

Narrative Performance Report
for the Activities of the
American Business Center® Yuzhno-Sakhalinsk
June 2002

Submitted to: USAID/Russia
FCS, American Embassy Moscow

Submitted by: Foundation for Russian American Economic Cooperation

Administrative Data:

1. *Grant Number* 118-G-00-00-00050-00
2. *Name and Address of the Center:* ABC Yuzhno-Sakhalinsk
Sakhincentr
32 Kommunisticheskii prospekt, #517A
Yuzhno-Sakhalinsk, RUSSIA 693000
2. *Name of Project Director:* Carol Vipperman, President
Foundation for Russian American
Economic Cooperation

The following is a report of the activities of the American Business Center Yuzhno-Sakhalinsk for the month of June 2002 in accordance with its established workplan.

Market Facilitation Support Services

Meeting Arrangements, Logistics Support, General Business Services:

- **Fairweather:** ABC provided meetings set up, driver and interpreter services, hotel reservation. The company founded a new "Island Aid" JV with the Regional Hospital, and conducted a training course for medical specialists of the hospital. The aim of the new joint venture is providing medical services on-site to companies active in the oil and gas industry. The success of the company, especially in terms of forming this joint venture, is also a success of the ABC as our specialists were doing their best to help the company to achieve its goal. We believe that the new enterprise will bring benefits both to foreign and local companies and citizens.
- **EXEL RA Logistics:** ABC is continuing to provide assistance to this joint venture company, including information and office equipment for photocopying. We believe our support of this company will help to lead to increased inclusion of Russian registered companies in the development of the oil and gas projects
- **Virtual Design Net:** ABC is doing information research of IT companies operating in Yuzhno-Sakhalinsk and information on licensing of IT services. Hopefully in the nearest future Yuzhno-Sakhalinsk will see a strong foreign company that will meet the requirements of companies operating on the island and will make local IT companies constantly improve the quality of their services.
- **Waukesha Alaska Corporation:** The company continues to work on their project to build 2 major warehouses and associated facilities in Yuzhno-Sakhalinsk. of estimated value about \$2.5 million. The ABC provides secretarial assistance to the representative of the company.
- **Arctic Construction:** ABC provided translation of construction documents. Our support of this company should result in its ability to win contracts and utilize Russian construction partners to develop infrastructure for oil transportation.
- **ABB Lummus Global:** The company uses ABC facilities for photocopying and sending faxes. As this company is the "general" contractor for Exxon, helping them and providing information on Russian companies to them helps to get those Russian entities included in the economic activity currently starting.
- **Sakhalinmorneftemontazh Alaska Projects:** uses ABC office space to make International, long distance and local calls, to send and receive faxes.
- **Lynden International:** used ABC conference room for meetings with the representatives of the local and western companies. The conference planning sessions they held should result in contract opportunities for them and their local Russian partners.

Consulting and Advocacy:

- Agence France-Presse - Henry Meyer, Correspondent. Provided info on oil and gas reserves on Sakhalin.
- Summit Communications - Provided information on local businesses, assistance on appointments, contact lists. We believe that working with the press and providing information on the economic development of Sakhalin will help to publicize the activity, bringing more foreign investment into the region.

- Exxon Neftegas LTD - Thomas H. Lewis, Deputy Drilling Manager; Provided info and pictures on Russian workshop facilities in Yuzhno-Sakhalinsk. Exxon Neftegas is the operator for the Sakhalin-1 project. Providing information of Russian companies to them directly supports Russian inclusion in the development of the project.
- IMS (InterraMashService Company) - Provided info company selling trucks - Armen Golnazarians Technocorp International, Inc. Providing information to this Russian company will help it to be competitive as it competes for contracts.
- MIC Industries - Anatoly Rosenzweig, Marketing Manager; Information on local construction companies
- Fairweather – David Marinucci, Vice-President. Provided information on banking and computer market.

Co-Located Offices:

- Regional Initiative;
- Ecolinks;
- The US-RFE Partnership Program;
- Exel RA Logistics;
- IREX;
- Eurasia Foundation.

Information and Market Research:

- Commercial update- Sakhalin Island – for BISNIS
- Oil and Gas update – Spring 2002; BISNIS

Support for USG Technical Assistance Programs

- **Regional Initiative:** full administrative support, consultations on accounting and salary calculation issues, provided conference room space for business meetings, driver services, photocopying, faxes, phone calls.
- **Eurasia Foundation:** ABC is continuing to provide free office space with Internet access, communications support, office equipment for printing, photocopying, scanning to help the program to continue its activity after their previous office was burglarized. Currently Eurasia is considering becoming an ABC tenant. Through this support, the ABC is attempting to help Eurasia through a difficult time and not allow the burglary to negatively impact its program.
- **The US-RFE Partnership Program:** administrative support, access to Internet, international, long distance and city calls, fax lines, translation services, arranged specialists visits to fix different computer problems, driver's services, technical assistance in the organization of the seminar in July. The purpose of the seminar is a meeting of all the partners with a view to exchange experience and discuss common problems and future plans. The ABC's support is a continuing effort to support the overall assistance environment and create synergy among programs.
- **IREX:** ABC office equipment use for photocopying, faxing, long distance and international calls, access to Internet.
- **Ecolinks:** ABC provided office equipment for photocopying, long distance and international calls, faxes.

Support for US Government Functions

American Citizen Services

Letters of Invitation:

- FRAEC (6)
- Apollo Services (1)
- Renaissance Sapporo Hotel (1)
- Loomis Austin (1)

Outreach to Russian Firms and Organizations

BISNIS specialist Elena Sabirova attended SEIC seminar for potential Russian bidders – small business.

Committee for International, Foreign Economic and Interregional Relations of Sakhalin Region – ABC provided assistance to a delegation invited to Alaska by Department of Economical Development of Alaska. The delegation consisted of Regional Duma deputies, representatives of the commercial bank, a representative of the Committee for International, Foreign Economic and Interregional relations of Sakhalin Region, the head of Financial Department of Sakhalin region and others. The purpose of the visit was to participate in negotiations with Alaska Parliament regarding the concluded documents of cooperation and to take part in a seminar about state institutions of Alaska and other aspects of financial management. ABC provided informational support to the Committee, translated biographies of the participants, acted as a liaison between the Committee and Alaska.