

THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

ICSID CASE No. ARB/20/11

PETERIS PILDEGOVICS and SIA NORTH STAR

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CLAIMANTS

v.

THE KINGDOM OF NORWAY

RESPONDENT

SECOND WITNESS STATEMENT OF PETERIS PILDEGOVICS

28 FEBUARY 2022

INTRODUCTION

1. My name is Peteris Pildegovics. I hereby provide a second witness statement in respect of the arbitration that I brought as Claimant, together with my company SIA North Star, against the Kingdom of Norway before the International Centre for the Settlement of Investment Disputes (ICSID Case No. ARB/20/11). I provide this second witness statement in support of the Claimants' Reply dated 28 February 2022.
2. My second witness statement provides: 1) context about when I learned that Norway had changed its position on the characterization of the snow crab from a non-sedentary species to a sedentary species, and my understanding of that change at the relevant time; and 2) context regarding various loans made to North Star and my other enterprises. I also include additional photos of the investment.
3. In Annex 1 to this witness statement, I provide photographs that depict my and Mr. Levanidov's snow crab fishing and processing business, taken between 2015 and 2017
4. Except where I say otherwise, I make this witness statement from my own personal knowledge. If requested to testify in person, I would give evidence in English.
5. In preparing this witness statement, I have been assisted by counsel, but the statement is my own. I confirm that the contents of this witness statement are true.

I. CONTEXT ABOUT WHEN I LEARNED THAT NORWAY HAD CHANGED ITS POSITION ON THE CHARACTERIZATION OF THE SNOW CRAB FROM A NON-SEDENTARY SPECIES TO A SEDENTARY SPECIES

6. I attended, as part of the Latvian delegation, the annual NEAFC meetings held in London on 9-12 November 2014 and 8-13 November 2015.
7. During the 9-12 November 2014 meeting, there was no mention made at all as to any debate regarding whether the snow crab was a sedentary species or non-sedentary species.¹
8. The 2014 annual meeting of NEAFC was held briefly after the 22 October 2014 extraordinary meeting of NEAFC. For the reasons I explain below, this 22 October 2014

¹ Report of the 33rd NEAFC Annual Meeting, 10-14 November 2014, **PP-0222**.

extraordinary meeting of NEAFC further confirmed my understanding that EU vessels were allowed to fish snow crab in the Barents Sea's Loophole.

9. This extraordinary meeting was called to address the following episode. On 18 September 2014, the Lithuanian-flagged snow crab vessel Juros Vilkas was arrested by the Russian coast guard near the line of demarcation between the Loophole and the Russian Exclusive Economic Zone in the Barents Sea.² Russia's position was that the Juros Vilkas had been fishing in Russian waters (*i.e.*, in its Exclusive Economic Zone) while the EU took the position that the Juros Vilkas had in fact been fishing in international waters, but that the Russian Federation had revised the coordinates of the limit between the Loophole's international waters and the Russian Federation's Exclusive Economic Zone. The new coordinates were not properly reflected in the NEAFC database.
10. As shown by the minutes of this extraordinary meeting,³ the debate, which included positions taken by the EU and Norway, was always to the effect that this was an issue about coordinates concerning the end of Russian waters and the beginning of the Loophole's international waters. There was never any mention that the Loophole was not international waters or that the snow crab fishery there fell within Norway's or Russia's jurisdiction as coastal States. This was not a debate as to whether the Juros Vilkas had the right to fish snow crab in the Loophole. The clear implication from this debate, as I understood it at the time, was that the EU, Norway and the Russian Federation did not question the Juros Vilkas's right to catch snow crab in the Loophole, as long as its was not in Russian waters. The conclusion of the meeting was that it was important to ensure that all NEAFC Member States had access to the proper and up to date coordinates regarding where Member States' waters, including their exclusive economic zone, started.
11. I also conducted the following due diligence to verify the legality of catching snow crab in the Loophole prior to making my investment in Norway. I discussed this matter with Mr. Levanidov, who had made verifications with Norway's Directorate of Fisheries. In addition to verifying with Latvia its position and the EU's position in 2013, and also being aware of the position of Norway's Directorate of Fisheries, I verified publicly

² BBC website, "*Lithuania accuses Russia over fishing boat seizure*," 1 October 2014, **PP-0223**.

³ Report of the extraordinary meeting of NEAFC, 22 October 2014, **PP-0224**.

available sources to confirm that it was indeed authorized to offload snow crab caught with NEAFC licences at the port of Batsfjord in Norway.⁴

12. The first time I heard that Norway considered the snow crab to be a sedentary species was in early August 2015, after I heard news of the result of the NEAFC postal vote regarding the EU's proposal to have the snow crab listed as a regulated species.
13. I have read Norway's Counter-Memorial. I understand that Norway states on many occasions in that document that it "always" considered snow crab to be a sedentary species under its continental shelf jurisdiction.
14. I was surprised to read these statements. They are not at all consistent with the positions that Norwegian officials took at the time, as I understood them. It goes without saying that I would never have invested in the snow crab fishing business had I known that Norway took the position that we were not permitted to fish for snow crabs in the Loophole. Had that been the case, the investment would have made no sense.

II. CONTEXT OF VARIOUS LOANS MADE TO NORTH STAR

15. I understand that Norway has stated that various loans made to North Star and the subsequent taking over of some of those loans by Mr. Levanidov's company, Link Maritime, after Norway closed the snow crab fishery to EU vessels in the Barents Sea, were somehow not based on commercial terms and show that the investment in Norway is really Mr. Levanidov's. This is not true.
16. North Star has received loans from several different sources.
17. First, my wife and I have made loans to North Star.⁵ If I had not been the genuine owner of North Star, my wife and I would not have made these loans to North Star.
18. Second, certain loans made by [REDACTED], [REDACTED] and [REDACTED] were eventually assigned to and taken over by Link Maritime.⁶ Those to [REDACTED] and [REDACTED] were taken over at a time when North Star was facing financial difficulties due to Norway's actions leading to the closure of the snow crab Barents Sea fishery to EU vessels. The one from [REDACTED] was made for a short

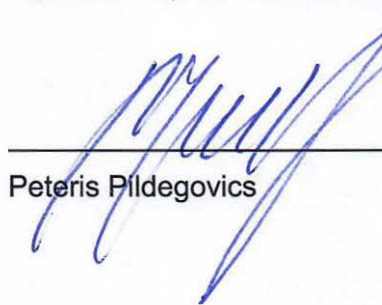
⁴ NEAFC website, *Designated Ports and Contracts*, 25 February 2022, **PP-0225**.

⁵ Loan Contracts between Nadezda Bariseva and North Star Ltd., 2015, **PP-0226**; Loan Contracts between Peteris Pildegovics and North Star Ltd., 2016-2019, **PP-0227**.

⁶ **PP-0131, PP-0132, PP-0133, PP-0134**.

term cash need in early 2015. All these loans were from companies with various different owners, who were interested in buying snow crabs caught by North Star, with which Mr. Levanidov had a prior relationship. When things became difficult for North Star, Mr. Levanidov stepped in to help, through Link Maritime. He did that to preserve his relationship with those companies. Link Maritime is the most important creditor of North Star at this time.⁷ However, Mr. Levanidov has no stake in North Star as a shareholder or any other type of equity or controlling interest.

Signed in Riga on 28 February 2022



Peteris Pildegovics

⁷ List of North Star creditors, October 2021, **PP-0228**.