sergey Mikhailovich !

YACONTO LLC (Russia, Moscow) has developed and proposed for implementation a non-state investment YACONTO Integrated Program of nationwide significance, which consists of major promising projects and programs included in the YACONTO List of Projects of 09.05.2005 to be implemented in Russia via extrabudgetary funding and other Russian and foreign investment resources.

In year 2000, YACONTO LLC appealed to the Russian President Vladimir Putin (out. № 3/13-11-PYA of 13.11.2000), asking to support the YACONTO Integrated Program for the construction of a new commercial seaport in Tuapse region of Krasnodar Territory and creation of a naval base on the territory of the Tuapse trade port. In 2001, in his letter to the Russian Defense Minister Sergey Ivanov (out. № 707/T-4641 from 02.12.2001), the Commander-in-Chief of Russian Navy V.I. Kuroedov mentioned that Russian President Vladimir Putin supported the Integrated Program. According to the Terms of Reference of YACONTO LLC, Design Enterprise “Soyuzproektverf” of the Federal state unitary enterprise “Central Research Institute for Shipbuilding Technologies” (FSUE CRIST, St. Petersburg) has developed a Declaration (Petition) of 12.11.2002 of intent to construct the «Commercial Black Sea port YACONTO» in Tuapse region of Krasnodar Territory with an Explanatory Note and the Scheme of the general plan of the «YACONTO Port». The Interdepartmental Committee for the allocation of productive forces in Tuapse region of Krasnodar Territory supported this Declaration of 20.02.2003. The Head of Administration of Krasnodar territory A.N. Tkachev has supported the YACONTO Integrated Program as a whole in his letter to YACONTO LLC (out. № 1-02/447 from 20.08.2003. The need to implement the Integrated Program has been confirmed by the Expert opinion of the Federal State Enterprise «Research institute – Republican research scientific-consulting center of expertise» (FSE RI RSCCE, Moscow) of the Ministry of Education and Science

of Russia from 02.08.2004 and Analytical note of the Military Academy of the General Staff of the Russian Ministry of Defense of 27.01.2005. In his letter (out. № 729/15/1505 of 12.12.2005) Commander-in-Chief of the Russian Navy V.V. Masorin informed YACONTO LLC of the plans to establish a promising Tuapse Naval Base as the main point for basing and repair of the Russian Black Sea Fleet warships and vessels around Tuapse city. The letter also mentioned that in 2007 – 2009 it is planned to conduct an analysis and adjustments to the Federal target program “Creation of the Black Sea Fleet basing system on the territory of Russian Federation in years 2005 – 2020” taking into consideration the proposals of YACONTO LLC.

YACONTO Integrated Program, aimed at socio-economic development, ensuring the security and defense capabilities of Southern Russia, includes the construction of a large modern «Commercial Black Sea port YACONTO» («YACONTO Port») for the transshipment of over 100 Million tons of cargo annually and an establishment of a Tuapse Naval Base (TNB) as the main point for deployment and repair of Russian Black Sea Fleet warships and vessels (including those subject to withdrawal from Ukraine), both said facilities having single industrial, transport and social infrastructure in the Shepsie rural area of Tuapse region of Krasnodar Territory.

The Shepsie rural area has favorable conditions for the creation of the «YACONTO Port» and the TNB with their common infrastructure: coastal mountainous area which represents no recreation, touristic or environmental value, greater depths near the shore, lack of large settlements and significant objects, favorable climate and weather conditions, allowing the most effective, year-round use of the «YACONTO Port» and TNB.

YACONTO Integrated Program is supported by the leadership of the Russian Academy of Sciences and its leading institutes which confirmed their willingness to participate in the scientific justification, maintenance and implementation of the Program.

Implementation of the YACONTO Integrated Program will provide the «YACONTO Port», TNB and their shared infrastructure with power supply, heating, gas, drinking quality water, petroleum products, as well as provide modern comfortable housing and jobs to the local population, attracted civilian specialists and military personnel transferred to reserve due to the reform of the Armed Forces of Russia, which will significantly reduce the time and costs of the creation of the «YACONTO Port» and TNB.

Besides, significant growth of industrial and agricultural production in the Southern Russia will be secured through the increased efficiency of road, railroad, pipeline, air and water transport; the implementation of the Program will also improve the socio-economic and political situation in the North Caucasus, strengthen the defense capabilities and national security of Russia in the Azov – Black Sea basin.

Construction and commissioning of the core objects set out in the YACONTO List of Projects from 09.05.2005 will be implemented within the time range which coincides with the conclusion of construction for the “Sochi-2014” Winter Olympics. Construction of a modern multi-lane highway Krasnodar – Sochi and the transfer of part of the Tuapse – Adler railway inland from the Black Sea coast will let the Krasnodar Territory start a large-scale development of resort and recreation industry, tourism and sporting businesses of a high world class level.

YACONTO LLC has developed a scheme of attracting major funding and other resources that provides a balance of interests of the state and the private sector in implementing the YACONTO Integrated Program. Major foreign and Russian investments will be attracted through the organizations that have necessary credentials, capabilities and warranty for the implementation of the Program.

Exact volumes of required funding and payback period of projects included in the YACONTO Integrated Program can be assessed only after a political decision at the highest governmental level to support the non-state investment YACONTO Integrated Program and after specifying the list of its constituent projects. To do this, the State only needs to officially confirm the expediency of building the large «YACONTO Port» and establishment of a modern TNB as the main point of basing and repair of the Black Sea Fleet of Russia, with their common infrastructure; that will provide the conditions for attraction of extra-budgetary funds and other investment resources without the use of state financial guarantees, which are actually only needed by the corrupt officials to abuse administrative resources for personal gain.

Former and current heads of the Ministry of Transport of Russia alike have turned their ministry in their personal fiefdom and, hiding behind the alleged interests of the state, used to and continue to actively oppose the implementation of the non-state investment YACONTO Integrated Program. The letters from YACONTO LLC to the Minister of Transport of Russia S.O. Frank (out. № 1-11112 from 12.11.2001) and his successor I.E. Levitin (out. № 1-40902 on 02.09.2004) expose the activities of specific members of an organized criminal group of officers (OCGO) which continues to cause enormous damage to Russia today. However, these ministers, being not responsible for their performance and confident of their impunity, not only failed to take appropriate response, but personally took part in discrediting YACONTO LLC and the unparalleled investment YACONTO Integrated Program.

Federal programs which are implemented at the expense of budget funds are exactly what corrupt officials need. This allows them to first obtain a lion's share of budget funds for the implementation of state programs, and then privatize the constructed facilities for next to nothing via figureheads, dealing great material damage to the state and people.

Specific examples of criminal activity of officials are set forth in the letter of YACONTO LLC to Russian President Vladimir Putin (out. № 1-21007 of 07.10.2002), which, as it turned out, has been concealed from him. In this letter it was reported that in the early 90s the government announced that it is interested and will support the development and introduction of new technologies for livestock and poultry waste management. To address the environmental, socio-economic and energy problems in Russian agriculture, YACONTO company offered to organize the mass production of biomass energy units (BEU) and deploy them in agricultural enterprises for accelerated processing of livestock and poultry waste into environmentally friendly fertilizers, simultaneously producing biogas and using it as a source of energy and heat. Leading experts and designers from Salyut Design Bureau of Khrunichev State Research and Production Space Center (Moscow) and scientists from Institute of Biochemistry named after A.N. Bach of the Russian Academy of Sciences (Moscow) were involved in the research

and development of BEU, which allowed creating modern high-tech equipment. On 20.03.1996 Rospatent granted to Firm YACONTO LLP a Patent № 2056393 for an invention of BEU. The production technology of BEU was designed in a way that rocket bodies of ballistic missiles intended for disposal or destruction at the reduction of armaments under national disarmament program could be used as reservoirs. BEU were planned to be produced in Volgodonsk city of Rostov region on a flagship of Russian nuclear engineering Atom mash OJSC, because in 1993 – 1994 all design documentation for the mass production of BEU was fully adapted to this enterprise. To create BEU, YACONTO enterprises spent an equivalent of 3.5 Million U.S. dollars of their money. Already in 1994 Israel has shown increased interest in the BEU for use on agricultural enterprises. The technological process suited their professionals and the order could comprise at least 200 units. To do this, it was enough to create a pilot plant on Atom mash OJSC to demonstrate its effectiveness. Expected federal funding for the pilot plant for BEU to accelerate the development of agriculture in Russia could have been obtained with the support of the Administration of Rostov region, but because of the strong opposition of corrupt officials, it was impossible to receive funding we had a right to claim. Moreover, in the process of deliberate bankruptcy of Atom mash OJSC, design documentation for the BEU, which is the property of YACONTO LLC, has also been captured. So far, no official has been held liable for the committed offense.

In the previous letter from YACONTO LLC to you (out. № 1-70416 of 16.04.2007, inc. № 10076 of 16.04.2007) it is pointed out that the corrupt officials of different levels and their “business partners” sharply stepped up their efforts to discredit YACONTO LLC in order to capture its ideas and intellectual property rights, dissolve the YACONTO Integrated Program into parts and obtain them one by one. An avid example of that is the Decision of the said “offsite meeting” of the Commission for national maritime policy of the Federation Council of 21.03.2007 in Tuapse which directly contradicts the interests of socio-economic development of Southern Russia and the solution of problems of securing defense capabilities of Russia in the Azov – Black Sea basin. The said Decision is a result of anti-state activity of the OCGO who put their personal interests above the interests of the state. Their actions undermine the economic security and defense capability of the country and fall under the Treason article of the Criminal Code of Russia. At the meeting of 21.03.2007, ardent opponents of the YACONTO Integrated Program groundlessly stated that Russia does not have and is not expected to have the cargo transshipment volumes necessary for the «YACONTO Port», although this is completely contrary to known projected growth in freight traffic and the order of the President of Russia to double the gross domestic product (GDP) by 2010. By 2020 Russia’s GDP can grow another 3 times, which will increase the volume of transportation and handling of own goods and goods in transit.

In his Speech to the Federal Assembly of 26.04.2007, Russian President Vladimir Putin indicated that Russia is a major maritime power, which should possess a developed sea traffic market, and therefore it is necessary to develop the domestic shipbuilding industry and build modern sea ports for the transport and transshipment of goods, which are still going through foreign ports, causing great economic losses to the State. For several years Vladimir Putin demanded from the Government to take steps to remedy

the situation, but the officials have persistently ignored the instructions of the President of Russia, which confirms their reluctance to develop the country's transport system. Vladimir Putin also noted that it is necessary to take immediate investment programs for the development of Russian ports and as soon as in 2007 resolve the issue of registration of land for the creation of port infrastructure, as well as to adopt a law on the establishment of the port area with preferential tax treatment.

The foregoing gives grounds to assert that corrupt officials craftily thwarted and continue to disrupt the fulfillment of the tasks of socio-economic development of Russia, its defense and security; in particular, by groundlessly denying the need to build the «YACONTO Port» and establish the TNB. Consequently, in order to really solve the problems facing the state, we must establish an effective system of public-private partnership in the implementation of major projects and programs.

In order to determine professional competence of high ranking officials and their loyalty to the state order, I propose to start testing the officials on a lie detector, starting with the Russian Minister of Transport Igor Levitin and his team.

The large-scale multi-industrial YACONTO Integrated Program of nationwide significance, as well as the program for the conduction of "SOCHI-2014" Winter Olympics, must be carried out under the executive support of the Supreme leadership of the country. This is exactly why the organizational scheme of the implementation of the YACONTO Integrated Program requires issuance of a Presidential Decree and a respective Resolution of the Russian Government. This will help to overcome bureaucratic resistance of the actively corrupt officials and other members of the OCGO and to implement the YACONTO Integrated Program in the interests of the state.

Summary of the YACONTO Integrated Program and of the positive activities of Russian YACONTO enterprises (since 1988) is described in the Report of the President of YACONTO LLC on the offsite meeting of the Commission for national maritime policy of the Federation Council in Tuapse on 21.03.2007 and in documents found on a YACONTO CD from 11.05.2007.

I ask you to support the nongovernmental investment YACONTO Integrated Program which has a federal and nationwide significance, before the Russian President – Supreme Commander of the Armed Forces of Russia Vladimir Putin and the Prime Minister of Russia Mikhail Fradkov.

(The Russian text of this letter is an original.)

Respectfully yours,

President of YACONTO LLC



S.P. YAKUNIN

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LIST OF DOCUMENTS № 2

**attached to the Letter of YACONTO LLC out. № 1-70511 of 11.05.2007
to the Chairman of the Federation Council of the Federation Assembly
of Russian Federation S.M. MIRONOV**

№	Date	Document number	Document title and brief description	# of pages
1.	No date	No number	Photo of Cape Kadosh, Tuapse city and the coast of the Tuapse region for the construction of the YACONTO Port	1
2.	09.05.05	Script	List of projects included in the YACONTO Integrated Program intended for the Krasnodar Territory	11
3.	12.12.05	729/15/1505	Letter from Commander in Chief of RF Navy to YACONTO LLC	2
4.	31.03.06	In German	Letter from CREDIT SUISSE bank to IC Inter Consult GmbH	1
5.	31.03.06	In Russian	Letter from CREDIT SUISSE bank to IC Inter Consult GmbH	1
6.	29.07.06	143-144	Article: «Maritime council in Tuapse» (Tuapse VESTI page 1)	1
7.	07.11.06	3.14-30/1368	Letter of the Defense Committee of SD RF to YACONTO LLC (regarding YACONTO Port and TNB)	1
8.	18.11.06	In English	Letter from OITC to YACONTO LLC	1
9.	18.11.06	In Russian	Letter from OITC to YACONTO LLC (translation)	1
10.	20.12.06	3.5-33/1744	Letter of the Office of the Committee of Federation Council for defense and security to YACONTO LLC	1
11.	26.12.06	41.03.03.2/9401	Letter of the Department for Investments and project management of Krasnodar Territory to YACONTO LLC	1
12.	11.01.07	3 (16 008)	Article “Sea is burning on everyone’s lips. Why’s that?” (Tuapse newspaper VESTI, page 2)	1
13.	11.01.07	01/2912-07	Letter of Institute of oceanology of RAS to YACONTO LLC	1
14.	02.02.07	No number	Letter of Institute of geochemistry of RAS to YACONTO LLC	1
15.	05.02.07	13108/01-57	Letter of Institute of Oil and Gas of RAS to YACONTO LLC	1
16.	06.02.07	13121-2-2113	Letter of Institute of envm-l geosc-e of RAS to YACONTO LLC	1
17.	07.02.07	13106-11-2115	Letter of Institute of physics of earth of RAS to YACONTO LLC	1
18.	07.02.07	Variant 1	Reference on YACONTO Port, TNB and their infrastructure	1
19.	07.02.07	Variant 2	Reference on YACONTO Port and its infrastructure	1
20.	21.02.07	3.27-72	Letter of the Commission for national maritime policy of the Federation Council to YACONTO LLC (on mtg of 21.03.07)	1
21.	28.02.07	1-70228	Letter of YACONTO LLC to the Commission for national maritime policy of the Federation Council (on participation in the mtg)	1
22.	28.02.07	1	List of docs to the Letter of YACONTO LLC №1-70228 to the Commission for national maritime policy of the FC)	1
23.	12.03.07	1-70312	Letter of YACONTO LLC to the Commission for national maritime policy of the Federation Council (on participation in the mtg)	1
24.	16.03.07	In English	Letter of GLOBAL STEEL HOLDINGS LTD. to YACONTO	1
25.	16.03.07	In Russian	Letter of GLOBAL STEEL HOLDINGS LTD. to YACONTO	1

26.	21.03.07	Script	Report of the President of YACONTO LLC S.P. Yakunin on the offsite meeting of the Commission for national maritime policy of the Federation Council in Tuapse on 21.03.2007	27
27.	21.03.07	Picture 2	Approximate location scheme of YACONTO Port and TNB	1
28.	21.03.07	Picture 3	Approximate location scheme of YACONTO Port and TNB	1
29.	10.04.07	3.27-149	Letter of the Office of the Commission for national maritime policy of the Federation Council to YACONTO LLC	1
30.	10.04.07	3.27-149	Decision of the meeting of the Commission for national maritime policy of the Federation Council in Tuapse 21.03.2007	3
31.	16.04.07	1-70416	Letter from YACONTO LLC to the Federation Council of RF	5
32.	16.04.07	1	List of Documents to the Letter №1-70416 of 16.04.2007 from YACONTO LLC to the Federation Council of RF	2
33.	11.05.07	Script	Short bio of YAKUNIN Sergey Pavlovich (as of 11.05.2007)	1
34.	11.05.07	YACONTO CD	Documents on YACONTO Integrated Program and positive activity of YACONTO enterprises (700 MB)	1
According to the List of documents № 2 to the Letter of YACONTO LLC № 1-70511 of 11.05.2007 to the Chairman of the Federation Council of the Federal Assembly of Russian Federation S.M. MIRONOV, 33 documents on 77 sheets and 1 (one) YACONTO CD disk of 11.05.2007 (700 megabytes) are attached				

(The Russian text of this letter is an original.)

President of YACONTO LLC



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РЕЕСТР № 1-70511
на корреспонденцию, направляемую через фельдъегерскую службу

11 мая 2007 года

Отправитель:

ООО «ЯКОНТО» (г. Москва)

№№ п/п	Кому адресован пакет	Номер и дата письма, указанные на пакете	Важность	Примечание
1.	Председателю Совета Федерации Федерального Собрания Российской Федерации МИРОНОВУ С.М. РОССИЯ, 103426, г. Москва ул. Б. Дмитровка, дом 26	исх. № 1-70511 от 11.05.2007 г. (с приложением)	Сл.	
			(495)	686-9046

Всего пакетов ОДИН Сдал: Якунин С.П.

(количество прописью)

Всего пакетов ОДИН Принял (а): *Морозов*

(количество прописью)

Оформленная расписка на ОДИН пакет

(количество прописью)

11 мая 2007 года 14 час. 00 мин.

Подпись *И. Морозов* (Морозов)