

Ministry for the Environment and Sustainable Development

CAT – Rosia Montana EIA

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Comments on the „Reply to the Contestation by Sorana Olaru”

To: The Technical Analysis Commission evaluating the EIA for the Rosia Montana Project

RE: Reply to the contestation by Miss. Sorana Olaru

The reply to **“An Evaluation of the Rosia Montana Environmental Impact Assessment Report with an emphasis on Socio-Economic and Community aspects”** henceforth called **the contestation** does not review the specific issues raised in this study and does not provide answers to the questions that it put forward. Furthermore, the sources for the quoted data are not accurately mentioned and no means are available to identify the quotes used in the reply.

The initial contestation was divided into three categories to make it easier for the project titleholder to reply to the issues it raised. Each chapter, in its turn was split in two: methodological issues regarding the writing of the EIA Report and background/ substantive issues which referenced specific chapters and the page where the information was unclear. We regard the manner in which the project titleholder has replied to the contestation unprofessional, especially because its reply hardly covers 10% of the issues that were brought into question. We deem the language used by the project titleholder in its reply to the contestation as inadequate for a scientific report, with many of the answers being just personal comments and denigrations and not suggestions on how to tackle problems or responses to a question/issue raised. For example, to our statement that “we want to remind everyone that RMGC is a private company with a clearly defined interest regarding the area, which will halt all investments in the region if it will not be granted the permits it has requested” the project titleholder replies: “This is a shocking statement. It is an example which supports the point of view discussed before that the petitioner seems to consider and start from the assumption that a commercial company can not ensure sustainable development. She almost seems to suggest that no other project besides the activities undertaken by the state should be allowed to be implemented- this argument is a truly ironic one, given that state operations during the Ceausescu regime have had a negative impact both on the social conditions and on the environment, effects that are still visible in Rosia Montana”. We regard the reply as being a personal denigration and not a professional reply about the state of affairs in which the titleholder expects to be granted the environmental license, a likely situation and which has to be considered.

We find the following statement offensive: “we would have to repeat what we have already written if we were to reply to all the issues raised by the petitioner”¹, given that the issues raised are fundamental for a clear understanding of the reports on the socio-economical

¹ Volume 68, pg 194, and pg 1 of the „Reply to Sorana Olaru’s Contestation”

studies. The project titleholder does not even make the appropriate references to allow the identification of the replies to the socio-economic issues discussed in other volumes, a fact which denotes a lack of professionalism in the consideration and analysis of the inconvenient questions and issues.

Given the fact that the study “**An Evaluation of the Rosia Montana Environmental Impact Assessment Report with an emphasis on Socio-Economic and Community aspects**” has been remitted to the project titleholder by the competent authority, the former should have received detailed answers to the issues raised. The fact that this study was included on the form which contained the justified observations made by the public in agreement with OMMGA 860/2002, compelled the project titleholder to discuss it in a thorough manner. Nevertheless the expected answers are missing. Furthermore, when answers were sought based on the indexing number for the study presented by Alburnus Maior (Nr. 110298/24.08.2006), the reader is guided to search the Annex- “Such a report which the petitioner makes reference to has been forwarded to us by the Ministry for the Environment and Water Management (MMGA) and answers are provided for it in the present annex”²

In the first few lines of the reply to the contestation it is stated that “first of all, many of the comments are simply the opinions of the petitioner, the problems raised are not based on factual data even if they are presented in a format which denotes scientific rigourness to a larger extent than the comments actually are capable of”. We wish to stress the fact that the entire contestation and not just some comments reflect this author’s opinions, BUT that each comment- which are actually called conclusions-are based on statistical data and bibliographical notes. Furthermore, in regard to the comment “statistical data presented in the contestation is often false or exaggerately general and based on them erroneous interpretations are subsequently made”, we argue that *there is no statistical data* which was used in the contestation which could not have been identified as their sources were indicated in footnotes. There were two types of sources: national statistics offered by the INSR (Romanian National Statistics Institute) or other entity which is authorized to conduct statistical studies and statistical data taken from the EIA Report. Therefore, the project titleholder contests the validity of either data offered by statistical institutes of its own statistical data! Given the fact that the project titleholder’s claim about the accuracy of the statistical data is not based on any specific quotations from the contestation we find it unfounded. Moreover, none of the quotations used by the project titleholder in its reply to the contestation cannot be identified; some statements used by the titleholder are simply removed from their original context with all the implicit negative consequences.

Returning to the substantive issues, we have to mention the fact that the aspects which were discussed in the contestation are included in the control list used for an assessment in accordance with OMMGA 863/2002. This will be the background on which we will show that their handling in the EIA Report is no more than ‘unsatisfactory’.

1. The current situation (in the absence of the project)- is inadequately discussed

In as far as the **baseline conditions** were concerned, the entire socio-economic argument for the project is based on the fact that Rosia Montana is situated in a particularly deprived region, has an ageing population and has no alternative for development. We do not wish to restate all the arguments presented in the contestation, however some of them have to be reasserted

² Volume 22, pag 146

because the project titleholder has chosen to ignore the gravity of the graveness of its acts and to continue to claim that its experts have written a scientific study on its behalf.

A. *The demographic data from the 2002 Census show that the data and interpretations offered by the project titleholder are in total are totally incongruous with the former data. Based on these erroneous data which is inadvertently interpreted, only false conclusions can be drawn out.*

As we have shown in our contestation, the socio-economic situation in Rosia Montana is not particularly more negative than the situation of other rural communities in Romania. Furthermore, according to the 2002 Population Census, the structure of the population in Rosia Montana is as described in the table below:

COMUNA ROȘIA MONTANĂ
– structure of the local population –
2002

| | Total population | Potential work resources | | | Young residents aged between 0-19 years | | | People 65 years of age and older |
|----------------------|------------------|--------------------------|---------|-------|---|--------|------|----------------------------------|
| | | Total | Bărbați | Femei | Total | Băieți | Fete | |
| Comuna Roșia Montană | 3866 | 2171 | 1206 | 965 | 1199 | 595 | 604 | 496 |
| Roșia Montană | 1360 | 756 | 426 | 330 | 410 | 206 | 204 | 194 |
| Balmosești | 103 | 77 | 40 | 37 | 15 | 13 | 2 | 11 |
| Blidești | 33 | 15 | 8 | 7 | 11 | 5 | 6 | 7 |
| Bunta | 38 | 18 | 11 | 7 | 12 | 8 | 4 | 8 |
| Corna | 345 | 201 | 116 | 85 | 101 | 58 | 43 | 43 |
| Cărpiniș | 416 | 270 | 149 | 121 | 111 | 51 | 60 | 35 |
| Coasta Hentii | 113 | 66 | 37 | 29 | 34 | 16 | 18 | 13 |
| Curături | 198 | 117 | 69 | 48 | 57 | 25 | 32 | 24 |
| Daroaia | 481 | 267 | 138 | 129 | 198 | 96 | 102 | 16 |
| Gârda Bărbulești | 106 | 51 | 29 | 22 | 33 | 16 | 17 | 22 |
| Gura Roșiei | 104 | 43 | 26 | 17 | 51 | 29 | 22 | 10 |
| Iacobesti | 56 | 29 | 16 | 13 | 17 | 6 | 11 | 10 |
| Ignătești | 98 | 51 | 28 | 23 | 36 | 15 | 21 | 11 |
| Soal | 88 | 39 | 20 | 19 | 26 | 10 | 16 | 23 |
| Șarina | 169 | 87 | 50 | 37 | 44 | 24 | 20 | 38 |
| Vârtop | 158 | 84 | 43 | 41 | 43 | 17 | 26 | 31 |

Source: The townhall of Roșia Montană

Therefore, a simple calculus will show that the population over 60 makes up for only 12.8% of the entire population and thus it cannot be claimed that the “predominant age group” is made up of “elderly women, often widows”³ or that “in the community predominant are the elderly (especially women), who represent 58% of the total population of Rosia Montana”⁴, as it is often claimed in the EIA. To all our intimations on the errors in chapter 4.8. the project titleholder replies: “Again, we reject the petitioner’s claim that the data included in the EIA is false. The statement *From a methodological point of view the potential impact study 4.8.- the*

³ The EIA Report, Community Sustainable Development Plan, Chapter 5: Definition of the Community, p. 43

⁴ The EIA Report, 4.8., The Economic and Social Environment, p. 19

social and economic environment is riddled with grave fallacies and lacks scientific credibility is not argued and represents only the opinion of the petitioner". The project titleholder does not refer to any paragraph in the contestation in order to show what arguments it disagrees with. In any case, the statistical data stays the same and it shows that the titleholder used false data. And in the case of questions which refer to the demographic data which was used, again, the answer in the Annex is not accurate and avoids quoting the exact source of the data.

During the public debate in Turda, organized on 9 August 2006, I raised the issue of the statistical data which had been used in the EIA Report and my question was quoted as following: "...7. She wishes to know the exact number of women over 60 who live in Rosia Montana, because company representatives have repeatedly claimed that in Rosia Montana the majority of the population is made up of women over 60; based on what documents has it been calculated, wherever such figures are quoted in the EIA and if this is not mentioned then what is the reason". The reply in the Annex referencing this question is the following: "The statistics are taken from the *Socio-Economic Study* made by *Planning Alliance* in 2002, conducted by *rePlan Inc. Canda* [1]. As soon as the company will get all the permits for the project, an additional study on the baseline conditions will be undertaken. Based on this study the old data will be updated in order to have a description of the situation as accurate as possible. The demographic assessment has shown that the most numerous segment of the feminine population is that aged between 60-69; and for men the segment between 20 and 29 years, of which the most are married. References: [1] The Rosia Montana Gold Mine Project- Gold and Cold: The Characteristics of the Population in the Impacted Area, Planning Alliance-available at www.povesteadevarata.ro. It is obvious that the reply does not quote the figure which was asked for, which could have demonstrated the veridicity of the information which was put forward.

We therefore reject the reply to our contestation as we find it unfounded. We also dismiss the replies in the Annex that refer to the problems we have raised as being incomplete. Based on this reply, we consider that at this point in time, when all our attempts to point out the errors to the project titleholder have failed, that the latter is guilty of malevolence and also of violating art. 98 paragraph (2), point 8 of the Emergency Ordinance no. 195 from 22 December 2005 on the protection of the environment in which it is stated that: "it is a crime which is punishable with 6 months and up to 3 years in prison or with a fine starting from 65000 lei (RON) and up to 70000 lei (RON) the following acts, if they were a threat to the life or health of humans, animals or plants: 8. the presentation, in environmental impact assessment studies, in reviews about the environment or in the reports on location, of false conclusions and informations";

According to article 5, paragraph 1 of the OMAPAM no. 987/2003 on the "regulations of the authorization of natural or legal persons to develop environmental impact studies and reviews on the environment" the project titleholder is liable for the authenticity of the information that it furnished for the development of the EIA or the environmental reviews and the natural or legal person is responsible for the accuracy of the interpretation given to the data. Hence, the reason to reject the mining project as a justification for the development of the area is directly linked to the false data and false information that was used. **Therefore, as a conclusion to our contestation and also of this additional clarifications, we consider that the demographic, social and socio-economical conditions in the Rosia Montana region are not adequately and sufficiently described.**

B. Volume 4.8. The social and economic environment has no bibliography and no author is mentioned in the respective volume. Even though we have repeatedly asked for the list of references that the study on the baseline economic and social conditions reviewed, or at least the name of its author, such information are not even mentioned in the Annex which is supposed to contain “all” the answers to the questions and issues raised. Even though absolutely fundamental, the socio-economic environment is not discussed separately in the chapter on baseline conditions. Just as well, there is no proof that the assessment of the baseline conditions was conducted in a professional manner.

Furthermore, the bibliography for the chapter “**Alternatives for the development of the region if the project is not authorized**”, **volume 5, the Analysis of Alternative** is missing and this when other chapter from the same volume have got one.

Therefore, as a conclusion to our contestation and also to these additional comments, **we consider that the sources for the data and information on the current state of the environment have not been adequately indicated in the list of bibliographical references.**

C. The situation *in the absence of* the project is not documented. Rosia Montana is described as an absolutely isolated place out of reach of any investments and that has no access to the necessary infrastructure. This is an absurd claim given that Rosia Montana has access to all the European funds which are available for the Development Region Centre. Moreover, in the chapter there is **no description of the methods used, the difficulties faced and the uncertainties about data, when the studies/research were conducted in order to characterize the situation if the project would not be implemented.** This and the fact that there is no bibliography render the description of the “zero alternative” scientifically unfounded. Furthermore, the chapter “Description of difficulties” which should have included a lot of aspects has only two pages in which there is no mention of at least one difficulty in the process of writing up the EIA Report, an outcome which is hard to believe when the debate about the viability of the project has been so intense for the past 10 years. Another difficulty which the titleholder fails to acknowledge concerns the archeological discharge of the protected areas in Rosia Montana. There are numerous on-going lawsuits about the archeological patrimony in Rosia Montana and the way in which archeological discharges were conducted. As it appears from the criminal sentence no. 1661/12 June 2006 issued by *Judecatoria Sectorului 1 Bucuresti*, in the file 19590/299/2006 (Annex 1), the archeological discharge for the Carnic Massif was not based on the scientific investigation conducted there.

When it developed the baseline study for the social and economic conditions, the project titleholder did not take into account the following:

-the fact that Rosia Montana is part of the Development Region Centre and it is in line with the socio-economic development trends specified in the strategic regional and national documents: **The Development Plan for Region Centre for 2007-2013, or regional documents like the Regional Operational Program, the Regional Action Plan for Employment 2006-2009, the Regional Action Plan for Education 2006-2013, PRAI 2005-2013, the Regional Action Plan for Professional and Ethnic Education, the Regional Action Plan for the Environment etc.** Therefore, the claim by the titleholder that “the development priorities of the Romanian government do not include Rosia Montana” is unfounded, and an insult to the efforts that the government has made to promote development.

-the fact that Rosia Montana will be entitled to access development funds for these regional plans.

-the fact that the closure of the Rosia Min mine is based on a rehabilitation plan for the environment and also for the mitigation of the social impact. This plan is being developed and will be implemented with governmental funds. The closure of the mine does not incur the forsaking of the area as the project titleholder wants us to believe. Regarding the claim that the project titleholder makes that “further on the petitioner states that again, it is biased to include data on the economic effects of the closure of the Rosia Min mine in the study”⁵, this statement is taken out of its original context as can be seen also in the contestation, p. 16. Biased is the project titleholder’s attempt to online underline the negative impact of the mine closure without any reference to the closure plan for the mine. We enclose the document called “Level Two Environmental Review for the Termination of Operations at the Rosia Montana Plant” (Annex 2) to support the claims made above and also a letter from the Ministry for the Economy which certifies te fact that at the present time a plan for the ecological rehabilitation of the old mine is being developed (Annex 3).

-the fact that Rosia Montana, as a former mining region is entitled to funds for small-scale infrastructure, activities which generate an income and social problems made available through the Romanian Fund for Social Development. “The Scheme for the Social Development of Mining Communities” (SDSCM), a component of the projects “The Closure of Mines and the Mitigation of the Social Impact” and “The Closure of Mines, the Rehabilitation of the Environment and Socio-Economic Regeneration” aim to support local development activities through by building the capacity of mining communities, financing the access infrastructure, small businesses and social community services. Both these mine closure projects are coordinated by the Ministry for the Economy and Commerce, currently the Ministry for the Economy and Finances) and the National Agency for the Development and the Implementation of Reconstruction Plans for Mining Areas (ANDZM). The Romanian Fund for Social Development (FRDS) is responsible for the implementation of the SDCSM (in its pilot phase and its implementation phase). There are projects which have been submitted for consideration and projects from the Rosia Montana area will also be submitted to the FRDS.

-the fact that the development of the areas adjacent to Rosia Montana like the town of Campeni which has a positive effect on the living conditions and not a negative one like the project titleholder would want people to think.

-the fact that in Rosia Montana the Local Agenda 21 is being implemented- a project of the County Council in partnership with the United Nations’ Program for Development (enclosed in the Annex is a copy of the partnership contract between the two entities, Annex 4). Even though the contract is from June 2006, information about the project has been available prior to that date and therefore the project titleholder has no excuse for not having included this information in the EIA Report. Alburnus Maior has been invited by the Steering Committee for this project. Moreover, as it is stated in the correspondence between Alburnus Maior and Mr. Florin Banateanu, the director of the Socio-Economic Department of UNDP Romania, Gabriel Rosia Montana is not an actor involved in the sustainable development process Agenda 21 (for further details please contact florin.banateanu@undp.ro).

⁵ The reply to the contestation made by Sorana Olaru, p. 6

2. The main effects on the environment produced by the project are not comparable with those of the researched alternatives

The study of the Alternatives understates the potential for development of the area, does not consider the studies conducted by the Romanian Academy, the Alburnus Maior Association, the National Institute for Tourism. The Rosia Montana project will create 634 jobs including maintenance and security jobs. As a simple example, ACE Romania, a company which produces electrical equipment for cars has only last year created 600 direct jobs in Campeni and an additional 600 jobs will be created this year. Therefore, we consider that 634 jobs which are not all for the local community to have, a project so hazardous for the environment and the community is not justified.

3. The impact on the population is not clearly defined

We wish to draw attention to the fact that **the direct, primary effects on households (folosinte), the population, properties are not described and quantified for the case in which the project is implemented.**

Even though the project titleholder claims that the Resettlement and Relocation Plan is functional and that the Rosia Montana project is developed for the local community, we dare to dispute this statement yet again based on the following data: the population estimated for the physical footprint of the project is 2050 individuals from Rosia Montana and 340 from Abrud, a total of 2390 people⁶. Of these, “at this time (April 2007) there are 30 options for Piatra Alba out of which 14 are firm contracts”⁷. Therefore, we believe that the project is not supported by the local community given that the extremely small number of people who wish to remain in the area after the project will have started. 30 families out of 974 is about 3% of the total number.

Given that the project titleholder was in possession of data on the way the Relocation and Resettlement Plan was implemented, it nevertheless chose not to evaluate the possibility of a massive migration in case the project is carried out. At the time when it submitted the EIA Report there was not one local who wished to be resettled at Piatra Alba! We therefore believe that a major impact on the population was deliberately overlooked even though it can have a negative effect on the area, and this **through the failure to describe and quantify the direct primary effects on the demography and the socio-economic conditions in the area.**

In regard to the new village at Piatra Alba, there is a series of problems related to the way in which the local authorities have chosen to manage, for the benefit of the project titleholder, the public domain. Thus, the contract between the administration in Rosia Montana and the project titleholder regarding the concession for the Piatra Alba plot and the intended cooperation of the two entities, for the implementation of the project is blatant infringement of the Romanian laws. We have enclosed a copy of this contract (Annex 5), with the observation that it has been attacked in a court of law by the Alburnus Maior Association and the Alba-Iulia Tribunal has ruled its invalidity. We attach the sentence of the Alba Iulia Tribunal (Annex 6). Therefore, the new village Piatra Alba is very likely to never come into existence and because of the fact that the land it should sit on is claimed back by *Composesoratul Carpinis*, the issue still pends a legal decision on it. All these aspects are difficulties that the project titleholder

⁶ The EIA Report, 4.8.the Social and Economic Environment, p. 40

⁷ Reply to the contestation made by Sorana Toma, p. 4

should have brought to the awareness of the public, in accordance with the requirements of the guide

Furthermore, the project titleholder has made contradictory claims. In the EIA Report it is specified that for the implementation of the project is bounded by “the physical and economic resettlement of people, the purchase of approx. 1600 hectares of land, the resettlement of 974 households, most of which are in Rosia Montana (577 houses and 136 apartments), Corna (150 households) and Gura Cornii (111 households)”⁸. Nevertheless, in the Reply to the Contestation by Sorana Olaru, the project titleholder asserts: “in actual fact, the number of the houses that RMGC needs to purchase to be able to construct and operate the Rosia Montana Project, during the whole operation period- 379 houses- is much smaller than the number that the opponents to the project- 1000 houses- have frequently mentioned”⁹. We regard this statement as deliberately included in the response in order to discredit us and not to bring in new data as would be required by the evaluation of the direct impact.

Considering these aspects and the initial contestation to which a viable response was never received, we regard the socio-economic analysis in the EIA Report as a material that has been developed in an extremely unprofessional manner which is full of mistakes and inadequate. Therefore, we believe that those chapters in the EIA Report that referred to the socio-economic aspects should be marked as “poor” and “very poor”.

Hoping that you will consider our comments, we are available for further discussions and clarifications,

Yours sincerely,
Sorana Olaru Zăinescu
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List of Annexes:

Annex 1 – Criminal sentence nr. 1661/12 iulie 2006 of the Judecătoriei Sectorului 1 București for the case no. 19590/299/2006

Annex 2 -“Level Two Environmental Review for the Termination of Operations at the Rosia Montana Plant”

Annex 3 – The Note from the Ministry for the Economy and Commerce

Annex 4 – Contract Agenda Local 21

Annex 5 – Cooperation contract for the development of the New Roșia Montană (Piatra Albă).

Annex 6 – The decision of the Alba-Iulia Tribunal

⁸ The EIA Report, 4.8., The Economic and Social Environment, p. 6

⁹ Reply to Sorana Olaru’s Contestation, p. 8