

# Putin Promotes Safe Oil Extraction Rules

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Local and foreign companies developing oil fields in Russia's territorial waters will have to declare oil-spill contingency plans and maintain cleanup reserve funds, according to a new bill initiated by the Natural Resources and Environment Ministry that is expected to be passed by the State Duma on July 1.

Oil companies will have to provide financial and other guarantees that they can prevent a spill or effectively clean one up, Prime Minister Vladimir Putin said at a Presidium meeting Wednesday.

"We have big plans to explore the Pacific and Arctic shelves, as well as fields in the Black and Caspian seas. ... Our principal requirement to Russian and foreign companies that can develop these fields is to use only the most modern ecological technologies," he said.

The bill was drafted after BP's Deepwater Horizon spill of 4.9 million barrels of crude into the Gulf of Mexico last year. "We should foresee all ... the technical and financial details so that this does not to happen here," Putin said.

The financial guarantees include insurance, bank account provisions and reserve funds, Natural Resources and Environment Minister Yury Trutnev said.

Companies will have to assess the potential damage and maintain a corresponding reserve fund to cover cleanup expenses, Trutnev said, adding that the government will double-check to be sure the risks have been properly assessed.

Trutnev said the new bill would not be an additional burden on oil companies — which "perfectly understand the responsibility and insure their oil wells for ... tens of millions of dollars."

Another issue discussed at the presidium meeting was the government's plan to lay off a fifth of all state officials — 93,000 people — by 2013.

The move will free up some 33 billion rubles (\$1.2 billion) from the 2013 federal budget, Finance Minister Alexei Kudrin said.

Half that money will finance salary increases for remaining officials, while the rest will be used to implement "other social and economic measures," he said.

President Dmitry Medvedev signed a decree in January to cut 20 percent of federal employees by 2013.

There are currently 465,000 officials, excluding military servicemen, Kudrin said.

State bodies must cut 23,300 employees — 5 percent of all officials — both this year and next, and shed the remaining 10 percent by end-2013, he said.

According to the State Statistics Service, the average monthly salary of a state official was 60,700 rubles (about \$2,000) last year.

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